

Financial results for the year ended March 31, 2017  
Appendix

INPEX CORPORATION

May 15, 2017

Subsidiaries and Affiliates

64 consolidated subsidiaries

Major subsidiaries	Country/region	Ownership	Stage	Accounting term
Japan Oil Development Co., Ltd.	UAE	100%	Production	March (provisional settlement of account)
JODCO Onshore Ltd.	UAE	51 %	Production	December
INPEX Sahul, Ltd.	Timor Sea Joint Petroleum Development Area	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Development	March (provisional settlement of account)
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	March (provisional settlement of account)
INPEX North Caspian Sea, Ltd.	Kazakhstan	45%	Production	March (provisional settlement of account)
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Development	December
INPEX Gas British Columbia Ltd.	Canada	45.09%	Production/ Evaluation	December

20 equity method affiliates

Major affiliates	Country/region	Ownership	Stage	Accounting term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
INPEX Offshore North Campos, Ltd.	Brazil	37.5%	Production	December
Ichthys LNG Pty Ltd	Australia	62.245%	Development	March (provisional settlement of account)

# Segment information

For the year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Sales to third parties	102,659	218,099	60,191	482,182	11,290	874,423	-	874,423
Segment income (loss)	18,033	51,565	12,112	276,870	(9,360)	349,221	(12,769)	336,452
Segment assets	320,852	1,997,494	600,854	446,791	137,119	3,503,111	809,062	4,312,174

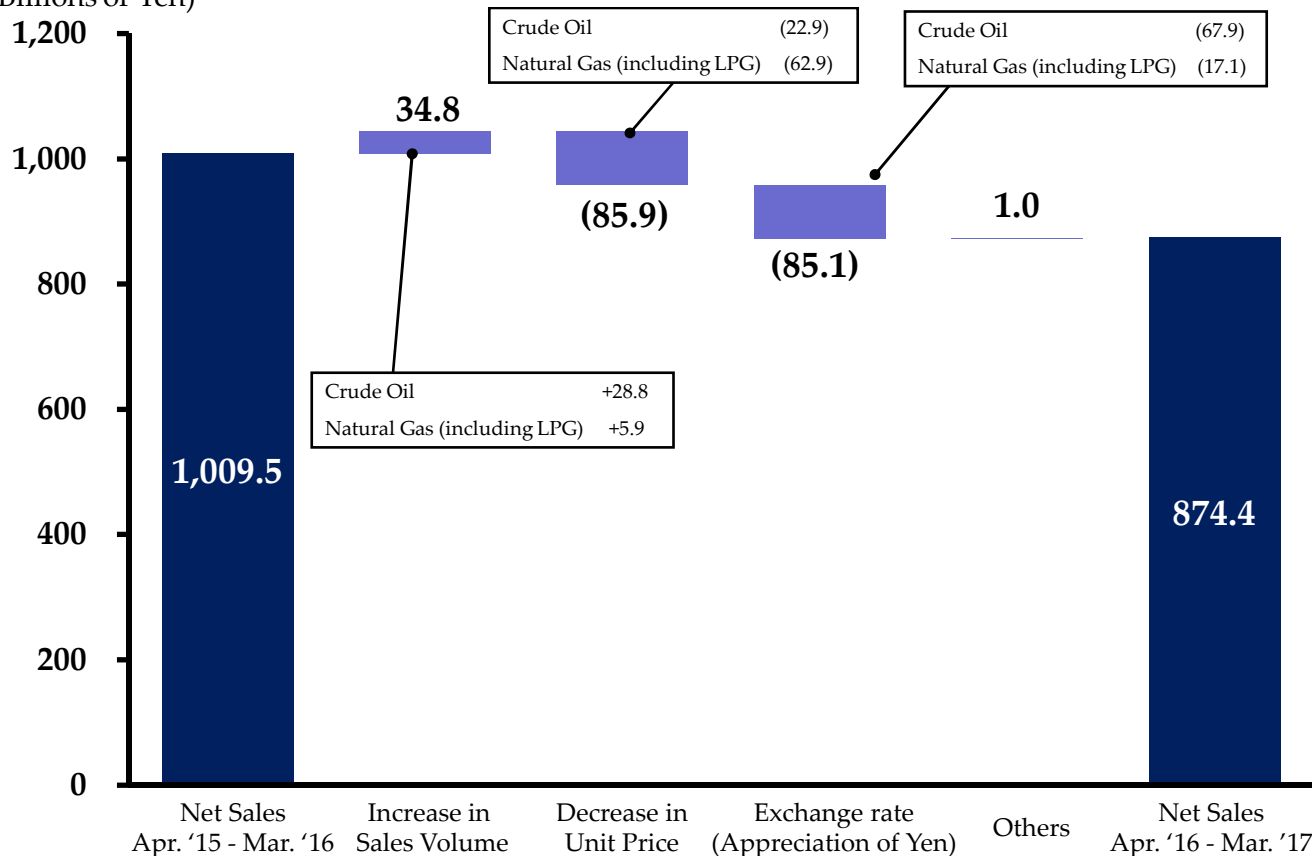
Note:

- (1) Adjustments of segment income of ¥(12,769) million include elimination of inter-segment transactions of ¥13 million and corporate expenses of ¥(12,782) million. Corporate expenses are mainly amortization of goodwill that are not allocated to a reportable segment and general administrative expenses.
  - (2) Adjustments of segment assets of ¥809,062 million include elimination of intersegment transactions of ¥(2) million and corporate assets of ¥809,064 million. Corporate assets are mainly goodwill, cash and deposit, investment securities and assets concerned with the administrative divisions not attributable to a reportable segment.
2. Segment income is reconciled with operating income on the consolidated statement of income.

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## Analysis of Net Sales Decrease for the year ended March 31, 2017

(Billions of Yen)



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# LPG Sales

	Apr. '15 - Mar. '16	Apr. '16 - Mar. '17	Change	%Change
Net sales (Billions of yen)	10.5	6.7	(3.7)	(35.8%)
Sales volume (thousand bbl)	2,361	1,860	(501)	(21.2%)
Average unit price of overseas production (\$/bbl)	36.97	33.93	(3.04)	(8.2%)
Average unit price of domestic production (¥/kg)	66.34	56.51	(9.83)	(14.8%)
Average exchange rate (¥/\$)	120.79	107.34	13.45 yen appreciation	11.1% yen appreciation

Sales volume by region (thousand bbl)	Apr. '15 - Mar. '16	Apr. '16 - Mar. '17	Change	%Change
Japan	7 (0.6 thousand ton)	5 (0.5 thousand ton)	(1) (-0.1 thousand ton)	(20.6%)
Asia & Oceania	2,354	1,855	(500)	(21.2%)
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	2,361	1,860	(501)	(21.2%)

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# EBIDAX

(Millions of yen)	Apr. '15 - Mar. '16	Apr. '16 - Mar. '17	Change	Note
Net income attributable to owners of parent	16,777	46,168	29,391	P/L
Net income (loss) attributable to non-controlling interests	(42,282)	9,963	52,245	P/L
Depreciation equivalent amount	157,750	177,792	20,042	
Depreciation and amortization	86,791	91,159	4,368	C/F Depreciation under concession agreements and G&A
Amortization of goodwill	6,760	6,760	-	C/F
Recovery of recoverable accounts under production sharing (capital expenditures)	64,199	79,873	15,674	C/F Depreciation under PS contracts
Exploration cost equivalent amount	31,527	21,108	(10,419)	
Exploration expenses	6,166	6,734	568	P/L Exploration expense under concession agreements
Provision for allowance for recoverable accounts under production sharing	25,026	14,374	(10,652)	P/L Exploration expense under PS contracts
Provision for exploration projects	335	-	(335)	P/L Exploration expense under PS contracts
Material non-cash items	58,777	(21,965)	(80,742)	
Income taxes-deferred	(2,192)	(33,227)	(31,035)	P/L
Foreign exchange loss (gain)	15,085	4,896	(10,189)	C/F
Impairment loss	45,884	6,366	(39,518)	P/L
Net interest expense after tax	(4,653)	(3,767)	886	P/L After-tax interest expense minus interest income
<b>EBIDAX</b>	<b>217,896</b>	<b>229,299</b>	<b>11,403</b>	

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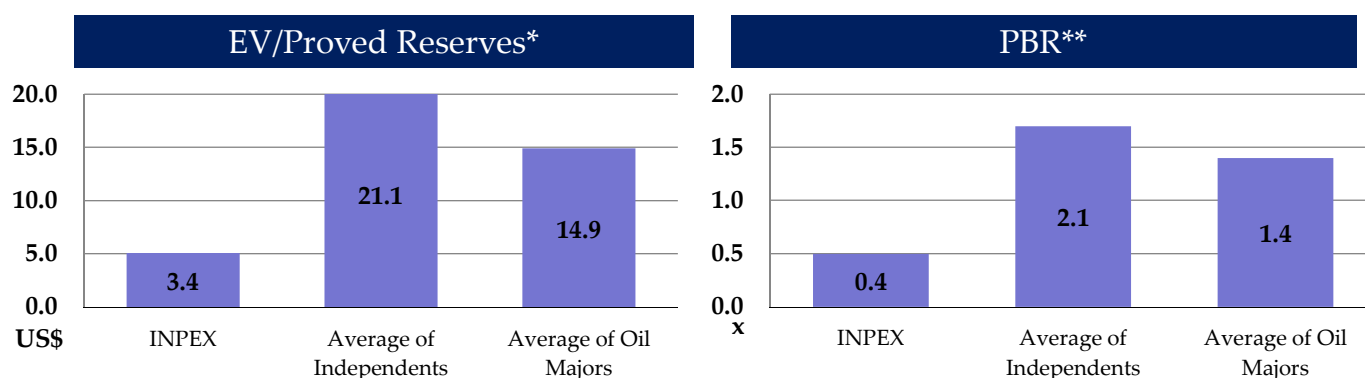
# Analysis of Recoverable Accounts under Production Sharing



(Millions of yen)		Mar. '15	Mar. '16	Mar. '17
Balance at beginning of the period		685,990	703,291	727,771
Add:	Exploration costs	41,236	30,969	9,461
	Development costs	131,984	104,518	39,928
	Operating expenses	98,250	70,365	55,514
	Other	7,331	9,745	6,969
Less:	Cost recovery (CAPEX)	75,585	64,199	79,873
	Cost recovery (non-CAPEX)	146,929	107,133	73,414
	Other	38,986	19,785	27,156
Balance at end of the period		703,291	727,771	659,201
Less allowance for recoverable accounts under production sharing at end of the period		121,707	131,765	120,543

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## Valuation Indices



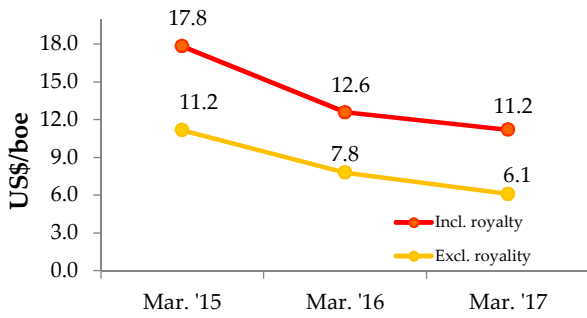
- EV (Enterprise Value) / Proved Reserves = (Total market value + Total debt - Cash and cash equivalent + Non-controlling interests) / Proved Reserves. Total market value as of 31/03/2017. Financial data and Proved Reserves for INPEX as of 31/03/2017. Financial data and Proved Reserves for Independents and Oil Majors as of 31/12/2016. Sources based on public data.
- \*\* PBR = Stock price / Net asset per share. Total market value as of 31/03/2017. Financial data for INPEX as of 31/03/2017. Financial data for Independents and Oil Majors as of 31/12/2016. Sources based on public data.

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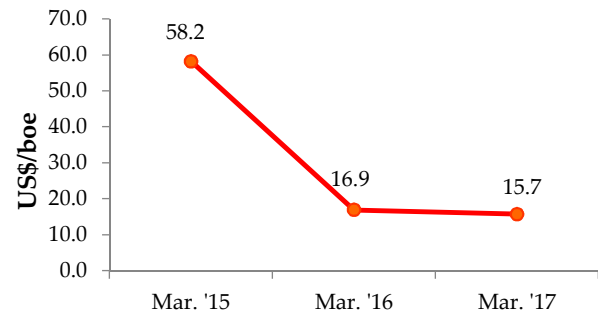
# Reserves/Production Indices



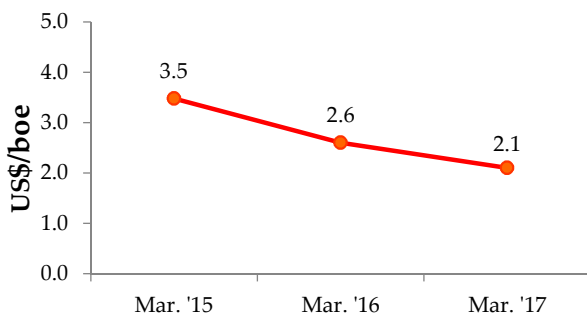
Production Cost per BOE Produced



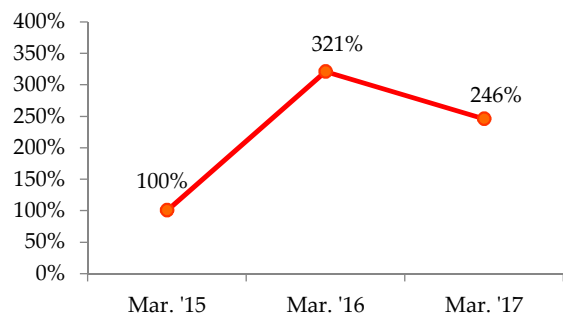
Exploration & Development Cost per BOE (3-year average)



SG&A Cost per BOE Produced



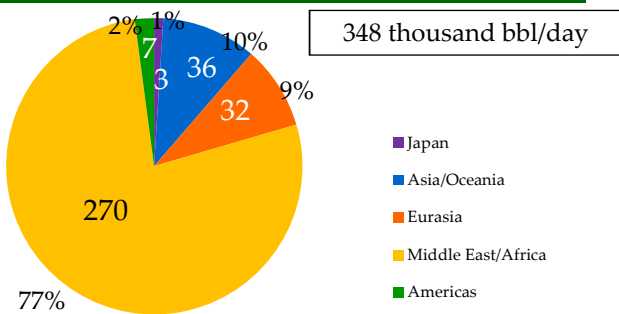
Reserve Replacement Ratio (3-year average)



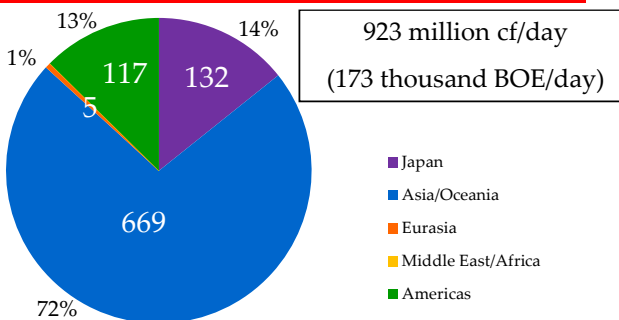
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# Net Production\* (Apr. 2016 – Mar. 2017) *INPEX*

