

**Financial results for the year ended March 31, 2008**  
**Appendix**

# EBIDAX

(Millions of yen)	Mar. '07	Mar. '08	Change	Recital
<b>Net income</b>	165,091	173,245	8,154	P/L
<b>Minority interests</b>	7,932	21,204	13,272	P/L
<b>Depreciation equivalent amount</b>	143,525	134,944	(8,581)	
Depreciation and amortization	30,599	36,181	5,582	C/F Depreciation under concession agreements and G&A
Amortization of goodwill	6,977	6,616	(361)	C/F
Recovery of recoverable accounts (capital expenditure)	105,949	92,147	(13,802)	C/F Depreciation under PS contracts
<b>Exploration cost equivalent amount</b>	26,837	57,785	30,948	
Exploration expenses	17,688	34,095	16,407	P/L Exploration expense under concession agreements
Provision for allowance for recoverable accounts under production sharing	6,176	20,586	14,410	P/L Exploration expense under PS contracts
Provision for exploration projects	2,973	3,104	131	P/L Exploration expense under PS contracts
<b>Material non-cash items</b>	(21,307)	(4,467)	16,840	
Deferred income taxes	(19,655)	(5,502)	14,153	P/L
Foreign exchange (gain) loss	(1,652)	1,035	2,687	C/F
<b>Net interest expenses (income), after tax</b>	(291)	(62)	229	P/L After-tax interest expense minus interest income
<b>EBIDAX</b>	<b>321,787</b>	<b>382,649</b>	<b>60,862</b>	

## Analysis of Recoverable Accounts under Production Sharing

(Millions of yen)

	Mar. '07	Mar. '08	(INPEX)	(Teikoku Oil)
Balance at beginning of period	295,075	319,149	316,894	2,255
Add: Exploration costs	9,791	27,459	25,292	2,167
Development costs	160,113	183,002	182,643	358
Operating expenses	46,683	52,697	50,516	2,181
Other	16	-	-	-
Less: Cost recovery (CAPEX)	105,949	92,147	91,892	255
Cost recovery (non-CAPEX)	86,319	106,047	103,836	2,211
Other	262	951	880	71
Balance at end of period	319,149	383,162	378,738	4,424
Allowance for recoverable accounts under production sharing at end of period	51,190	71,445	68,042	3,403

## Geographical segment information

For the year ended March 31, 2008 (April 1, 2007 through March 31, 2008)

(Millions of yen)

	Japan	Asia/Oceania	Eurasia (Europe - NIS)	Middle East/Africa	Americas	Total	Eliminations and other	Consolidated
Net Sales	93,882	452,542	183,878	464,522	8,139	1,202,965	-	1,202,965
Operating expenses	61,950	165,836	97,842	140,492	16,101	482,223	6,530	488,754
Operating income(loss)	31,932	286,705	86,035	324,030	(7,961)	720,741	(6,530)	714,211
Assets	212,305	360,298	363,183	299,563	60,656	1,296,006	511,893	1,807,900

- Notes: 1. Countries and areas are segmented based on their geographic proximity and their mutual operational relationships.
2. Major countries and areas that belong to segments other than Japan are as follows:
- (1) Asia - Oceania·····Indonesia, Australia, East Timor, Vietnam
  - (2) Eurasia (Europe - NIS)···Azerbaijan, Kazakhstan, UK
  - (3) Middle East - Africa·····UAE, D.R. Congo, Iran, Libya, Egypt, Algeria, Angola
  - (4) Americas··········Venezuela, Ecuador, USA, Canada, Suriname
3. Unallocated operating expenses included in "Eliminations and other" of ¥10,345 million under the operating expenses are mainly amortization of goodwill and general administrative expenses.
4. Of the figure for assets, ¥515,849 million included in "Eliminations and other" are mainly goodwill, cash and deposit, marketable securities and investment securities concerned with the administrative divisions.
5. Change of classification of region  
While the classification of region until the previous fiscal year had been "Japan", "Asia - Oceania", "NIS", "Middle East - Africa" and "Americas", the "NIS" was changed to "Eurasia (Europe - NIS)" due to acquisition of interest in UK project during the year ended March 31, 2008.

