

Financial results for the six months ended June 30, 2020

## Appendix

INPEX CORPORATION

August 7, 2020



### Subsidiaries and Affiliates



#### 65 Consolidated Subsidiaries

Major Subsidiaries	Country / Region	Ownership	Phase	Accounting Term
Japan Oil Development Co., Ltd.	UAE	100%	Production	December
JODCO Onshore Limited	UAE	51 %	Production	December
JODCO Lower Zakum Limited	UAE	100%	Production	December
INPEX Sahul, Ltd.	Timor-Leste	100%	Production	December
INPEX Ichthys Pty Ltd	Australia	100%	Production	December
INPEX Southwest Caspian Sea, Ltd.	Azerbaijan	51%	Production	December
INPEX North Caspian Sea, Ltd.	Kazakhstan	51%	Production	December
INPEX Oil & Gas Australia Pty Ltd	Australia	100%	Production	December
INPEX Eagle Ford, LLC	United States	100%	Production	December

#### 20 Equity Method Affiliates

Major Affiliates	Country / Region	Ownership	Phase	Accounting Term
MI Berau B.V.	Indonesia	44%	Production	December
Angola Block 14 B.V.	Angola	49.99%	Production	December
Ichthys LNG Pty Ltd	Australia	66.245%	Production	December

- For the six months ended June 30, 2020 (January 1, 2020 to June 30, 2020)

(Millions of yen)

	Reportable segments						Adjustments *1	Consolidated *2
	Japan	Asia & Oceania	Eurasia (Europe & NIS)	Middle East & Africa	Americas	Total		
Net sales	63,147	119,527	29,541	175,029	7,943	395,190	(3,507)	391,683
Segment income (loss)	12,565	31,937	(1,580)	89,621	(2,431)	130,111	(6,312)	123,799

\*1 Adjustments of segment income of ¥(6,312) million are corporate expenses. Corporate expenses are mainly amortization of goodwill that are not allocated to a reportable segment and general administrative expenses.

\*2 Segment income is reconciled with operating income on the consolidated statement of income.

## LPG Sales

	(Reference) Same Period Last Year (Jan - June '19)	2Q FY2020 (Jan - June '20)	Change	% Change
Net sales (Billions of yen)	1.3	1.4	0.0	6.2%

Sales volume (thousand bbl)	152	160	9	5.6%
Average unit price of overseas production (\$/bbl)	44.86	35.13	(9.73)	(21.7%)
Average unit price of domestic production (¥/kg)	69.79	61.35	(8.44)	(12.1%)
Average exchange rate (¥/\$)	110.14	108.03	2.11yen appreciation	1.9% appreciation

Sales volume by region (thousand bbl)	(Reference) Same Period Last Year (Jan - June '19)	2Q FY2020 (Jan - June '20)	Change	% Change
Japan	2 (0.2 thousand ton)	1 (0.1 thousand ton)	(0) (-0.0 thousand ton)	(25.5%)
Asia & Oceania	150	159	9	6.0%
Eurasia (Europe & NIS)	-	-	-	-
Middle East & Africa	-	-	-	-
Americas	-	-	-	-
Total	152	160	9	5.6%

(Billions of Yen)	(Reference) Same Period Last Year (Jan - June '19)	2Q FY2020 (Jan - June '20)	Change	% Change
Other income	23.2	45.3	22.1	95.2%
Interest income	1.7	0.5	(1.2)	(67.1%)
Dividend income	6.4	5.9	(0.4)	(7.6%)
Equity in earnings of affiliates	9.5	30.7	21.1	222.8%
Foreign exchange gain	-	3.7	3.7	-
Other	5.5	4.4	(1.0)	(19.4%)
Other expenses	21.6	19.9	(1.7)	(8.1%)
Interest expense	13.4	11.5	(1.9)	(14.4%)
Provision for allowance for recoverable accounts under production sharing	-	2.2	2.2	-
Provision for exploration projects	0.2	-	(0.2)	(100.0%)
Foreign exchange loss	5.6	-	(5.6)	(100.0%)
Other	2.3	6.1	3.7	158.4%

(Millions of yen)	2Q FY2020 (Jan - June '20)	(Reference) Apr - Sep '19	Note
Net income attributable to owners of parent	(120,799)	69,487	P/L
Net income (loss) attributable to non-controlling interests	(655)	1,911	P/L
Depreciation equivalent amount	107,120	105,770	
Depreciation and amortization	88,848	83,047	C/F Depreciation under concession agreements and G&A
Amortization of goodwill	3,380	3,380	C/F
Recovery of recoverable accounts under production sharing (capital expenditures)	14,892	19,343	C/F Depreciation under PS contracts
Exploration cost equivalent amount	6,925	13,551	
Exploration expenses	4,692	11,642	P/L Exploration expense under concession agreements
Provision for allowance for recoverable accounts under production sharing	2,233	1,909	P/L Exploration expense under PS contracts
Material non-cash items	175,982	496	
Income taxes-deferred	(13,147)	(1,156)	P/L
Foreign exchange loss (gain)	(3,320)	1,652	C/F
Impairment loss	192,449	-	C/F
Net interest expense after tax	7,877	9,070	P/L After-tax interest expense minus interest income
<b>EBIDAX</b>	<b>176,450</b>	<b>200,285</b>	

(Millions of yen)	2Q FY2020 (Jan - June '20)	(Reference) Apr - Sep '19	Note
Balance at beginning of the period	568,377	568,059	
Add:			
Exploration costs	2,248	1,950	Mainly Iraq Block10
Development costs	14,744	15,893	Mainly ACG, Kashagan and Con Son
Operating expenses	7,650	9,138	Mainly ACG and Kashagan
Other	3,997	5,396	
Less:			
Cost recovery (CAPEX)	14,892	19,343	Mainly ACG and Kashagan
Cost recovery (non-CAPEX)	8,669	7,853	Mainly ACG and Kashagan
Other	-	2,177	
Balance at end of the period	573,456	571,063	Mainly Kashagan
Less allowance for recoverable accounts under production sharing at end of the period	69,108	69,765	

## Oil Price and Foreign Exchange Sensitivities

- Sensitivities of crude oil price and foreign exchange fluctuation on consolidated net income attributable to owners of parent for the year ending December 31, 2020\*1

(Billions of yen)

Brent Crude Oil Price; \$1/bbl increase (decrease)*2	<p><u>At the Beginning of the 1Q : +6.5 (-6.5)</u></p> <p>The impact on net income will change in FY2020 as below;</p> <p>At the beginning of the 2Q : +4.5 (-4.5)</p> <p>At the beginning of the 3Q : +2.5 (-2.5)</p> <p>At the beginning of the 4Q : +1.0 (-1.0)</p>
Exchange Rate; ¥1 depreciation (appreciation) against the U.S. dollar*3	+2.2 (-2.2)

\*1 The sensitivities represent the impact on net income for the year ending December 31, 2020 against a \$1 /bbl increase (decrease) in the Brent crude oil price on average and a ¥ 1 depreciation (appreciation) against the U.S. dollar. These are based on the financial situation mainly of existing production projects at the beginning of the fiscal year. These are for reference purposes only and the actual impact may change due to fluctuations in production volumes, capital expenditures and cost recoveries, and may not be constant, depending on crude oil prices and exchange rates.

\*2 This is a sensitivity on net income determined by fluctuations in the oil price and is subject to the average price of crude oil (Brent). As part of the sales price has been finalized at the beginning of each quarter, the sensitivity breakdown for each quarter is estimated taking into account the percentage of the finalized sales price as follows;

At the beginning of the 1Q : +6.5 billions of yen (1Q : +1.0 billions of yen, 2Q : +1.5 billions of yen, 3Q : +2.0 billions of yen , 4Q : +2.0 billions of yen)  
 At the beginning of the 2Q : +4.5 billions of yen (1Q : ----- , 2Q : +1.0 billions of yen, 3Q : +1.5 billions of yen , 4Q : +2.0 billions of yen)  
 At the beginning of the 3Q : +2.5 billions of yen (1Q : ----- , 2Q : ----- , 3Q : +1.0 billions of yen , 4Q : +1.5 billions of yen)  
 At the beginning of the 4Q : +1.0 billions of yen (1Q : ----- , 2Q : ----- , 3Q : ----- , 4Q : +1.0 billions of yen)

\*3 This is a sensitivity on net income determined by fluctuation of the yen against the U.S. dollar and is subject to the average exchange rate. On the other hand, a sensitivity related to valuation for assets and liabilities denominated in the U.S. dollar on net income incurred by foreign exchange differences between the exchange rate at the end of the fiscal year and the end of the previous fiscal year is almost neutralized.

# Sales and Investment Forecasts for the Year ending December 31, 2020

Forecasts for the year ending Dec 31, 2020		As of Feb 12, 2020	As of Aug 6, 2020	Change	Reference
					2 <sup>nd</sup> half (Actual Result)
Sales Volume	Crude oil (thousand bbl) *1	128,712	115,196	(13,516)	60,894
	Natural gas (million cf) *2	493,815	467,000	(26,815)	222,856
	Overseas	410,601	390,288	(20,313)	183,030
	Japan	83,214 (2,229 million m <sup>3</sup> )	76,712 (2,055 million m <sup>3</sup> )	(6,502) ((174 million m <sup>3</sup> ))	39,826 (1,067 million m <sup>3</sup> )
	LPG (thousand bbl)*3	570	296	(274)	160

(Billions of yen)

Development expenditure*4	268.0	177.0	(91.0)	81.3	
Exploration expenditure	30.0	13.0	(17.0)	5.2	
Other capital expenditure	3.0	2.0	(1.0)	0.3	
Exploration expenses and Provision for explorations*5	Exploration expenses 25.5	30.1	Exploration expenses 11.2	15.1	6.9
	Provision for explorations 4.5		Provision for explorations 3.8		
(Non-controlling interest portion)*6	7.9	7.2	(0.7)	0.3	

\*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 Development expenditure includes investment in Ichthys downstream and acquisition costs

\*5 "Provision for allowance for recoverable accounts under production sharing" + "Provision for exploration projects", related to exploration activities

\*6 Capital increase from Non-controlling interests, etc.

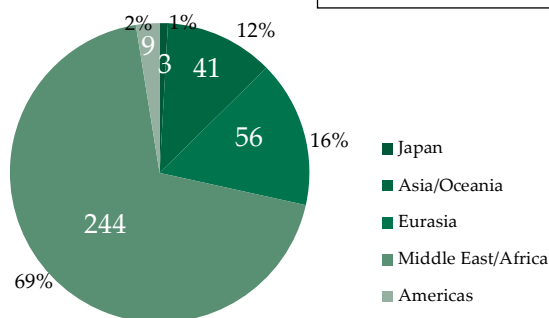
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## Net Production (January to June 2020)

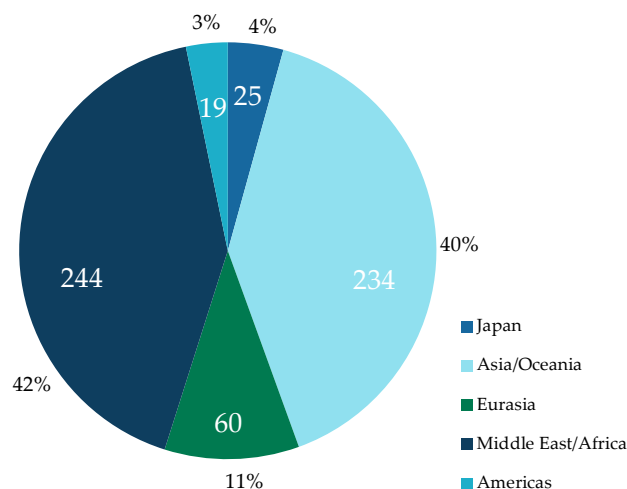
### Oil, Condensate and LPG

353 thousand BOE/day



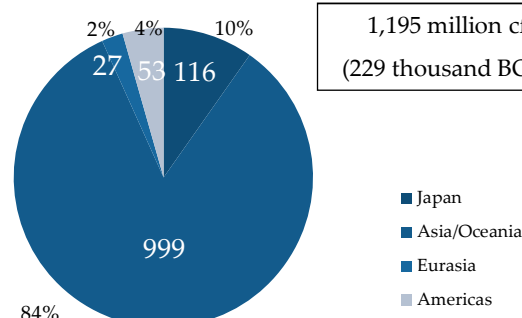
### Oil and Gas Total

582 thousand BOE/day



### Natural Gas

1,195 million cf/day  
(229 thousand BOE/day)



\* The production volume under the production sharing contracts corresponds to the net economic take of the INPEX Group.