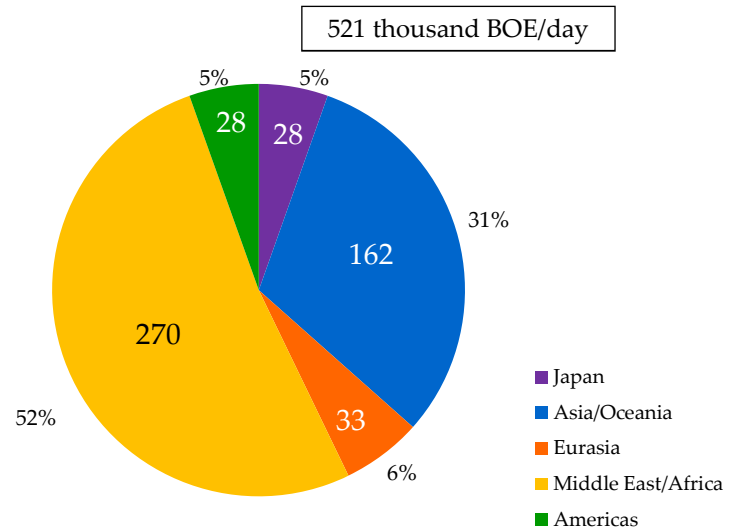
Oil/Condensate/LPG



Natural Gas



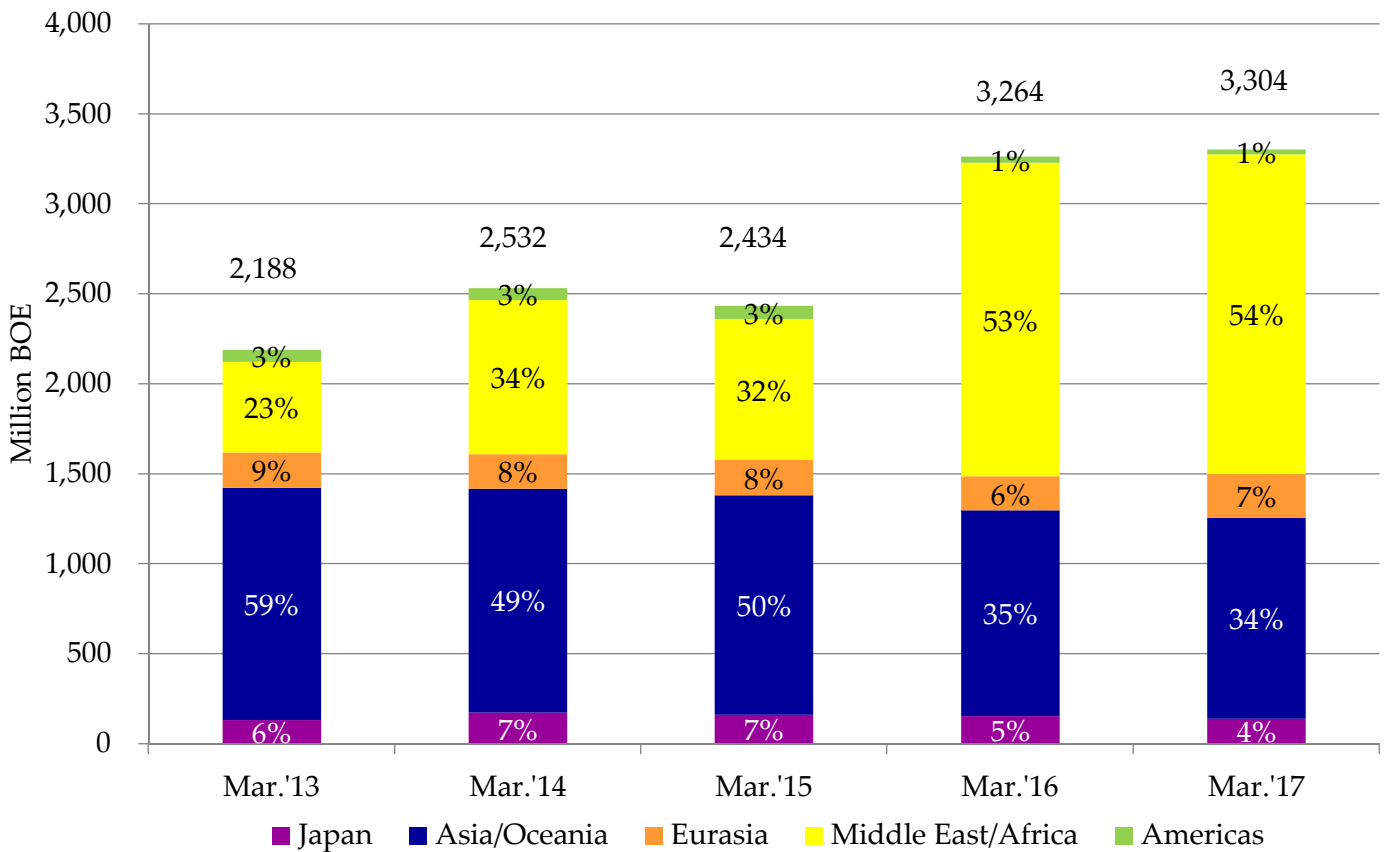
Total



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\* 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 INPEX Group.

# Proved Reserves by Region \*

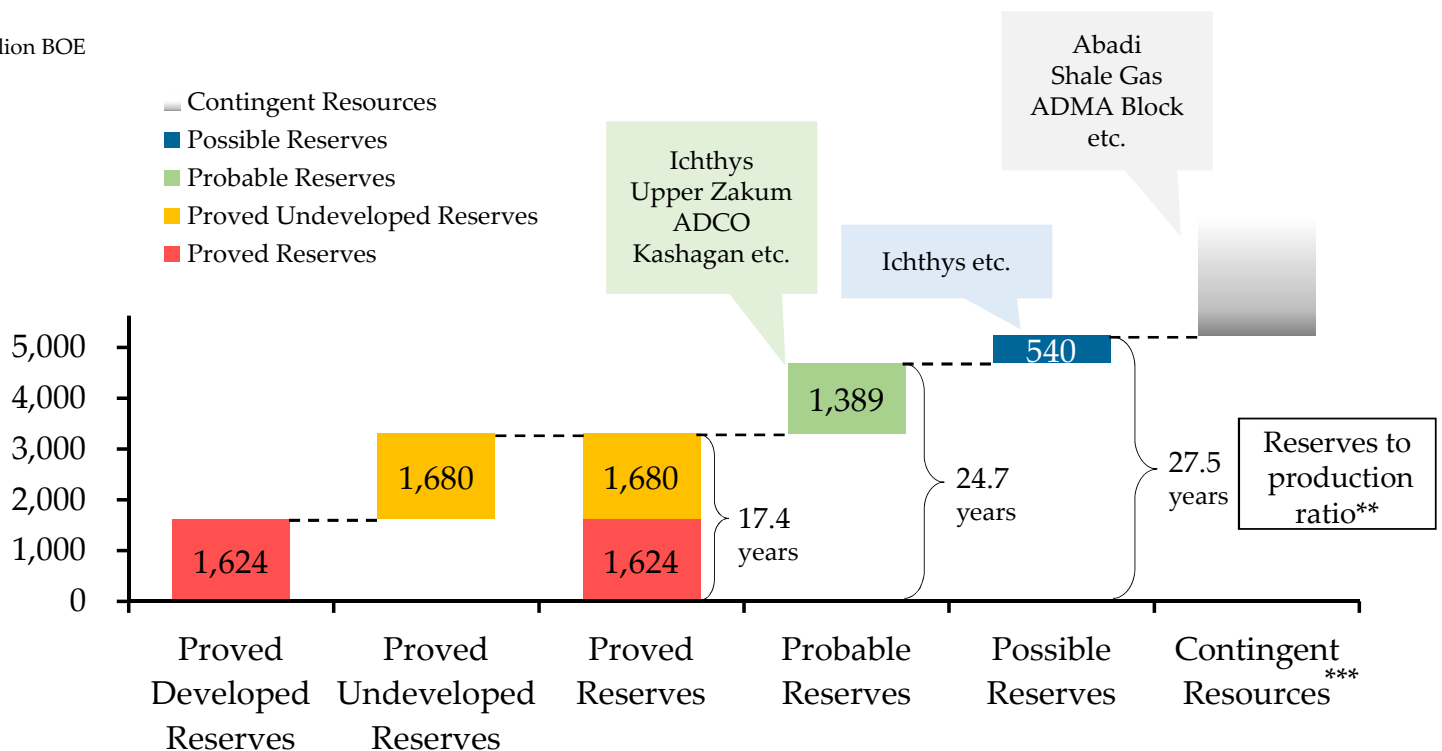


\* The definition of proved reserves is listed on page 52.

# Upside Potential from Proved + Probable + Possible Reserves\*



Million BOE



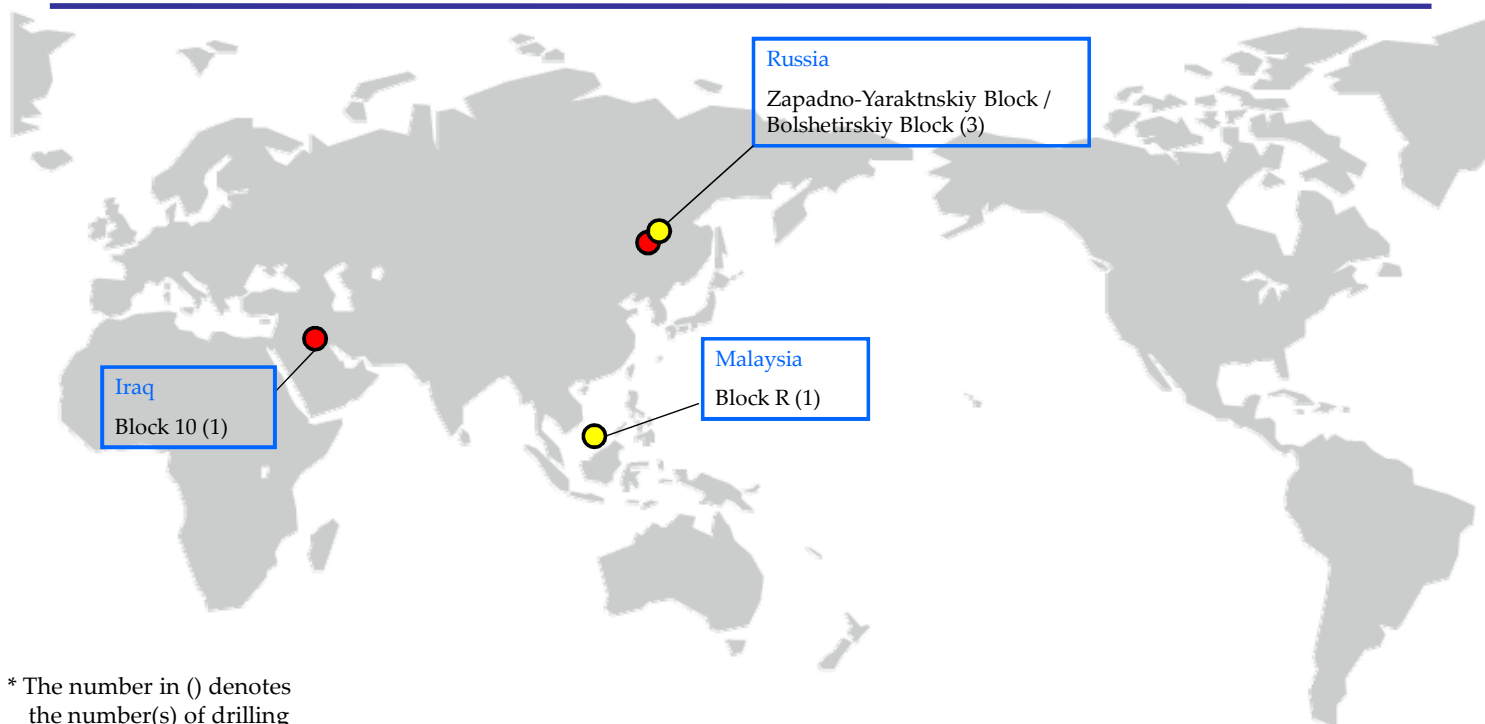
\* The definitions of proved, probable and possible reserves are listed on page 52-53.

\*\* Reserves to production ratio= Reserves as of March 31, 2017/ Production for the year ended March 31, 2017

\*\*\* Contingent Resources are estimated by INPEX. Under the SPE-PRMS standard, contingent resources are quantities of hydrocarbons which are estimated to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable due to one or more contingencies.