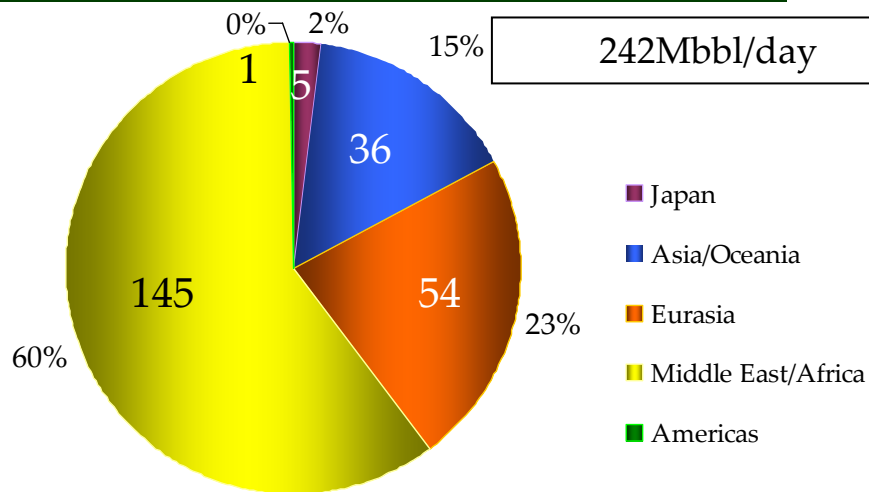
## LPG Sales

	Mar. 31, 2007	Mar. 31, 2008	Change	%change
Net Sales (Billions of yen)	8.8	12.1	3.2	37.1%
Sales volume (Mbbbl)	1,351	1,549	198	14.7%
Average unit price of overseas production (\$/bbbl)	48.76	62.00	13.24	27.2%
Average unit price of domestic production(¥/kg)	127	130	4	2.9%
Average exchange rate (¥/\$)	116.30	116.26	0.04 yen appreciation	0.0% yen appreciation

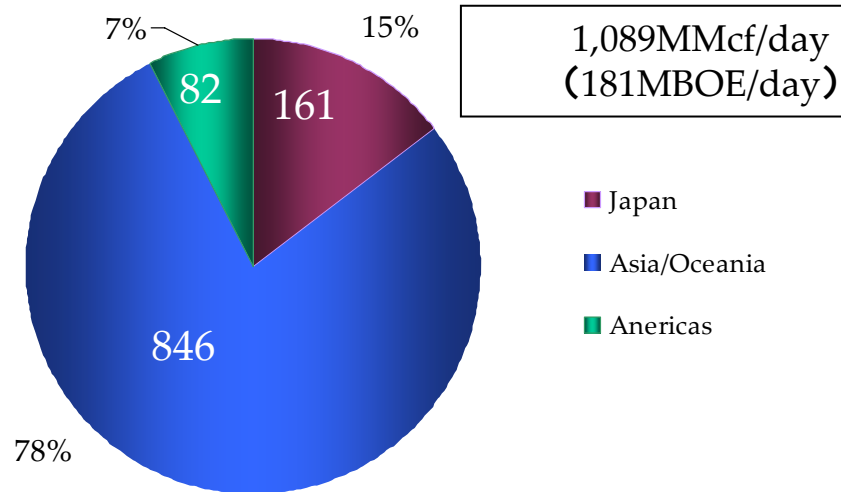
Sales volume by region (Mbbbl)	Mar. 31, 2007	Mar. 31, 2008	Change	%change
Japan	184 (17.5Mton)	183 (17.4Mton)	(1) ((0.1Mton))	(0.7%)
Asia/Oceania	1,166	1,366	199	17.1%
Eurasia (Europe/ NIS )	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	-	-	-	-
<b>Total</b>	<b>1,351</b>	<b>1,549</b>	<b>198</b>	<b>14.7%</b>