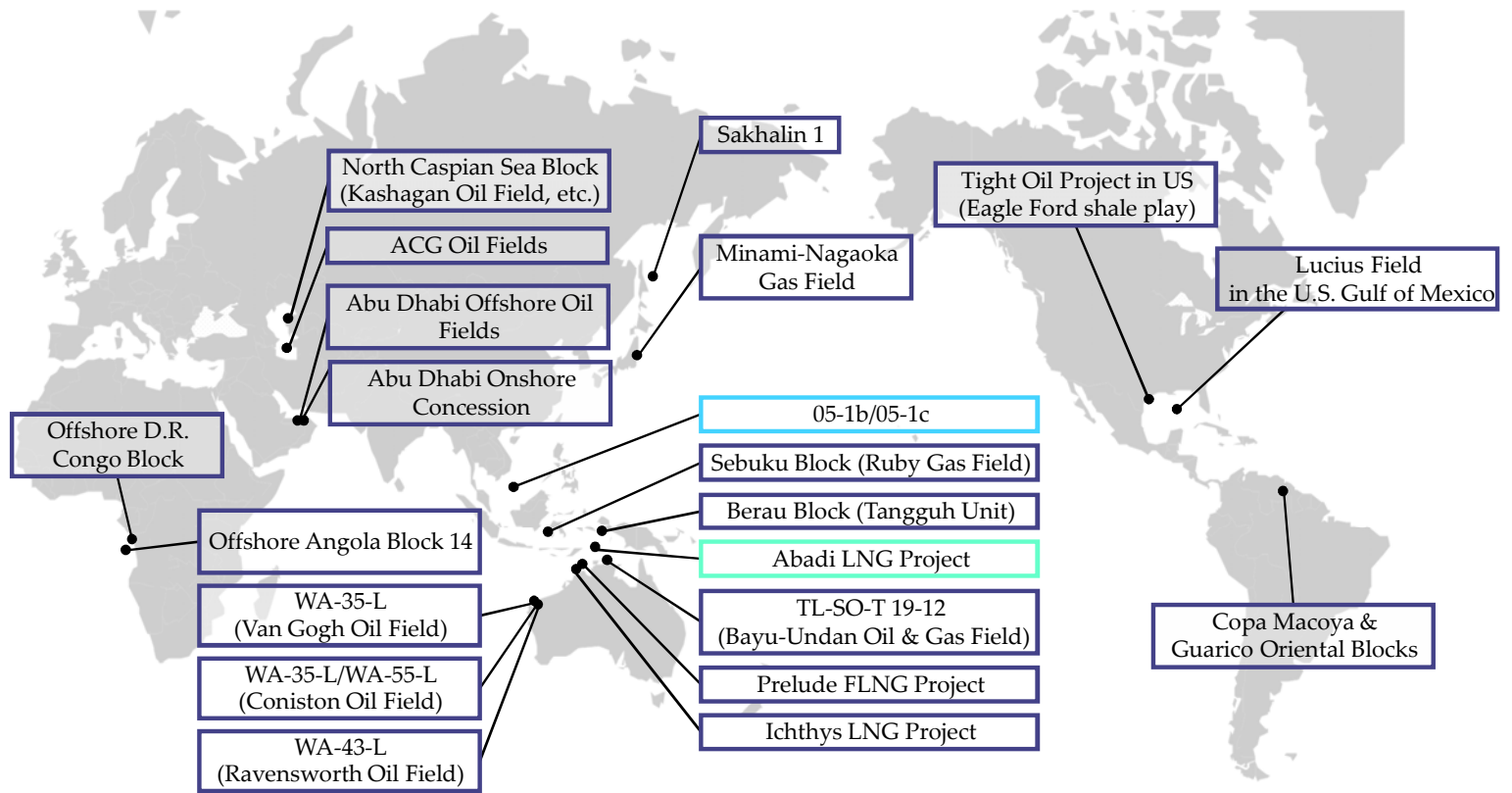
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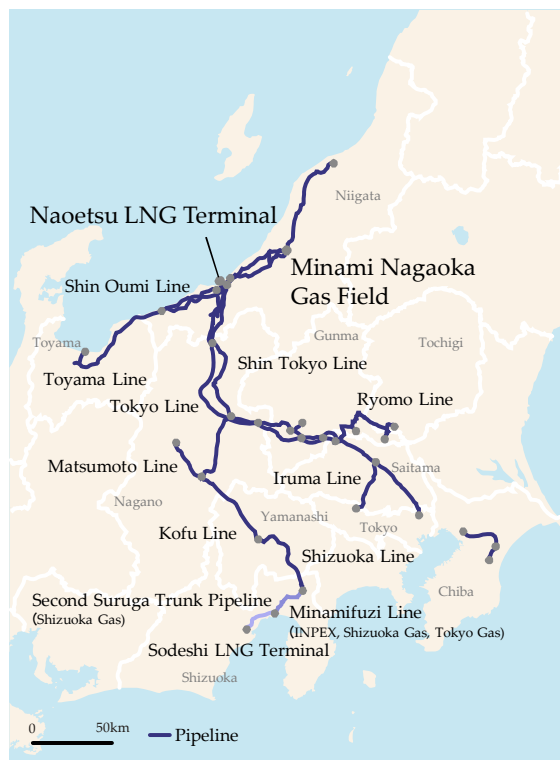
# Project Summary



# Major Assets in Production & Development



In Production
  Under Development
  Preparation for Development



## ■ Production Volume\*1

- Natural gas: approx. 3.1 million m<sup>3</sup>/d (117 million scf/d)
- Crude oil and condensate: approx. 3,000 bbl/d

## ■ Natural Gas Sales\*2

- FY 2019/12 (9 months): approx. 1.51 billion m<sup>3</sup>
- FY 2020/12 first half: approx. 1.07 billion m<sup>3</sup>
- Distribution outlook: 2.50 billion m<sup>3</sup> per year in the first half of the 2020s, 3.00 billion m<sup>3</sup> per year in the long-term

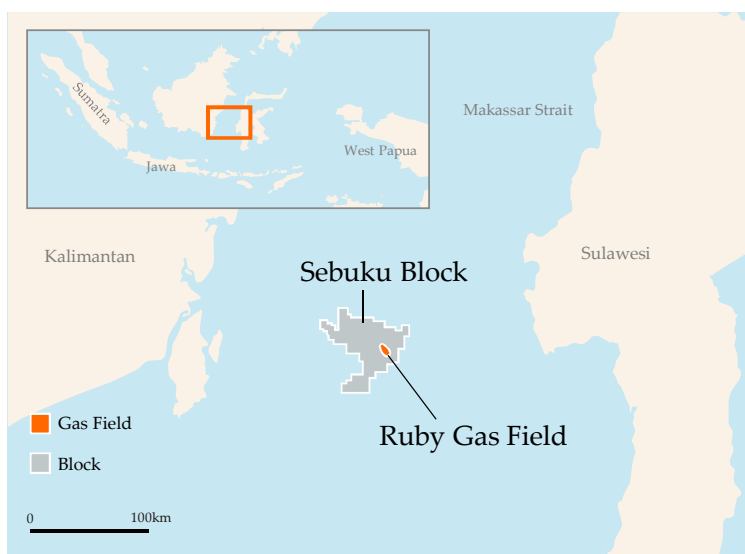
## ■ Global Gas Value Chain

- Started commercial operations at Naoetsu LNG Terminal in December 2013
- Toyama Line completed in June 2016
- First Ichthys LNG cargo arrived at Naoetsu LNG Terminal in October 2018

\*1 Average daily production volume for January to June 2020

\*2 1m<sup>3</sup> = 41.8605MJ

## Sebuku Block (Ruby Gas Field) INPEX South Makassar, Ltd.



## ■ Participating Interest: 15% (Operator : PEARLOIL (Mubadala))

## ■ PSC: Until September 21, 2027

## ■ Production Volume\*1

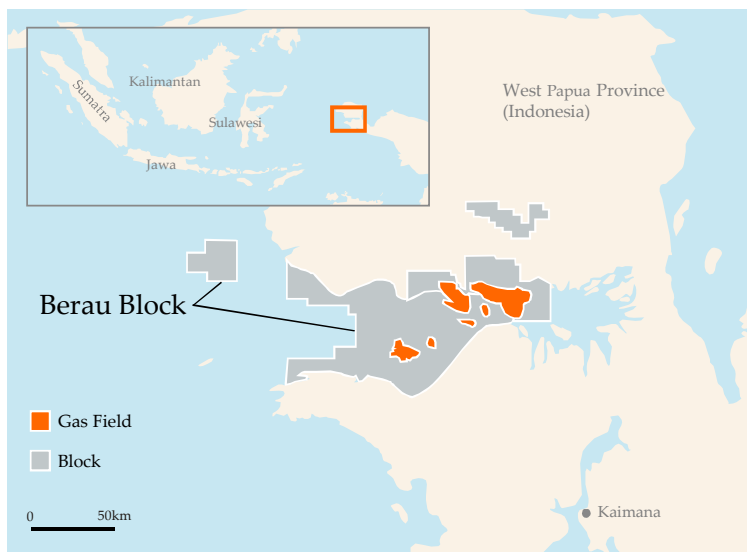
- Natural Gas\*2: Approximately 91 million cf/

## ■ Milestones

- Farmed-in in September 2010
- Made FID in June 2011
- Production commenced in October 2013

\*1 Average daily production volume for June 2020 on the basis of all fields.

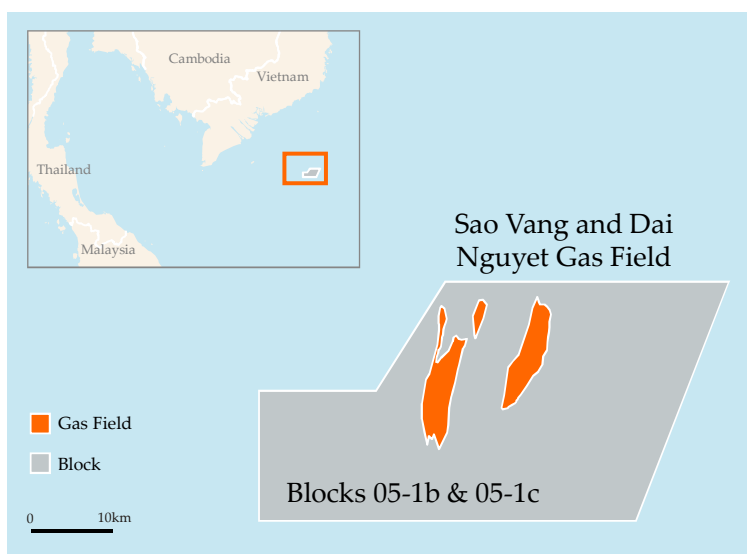
\*2 Gas volume sold to buyers.



- Participating Interest: 7.79% (INPEX Net) (Tangguh Unit) (Operator: BP)
- PSC: Until December 31, 2035
- Production Volume\*<sup>1</sup>
  - Condensate: Approximately 6,000 bbl/d
  - Natural Gas\*<sup>2</sup>: Approximately 1,146 million cf/d
- LNG Production Volume: 7.6 Mtpa
- Milestones
  - 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, currently under construction

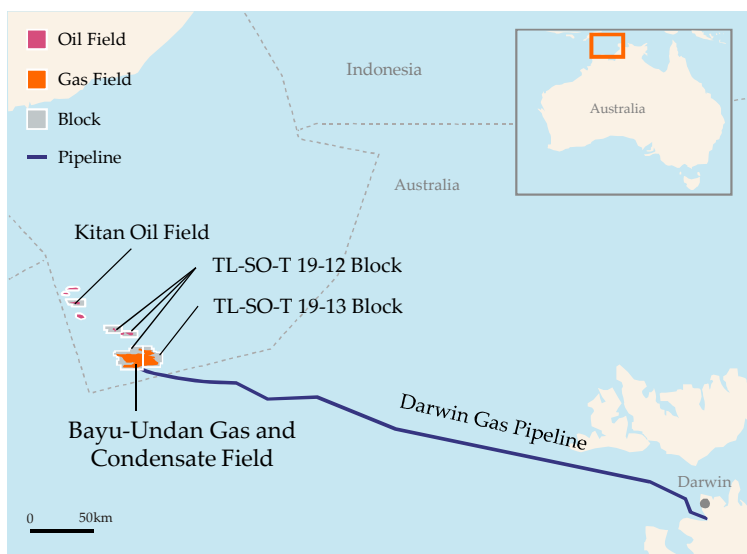
\*1 Average daily production volume for June 2020 on the basis of all fields.

