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INPEX Acquires Additional Participating Interest in Ichthys LNG Project

TOKYO, JAPAN - [INPEX CORPORATION](#) (INPEX) announced today that it has reached an agreement with TOTAL to acquire a portion (4.0%) of the participating interest* held by TOTAL in the INPEX-operated Ichthys LNG Project (the Project) through a TOTAL project company, and increase its participating interest ratio for the Project from the current 62.245% to 66.245%, etc. Completion of the acquisition is subject to the fulfillment of certain conditions, including approval by the Australian Government and pre-emption rights.

*Participating interest in the Project includes the following:

1. Stake in Block WA-50-L including the Ichthys Gas-condensate Field and Block WA-51-L
2. Stake in the Ichthys downstream entity (Ichthys LNG Pty Ltd) that owns infrastructure including the gas export pipeline and onshore gas liquefaction plant and conducts LNG sales, etc.

The Project commenced shipment of condensate (ultra-light crude oil) on October 1, 2018 followed by liquefied natural gas (LNG) on October 22, 2018 and liquefied petroleum gas (LPG) on November 19, 2018. The Project is scheduled to gradually increase its production volume of LNG, and produce approximately 8.9 million tons of LNG per year, equivalent to more than 10% of Japan's annual LNG import volume, when it reaches its production plateau. As approximately 70% of the LNG produced by the Project is scheduled to be supplied to Japanese customers, INPEX will further contribute to the stable supply of energy to Japan through the Project and continue to respond to the energy demand in Asia and the rest of the world.

The Project is a highly competitive one that is expected to generate stable revenue over the long term. INPEX's acquisition of additional participating interest in the Project is aligned to the company's pursuit of its business targets outlined in "Vision 2040" and "Medium-term Business Plan 2018 - 2022" announced in May 2018.

INPEX will continue to work toward achieving stable production and an early ramp-up at the Ichthys LNG Project with the understanding and cooperation of all its stakeholders, including the project's joint venture partners, the local communities, the Australian federal government and the governments of Western Australia and the Northern Territory.

The impact of this matter on the company's consolidated financial results is minimal.

About the Ichthys LNG Project

The Ichthys LNG Project is a project led by INPEX (Operator, participating interest: 62.245%) alongside major partner TOTAL (participating interest: 30%) and the Australian subsidiaries of CPC Corporation, Taiwan (participating interest: 2.625%), Tokyo Gas (participating interest: 1.575%), Osaka Gas (participating interest: 1.2%), Kansai Electric Power (participating interest: 1.2%), JERA (participating interest: 0.735%) and Toho Gas (participating interest: 0.42%) that involves liquefying natural gas lifted from the Ichthys Gas-condensate Field offshore Western Australia at an onshore gas liquefaction plant constructed in Darwin, Northern Territory, and producing and shipping approximately 8.9 million tons of liquefied natural gas (LNG) and approximately 1.65 million tons of liquefied petroleum gas (LPG) per year, along with approximately 100,000 barrels of condensate per day at peak. While the capital expenditure required for production start-up during the period between the final investment decision (FID) and production start-up was projected to be around \$40 billion on a 100% project basis, this figure has risen several percent due to factors including the delay in production start-up.

The Ichthys LNG Project is a large-scale LNG project by global standards, and is expected to be operational over a period of 40 years. In 1998, INPEX acquired an exploration permit in the block where the project is located, and following development studies including exploration, evaluation and FEED work, the company announced its final investment decision (FID) in January 2012. Thereafter, following the construction of the required facilities, the Project commenced production of gas from the wellhead in July 2018 and commenced shipment of condensate and LNG in October 2018, and LPG in November 2018.

For more details on the Ichthys LNG Project, visit
<https://www.inpex.co.jp/english/ichthys/index.html>.

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