■ INPEX CORPORATION (TSE1605)
Presentation on financial results for the six months ended June. 30, 2020
Summary of Q&A session

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| Date | : | August 7, 2020 |
| Number of attendees | : | Approximately 50 |
| Key questions | : | |

Q1. It is understood that INPEX has sufficiently covered debt repayment and dividend payout by securing approximately 160 billion yen in free cash flow (deducting "cash flow from investment" from "cash flow from operations before exploration investment inclusive of Ichthys downstream IJV") for the fiscal year ending December 31, 2020 (hereinafter "FY2020") through the steady reduction of investment.
It is also understood that in the fiscal year ending December 31, 2021 (hereinafter "FY2021"), INPEX expects to make a profit even at a prolonged low Brent oil price (hereinafter "oil price") of around $40/barrel.
Will INPEX be able to secure the funds to cover debt repayment and minimum dividend payout in FY2021?

A1. For FY2020, our forecast for cash flow from operations before exploration expenditure* is approximately 350 billion yen, our forecast for cash flow from investment (inclusive of exploration investment)* is approximately 190 billion yen and our forecast for free cash flow is approximately 160 billion yen.
This free cash flow forecast of approximately 160 billion yen is mainly attributed to the significant reduction in exploration and development investment and the completion of Ichthys investment etc. Given the current status of projects, cash flow from operations before exploration investment for FY2021, FY2022 and thereafter is expected to be around 330 billion yen~350 billion yen, even in case of a prolonged $40/barrel environment.
(*inclusive of Ichthys downstream IJV)

Q2: What is INPEX's perception of the medium- to long-term business environment?

A2. Energy demand fell from April to June, and V-shaped recovery perspectives were raised thereafter, but the oil price in July remained stagnant at around

$40/barrel. With the spread of COVID-19, a recovery in the global economy and energy demand may take longer than expected. On the other hand, in terms of energy supply, we believe that the OPEC+ production cut agreement is functioning, demand will gradually recover and the oil price will recover accordingly. Our oil price assumption for the second half of FY2020 is $40/barrel, considering the economic downside risk caused by COVID-19.
With regard to our future business activities, we will strengthen our corporate structure to withstand a low oil price and continue to pursue our core business of exploration & production while also strengthening our renewable energy initiatives, etc. in anticipation of the recovery in energy demand when COVID-19 comes to an end.

Q3: What is INPEX's oil price assumption used for the recognition of impairment loss in the second quarter of FY2020 (hereinafter "2Q FY2020")?
A3. We are not disclosing the specific oil price assumption used to recognize impairment loss. However, based on the understanding that the oil price will not return to pre-COVID-19 levels, our oil price assumption lies within the range of oil price forecasts announced by IOCs, slightly above the midpoint of the range.

Q4: If the (average) oil price for FY2021 is $40/barrel, will it be necessary for INPEX to further reduce costs to achieve a profit?
A4: We expect income before one-off profit (loss) (deducting "one-off profit (loss)" from "net income (loss) attributable to owners of parent") for the second half of FY2020 to be plus or minus zero with an oil price assumption of $40/barrel. Even if the oil price remains at $40/barrel in FY2021, we will seek to achieve a profit by continuing to implement the investment and cost reduction measures currently in place.

Q5: Will INPEX's decision-making on investment change as a result of the recognition of impairment loss (in 2Q FY2020)? In particular, are there any changes to the perspectives on the US tight oil project (Eagle Ford) and Abadi LNG Project? Will INPEX's decision-making on investment change based on its growing focus on renewable energy initiatives?
A5: In future, we will invest primarily in projects that are tolerant to a low oil price.

The US tight oil project has the flexibility to reduce production at a low oil price and increase production when the oil price recovers, so we will retain these assets and wait for the oil price to recover.

Originally, the Abadi LNG Project is economically competitive to a certain extent even at a low oil price. We are in close dialogue with the Indonesian government to address the various changes in the business environment including movements in natural gas supply and demand and the price regulation of domestic natural gas in Indonesia. We are working to ensure sufficient economics of the project even at a low oil price.

Meanwhile, we will continue to further strengthen our renewable energy initiatives. We will expand our efforts on initiatives including the Sarulla geothermal power generation project in Indonesia and a geothermal development project in Akita Prefecture, Japan; our entry into the domestic wind power business in Japan; and the development of new technologies such as methanation.

Q6: Did INPEX revaluate all its project assets? Is there any possibility of INPEX recognizing additional impairment losses?

A6: We revaluated the assets of the entire INPEX Group and recognized impairment losses on all possible projects at the moment based on our oil price outlook and investment plan as of the end of June 2020. As a general principle, the risk of impairment is always present. Therefore, while it is possible that additional impairment losses will be recognized at future financial results including those for the third and fourth quarters of the current fiscal year, this is not expected as of now.

End

*The Company undertakes no obligation to publicly update or revise the disclosure of information in this document (including forward-looking information) after the date of this document.*
*This document is an English language translation of the document originally created in Japanese. In case of discrepancies, the Japanese version prevails.*