\*2 Gas volume sold to buyers.



- Participating Interest: 36.92% (Operator: Idemitsu Gas Production (Vietnam))
- PSC: Until November 17, 2034
- Milestones
  - February 2011: Successful exploration well
  - June 2013: Discovery of gas and condensate
  - August 2014: Discovery of gas and condensate
  - February 2018: Final Investment Decision
  - Development work in progress to commence production in late 2020





The map includes provisional maritime boundaries

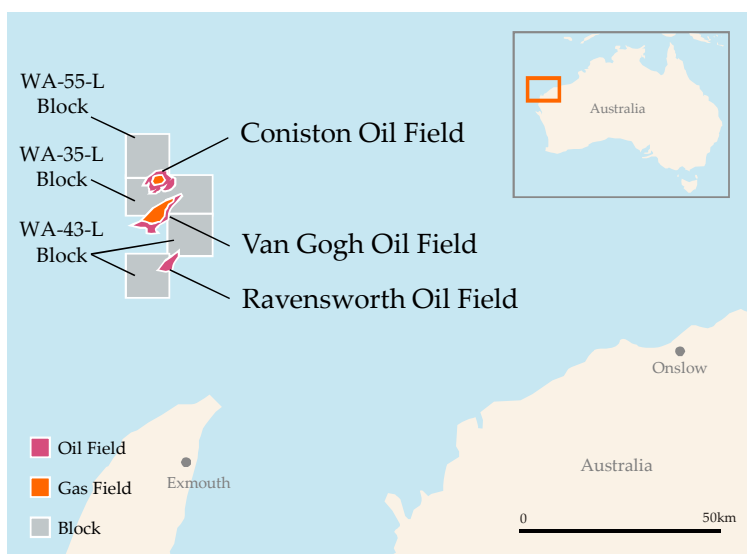
\*1 Average daily production volume for June 2020 on the basis of all fields.

\*2 Gas volume sold to buyers.

- Participating Interest: 11.378120% (Operator: Santos)
- PSC: Until February 6, 2022
- Production volume\*<sup>1</sup>
  - Condensate: Approximately 9,000 bbl/d
  - LPG: Approximately 4,000 bbl/d
  - Natural Gas \*<sup>2</sup>: Approximately 339 million cf/d

#### ■ Milestones

- In February 2004, commenced sales of condensate and LPG
- In August 2005, entered into an LNG Sales Contract with JERA (former TEPCO) and Tokyo Gas
- In February 2006, commenced LNG shipments
- In August 2019, in light of the delimitation of the maritime boundaries between Australia and Timor-Leste, INPEX entered into a new PSC with the government of Timor-Leste. The project will continue to be operated under terms equivalent to the previous arrangements.



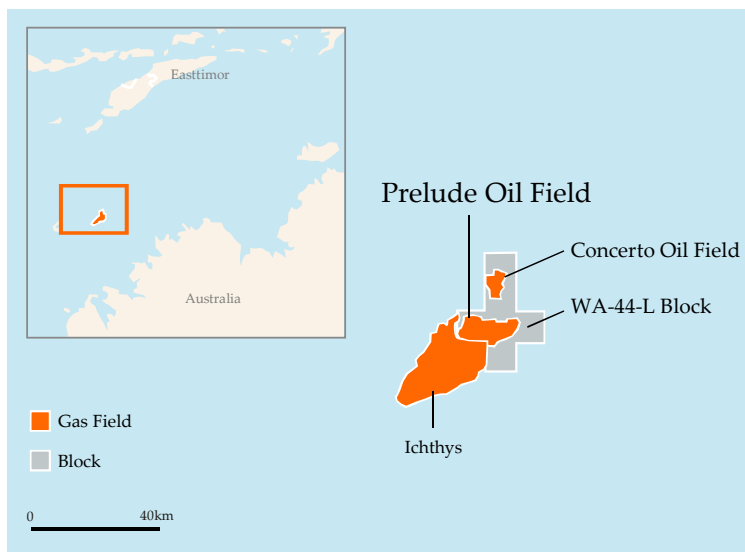
#### Van Gogh Oil Field (WA-35-L) and Coniston Oil Field (WA-35-L / WA-55-L)

- Participating Interest: 47.499% (Operator: Santos)
- Concession Agreement: Valid until end of production
- Milestones
  - In February 2010, oil production commenced at the Van Gogh Oil Field
  - In May 2015, oil production commenced at the Coniston Oil Fields
  - In July 2016, oil production commenced at the Novara Structure (Coniston Oil Field)
  - In January 2019, production commenced from the infill wells at the Van Gogh Oil Field
  - In March 2020, production temporarily halted for FPSO drydock repairs.

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

- Participating Interest: 28.5% (Operator: BHP)
- Concession Agreement: Valid until end of production
- Production volume\*: Approximately 3,000bbl/d of crude oil
- Milestones
  - Production commenced in August 2010

\* Average daily production volume for June 2020 on the basis of all fields.



- Participating Interest: 17.5% (Operator: Shell)
- Concession Agreement: Valid until end of production
- Production Capacity
  - LNG\*: 3.6 million t/y
  - LPG: 0.4 million t/y at peak
  - Condensate: Approx. 1.3 million t/y at peak
- Milestones
  - Made FID in May 2011
  - Wells opened and initial phase of production commenced in December 2018
  - 1st Condensate cargo shipped from FLNG in March 2019
  - 1st LNG cargo shipped in June 2019
  - 1st LPG cargo shipped in July 2019

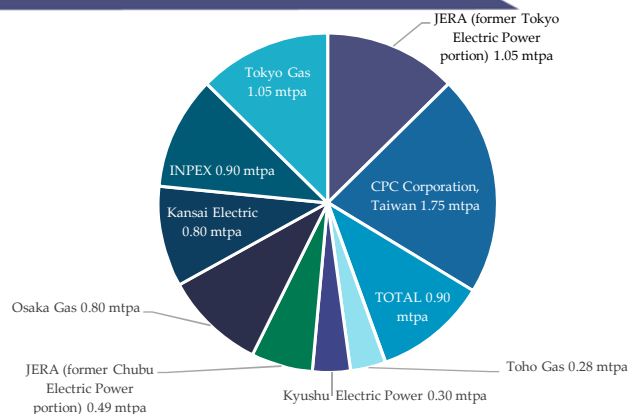
\* LNG sales and purchase agreements in place with JERA (approx. 0.56 MTPA) and Shizuoka Gas (approx. 0.07 MTPA) respectively covering INPEX's equity portion of the project's LNG output (approx. 0.63MTPA)

## Ichthys LNG Project Overview

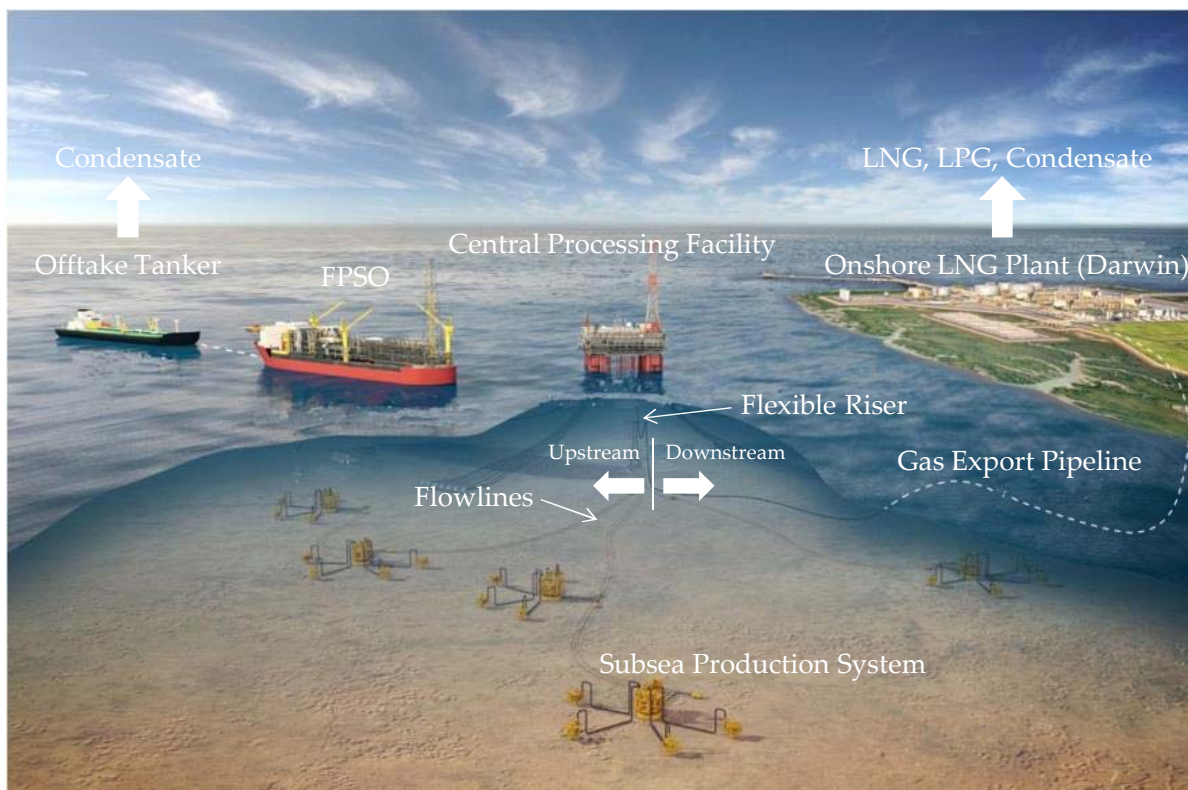
- Participating Interest : 66.245% (Operator)
- Production volume\*<sup>1</sup>
  - Upstream natural gas<sup>2</sup>: Approximately 1,316 million cf/d
  - Upstream condensate: Approximately 53 thousand b/d
- Shipped cargoes from production start-up to June 2020
  - LNG: 171 (56 from Jan to June 2020)
  - Onshore condensate (LNG plant): 29 (9 from Jan to June 2020)
  - Offshore condensate (FPSO): 49 (16 from Jan to June 2020)
  - LPG: 45 (16 from Jan to June 2020)
- Production overview
  - Project Life: Approximately 40 years
  - Approximately 8.9 million t/y of LNG(Production Capacity)
  - Approximately 1.65 million t/y of LPG(Production Capacity)
  - Approximately 100,000 bbl/d of condensate (at peak)
- Proved reserves
  - Approximately 1,011 million BOE (based on INPEX's participating interest of 66.245%)
- Participating interests in multiple exploration blocks nearby providing future development potential
- Marketing
  - Secured LNG SPAs covering 8.4 million t/y of LNG
  - Approx. 70% of the LNG delivered to Japanese buyers
  - Secured LPG SPA covering INPEX share

\*1 Average daily production for June 2020

\*2 Gas volume sold to the downstream entity (Gas provided from upstream to the LNG plant as a raw material to make products such as LNG, LPG and plant condensate)



- Project Financing
  - US\$ 20 billion project financing agreements with ECAs and major commercial banks completed in December 2012
- Major EPC contracts
  - 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: Saipem, Mitsui Corporation, Sumitomo Corporation and Metal One Corporation
    - Dredging in Darwin Harbour: Van Oord
    - Instrumentation & Control System: Yokogawa Electric