# Project Summary

## FY 2018/03 Exploration Work Programs\* **INPEX**

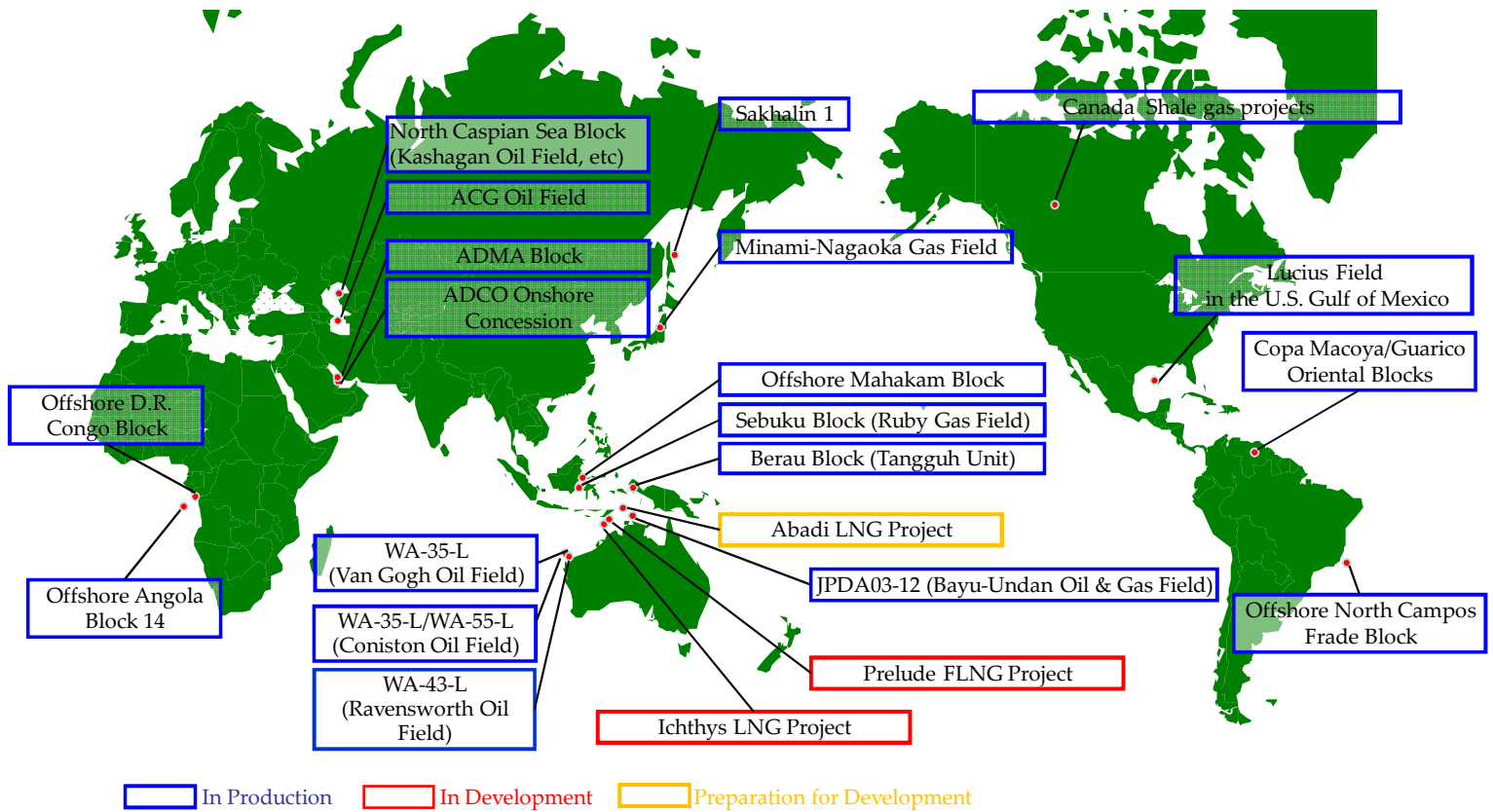


\* The number in () denotes the number(s) of drilling wells

- Exploration Well
- Appraisal Well

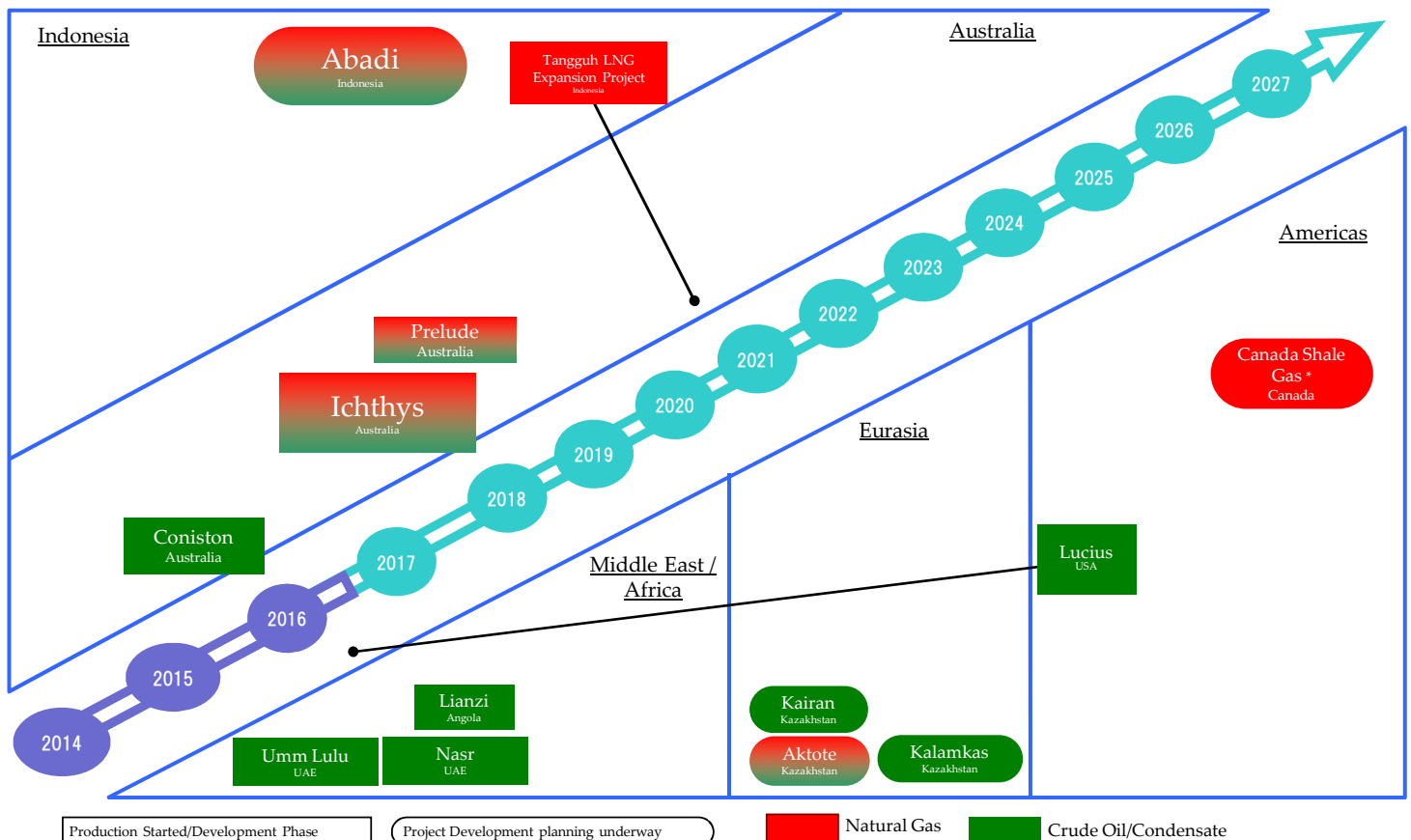
	Exploration Expenditure (Billions of Yen)	Exploratory Wells (wells)	Appraisal Wells (wells)	Seismic Survey 2D (km)	Seismic Survey 3D (km <sup>2</sup> )
Mar. '17	16.1	4	3	406	2,328
Mar. '18 (E)	8.0	3	2	342	300

# Major Assets in Production & Development **INPEX**



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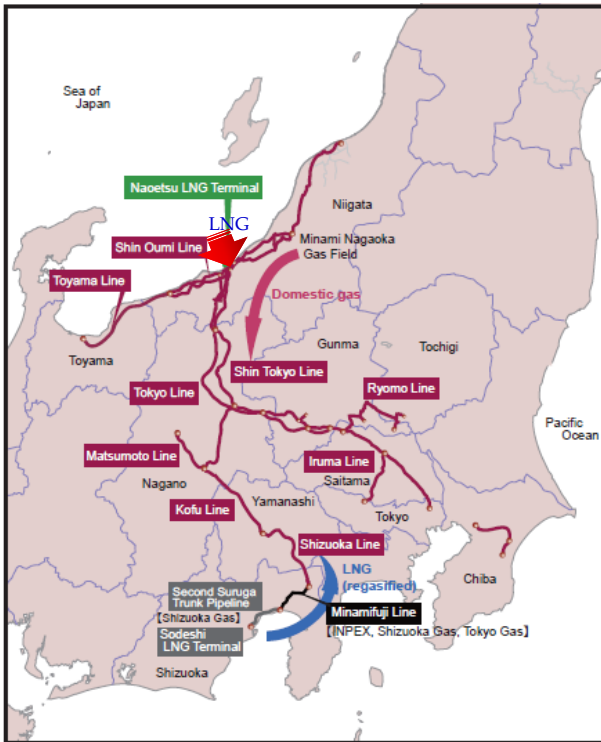
## Production Start-up Schedule **INPEX**



15 \* Partially in production



# Natural Gas Business in Japan



-Production volume\* :

- Natural gas: approx. 3.5 million m<sup>3</sup>/d (132 million scf/d)\*\*
- Crude oil and condensate: approx. 4,000 bbl/d

-Natural Gas Sales

- FY 2017/03: approx. 1,910 million m<sup>3</sup>\*\*
- FY 2018/03(e): approx. 2,120 million m<sup>3</sup>\*\*
- Distribution outlook: 2,500 million m<sup>3</sup> per year in the first half of the 2020s, 3,000 million m<sup>3</sup> per year in the long-term

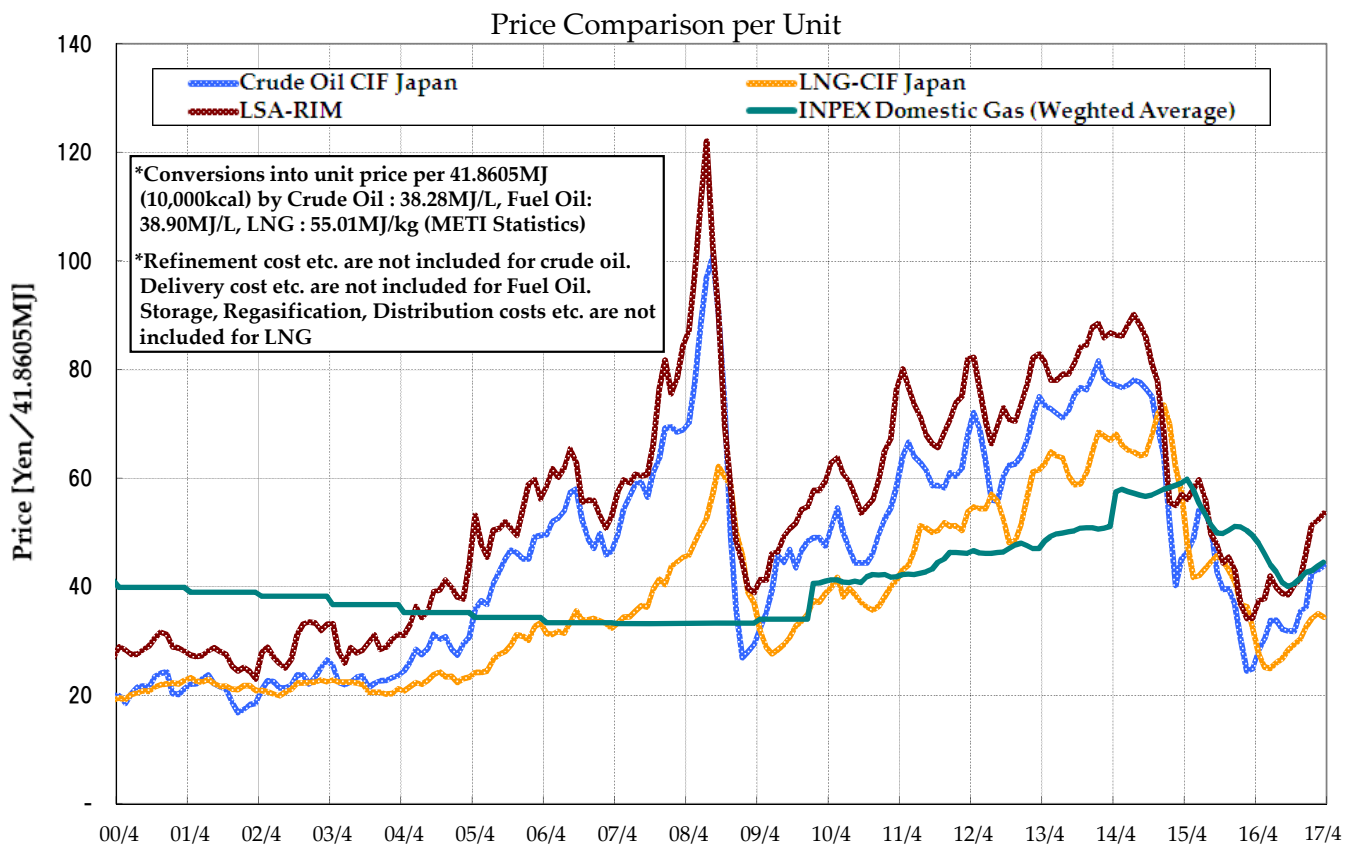
-Gas Supply Chain

- Started commercial operations at Naoetsu LNG Terminal in December 2013
- Toyama Line completed in June 2016

\*sum of domestic crude oil and gas fields : average daily volume for the six months ended Mar. 31, 2017

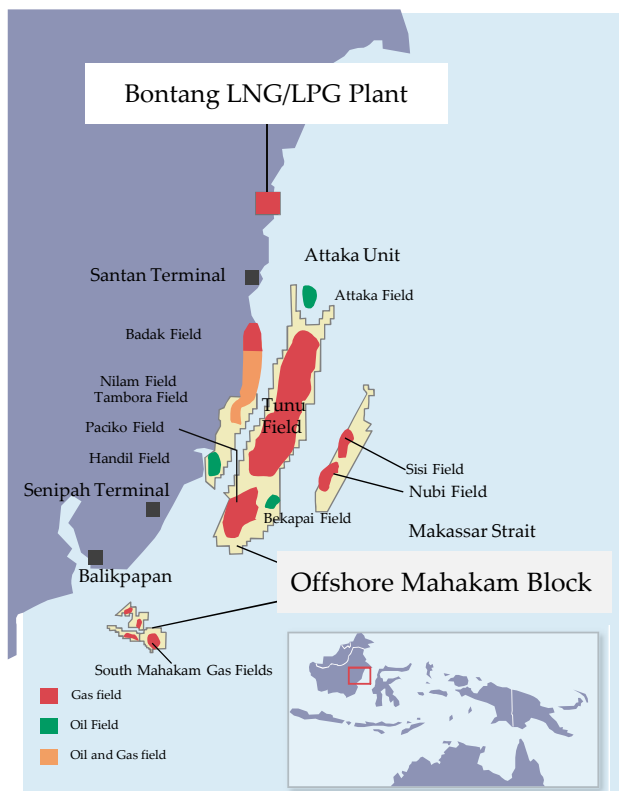
\*\*1m<sup>3</sup> =41.8605MJ

# Gas Prices in Japan



# Offshore Mahakam Block

## INPEX CORPORATION



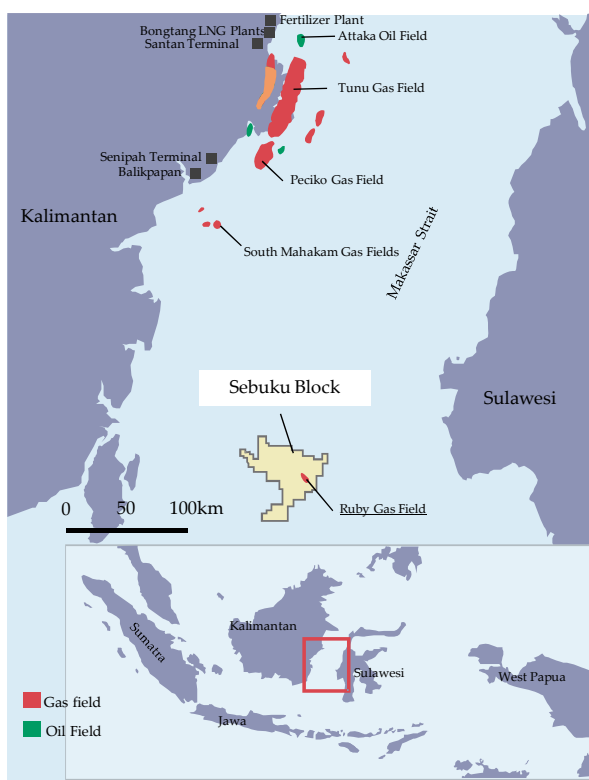
- Participating Interest: 50% (Operator: TOTAL)
- Production volume\*
  - Crude Oil and Condensate: Approximately 53,000 bbl/d
  - LPG: Approximately 11,000 bbl/d
  - Natural Gas\*\*: Approximately 1,176 million cf/d
- PSC: Until 2017
- Development activities mainly in the Tunu, Peciko, Sisi, Nubi and South Mahakam gas fields continue to maintain a stable supply of gas to Bontang LNG plants
- LNG supply to Indonesia's first LNG receiving terminal (FSRU: Floating Storage and Regasification Unit) in West Java started in April 2012
- Production at the South Mahakam Gas Field commenced at the end of October 2012
- Signed Agreements for Transfer of Operations in March 2017
- Currently in discussions with Pertamina and TOTAL concerning participation in the block after 2018

\* on the basis of all fields and average rate for Mar. 2017

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Sebuku Block (Ruby Gas Field)

## INPEX South Makassar, Ltd.



- Participating Interest: 15% (Operator : PEARLOIL (Mubadala))
- Production volume\*:
  - Natural Gas\*\*: Approximately 110 million cf/d
- PSC: Until 2027
- FOA (Farm Out Agreement) with PEARLOIL was approved by the Indonesian government in August 2010 (INPEX acquired a 15% interest).
- FID (Final Investment Decision) made in June 2011
- Offshore facilities tied in to the onshore facilities of the Offshore Mahakam Block by subsea pipeline.
- Produced gas is mainly supplied to domestic fertilizer plants in Indonesia.
- Production commenced in October 2013.