# Production (By region)

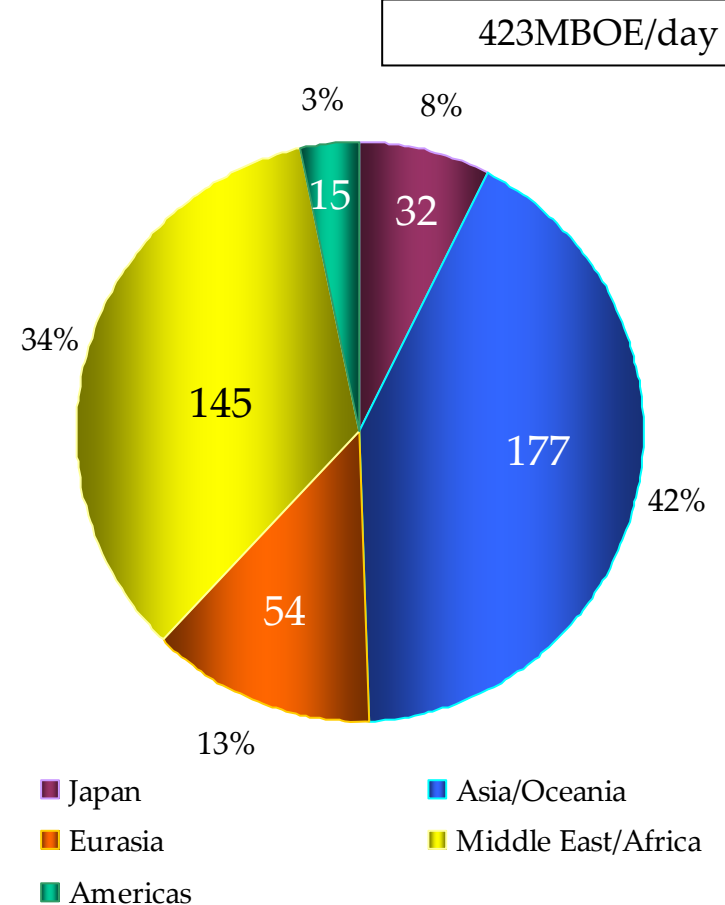
## Oil/Condensate/LPG



## Natural Gas

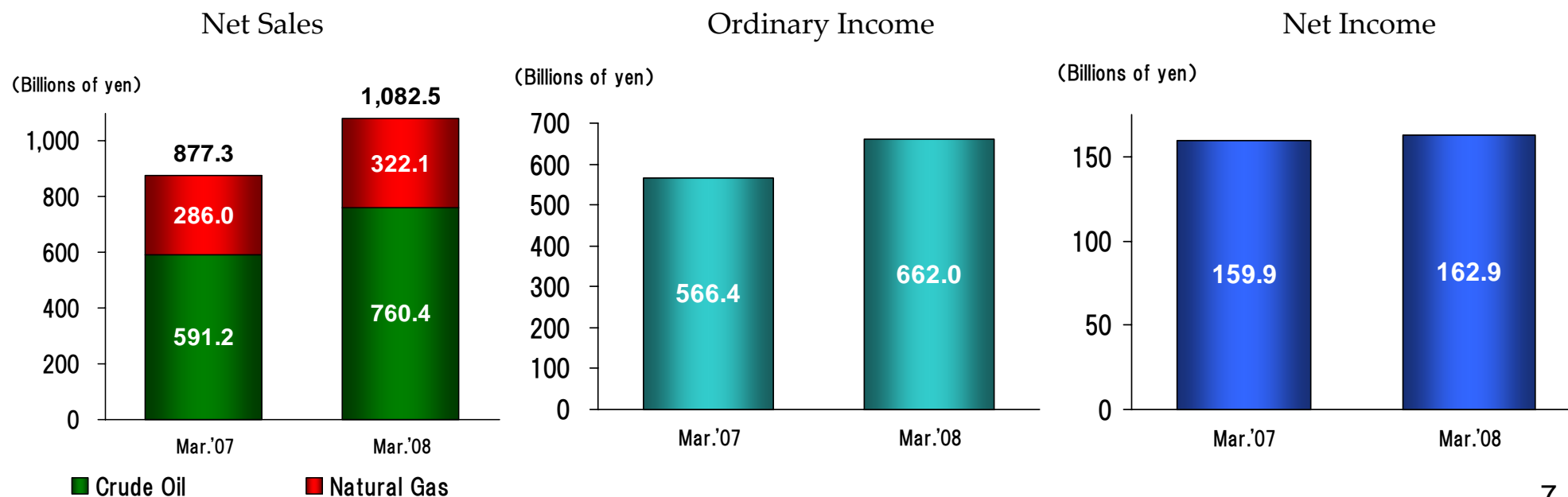


## Total



## Highlights of the Consolidated Financial Results

(Billions of yen)	Mar. '07	Mar. '08	Change	%change
Net sales	877.3	1,082.5	205.2	23.4%
Operating income	534.1	672.9	138.8	26.0%
Ordinary income	566.4	662.0	95.5	16.9%
Net income	159.9	162.9	3.0	1.9%



# INPEX CORPORATION

## Crude Oil Sales

	Mar. '07	Mar. '08	Change	%change
Crude oil sales* (Billions of yen)	591.2	760.4	169.1	28.6%
Crude oil sales volume (Mbbl)	80,734	82,826	2,092	2.6%
Average sales price (\$/bbl)	62.40	80.46	18.06	28.9%
Average exchange rate (¥/\$)	116.90	113.64	3.26 yen appreciation	2.8% yen appreciation

\*Includes domestic supply obligations with Indonesia

Sales volume increased by 2.6% from the previous fiscal year mainly due to an increase in production volume at ACG Oil Fields (INPEX Southwest Caspian Sea)