## Ichthys LNG Project Timeline from FID until Commencement of Production

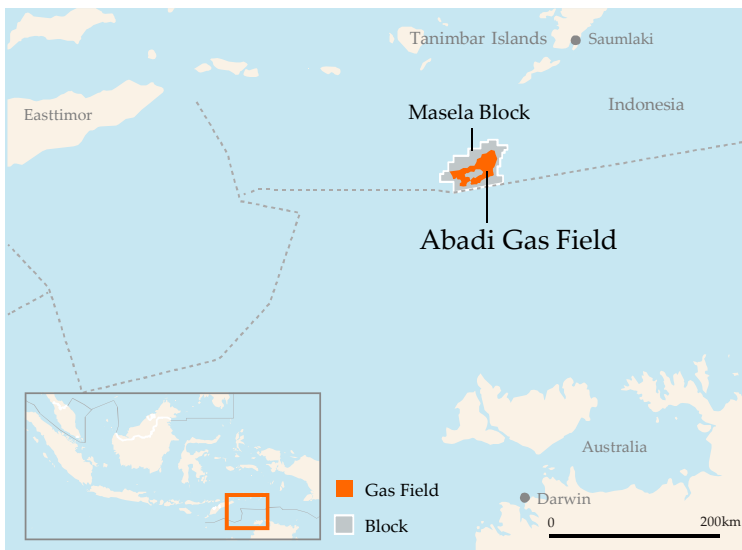
### ■ Timeline since Final Investment Decision (FID)

Key Milestone	2012	2013	2014	2015	2016	2017	2018
<b>FID</b>	●						
<b>(Offshore facilities / Production wells)</b>							
• Steel cutting ceremony for CPF and FPSO		●					
• Start-up of CPF and FPSO assembly work			●				
• FPSO hull launch			●				
• Completion of gas export pipelay				●			
• Commencement of drilling of production wells				●			
• Completion of installation of subsea flowlines					●		
• Completion of CPF and FPSO sail away, mooring and hook-up						●	
• Start-up of CPF and FPSO commissioning						●	
• Completion of commissioning of all key offshore facilities							●
<b>(Onshore facilities)</b>							
• Groundbreaking ceremony of LNG plant in Darwin	●						
• Commencement of construction on modules, jetties and tanks		●					
• Completion of dredging in Darwin Harbour			●				
• Completion of production loading jetty					●		
• Completion of construction and delivery of LNG plant modules					●		
• Completion of hydrostatic testing on all product tanks						●	
• Start-up of power generation facilities						●	
• Completion of commissioning of all key onshore facilities							●
<b>(Overall project)</b>							
• Acquisition of production license / project financing agreements	●						
• Arrangement of insurance for facilities during construction period		●					
• Contracts signed for construction, ownership and time charter of LNG tankers		●					
• 50% project completion			●				
• LNG production capacity increased from 8.4 to 8.9 million t/y				●			
• Agreement in principle with Astomos Energy Corporation on sales of LPG						●	
• Naming ceremonies for LNG tanker to supply Naoetsu LNG Terminal and CPC Corporation						●	
<b>Commencement of gas production from the wellhead</b>							●
<b>Commencement of shipment of condensate, LNG and LPG</b>							●



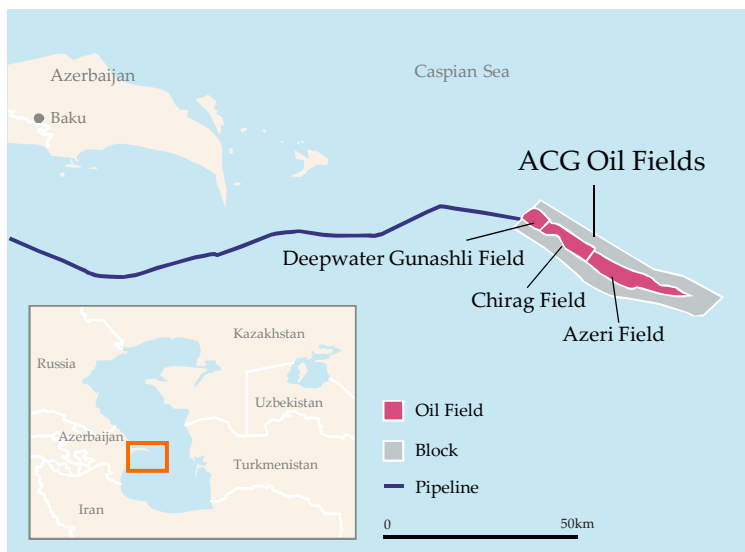


## Abadi LNG Project



Map includes provisional maritime boundaries

- Participating Interest: 65% (Operator)
- PSC: Until 15 November, 2055  
(Signed extension in October 2019)
- Production Capacity
  - Total output of natural gas 10.5 million tons per year (LNG equivalent) including ;
    - Approximately 9.5 million tons of LNG per year
    - Up to 150 million standard cubic feet of natural gas per day supply via pipeline
  - Up to approximately 35,000 barrels of condensate per day
- Milestones
  - Between March and October 2018, conducted Pre-FEED works based on an onshore LNG development concept with an annual LNG production capacity of 9.5 million tons.
  - In July 2019, revised development plan based on an onshore LNG development scheme was approved by the Indonesian authorities.
  - Currently conducting preparation for commencement of FEED work that is expected to take 1 to 2 years.
  - Aiming for production start-up in the latter half of 2020s.
  - 10% participating interest will be transferred to an Indonesian participant to be designated by the Indonesian government in accordance with PSC conditions.

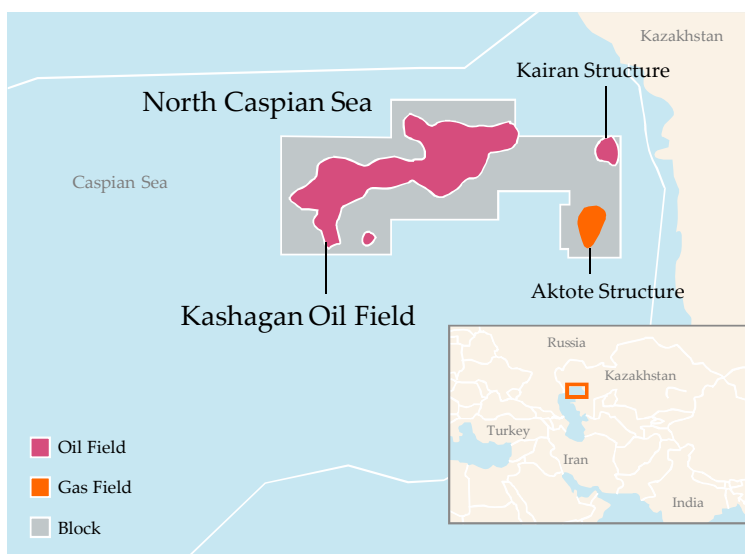


- Participating Interest: 9.3072%\*<sup>1</sup>  
(Operator: BP)
- PSC: Until 2049\*<sup>2</sup>
- Production volume \*<sup>3</sup>: Approximately 497,000 bbl/d
- Milestones
  - Started oil production in the Chirag Field in 1997
  - Started oil production in the central section of the Azeri Field in February 2005
  - Started oil production in the western section of the Azeri Field in December 2005
  - Started oil production in the eastern section of the Azeri Field in October 2006
  - Started oil production in the Deepwater Gunashli Field in April 2008
  - Started oil production in the western section of the Chirag Field in January 2014
  - Azeri Central East project FID was signed in April 2019.

\*<sup>1</sup> INPEX's participating interest has changed to 9.3072% as a result of the extension and amendment of the PSA effective January 1, 2018.

\*<sup>2</sup> The extension of the PSA until 2049 was agreed in 2017.

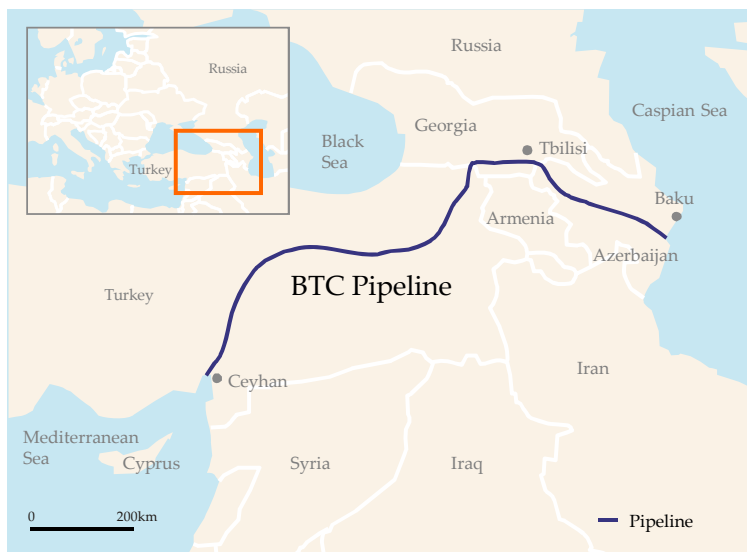
\*<sup>3</sup> Average daily production volume for January to June 2020 on the basis of all fields



- Participating Interest: 7.56% (Operator: NCOC (North Caspian Operating Company))
- PSC: Kashagan - Until 2021\*<sup>1</sup>
- Production volume\*<sup>2</sup>
  - Crude Oil: Approximately 300,000 bbl/d
- Milestones
  - Oil shipments at Kashagan Oil Field commenced in October 2016
  - Reached target production volume of 370,000 bbl/d. Production operations ongoing targeting 450,000 barrels per day
  - Agreed with the Kazakhstan government on extending the evaluation period of the Aktote/Kairan structures by five years and continuing development scenario studies.

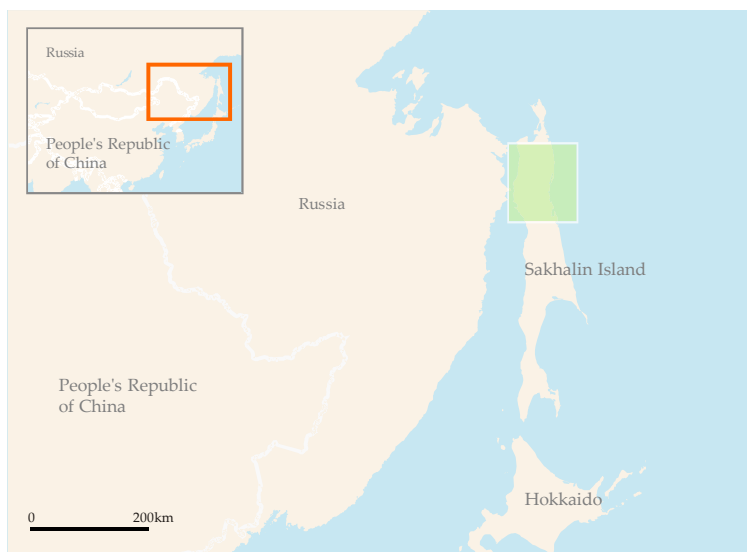
\*<sup>1</sup> Current PSC provide options to extend the contract period by 10 years twice (until 2041)

\*<sup>2</sup> Average daily production volume for June 2020 on the basis of all fields



- **Participating Interest: 2.5%**  
(Operator : BP)
- **Oil export volume\* : Approximately 644,000 bbl/d**
- **Milestones**
  - 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
  - Cumulative export volume reached 3,000 million bbls on July 17, 2018

\* Average transportation volume for 2019



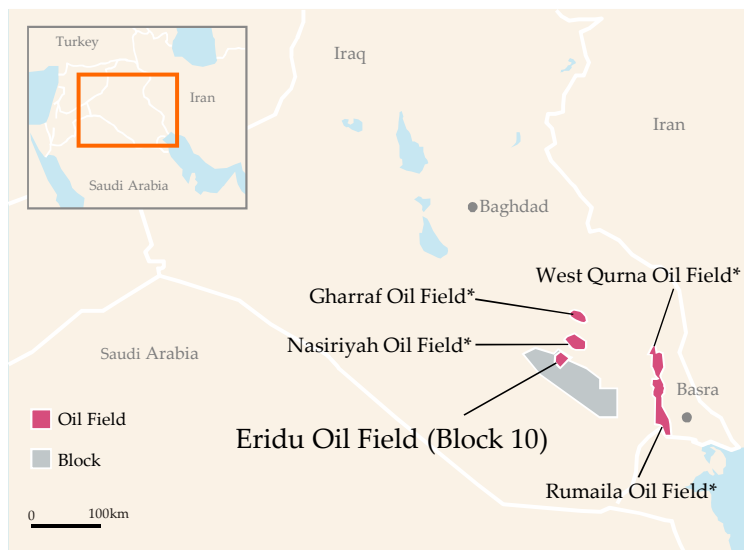
- **Sakhalin Oil and Gas Development Co., Ltd. (SODECO)'s participating interest in Sakhalin-1: 30%**
- **INPEX's share in SODECO: Approximately 6.08%**
- **Operator: Exxon Neftegas Limited (ENL)**
- **Milestones**
  - Commenced production from Chayvo in October 2005; commenced crude oil export in October 2006
  - Commenced production from Odoptu in September 2010
  - Commenced production from Arkutun-Dagi in January 2015
  - Currently supplying natural gas to Russian market



- Japan South Sakha Oil Co. Limited (JASSOC)'s shares in Joint Stock Company INK-ZAPAD: 49%
- INPEX's share in JASSOC: 24.998%
- Operator : INK-ZAPAD
- License agreement: 25 years (Until 2031)
- Production volume\*: Approximately 23,000 bbl/d of crude oil
- Milestones
  - Commenced production from the Ichyodinskoye Oil Field in November 2014

\* Average daily production volume for June 2020 on the basis of all fields

Block 10, Iraq (Eridu Oil Field)  
INPEX South Iraq, Ltd.