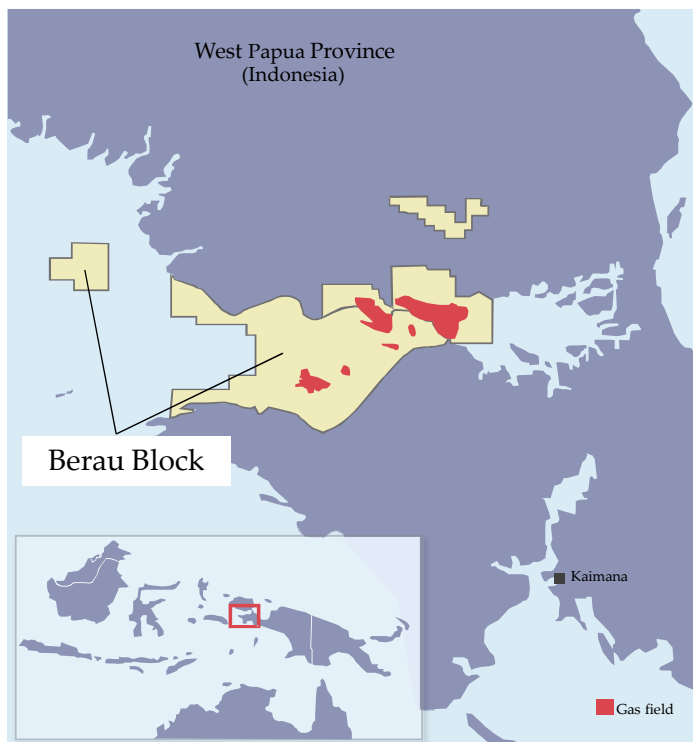
\* on the basis of all fields and average rate for Mar. 2017

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Berau Block (Tangguh LNG Project)

## MI Berau B.V. / MI Berau Japan Ltd.

**INPEX**



- MI Berau B.V./MI Berau Japan Ltd.\* : Joint venture with Mitsubishi Corporation (INPEX 44%, Mitsubishi Corp. 56%)
- \*MI Berau Japan owns a share of approximately 16.5% KG Berau Petroleum Ltd.
- Participating Interest:
  - MI Berau: 16.3% of Tangguh Unit
  - KG Berau Petroleum: 8.56% of Tangguh Unit (Operator: BP)
- Production volume\*:
  - Condensate: Approximately 6,000 bbl/d
  - Natural Gas\*\*: Approximately 1,048 million cf/d
- PSC: Until 2035
- LNG production capacity: 7.6 million tons per year
- LNG sales started in July 2009
- Made FID for an expansion project to add a third LNG train with a 3.8 million t/y production capacity in July 2016

\* on the basis of all fields and average rate for Mar. 2017

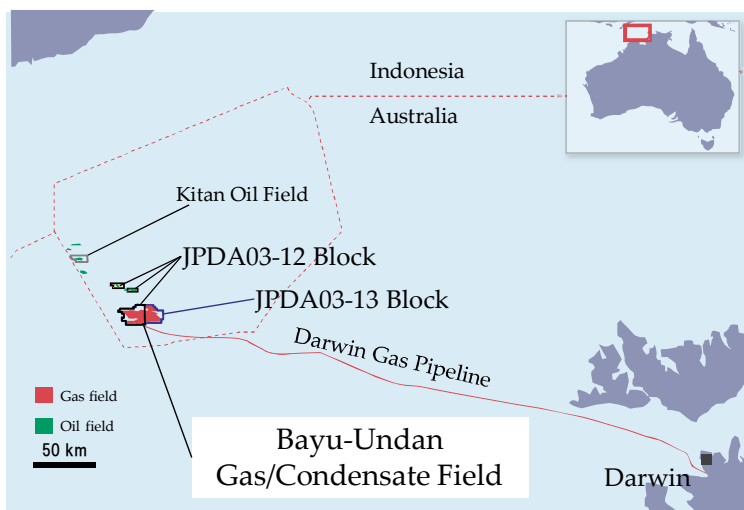
\*\* Volume not at wellheads but corresponding to the sales to buyers

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# JPDA03-12 /JPDA03-13 Block (Bayu-Undan Gas Condensate Field)

## INPEX Sahul, Ltd.

**INPEX**



- Participating Interest: 11.378120% (Operator: ConocoPhillips)
- Production volume\*:
  - Condensate: Approximately 18,000 bbl/d
  - LPG: Approximately 11,000 bbl/d
  - Natural Gas\*\*: Approximately 555 million cf/d
- PSC: Until 2022
- Sales of condensate and LPG started in February 2004
- Entered into an LNG Sales Contract with TEPCO (currently JERA) and Tokyo Gas in August 2005 (3 million t/y for 17 years from 2006)
- LNG sales started in February 2006

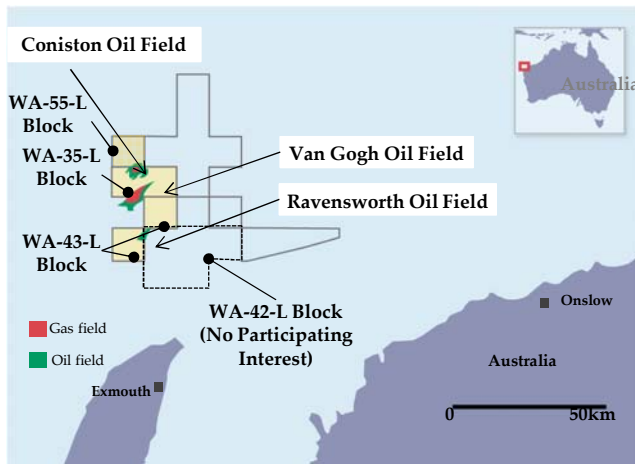
\* on the basis of all fields and average rate for Mar. 2017

\*\* Volume not at wellheads but corresponding to the sales to buyers

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# Van Gogh, Coniston and Ravensworth oil fields

INPEX Alpha, Ltd.



## Van Gogh Oil Field (WA-35-L) / Coniston Oil Field (WA-35-L/WA-55-L)

- Participating Interest: 47.499% (Operator: Quadrant Energy)
- Concession Agreement: Production license granted in October 2008
- Production volume\*:
  - Crude Oil: Approximately 9,000bbl/d
- Van Gogh Oil Field: Production started in February 2010
- Coniston Oil Field: Production started in May 2015
- Novara Structure (Coniston Oil Field): Production started in July 2016

## Ravensworth Oil Field (WA-43-L)

- Participating Interest: 28.5% (Operator : BHPBP)
- Production volume\*:
  - Crude Oil: Approximately 6,000bbl/d
- Concession Agreement: Production license granted in November 2009
- Tied in to the production facilities of the adjacent WA-42-L block
- Production started in August 2010

\* on the basis of all fields and average rate for Mar. 2017

# Ichthys LNG Project Overview



- Marketing:
  - ✓ LNG: Secured LNG SPAs covering 8.4 million t/y of LNG
  - ✓ LPG: Reached an agreement in principle on the sale of the entire volume of INPEX's share
- Key permits:
  - ✓ All environmental, pipeline and production licenses obtained
- Project Financing:
  - ✓ US\$ 20 billion project financing agreements with ECAs and major commercial banks completed in December 2012

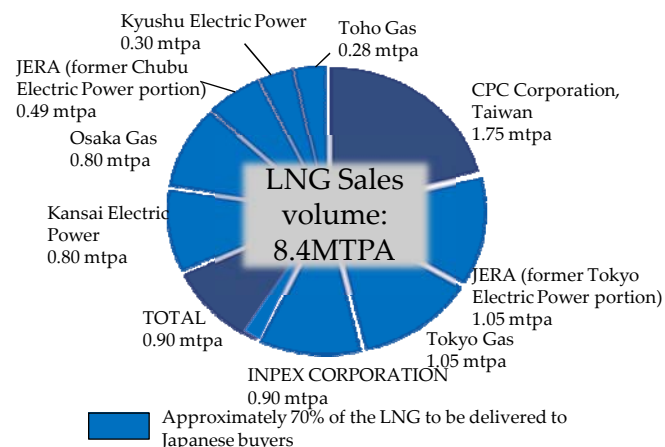
- EPC work: Major EPC contracts awarded

### Upstream

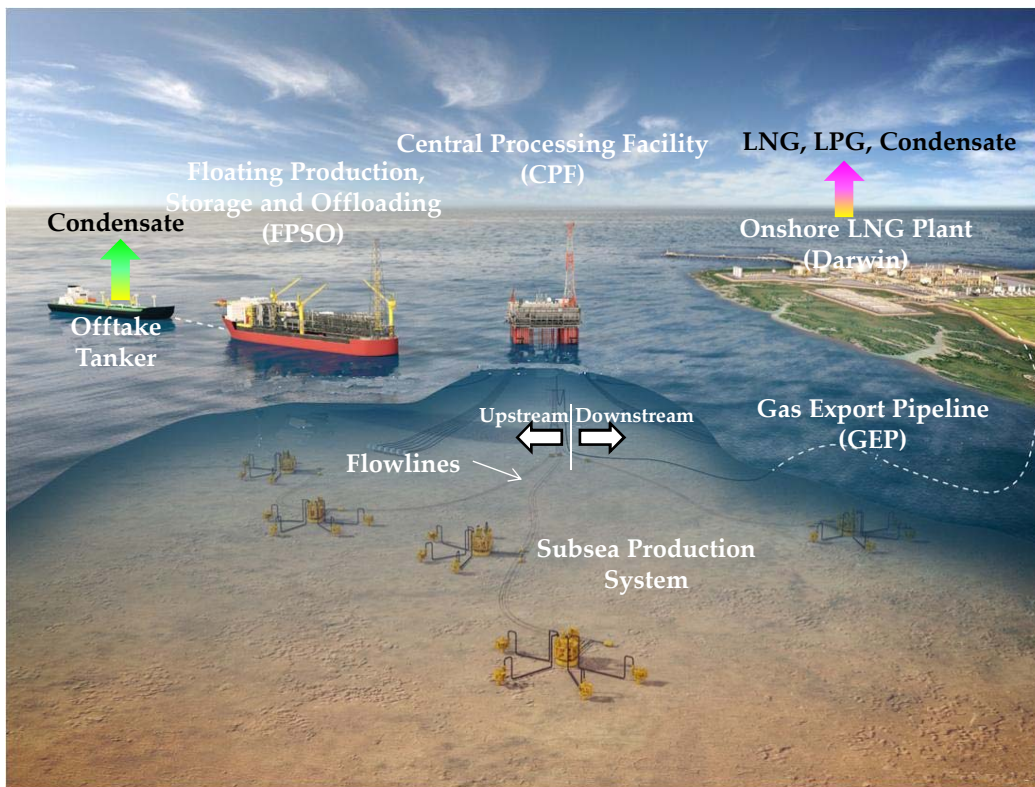
CPF: Samsung Heavy Industries,  
FPSO: Daewoo Shipbuilding & Marine Engineering,  
Subsea Production System (SPS): GE Oil & Gas,  
Umbilical, Riser and Flowline (URF): McDermott

### Downstream

Onshore LNG Plant: JGC, Chiyoda and KBR,  
Gas Export, Pipeline(GEP): Saipem S.p.A, Mitsui Corporation,  
Sumitomo Corporation and Metal One Corporation,  
Dredging in Darwin Harbour: Van Oord,  
Instrumentation and Control System: Yokogawa Electric (including upstream facilities)



# Ichthys LNG Project Development Concept



# Ichthys LNG Project Production well testing



Drilling rig ENSCO5006 conducting production testing (Ichthys Field, January 2017)

# Ichthys LNG Project Progress on offshore facilities

**INPEX**



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# Ichthys LNG Project Progress on onshore facilities①

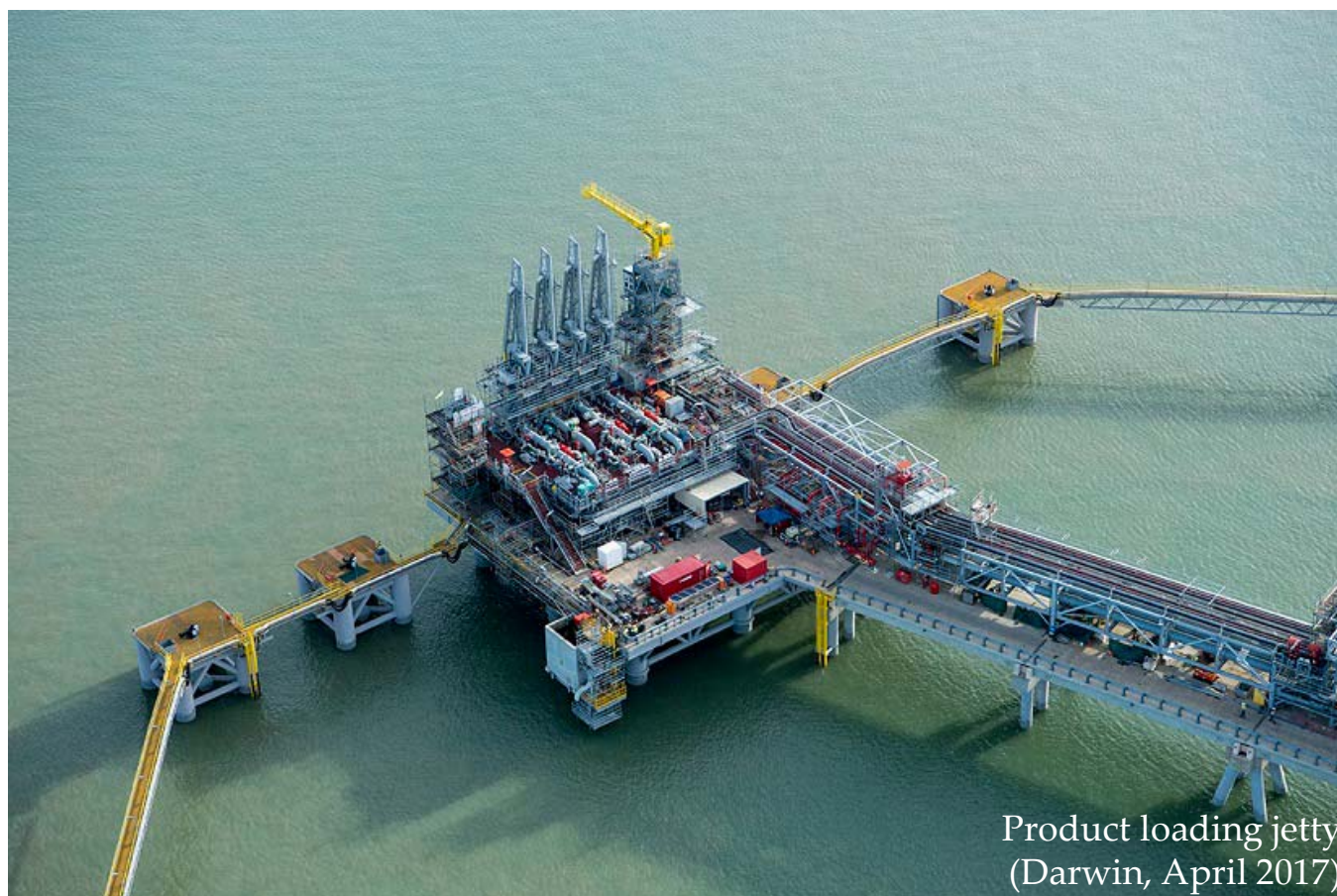
**INPEX**



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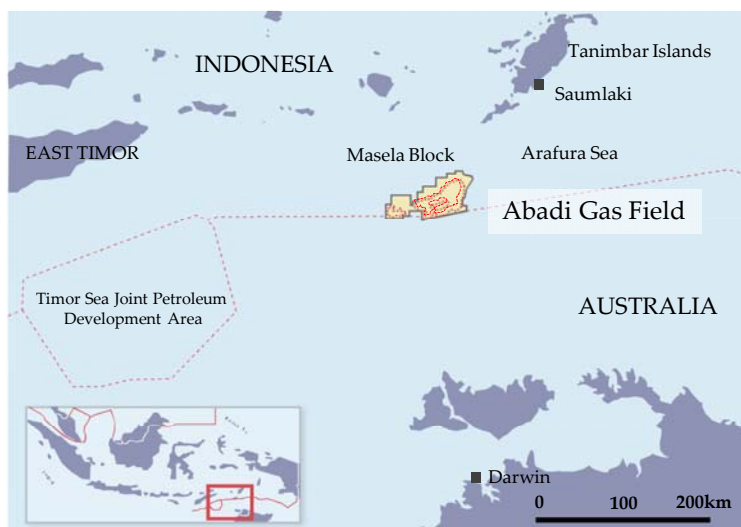
# Ichthys LNG Project

## Progress on onshore facilities②



Product loading jetty  
(Darwin, April 2017)

# Abadi LNG Project

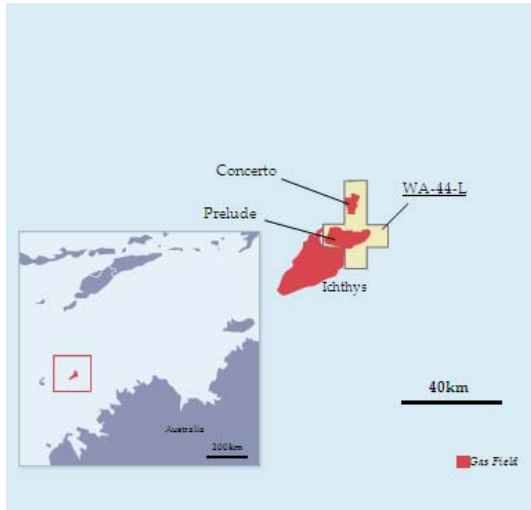


- Received notification from the Indonesian government instructing to re-propose a plan of development based on onshore LNG in April 2016
- Aiming for an early realization of the project and currently engaged in constructive discussions with the Indonesian government on the optimal development of the Abadi Gas Field with an eye to begin Pre-FEED work Strategic alliance with Shell
  - Shell provides technical and human resources support
- PS Contract requires transfer of 10% participating interest to an Indonesian Participant to be designated by the Indonesian government.
- PSC: Until 2028