# INPEX CORPORATION

## Natural Gas Sales

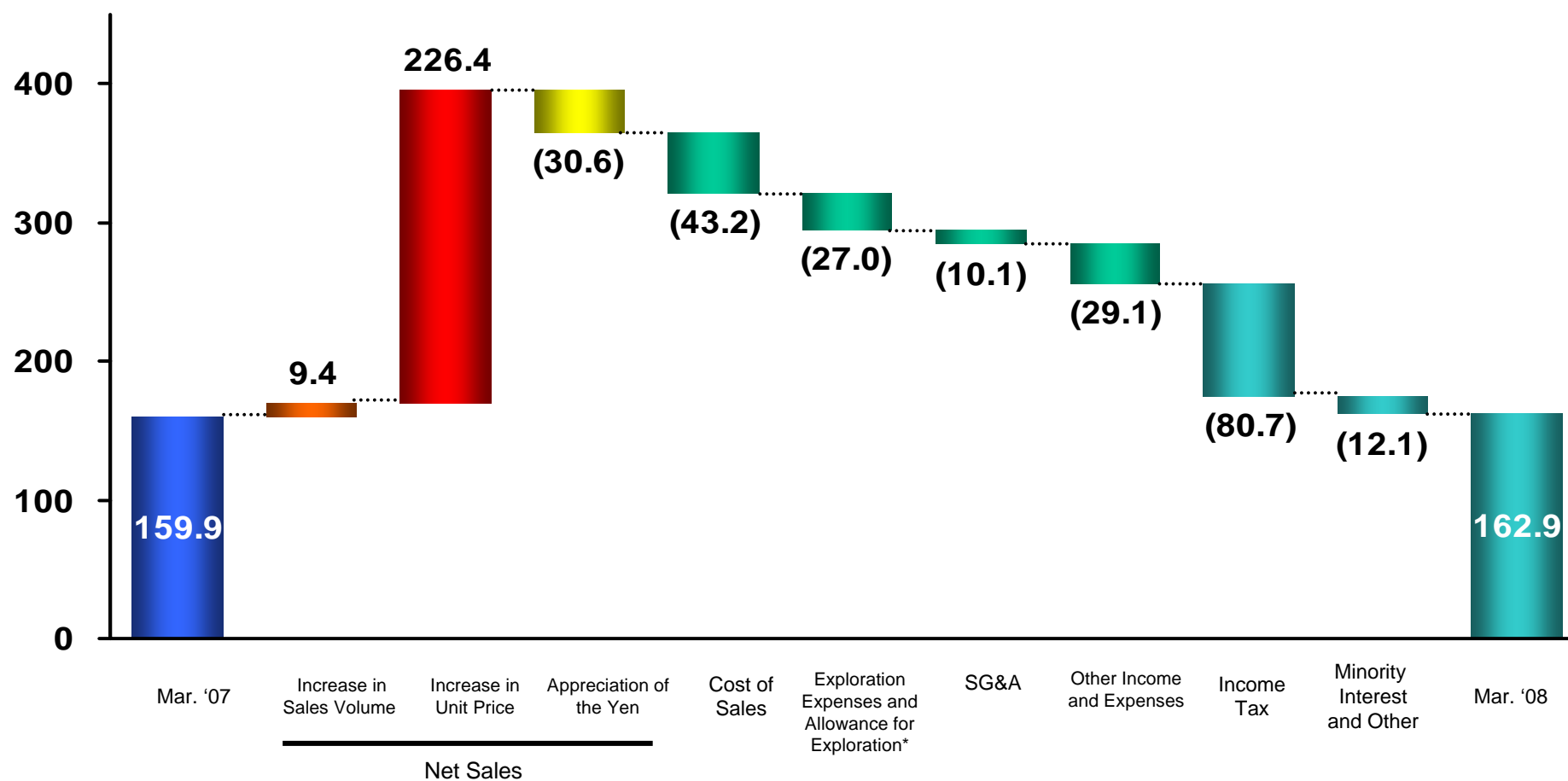
	Mar. '07	Mar. '08	Change	%change
Natural gas sales * (Billions of yen)	286.0	322.1	36.0	12.6%
Natural gas sales volume (MMcf)	318,413	310,458	(7,956)	(2.5%)
Average sales price (\$/Mcf)	7.51	8.85	1.34	17.9%
Average exchange rate (¥/\$)	116.91	113.68	3.23 yen appreciation	2.8% yen appreciation

\*Includes LPG

Natural gas sales volume decreased by 2.5% from the previous fiscal year due to a decrease of shipping cargoes from the Bongtang LNG Plants