- Participating Interest: 40% (Operator: LUKOIL)
- Block acquired: December 2012 (Republic of Iraq 4th Licensing Round)
- EDPSC\*1
  - Exploration Period: 9 years (Until December 2, 2021)\*2
  - Development and Production Period: 20years\*3
- Milestones
  - Oil deposits were discovered through the first exploratory drilling conducted in February 2017. Thereafter, the extent of the deposits was confirmed by appraisal wells drilled in 2017.
  - As the deposits most likely extend beyond the Contract Area, an extension application for the Contract Area was submitted and approved in November 2017.
  - Exploration and evaluation work is underway to study the possibility of commercial development.

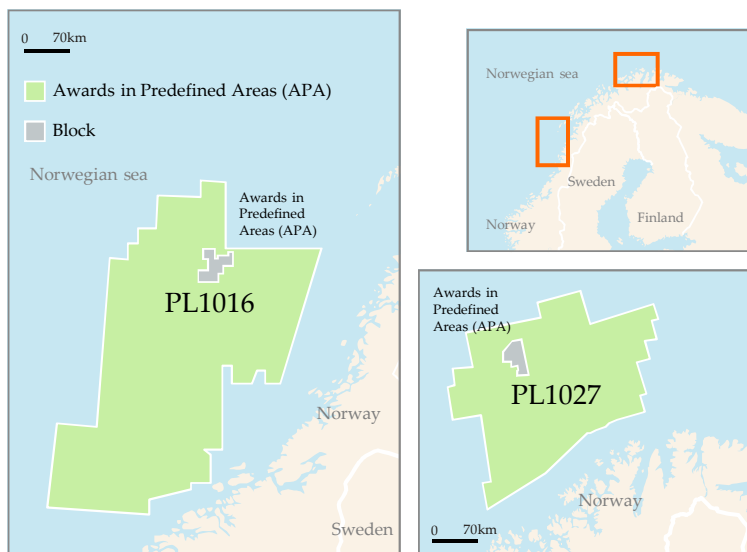
\* INPEX does not participate in these fields

\*1 Exploration, Development and Production Service Contract

\*2 Exploration Period has been extended by 4 years for further exploration and appraisal works to be conducted, in accordance with the EDPSC

\*3 The current service contract provides the option to extend the Development and Production Periods by 5 years



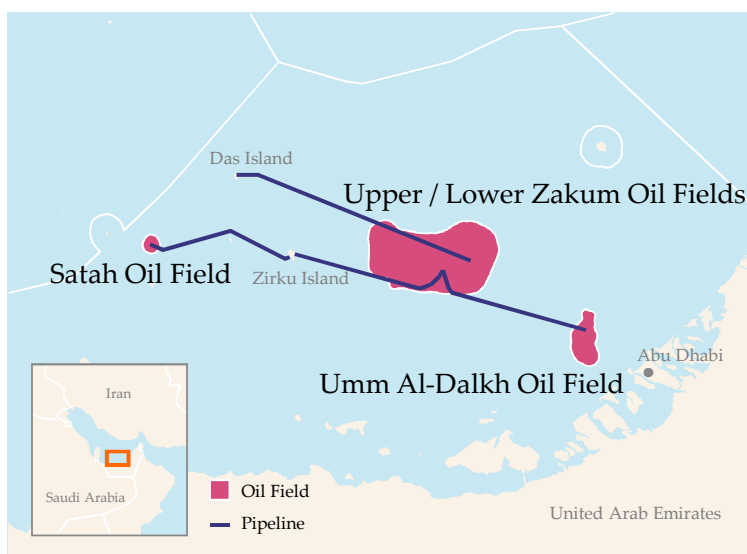


## ■ PL1016, Northern Norwegian Sea

- Participating Interest: 40%  
(Operator: OMV Norge AS)
- Block Acquisition: March 1, 2019
- Concession Agreement
  - Exploration and Appraisal Period: 7 years (to 2026)
  - Development and Production Period: 25 years
- License awarded in January 2019

## ■ PL1027, Western Barents Sea

- Participating Interest: 20%  
(Operator: Lundin Norway AS)
- Block Acquisition: March 1, 2019
- Concession Agreement
  - Exploration and Appraisal Period: 8 years (to 2027)
  - Development and Production Period: 25 years
- License awarded in January 2019
- Exploratory well 7221/4-1 is planned to be drilled in 2020.



## ■ Upper Zakum Oil Field (JODCO)

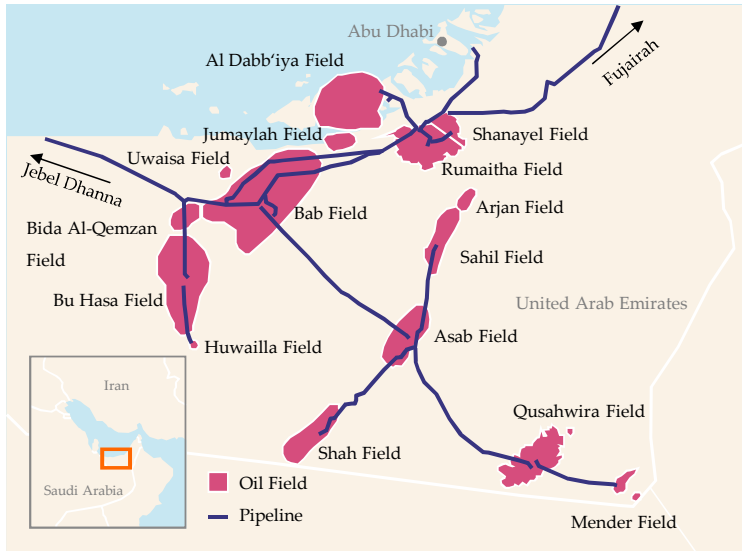
- Participating Interest: 12%  
(Operator: ADNOC Offshore)
- Concession agreement: Until 2051

## ■ Lower Zakum Oil Field (JODCO Lower Zakum Limited)

- Participating Interest: 10%  
(Operator: ADNOC Offshore)
- Concession agreement: Until 2058

## ■ Satah/Umm Al Dalkh oil fields (JODCO)

- Participating Interest: 40%  
(Operator: ADNOC Offshore)
- Concession agreement: Until 2043

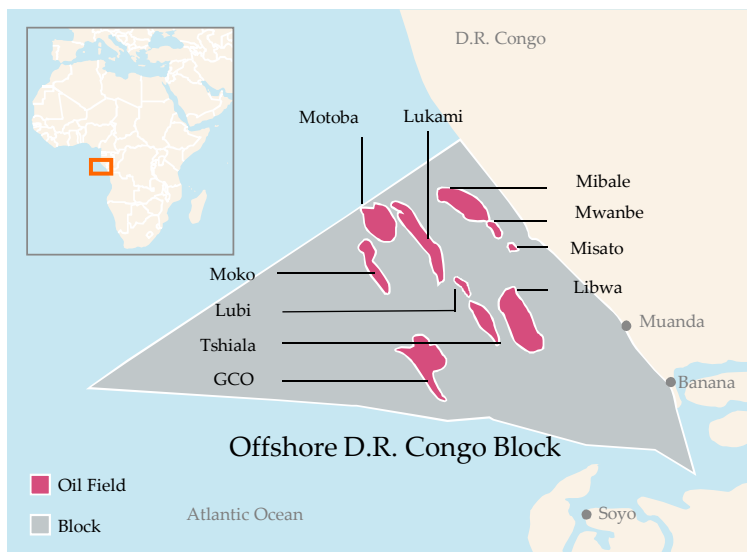


- Participating interest: 5%  
(Operator: ADNOC Onshore\*)
- Concession agreement: Until 2054

\* Operating company owned by companies with participating interests. JODCO Onshore Limited has a 5% share in the operating company.



- Participating interest: 100%  
(Operator: JODCO Exploration Limited)
- Block surface area: Approximately 6,116 square kilometers



- Participating Interest: 32.28% (Operator: Perenco)
- Concession Agreement: 1969-2043
- Production started in 1975
- Production volume\*: Approximately 14,000 bbl/d of crude oil

\* Average daily production volume for June 2020 on the basis of all fields



- Participating Interest: 9.998% (Operator: Chevron)
- PSC:
  - Kuito DA: Until 2023
  - BBLT DA: Until 2027
  - TL DA: Until 2028
  - Lianzi: Until 2031
- Production volume\*: Approximately 55,000 bbl/d of crude oil

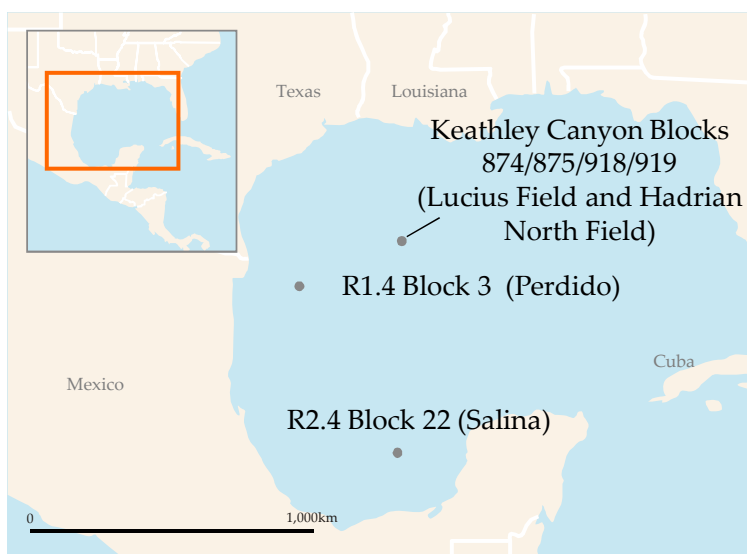
\* Average daily production volume for June 2020 on the basis of all fields



- INPEX's share in joint ventures
  - Gas JV (Copa Macoya): 70% (Operator)
  - Oil JV (Guarico Oriental): 30%
- Joint Venture Agreement: 2006-2026
- Production volume\*<sup>1</sup>:
  - Natural Gas\*<sup>2</sup>: Approximately 47 million cf/d

\*1 Average daily production volume for June 2020 on the basis of all fields.

\*2 Gas volume sold to buyers.