■ Participating Interest  
 - INPEX(Operator): 65%, Shell: 35%  
 ■ Current phase: Preparation for Development

# Prelude FLNG Project

## INPEX Oil & Gas Australia Pty Ltd.

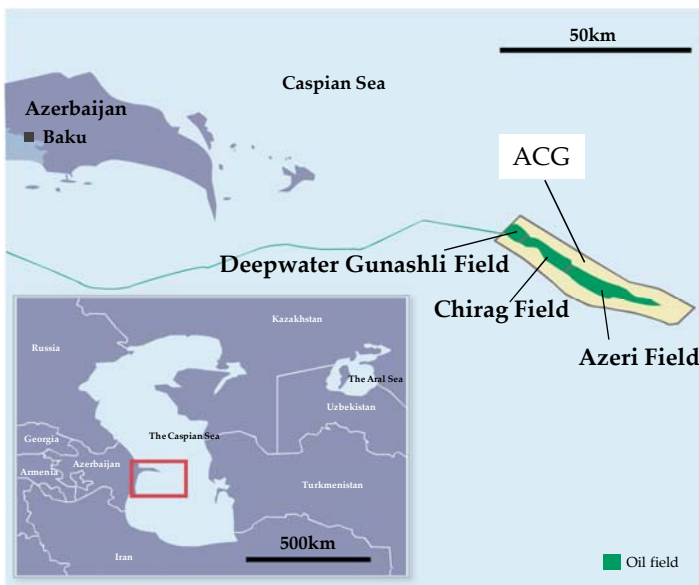


FLNG

- Participating Interest: 17.5% (Operator: Shell)
- Reserves: approximately 3 trillion cf of natural gas (Prelude and Concerto gas fields)
- Production volume: 3.6 million t/y of LNG, along with 0.4 million t/y of LPG and approx. 36,000 bbl/d of condensate at peak
- FID made in May 2011
- Targeting production start-up around 10 years from when the Prelude gas field was first discovered in early 2007. Expecting material cash in 2018
- Reached agreements on LNG sales and purchases (for 8 years commencing in 2017) with JERA (approximately 0.56 MTPA) and Shizuoka Gas (approximately 0.07 MTPA) respectively from INPEX's equity portion of the project's LNG output (approximately 0.63MTPA)

# ACG Oil Fields

## INPEX Southwest Caspian Sea, Ltd.



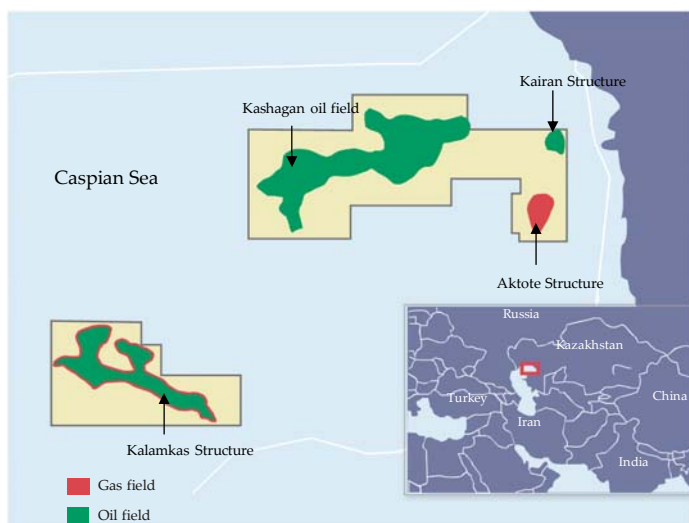
- Participating Interest: 10.9644% (Operator: BP)
- Production volume\*
  - Crude Oil: Approximately 630,000 bbl/d
- PSC: Until 2024
- Started oil production in the Chirag Field in 1997
- Phase 1: Started oil production in the central section of the Azeri Field in February 2005
- Phase 2: Started oil production in the western section of the Azeri Field in December 2005 and in the eastern section of the Azeri Field in October 2006
- Phase 3: Started oil production in the Deepwater Gunashli Field in April 2008
- Western section of Chirag Field (Chirag Oil Project): Started oil production in January 2014

\* on the basis of all fields and average rate for 2016



# Kashagan Oil Field, others

## INPEX North Caspian Sea, Ltd.



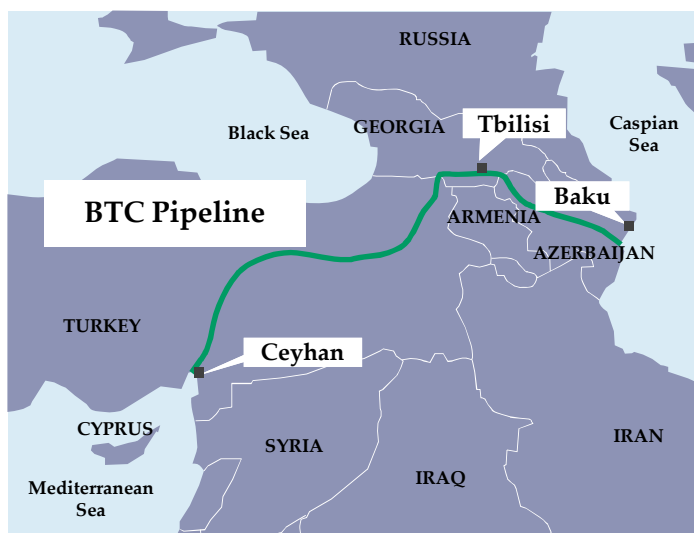
- Participating Interest: 7.56% (Operator: NCOC (North Caspian Operating Company))
- PSC: Kashagan – Until 2021\*

\*Current PSC provides option to extend the contract period by 2 x 10 years (until 2041)

- Production volume
  - Crude Oil: Production ramped up to a capacity of 180,000 bbl/d in February 2017. In Phase 1, production capacity is expected to reach 370,000 bbl/d by the end of 2017.
- Production began in September 2013, but was suspended in October 2013 due to pipeline gas leak.
- The pipeline was replaced and production restarted in September 2016 with the first batch of crude oil dispatched in October 2016.
- Kalamkas structure undergoing studies on potential joint development with adjacent field.
- Aktote and Kairan structures undergoing evaluation studies.

# BTC (Baku-Tbilisi-Ceyhan) Pipeline Project

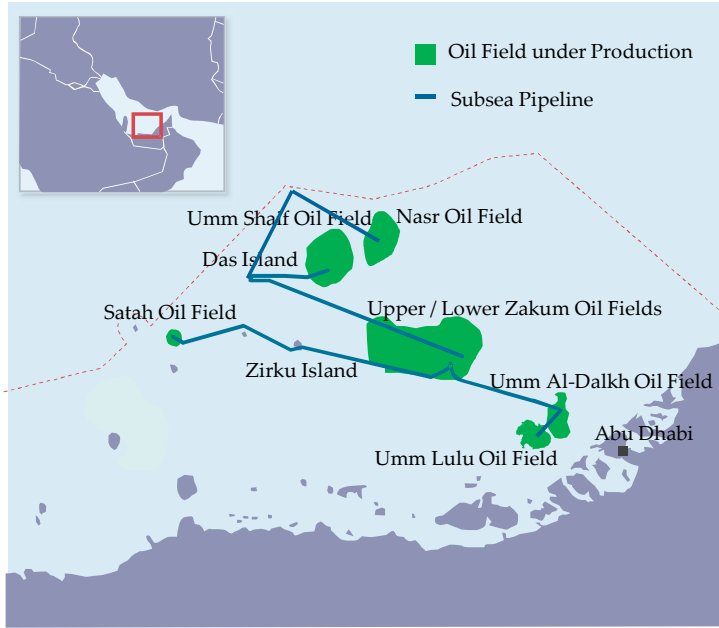
## INPEX BTC Pipeline, Ltd.



- Participating Interest: 2.5% (Operator : BP)
- Acquired a 2.5% participating interest in the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002
- Commenced crude oil export in June 2006 from Ceyhan terminal
- Completed 1.2 million bbl/d capacity expansion work in March 2009
- Cumulative export volume reached 1,000 million bbls on September 13, 2010
- Cumulative export volume reached 2,000 million bbls on August 11, 2014

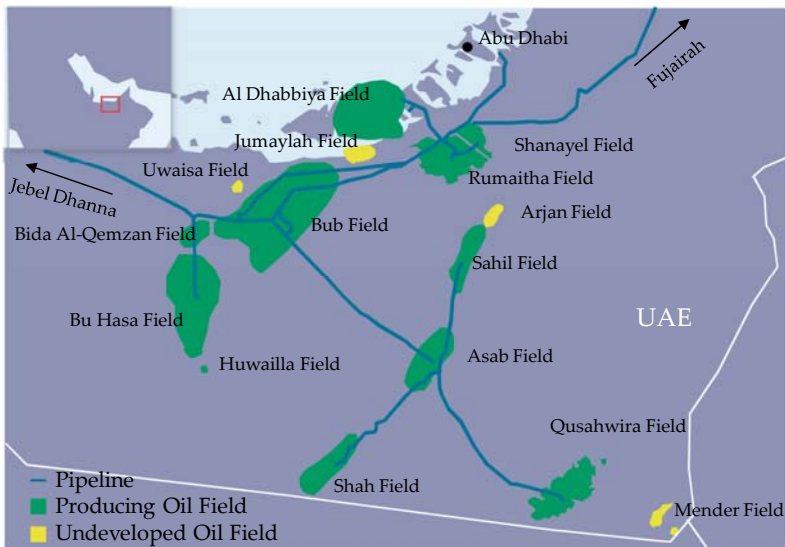
# ADMA Block

Japan Oil Development Co., Ltd. (JODCO)



- Umm Shaif / Lower Zakum / Umm Lulu / Nasr oil fields
    - Participating Interest: 12.0% (Operator: ADMA-OPCO\*)
  - Upper Zakum / Umm Al-Dalkh / Satah oil fields
    - Participating Interest: Upper Zakum / Umm Al-Dalkh: 12.0% Satah: 40.0% (Operator: ZADCO\*)
- \*Operating company owned by companies with participating interests. JODCO has a 12% share in both operating companies.
- Concession agreement: Until 2018 (until 2041 for Upper Zakum Oil Field)
  - Continuous development being undertaken to maintain and increase production levels
    - Implementing full field development plans for Umm Lulu and Nasr oil fields
    - Implementing a redevelopment plan for Upper Zakum Oil Field using artificial islands

# ADCO Onshore Concession JODCO Onshore Limited



- Participating interest: 5% (Operator: ADCO\* (Abu Dhabi Company for Onshore Petroleum Operations))
  - Production volume: Approximately 1.6 million bbl/d
  - Concession agreement: Until 2054
  - Signed the ADCO Onshore Concession agreement with the Government of Abu Dhabi and ADNOC in April 2015.
  - Works in progress to expand production capacity to 1.8 million bbl/d
- \*Operating company owned by companies with participating interests. JODCO Onshore Limited has a 5% share in the operating company

# Venezuela Projects

Teikoku Oil & Gas Venezuela, C.A., other **INPEX**



## Copa Macoya / Guarico Oriental Blocks

- INPEX's share in joint ventures
  - Gas JV: 70%      Oil JV: 30%
- Joint Venture Agreement: 2006-2026
- Production volume\*:
  - Crude Oil: Approximately 1,000 bbl/d
  - Natural Gas\*\*: Approximately 84 million cf/d

\* on the basis of all fields and average rate for Mar. 2017

\*\* Volume not at wellheads but corresponding to the sales to buyers

# Brazil Projects

Frade Japão Petróleo Limitada (FJPL), other **INPEX**



## Frade Japão Petróleo Limitada (FJPL)

- FJPL's Participating interest\*: 18.3% (Operator: Chevron)
- \*FJPL is an equity method affiliate of INPEX. (INPEX owns a 37.5% share of FJPL)
- Production volume\*\*:
  - Crude Oil: Approximately 20,000 bbl/d
  - Natural Gas\*\*\*: Approximately 1 million cf/d
- Concession Agreement: Until 2025

## BM-ES-23

- Participating Interest: 15%
- Under Exploration (Appraisal)

\*\* on the basis of all fields and average rate for Mar. 2017

\*\*\* Volume not at wellheads but corresponding to the sales to buyers

# Canada Shale Gas Projects

INPEX Gas British Columbia Ltd.



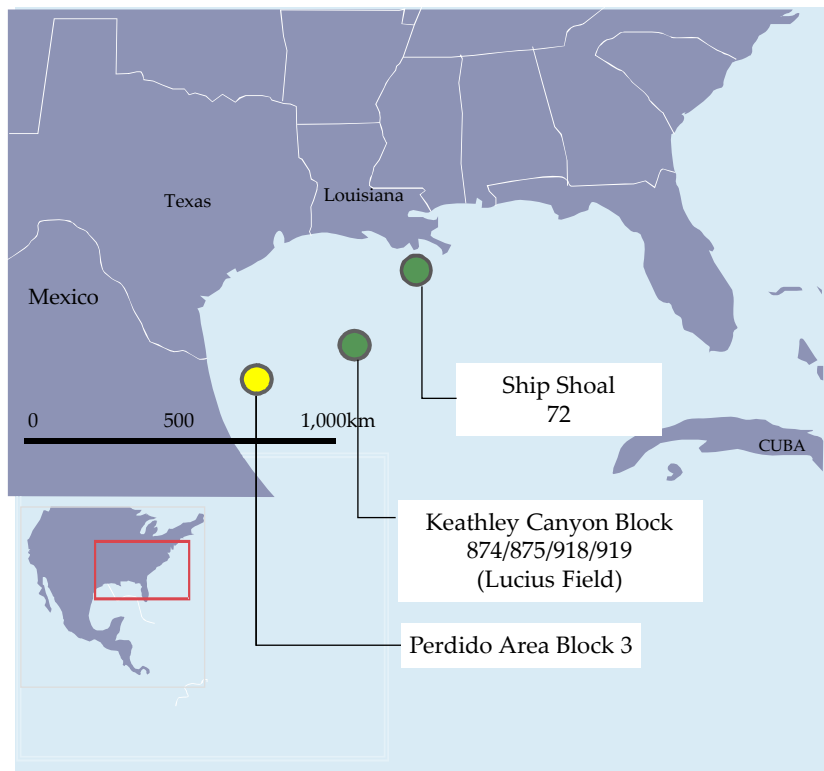
- Participating Interest: 40%\*(Operator: Nexen)
- \* INPEX Gas British Columbia Ltd. (Equity ratio: INPEX 45.09%, JOGMEC 44.89%, Canadian Subsidiary of JGC Corporation 10.02%).
- Production Volume\*\*:
- Natural Gas\*\*\*: Approximately 79 million cf/d
- Concession Agreement



\*\* on the basis of all fields and average daily volume for 2016  
 \*\*\* Volume not at wellheads but corresponding to the sales to buyers

# Gulf of Mexico Projects

Teikoku Oil (North America) Co., Ltd. , INPEX E&P Mexico, S.A. de C.V.

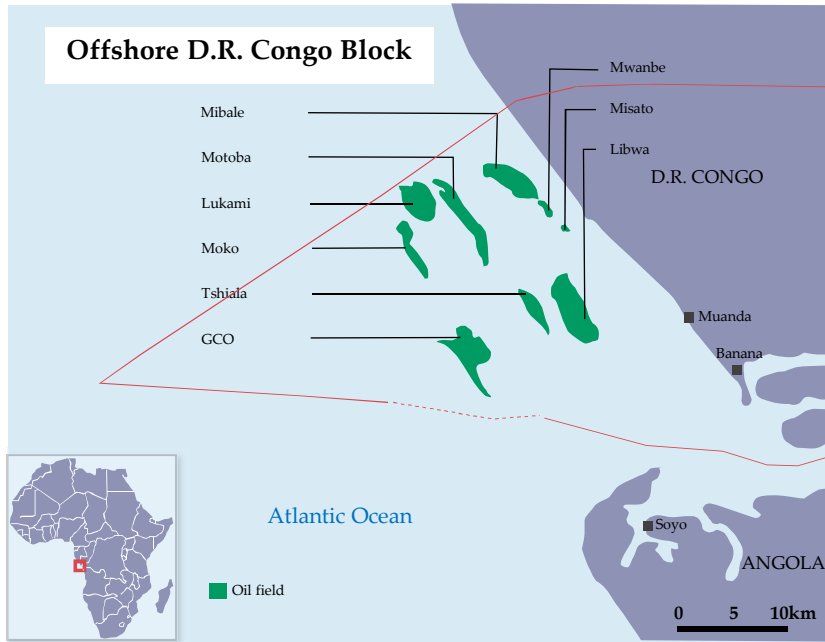


- Shallow Water Area**  
 (Teikoku Oil (North America) Co., Ltd.)
- Concession Agreement
  - Participating Interest: Ship Shoal 72: 25%
- Lucius Field**  
 (Teikoku Oil (North America) Co., Ltd.)
- Concession Agreement
  - Participating Interest: 7.75309% (Operator : Anadarko)
  - Production started in January 2015
  - Production volume\*
  - Crude Oil: Approximately 48,000 bbl/d
  - Natural Gas\*\*: Approximately 53 million cf/d
- Block 3, Perdido Fold Belt, Mexican Gulf of Mexico**  
 (INPEX E&P Mexico, S.A. de C.V.)
- License Agreement
  - Participating interest: 33.3333% (Operator: Chevron)
  - Signed a license agreement on February 28, 2017
  - Exploration plans are currently being developed

\* on the basis of all fields and average rate for Mar. 2017  
 \*\* Volume not at wellheads but corresponding to the sales to buyers

# Offshore D.R. Congo

## Teikoku Oil (D.R. Congo) Co., Ltd.



- Participating Interest: 32.28% (Operator: Perenco)
- Concession Agreement: 1969-2023
- Production started in 1975
- Production volume\*
  - Crude Oil: Approximately 12,000 bbl/d

\* on the basis of all fields and average rate for Mar. 2017

# Offshore Angola Block 14

## INPEX Angola Block 14 Ltd.

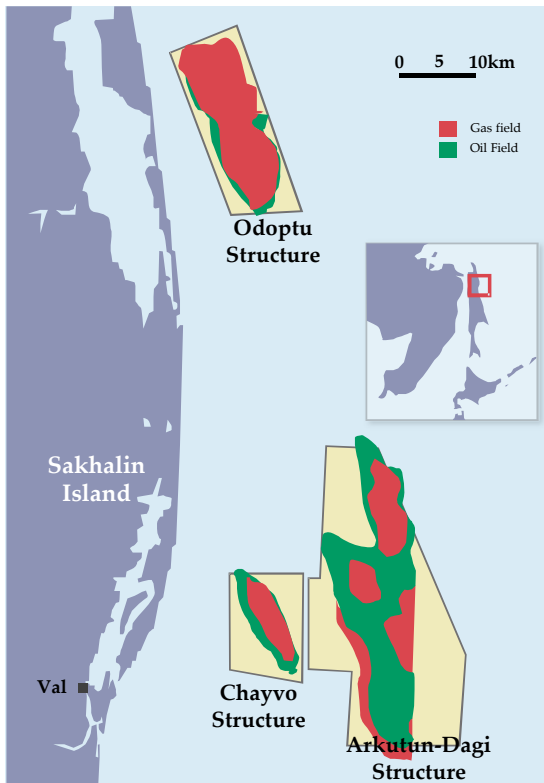


- Participating Interest: 9.99% (Operator: Chevron)
- Production volume\*
  - Crude Oil: Approximately 98,000 bbl/d
- PSC: Until 2035

\* on the basis of all fields and average rate for Mar. 2017

# Sakhalin I

## Sakhalin Oil and Gas Development Co., Ltd. **INPEX**



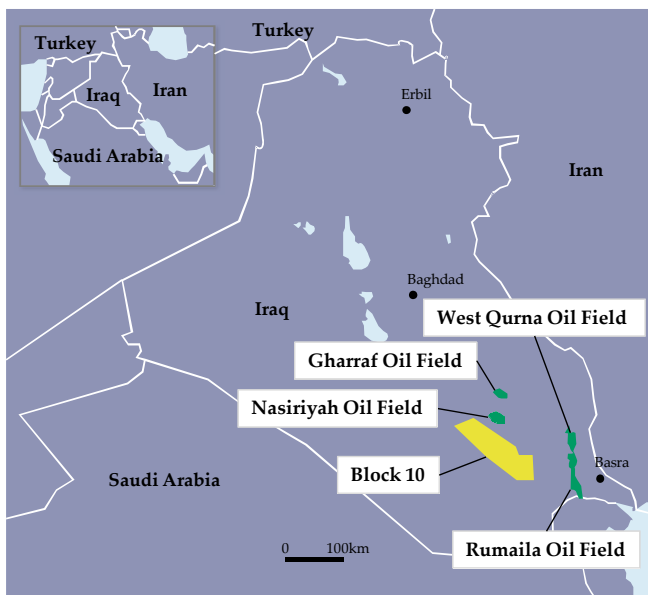
- Sakhalin Oil and Gas Development Co., Ltd. (SODECO): INPEX owns a share of approximately 6.08% in SODECO
- SODECO's Participating interest in Sakhalin I: 30.0%
- Production volume\*:
  - Crude oil and condensate: Approximately 183,000 bbl/d
  - Natural Gas: Approximately 850 million cf/d
- Operator: ExxonMobil
- PSC: Until December 2021\*\*
- Commenced production from Chayvo Structure in October 2005; commenced crude oil export in October 2006
- Commenced production from Odoptu Structure in September 2010
- Commenced production from Arkutun-Dagi Structure in January 2015
- Currently supplying natural gas to Russian domestic market

\* on the basis of all fields and average rate for 2016

\*\*Current PSC provides the option to apply for a 10-year contract extension multiple times.

# Block 10, Iraq

## INPEX South Iraq, Ltd. **INPEX**



Location Map of Block 10, Iraq

- Participating Interest: 40%  
(Operator: LUKOIL)
- Block acquired: December 2012  
(Republic of Iraq 4<sup>th</sup> Licensing Round)
- EDPSC\*:  
Exploration Period-5 years\*\*(Until December 3, 2017)  
Development and Production Period-20years\*\*
- A production volume capacity of more than 8,000 barrels per day was confirmed through crude oil production tests conducted at the first exploratory well in February 2017.

\*Exploration, Development and Production Service Contract

\*\*Current service contract provides the option to extend the Exploration Period twice by 2 years and the Development and Production Period by 5 years.

## Key Companies and Petroleum Contracts I\*



Company	Field / Project Name	Country	Contract Type	Ownership	Stage
<b>Japan</b>					
• INPEX CORPORATION	Minami-Nagaoka Gas Field, etc. **	Japan	Concession	-	Producing
<b>Asia/Oceania</b>					
• INPEX CORPORATION	Offshore Mahakam Block	Indonesia	PS	-	Producing
• INPEX South Makassar, Ltd.	Sebuku Block/Ruby Gas Field)	Indonesia	PS	100%	Producing
• MI Berau B.V.	Berau Block (Tangguh LNG Project)	Indonesia	PS	44%	Producing
• INPEX Masela, Ltd.	Masela Block (Abadi LNG)**	Indonesia	PS	51.9%	Preparation for Development
• INPEX Sahul, Ltd.	Bayu-Undan Gas Condensate Field	JPDA	PS	100%	Producing
• INPEX Browse E&P Pty Ltd	WA-285-P**, other	Australia	Concession	100%	Exploration
• INPEX Ichthys Pty Ltd.	WA-50-L and WA-51-L (Ichthys) **	Australia	Concession	100%	Development
• Ichthys LNG Pty Ltd.	Ichthys downstream business **	Australia	-	62.245%	Development
• INPEX Oil & Gas Australia Pty Ltd.	Prelude FLNG Project	Australia	Concession	100%	Development
• INPEX Alpha, Ltd.	Van Gogh Oil Field/Coniston Oil Field	Australia	Concession	100%	Producing
• INPEX Alpha, Ltd.	Ravensworth Oil Field	Australia	Concession	100%	Producing

Note:

\* As of the end of March 2017

\*\* Operator project

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## Key Companies and Petroleum Contracts II\*



Company	Field / Project Name	Country	Contract Type	Ownership	Stage
<b>Eurasia (Europe – NIS)</b>					
• INPEX Southwest Caspian Sea, Ltd.	ACG Oil Fields	Azerbaijan	PS	51%	Producing
• INPEX North Caspian Sea, Ltd.	Kashagan Oil Field	Kazakhstan	PS	45%	Producing
<b>The Middle East</b>					
• IODCO	ADMA Block (Upper Zakum, etc.)	UAE	Concession	100%	Producing
• IODCO Onshore Limited	ADCO Onshore Concession	UAE	Concession	51 %	Producing
<b>Africa</b>					
• Teikoku Oil (D.R. Congo) Co., Ltd.	Offshore D.R.Congo	D.R.Congo	Concession	100%	Producing
• INPEX Angola Block 14 Ltd.	Offshore Angola Block 14	Angola	PS	100%	Producing
<b>Americas</b>					
• INPEX Gas British Columbia Ltd.	Canada Shale Gas project	Canada	Concession	45.09%	Producing/Evaluation
• Teikoku Oil & Gas Venezuela, C.A.	Copa Macoya** / Guarico Oriental	Venezuela	IV	100%	Producing
• Teikoku Oil (North America) Co., Ltd.	Lucius Field / Ship Shoal 72	USA	Concession	100%	Producing
• Frade Japão Petróleo Limitada	Frade Block	Brazil	Concession	37.5%***	Producing

Note:

\* As of the end of March 2017

\*\* Operator project

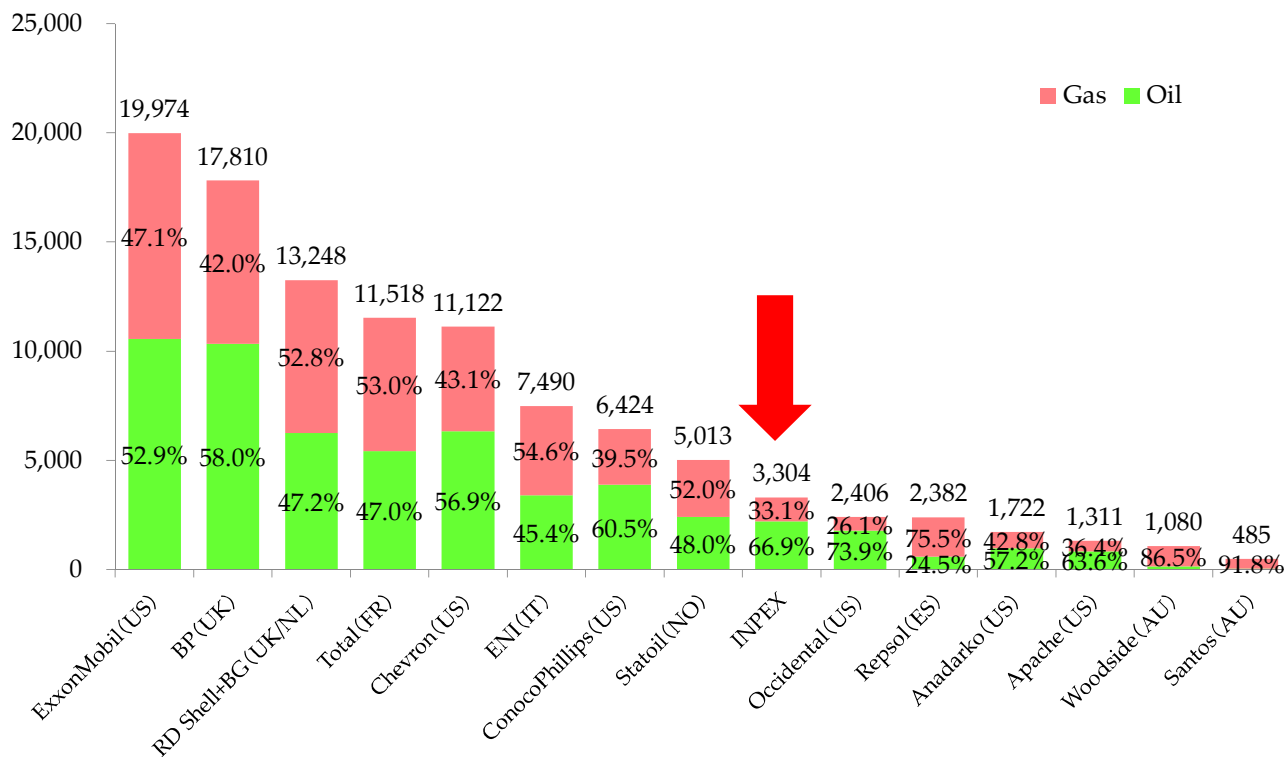
\*\*\* Frade Japão Petróleo Limitada is a subsidiary of INPEX Offshore North Campos, Ltd. (INPEX equity-method affiliate). 37.5% ownership refers to indirect investment from INPEX through INPEX Offshore North Campos, Ltd.

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# Others

## Proved Reserves\* (compared to majors and global independent E&P companies) **INPEX**

(Million BOE)



Source: Most recent publicly available information

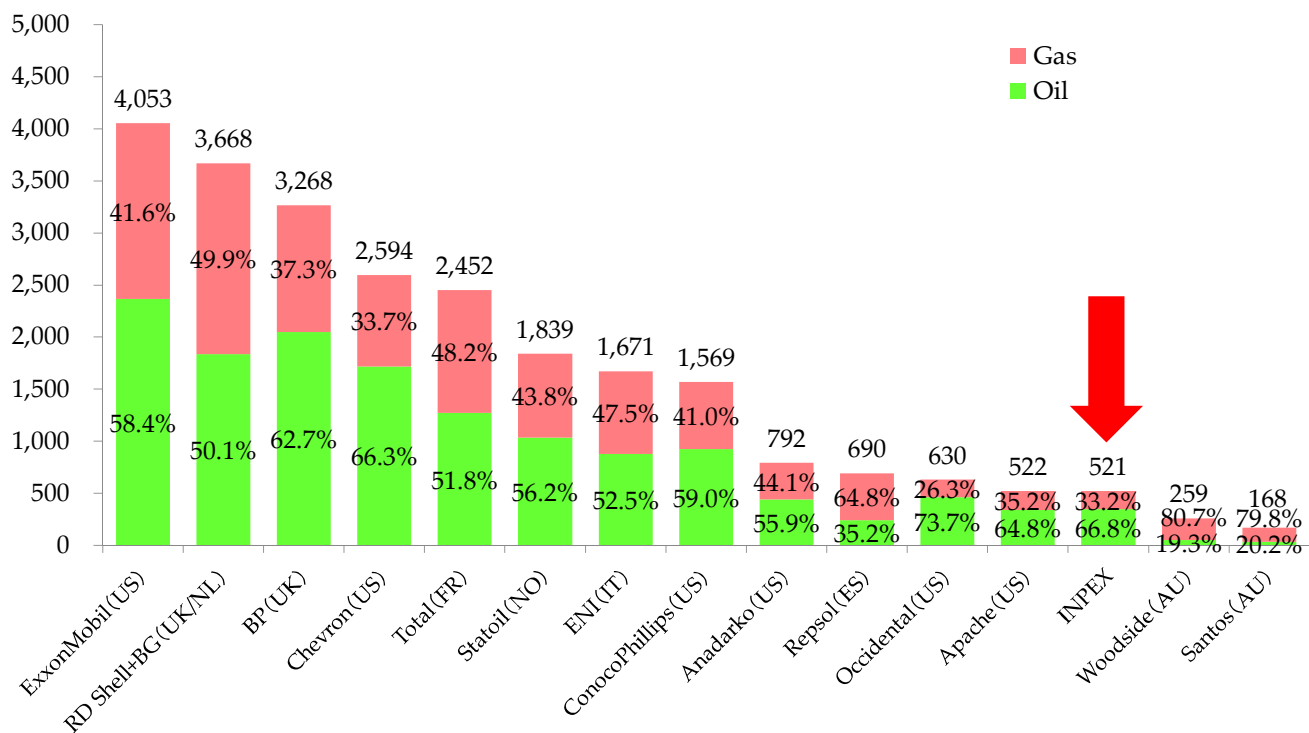
Note: \* All data as of December 31, 2016, except for INPEX data (as of March 31, 2017). INPEX data listed in accordance with SEC regulations. The reserves cover most INPEX Group projects including equity method affiliates. The reserves of the projects which are expected to be invested a large amount and affect the company's future result materially are evaluated by DeGolyer & MacNaughton, and the others are done internally. Government-owned companies are not included. Oil reserves include bitumen and synthetic oil.