- Lucius Oil Field & Hadrian North Field (INPEX Americas, Inc. )
  - Lease Agreement
  - Participating Interest: 7.75309% (Operator : Occidental)
  - Production volume\*<sup>1</sup>
    - Crude Oil: Approximately 30,000bbl/d
    - Natural Gas\*<sup>2</sup>: Approximately 31 million cf/d
  - Milestones
    - Production of crude oil and natural gas started in January 2015
    - Revised Unit Participating Agreement (UPA) on unitization reached in September 2017 between project partners of Lucius Oil Field and Hadrian North Oil Field located south of Lucius
    - Production from Hadrian North started in April 2019
    - Buckskin tie-in to Lucius SPAR started in June 2019
- Block 3, Perdido Fold Belt, Mexican Gulf of Mexico (INPEX E&P Mexico PB-03, S.A. de C.V.)
  - License Agreement
  - Participating interest: 33.3333% (Operator: Chevron)
- Block 22, Salina Basin, Mexican Gulf of Mexico (INPEX E&P Mexico, S.A. de C.V.)
  - License Agreement
  - Participating interest: 35% (Operator: Chevron)

\*1 Average daily production volume for June 2020 on the basis of all fields.

\*2 Gas volume sold to buyers.



- Participating Interest: 100% (Operator\*<sup>1</sup>)
- Lease Agreement
- Acreage: Approximately 9,800 net acres (Approximately 40 square kilometers)
- Production volume\*<sup>2</sup>:
  - Crude Oil: Approximately 12,000bbl/d
  - Natural Gas: Approximately 13 million cf/d
- Milestones
  - Reached an agreement with GulfTex Energy to acquire multiple development and production assets in the Eagle Ford play in the State of Texas, the United States in March 2019.



Drilling Site

\*1 INPEX is the Operator except for a portion of project assets

\*2 INPEX Net production volume (Average daily production volume for June 2020)

## Key Companies and Petroleum Contracts (1/2)

### ■ Key Companies and Petroleum Contracts\*<sup>1</sup>

Company	Field / Project Name	Country	Contract Type	Ownership	Phase
<b>Japan</b>					
INPEX CORPORATION	Minami-Nagaoka Gas Field, etc.* <sup>2</sup>	Japan	Concession	-	Producing
<b>Asia and Oceania</b>					
INPEX South Makassar, Ltd.	Sebuku Block(Ruby Gas Field)	Indonesia	PS	100%	Producing
MI Berau B.V.	Berau Block (Tanggung LNG Project)	Indonesia	PS	44%	Producing / Development
INPEX Masela, Ltd.	Masela Block (Abadi LNG)* <sup>2</sup>	Indonesia	PS	51.9%	Preparation for Development
Teikoku Oil (Con Son) Co., Ltd.	05-1b / 05-1c Blocks (Sao Vang and Dai Nguyet Gas Fields)	Vietnam	PS	100%	Development
INPEX Sahul, Ltd.	Bayu-Undan Gas Condensate Field	Timor-Leste	PS	100%	Producing
INPEX Browse E&P Pty Ltd	WA-285-P* <sup>2</sup> and others	Australia	Concession	100%	Exploration
INPEX Ichthys Pty Ltd	WA-50-L and WA-51-L (Ichthys)* <sup>2</sup>	Australia	Concession	100%	Producing
Ichthys LNG Pty Ltd	Ichthys Downstream Business* <sup>2</sup>	Australia	-	66.245%	Producing
INPEX Oil & Gas Australia Pty Ltd	Prelude FLNG Project	Australia	Concession	100%	Producing
INPEX Alpha, Ltd.	Van Gogh Oil Field/Coniston Oil Field	Australia	Concession	100%	Producing
INPEX Alpha, Ltd.	Ravensworth Oil Field	Australia	Concession	100%	Producing

\*1 As of the end of June 2020

\*2 INPEX operated projects

■ Key Companies and Petroleum Contracts\*<sup>1</sup>

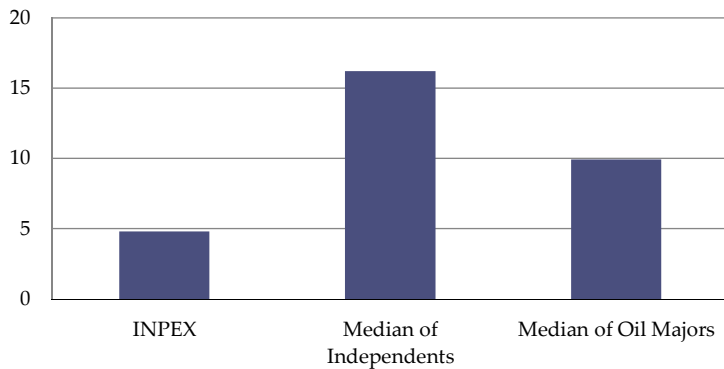
Company	Field / Project Name	Country	Contract Type	Ownership	Phase
<b>Eurasia (Europe - NIS)</b>					
INPEX Southwest Caspian Sea, Ltd.	ACG Oil Fields	Azerbaijan	PS	51%	Producing
INPEX North Caspian Sea, Ltd.	Kashagan Oil Field	Kazakhstan	PS	51%	Producing
<b>Middle East and Africa</b>					
JODCO	Upper Zakum Oil Field, etc.	UAE	Concession	100%	Producing
JODCO Lower Zakum Limited	Lower Zakum Oil Field	UAE	Concession	100%	Producing
JODCO Onshore Limited	Onshore Concession	UAE	Concession	51%	Producing
Teikoku Oil (D.R. Congo) Co., Ltd.	Offshore D.R.Congo	D.R.Congo	Concession	100%	Producing
INPEX Angola Block14	Offshore Angola Block 14	Angola	PS	100%	Producing
<b>Americas</b>					
Teikoku Oil & Gas Venezuela	Copa Macoya <sup>*2</sup> and Guarico Oriental	Venezuela	Concession	100%	Producing
INPEX Americas, Inc	Lucius Field and Hadrian North Field	USA	Concession	100%	Producing
INPEX Eagle Ford, LLC	Eagle Ford Tight Oil Project <sup>*3</sup>	USA	Concession	100% <sup>*3</sup>	Producing

\*1 As of the end of June 2020

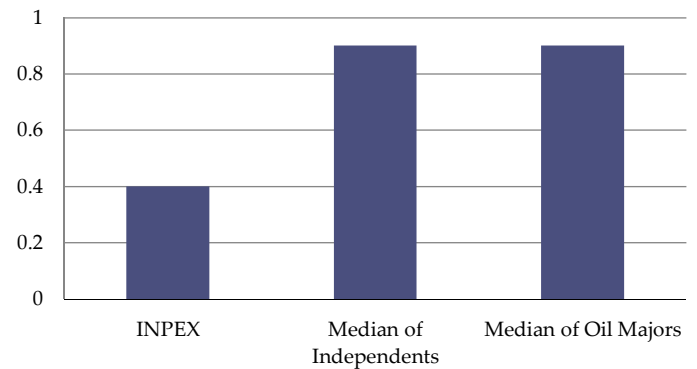
\*2 INPEX operated projects

\*3 INPEX operated projects except for a portion of project assets

## EV/Proved Reserves\*<sup>1</sup>



## PBR\*<sup>2</sup>



\*1 EV (Enterprise Value) / Proved Reserves = (Total market value + Total debt - Cash and cash equivalent + Non-controlling interests) / Proved Reserves. Total market value as of June 30, 2020. Financial data as of March 31, 2020 (partly as of December 31, 2019). Proved Reserves as of December 31, 2019. Sources based on public data.

\*2 PBR = Share price / Net asset per share. Total market value as of June 30, 2020. Financial data as of March 31, 2020 (partly as of December 31, 2019). Sources based on public data.

# Vision 2040

## Three Business Objectives



### Sustainable Growth of Oil and Natural Gas E&P Activities

**A top 10**  
international oil company

- Growth in both volume and value
- Volume: Aspire to achieve a production volume of 1 million BOED, continuously expand reserves
- Value: Significantly increase net income and cash flow from operations, improve capital efficiency



### Development of Global Gas Value Chain Business

**A key player**  
in natural gas development and supply in Asia & Oceania

- Develop gas demand in Asia and other growing markets
- Increase domestic gas supply volume over 3 billion m<sup>3</sup>
- Maximize value of the upstream gas interests
- Maintain / strengthen supply and demand management and trading functions



### Reinforcement of Renewable Energy Initiatives

**10%**  
of project portfolio

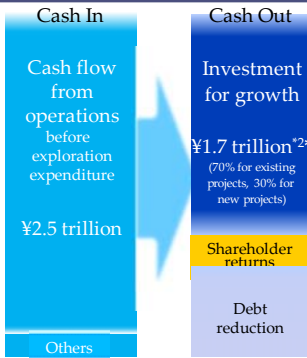
- Proactively address climate change
- Expand participation in wind power generation and other areas in addition to geothermal power, which draws on synergies with E&P activities
- Conduct R&D in renewables to reduce greenhouse gas emissions

Develop a foundation by conducting CSR management, particularly accelerating response to climate change and utilizing INPEX's strengths

Reduce carbon footprint, strengthen ESG initiatives and contribute to the realization of SDGs  
Allocate cash generated from projects to shareholder returns and investments for growth

**Continuously and sustainably increase corporate value**

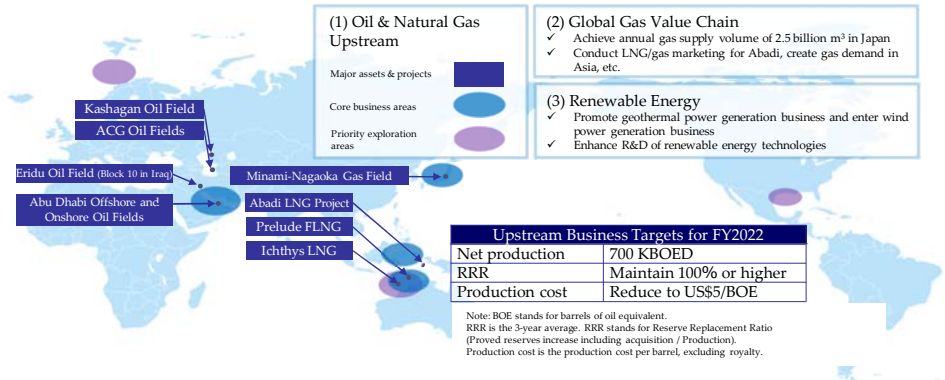
## Cash Allocation during the 5-Year Period<sup>1</sup>



<sup>1</sup> Assumes a crude oil price (Brent) of US\$60/bbl and an exchange rate of ¥110/US\$. Includes Ichthys downstream JV.

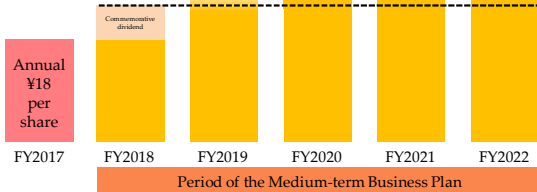
<sup>2</sup> All expenditures for "Main Business Initiatives" as addressed from (1) to (3)

## Main Business Initiatives



## Enhancing Shareholder Returns

- ✓ In FY2018, plan to issue a commemorative dividend following the Ichthys LNG Project's start-up and shipment of cargo
- ✓ Shareholder return policy during FY2018-2022
  - Maintain base dividends not falling below ¥18 per share plus the commemorative dividend as above
  - Enhance annual dividends in stages by increasing the dividend per share in accordance with the growth of the Company's financial results
  - Payout ratio : 30% or higher



## Financial Targets

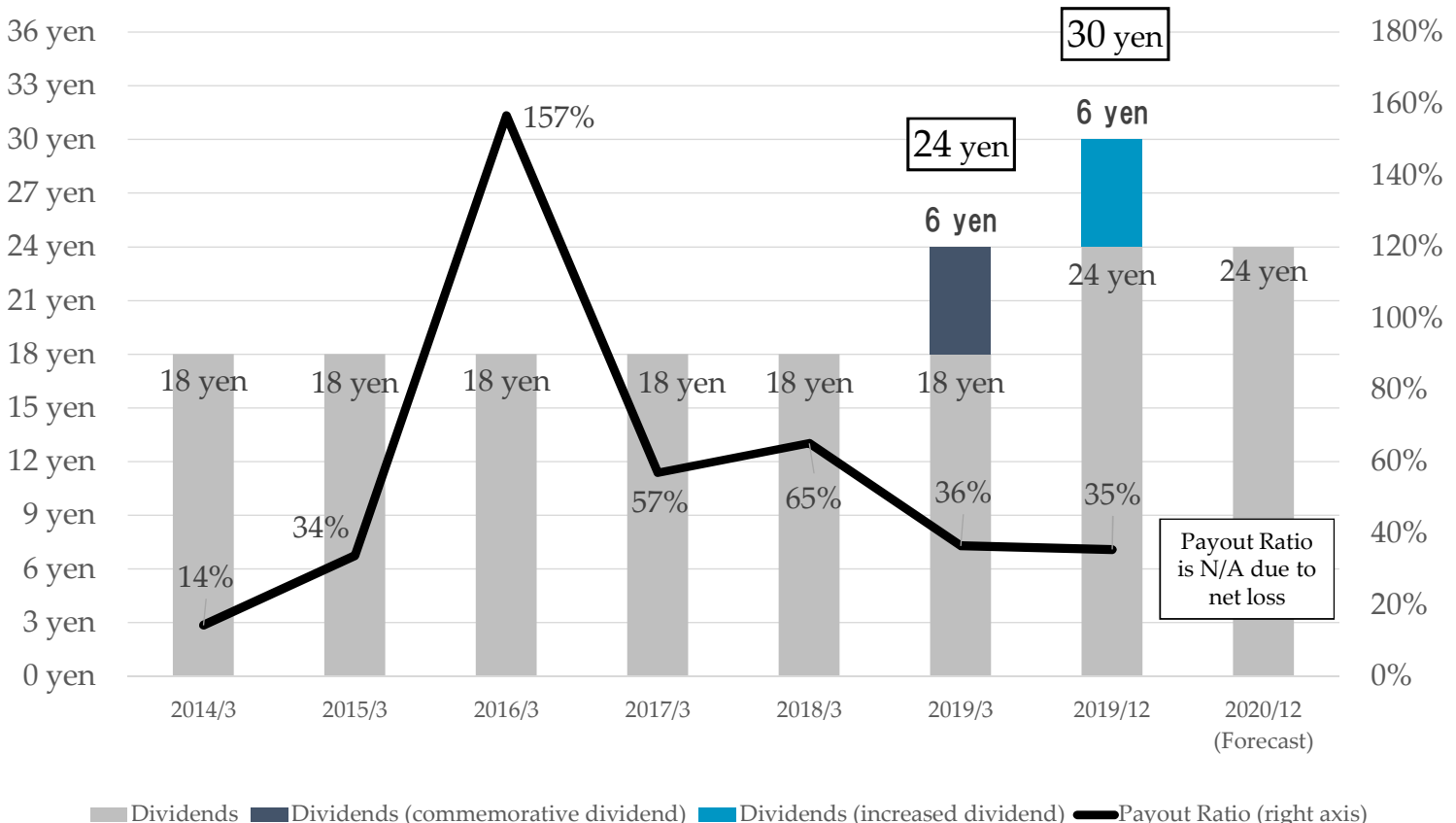
	FY2022	FY2017 Results
Crude oil price/exchange rate assumptions	US\$60 / ¥110	US\$57.85 / ¥110.86
Net sales	Around ¥1,300 bn	¥933.7 bn
Net income attributable to owners of parent	Around ¥150 bn	¥40.3 bn
Cash flow from operations	Around ¥450 bn	¥278.5 bn
Return on equity (ROE)	5% or higher	1.4%

- ✓ Maintain financial strength (expecting an equity ratio of 50% or higher)
- ✓ Maintain financial and corporate resilience even if the crude oil prices drop to US\$50/bbl

Note: Crude oil price assumption is per one barrel of Brent crude oil; the exchange rate assumption is per U.S. dollar. Targets are on a financial accounting basis. Sensitivity of FY2022 net income attributable to owners of parent to the crude oil price and exchange rate is approximately +¥8.0 billion (-¥8.0 billion) from a US\$1/bbl increase (decrease) in the Brent crude oil price and approximately +¥2.0 billion (-¥2.0 billion) from a ¥1/US\$ depreciation (appreciation). See page 5 of "Medium-term Business Plan 2018-2022" (URL: [https://www.inpex.co.jp/english/company/pdf/business\\_plan.pdf](https://www.inpex.co.jp/english/company/pdf/business_plan.pdf)) for other notes.

Note: Announced on May 11, 2018

# Annual Dividends and Payout Ratio





■ INPEX engages in a variety of ESG activities focused on the following 6 material issues

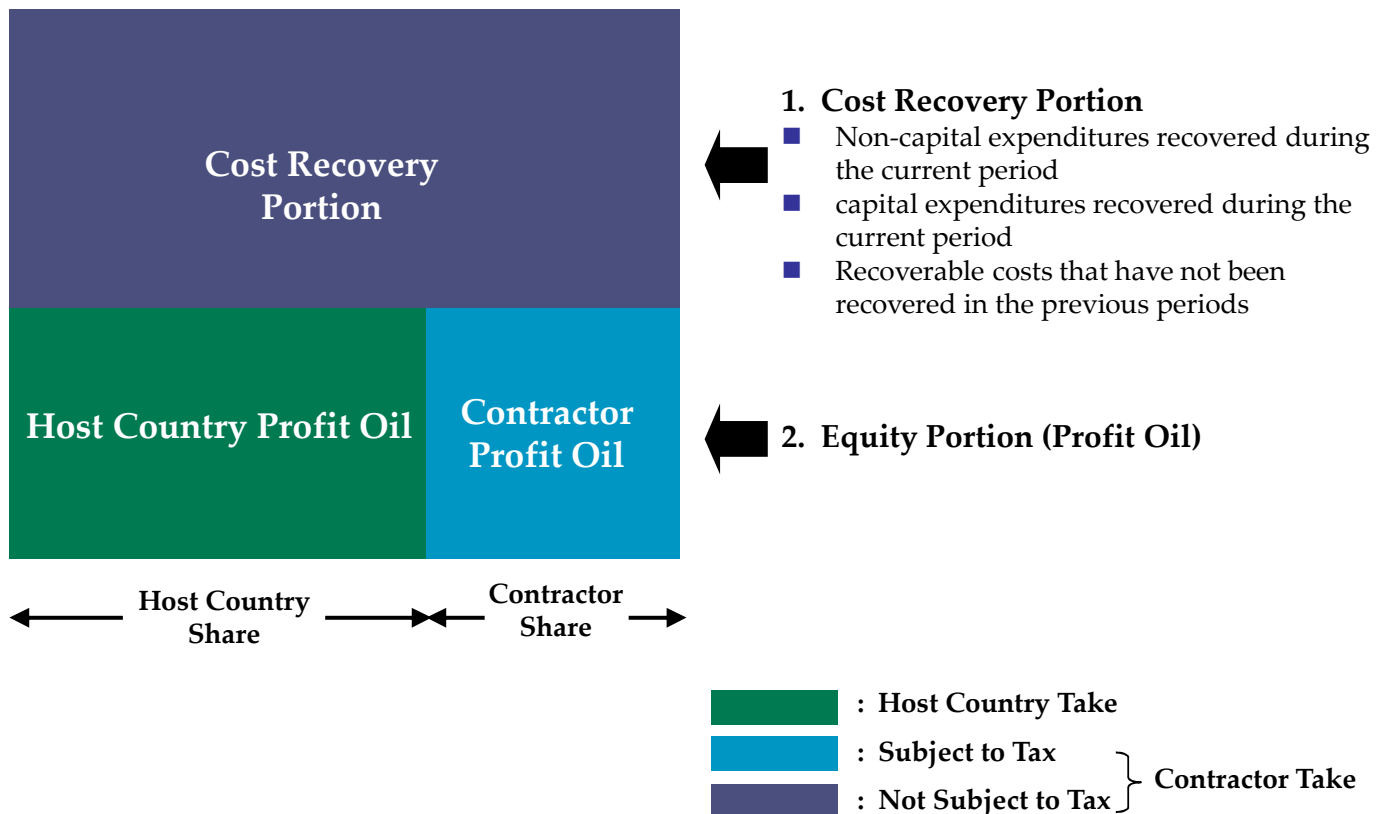
<p>Governance</p> <ul style="list-style-type: none"> <li>● Strengthen governance structure</li> <li>● Upgrade risk management system</li> </ul>	<p>Compliance</p> <ul style="list-style-type: none"> <li>● Respect human right</li> <li>● Comply with laws, prevent bribery and corruptions</li> <li>● Conduct Environmental and Social Impact Assessment (ESIA) in supply chain</li> </ul>
<p>HSE</p> <ul style="list-style-type: none"> <li>● Prevent of major incidents</li> <li>● Secure occupational health and safety</li> <li>● Conserve biodiversity, manage water resource appropriately</li> </ul>	<p>Local Communities</p> <ul style="list-style-type: none"> <li>● Assess and take measures to reduce impact on local and indigenous communities</li> <li>● Contribute to local economies</li> </ul>
<p>Climate Change Response</p> <ul style="list-style-type: none"> <li>● Promote renewable energy business</li> <li>● Develop natural gas as a cleaner source of energy</li> <li>● Strengthen climate-related risk management</li> </ul>	<p>Employees</p> <ul style="list-style-type: none"> <li>● Develop personnel and enhance the motivation of the workforce</li> <li>● Promote diversity</li> </ul>

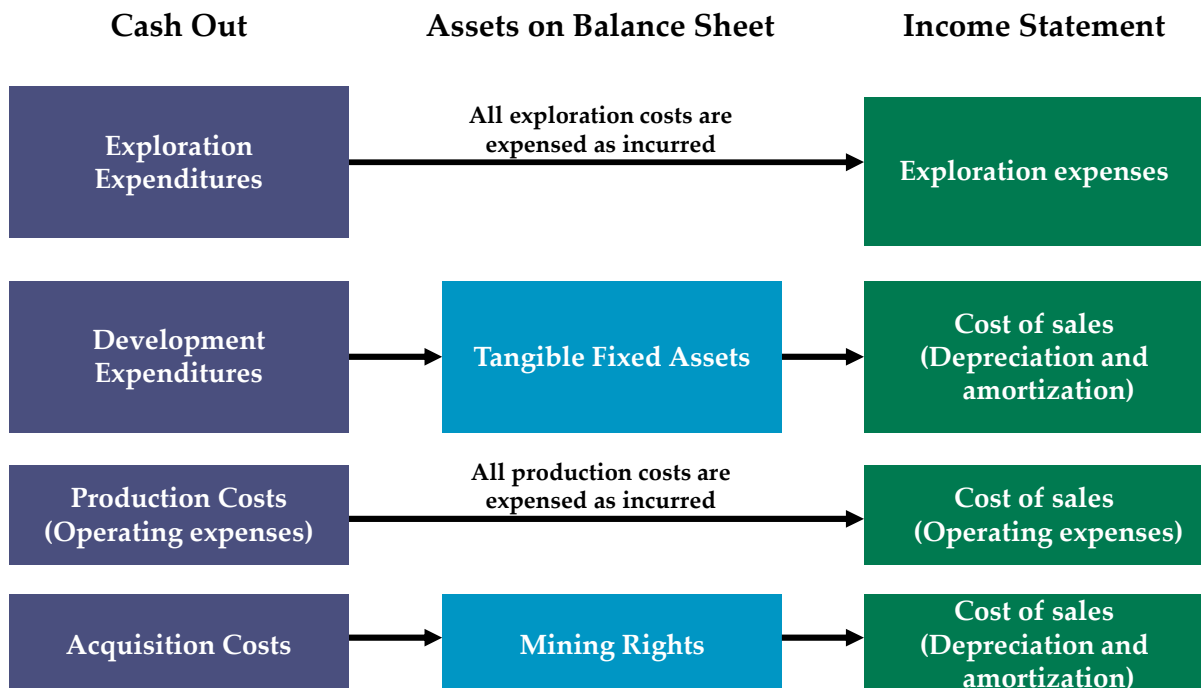
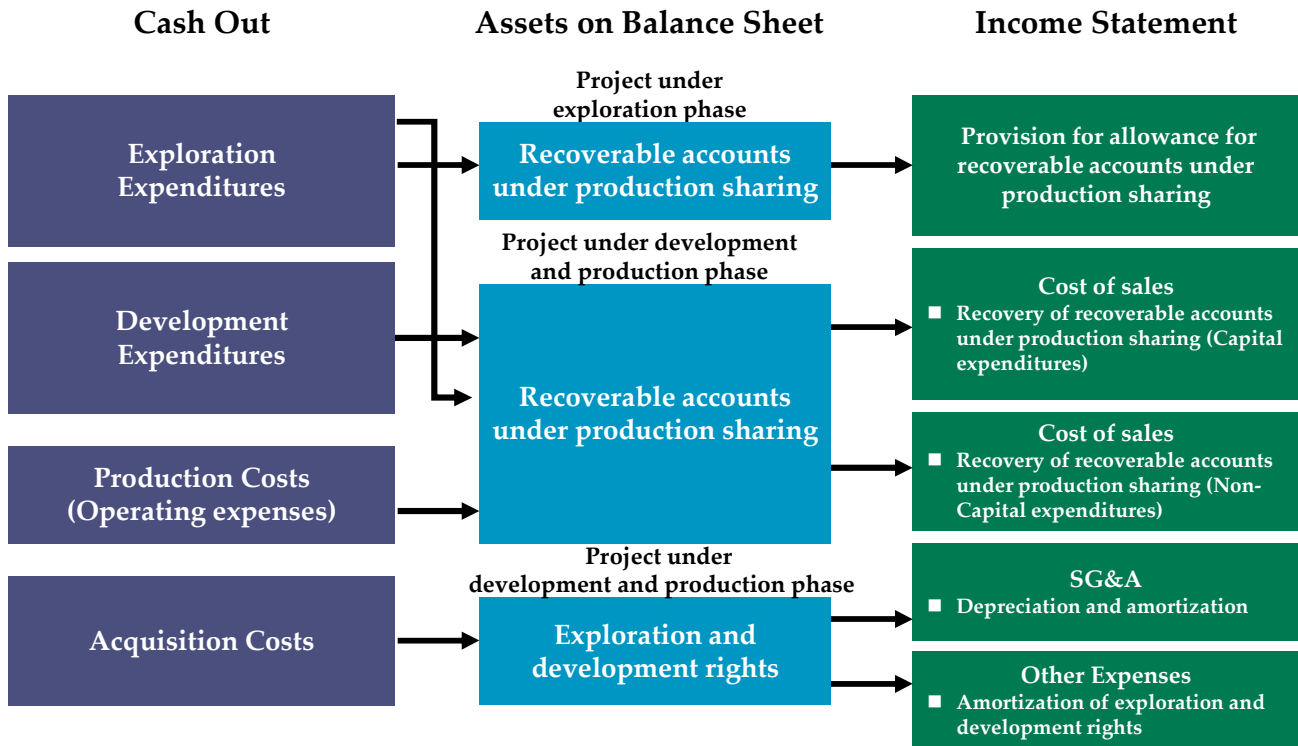
● Environment   
 ● Social   
 ● Governance