## Production Volume\* (compared to global E&P companies)

**INPEX**

(Thousand BOE/d)



Source: Most recent publicly available information

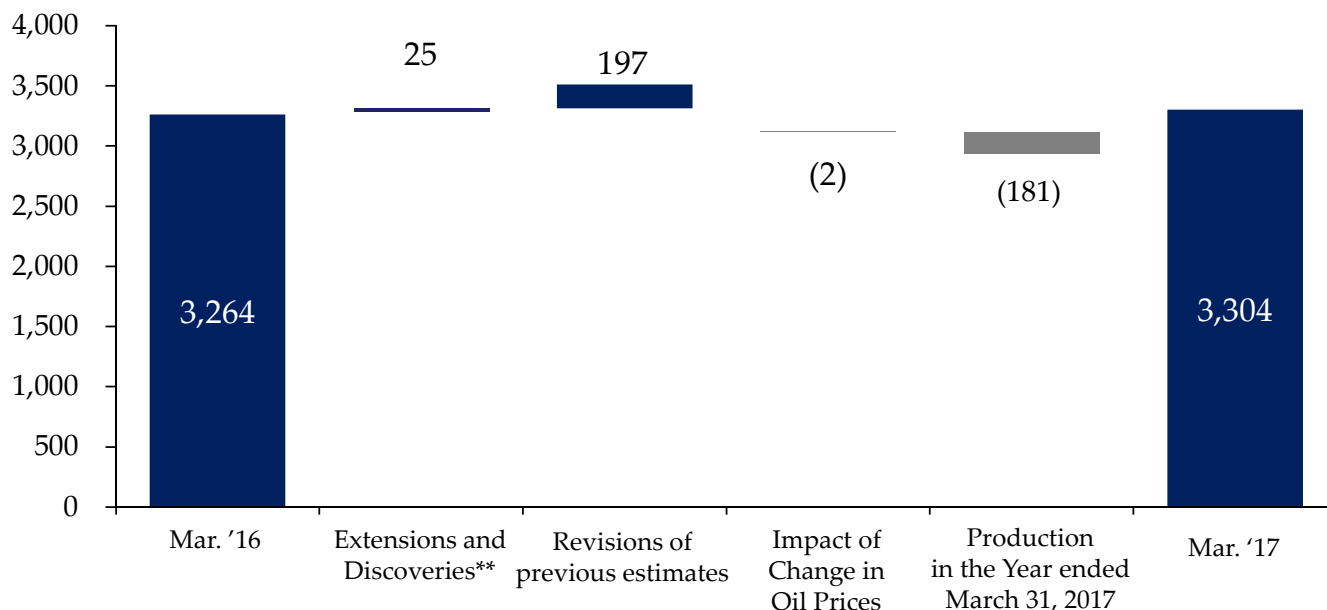
\* All data for the year ended December 31, 2016 except for INPEX data (for the year ended March 31, 2017). INPEX data listed in accordance with SEC regulations. Amounts attributable to the equity method are included. Government-owned companies are not included. Oil production include bitumen and synthetic oil.

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## Factor Analysis of Change in Proved Reserves\*

**INPEX**

(Million BOE)

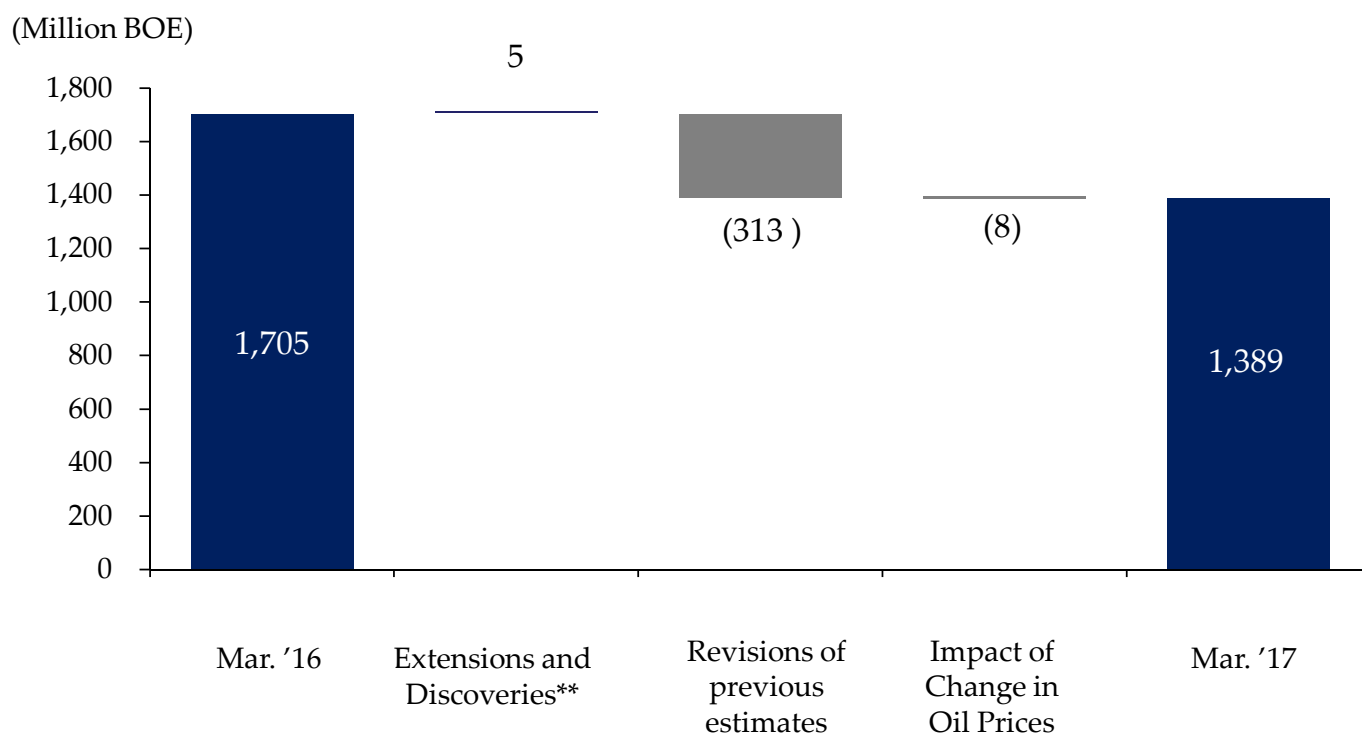


\* The definitions of proved reserves are listed on page 51.

\*\* Including acquisitions and sales

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## Factor Analysis of Change in Probable Reserves\* **INPEX**



\* The definitions of probable reserves are listed on page 52.

\*\* Including acquisitions and sales.

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## Definition of Proved Reserves **INPEX**

- Our definition of proved reserves is in accordance with the SEC Regulation S-X, Rule 4-10, which defines proved reserves as the estimated quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which relevant petroleum contracts providing the right to operate expire.
- To be classified as a proved reserve, the SEC rule requires that extraction of the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence extraction within a reasonable time. This definition is known to be conservative among the various definitions of reserves used in the oil and gas industry.
- When probabilistic methods are employed, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves.
- The SEC rule separates proved reserves into two categories; proved developed reserves which can be recovered by existing wells, infrastructure and operational methods, and proved undeveloped reserves which require future development of wells and infrastructure to be recovered.

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## Definition of Probable and Possible Reserves

- Probable reserves, as defined by SPE/WPC/AAPG/SPEE, are those unproved reserves which analysis of geological and engineering data suggests are more likely to be commercially recoverable after the proved reserves.
- In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.
- Possible Reserves, as defined by SPE/WPC/AAPG/SPEE, are those additional reserves which analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.
- In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves

\*Probable reserves and possible reserves do not offer a guarantee of the production of total reserves during a future production period with the same certainty of proved reserves.

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## Medium- to Long-Term Vision\*



### Three Growth Targets and Key Initiatives

1. Continuous Enhancement of E&P Activities  
→ Achieve a net production volume of 1 million boe/d by the early 2020s
2. Strengthening of Gas Supply Chain  
→ Achieve a domestic gas supply volume of 2.5 billion m<sup>3</sup>/year in the early 2020s
3. Reinforcement of Renewable Energy Initiatives  
→ Promote efforts to commercialize renewable energies and reinforce R&D activities for the next generation

### Three Management Policies and Our Vision

1. Securing / Developing Human Resources and Building an Efficient Organizational Structure
2. Investment for Growth and Return for Shareholders
3. Responsible Management as a Global Company

\* Announcement in May 2012

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## Approximately 3.5 trillion yen

For investment in Ichthys, Abadi and other E&P projects etc.  
during the 5-year period\* until Ichthys start-up

### Available Funds

■ Approximately 663.0 billion yen in available funds (As of March 31, 2017)

### Cash Flow

■ Operating cash flow (275.8 billion yen in the fiscal year ended March 31, 2017)  
■ Cash and other liquid investments on hand

### Bank Loans

■ Sizeable lending from JBIC\*\* together with commercial banks  
■ Guaranteed by JOGMEC\*\*\* for a certain portion of loans from commercial banks  
■ Project finance

\* From FY 2013 to FY 2017

\*\* JBIC : Japan Bank for International Cooperation

\*\*\* JOGMEC : Japan Oil, Gas and Metals National Corporation

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## Finance Strategies

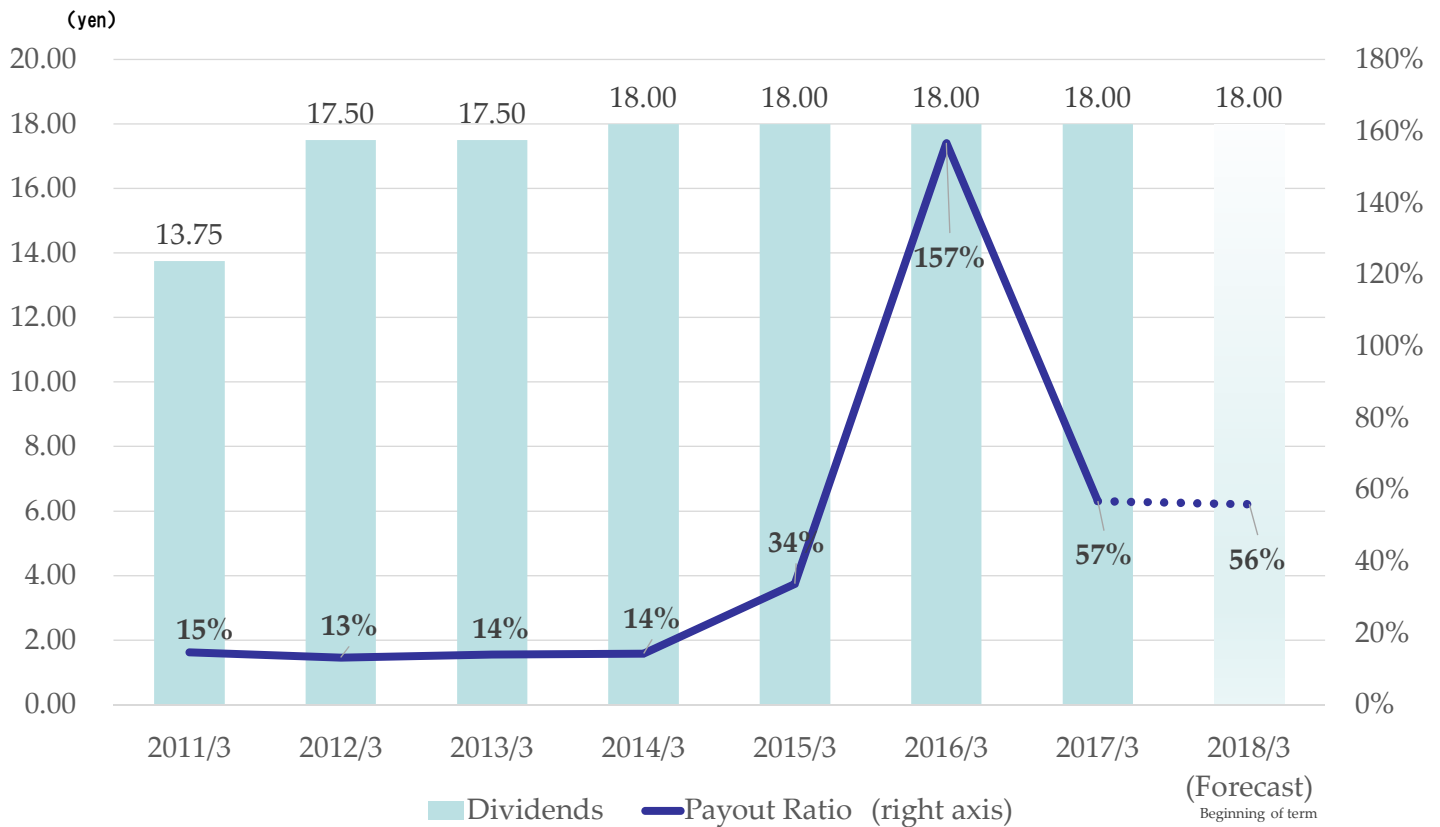
### Advantage of low-cost funding

Maintain strong balance sheet to achieve financial stability and secure further debt capacity

Leverage relationships with governmental financial institutions, such as JBIC and JOGMEC, to fund development costs

- Maintain funding capability to ensure necessary investments for major projects such as Ichthys and Abadi
- Maintain strong balance sheet to enable continuous investments in potential projects in the future
- Long-term target financial leverage
  - Equity Ratio : 50% or higher
  - Net Debt / Total Capital Employed Ratio: 20% or less

# Annual Dividends, Payout Ratio



# CSR Topics

✓ INPEX engages in a variety of CSR activities focused on the following 6 material issues

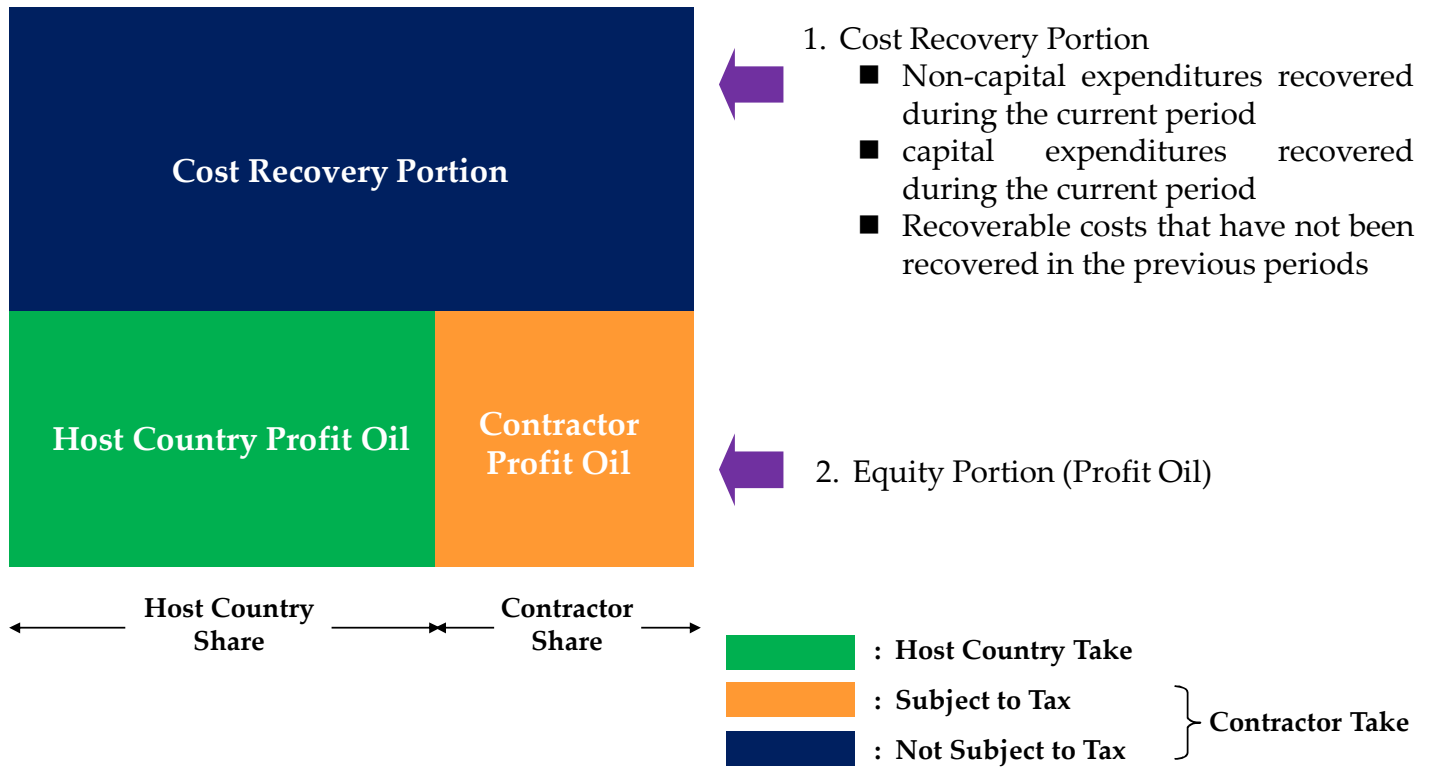
### <CSR Material Issues>

- Governance**
  - Development of a governance framework
  - Appropriate information disclosure and improvement of transparency
  - Development of a risk management system
- HSE**
  - Safety management in operations
  - Prevention of major incidents
  - Mitigation of environmental impacts
  - Conservation of biodiversity
- Climate Change**
  - Management of greenhouse gas emissions
  - Promotion of renewable energy businesses
  - Promotion of new technology R&D
- Compliance**
  - Observance of laws, regulations, and social norms
  - Prevention of bribery and corruption
  - Respect for human rights
- Local Communities**
  - Evaluation and reduction of impact on local communities
  - Contribution to local economies
  - Consideration for the indigenous community
  - Development of globally competent human resources
- Employee**
  - Promotion of diversity
  - Creation of employee-friendly workplace environments

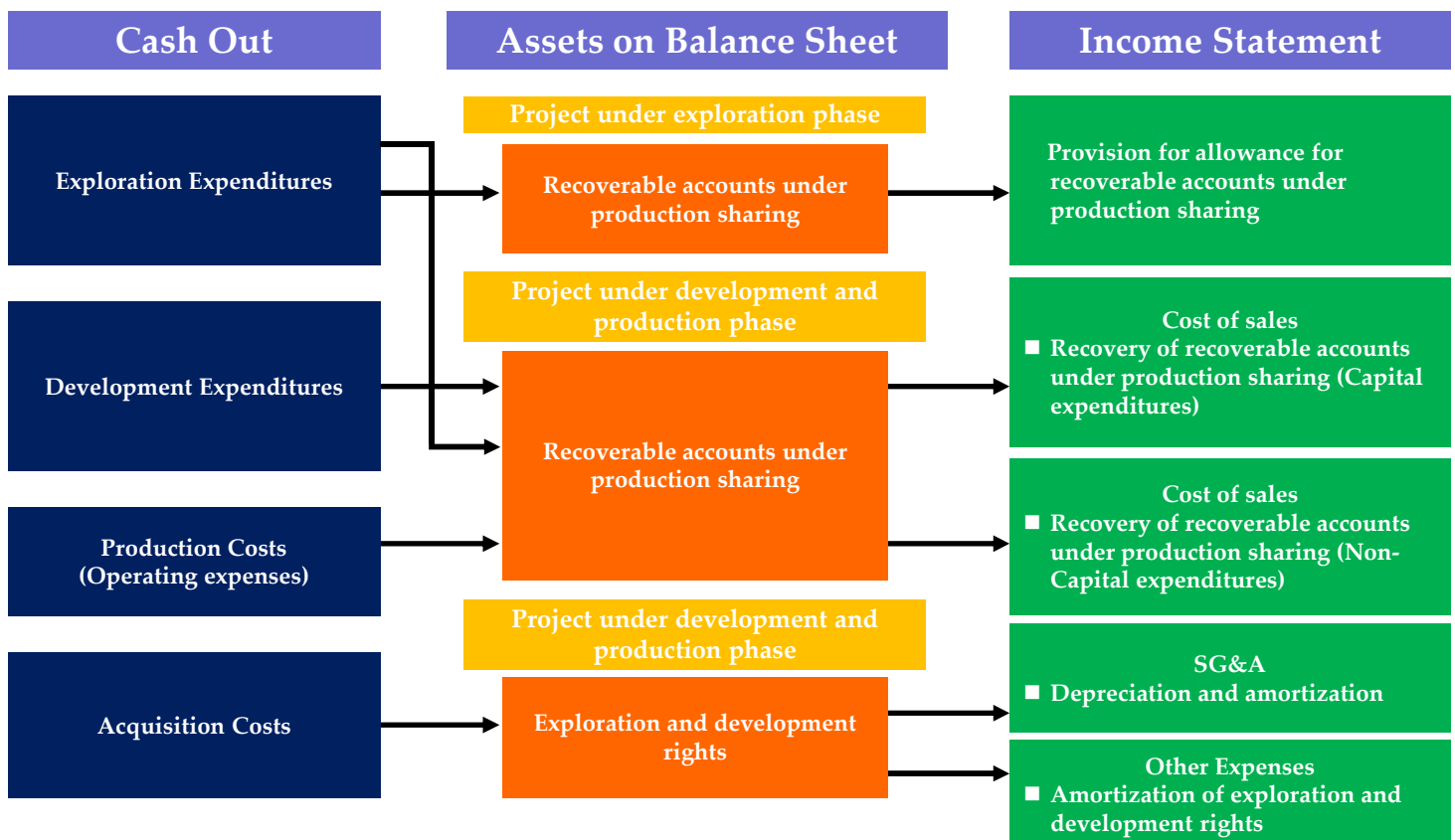
INPEX announced that it has published its Modern Slavery Act Statement FY2015 (the Statement) on its website in order to clarify its initiatives to address human rights violations such as slavery and human trafficking in the business and supply chain of the INPEX Group as well as the risks thereof.

### <External evaluation of INPEX CSR activities and the major SRI indexes>

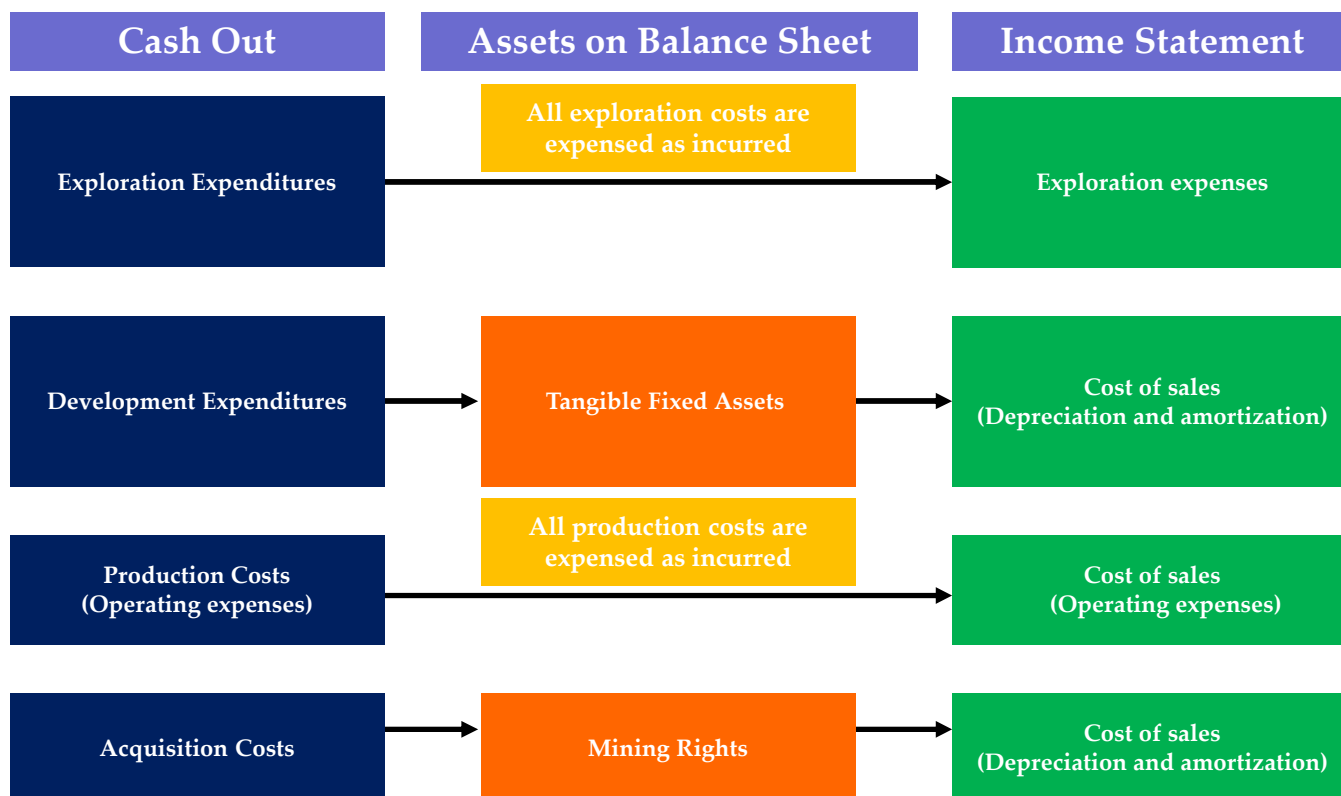
Dow Jones Sustainability World Index	INPEX has been listed on the Dow Jones Sustainability World Index (DJSI World), an index that exemplifies socially responsible investing produced by Dow Jones Inc. in the U.S. and RobecoSAM in Switzerland.
FTSE4Good Global/Japan Index	FTSE Russell confirms that INPEX has satisfied the requirements to become a constituent of the FTSE4Good Index Series. We are the member of the FTSE4Good Global and Japan Index.
CDP	INPEX achieved a rating of A- in the CDP Climate Change Report. In 2013 and 2014, INPEX was selected for inclusion in the CDP Climate Disclosure Leadership Index (CDLI) as a company demonstrating excellent climate change disclosure practices.
Morningstar Socially Responsible Investment Index (MS-SRI)	INPEX has been selected as a component of the "Morningstar Socially Responsible Investment Index" (MS-SRI) since 2013. MS-SRI is the first SRI index in Japan produced by Morningstar Japan K.K.
MSCI Global Sustainability Indexes	INPEX are constituent of the MSCI Global Sustainability Indexes, a leading set of indexes in the selection of outstanding companies in ESG developed by Morgan Stanley Capital Investment (MSCI).
ECPI Ethical Index Global	INPEX has been selected by ECPI for inclusion in the following SRI Index: ECPI Global Carbon Equity Index, ECPI Global Megatrend Equity Index and ECPI World ESG Equity Index



## Accounting on Production Sharing Contracts



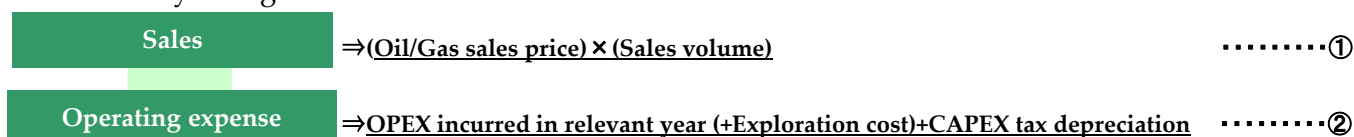
# Accounting on Concession Agreements **INPEX**



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## Summary of Australian Taxation **INPEX**

※Content may change due to tax revisions



### PRRT(Petroleum Resource Rent Tax)

$$= \frac{(\text{Upstream Revenue} - \text{Upstream Capex \& Opex} - \text{Expl. Cost} - \text{Abandonment Cost} - \text{undeducted PRRT expenditure carried forward}) \times 40\%}{\dots\dots\dots\text{③}}$$

•PRRT deductions are made in the following order: Upstream Capex, Opex, Expl. Cost, Abandonment Cost.

*Note: Exploration cost is subject to mandatory transfer between Projects/members of the same group of entities.*

**•Undeducted PRRT Expenditure: non-utilized deductible PRRT expenditure can be carried forward to the following year(s), subject to augmentation at the rates set out below;**

Development cost: LTBR+5%; Expl. Cost: LTBR+15%;

\*GDP Factor applies to all expenditure incurred more than 5 years before the Production License application is made.

\*LTBR = Long Term Bond Rate

\*GDP Factor = GDP Deflator of Australia

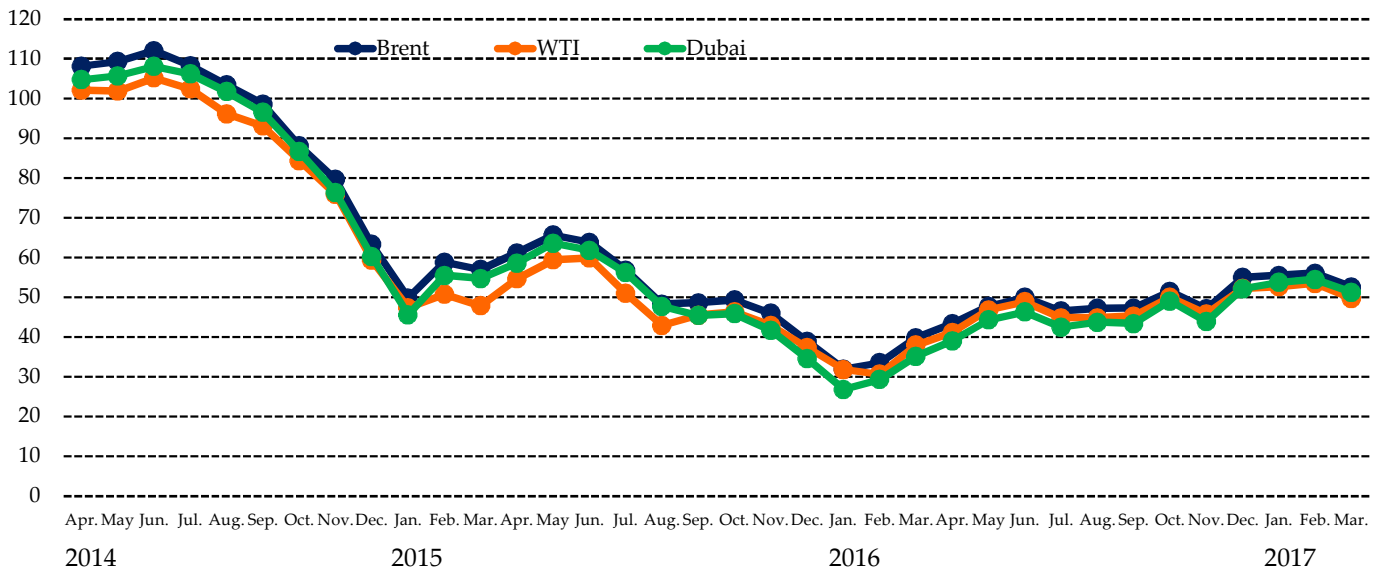
$$\text{Corporate Tax} = (\text{①} - \text{②} - \text{③} - \text{Interest paid}) \times 30\%$$

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# Crude Oil Price Movements



(US\$/bbl)



	Apr. 2015 -Mar. 2016	2016												Apr. 2016 -Mar. 2017
	Average	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Average
Brent	48.73	43.34	47.65	49.93	46.53	47.16	47.24	51.39	47.08	54.92	55.45	56.00	52.54	49.88
WTI	45.00	41.12	46.80	48.85	44.80	44.80	45.23	49.94	45.76	52.17	52.61	53.46	49.67	47.93
Dubai	45.54	39.03	44.27	46.26	42.46	43.70	43.33	48.98	43.86	52.10	53.72	54.44	51.20	46.95