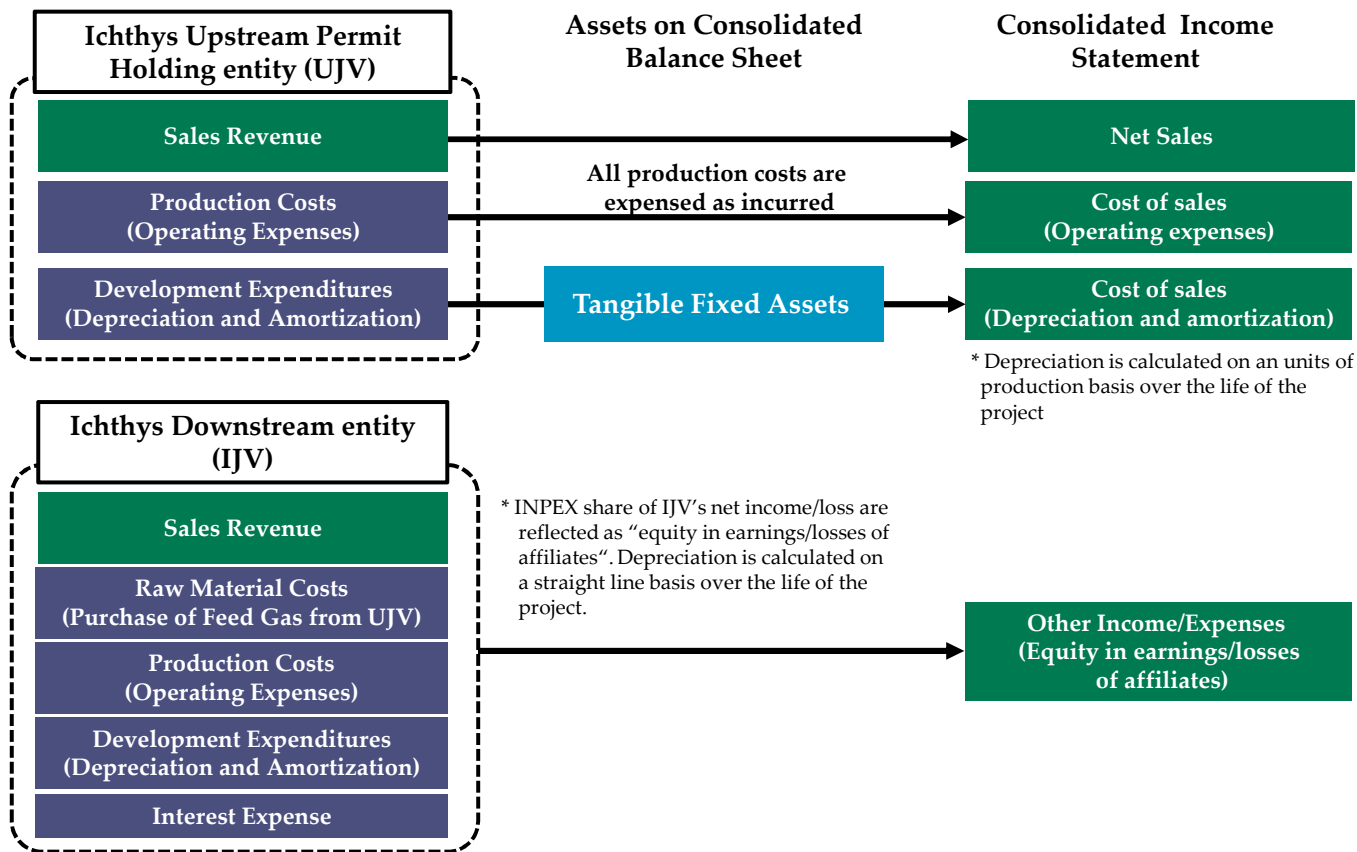
■ INPEX is included in major ESG indexes

FTSE	INPEX has been included in the FTSE4Good Global Index, FTSE4Good Japan Index, and in the FTSE Blossom Japan Index. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index was adopted as comprehensive indices incorporating ESG factors by the Government Pension Investment Fund for Japan (GPIF), one of the world's largest pension funds.
MSCI	INPEX is constituent of the MSCI ESG Leaders Indexes, MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN), a leading set of indexes in the selection of outstanding companies in ESG developed by Morgan Stanley Capital International (MSCI). MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN) have been adopted by the Government Pension Investment Fund for Japan (GPIF) as indices incorporating ESG factors.
S&P/JPX Carbon Efficient Index	INPEX has been included in the S&P/JPX Carbon Efficient Index, which has been adopted by the Government Pension Investment Fund for Japan (GPIF) as environmental indices incorporating carbon efficiency and disclosure.

Production Sharing Contracts







\* Ichthys Downstream entity (IJV) is an equity-method affiliate and its cash flow does not appear on the consolidated cash flow statement  
 \* Only major cost and expenditure items are shown.

## Summary of Australian Taxation

**Sales** ⇒ (Oil & Gas sales price) × (Sales volume) .....(1)

**Operating expense** ⇒ OPEX incurred in relevant year (+Exploration cost)+CAPEX tax depreciation .....(2)



**Corporate Tax (In Australia)**

**PRRT (Petroleum Resource Rent Tax)**

= (Upstream Revenue - Upstream CAPEX & OPEX - Exploration Cost - Abandonment Cost - Undeducted PRRT expenditure carried forward) x 40% .....(3)

- PRRT deductions are made in the following order: Upstream CAPEX, OPEX, Exploration Cost, Abandonment Cost.

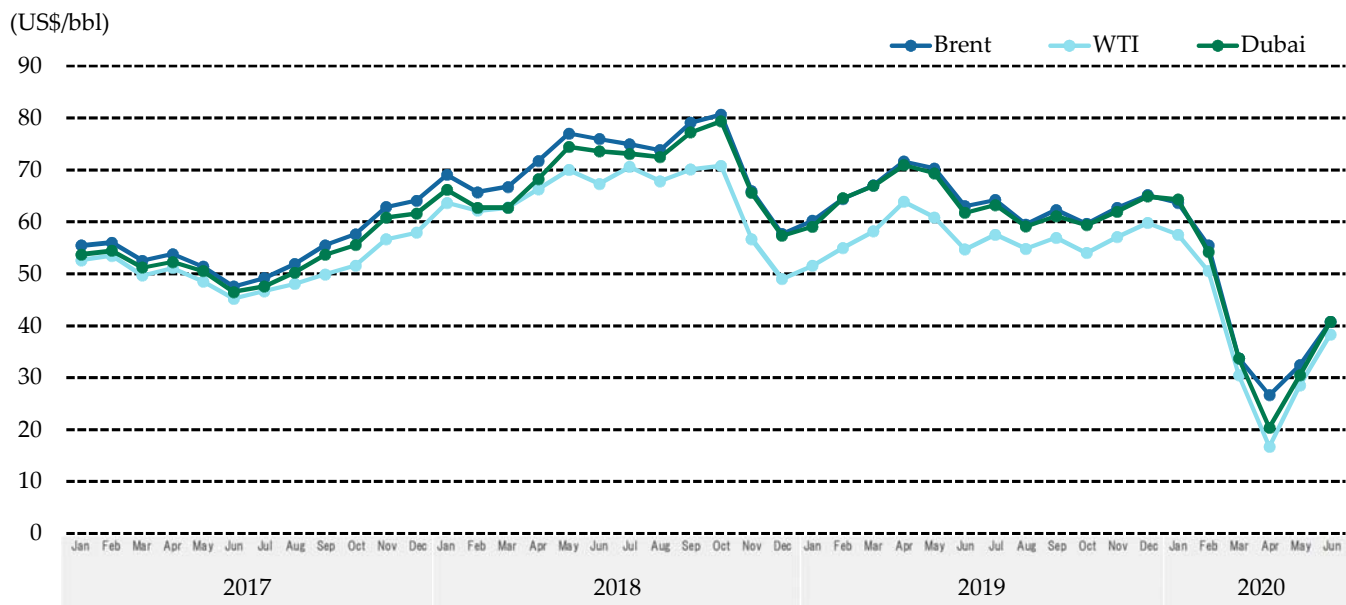
*Note: Exploration cost is subject to mandatory transfer between Projects/members of the same group of entities.*

- 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% or LTBR or GDP deflator
  - Exploration cost: LTBR+15% or LTBR+5% or GDP deflator

*Note: The interest rate to be applied varies depending on the timing of application for a production license, the timing of exploration/development expenses and the number of years elapsed from the payment of expenses. LTBR = Long Term Bond Rate, GDP deflator = GDP deflator of Australia.*

**Corporate Tax = {(1) – (2) – (3) - Interest paid} x 30%\***

\*The legal tax rate of Australian corporate tax may differ from the accounting burden of corporate tax etc. on INPEX's subsidiaries in Australia. In addition, the amount of corporate tax etc. in accounting may differ from the amount of corporate tax paid in Australia.



	Jan to June 2019	FY2019/12 (Apr to Dec 2019)	2020						Jan to June 2020
	Average	Average	Jan	Feb	Mar	Apr	May	Jun	Average
Brent	66.11	64.27	63.67	55.48	33.73	26.63	32.41	40.77	42.12
WTI	57.36	57.74	57.53	50.54	30.45	16.70	28.53	38.31	37.01
Dubai	65.45	63.53	64.29	54.22	33.70	20.39	30.47	40.79	40.64