INPEX CORPORATION  
Analysis of Net Profit Increase

(Billions of Yen)



\*Provision for allowance for recoverable accounts under production sharing and Provision for exploration projects

(Billions of yen)	Mar. '07	Mar. '08	Change	%change
Net sales	877.3	1,082.5	2,05.2	23.4%
Cost of sales	306.6	349.8	43.2	14.1%
Exploration expenses	14.7	27.8	13.0	88.1%
Selling, general and administrative expenses	21.8	31.9	10.1	46.3%
Operating income	534.1	672.9	138.8	26.0%
Other income	58.2	24.9	(33.3)	(57.2%)
Other expenses	25.8	35.8	9.9	38.2%
Ordinary income	566.4	662.0	95.5	16.9%
Income taxes	398.9	479.7	80.7	20.3%
Minority interests	7.5	19.3	11.7	155.2%
Net income	159.9	162.9	3.0	1.9%

Cost of sales for  
crude oil : 277.6  
Change +45.3  
Cost of sales for  
natural gas : 72.1  
Change (2.0)

Joslyn, Ichthys, Van Gogh etc.

Personal expenses, Freight  
expenses, Depreciation expenses  
etc.

Mainly income taxes in  
producing countries

(Billions of yen)	Mar. '07	Mar. '08	Change	%change
Other income	58.2	24.9	(33.3)	(57.2%)
Interest income	12.1	10.1	(2.0)	(16.7%)
Equity in earnings of affiliates	0.9	0.8	(0.0)	(8.1%)
Gain on transfer of mining rights	33.5	-	(33.5)	(100.0%)
Net gain on re-determination of unitized field	-	4.0	4.0	
Foreign exchange gain	5.6	3.9	(1.7)	(30.3%)
Other	5.8	5.8	0.0	0.5%
Other expenses	25.8	35.8	9.9	38.2%
Interest expense	11.5	9.9	(1.6)	(13.8%)
Provision for allowance for recoverable accounts under production sharing	4.7	18.8	14.1	295.7%
Provision for exploration projects	1.9	1.9	(0.0)	(3.1%)
Other	7.5	5.0	(2.5)	(33.6%)

Transfer of mining rights on Ichthys gas field in previous year

Net gain by re-determination of reserves at Bayu-Undan gas/condensate field. Our participating interest in the field slightly increase by the re-determination.

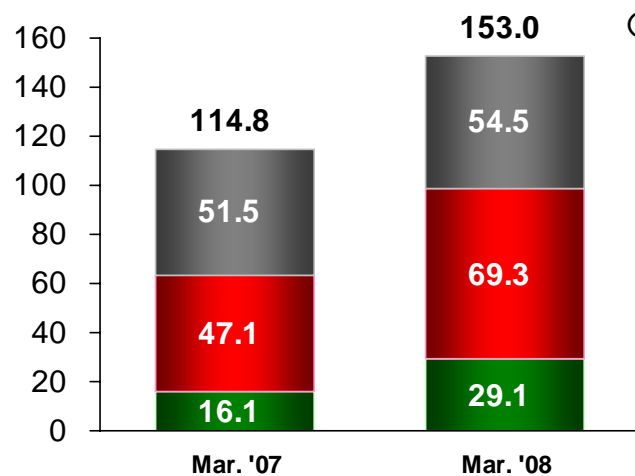
Increase in exploration expenditure by appraisal wells in Masela Block.

Teikoku Oil

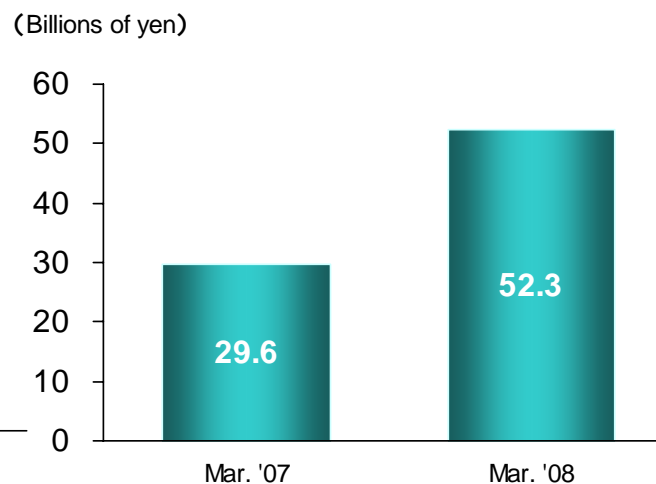
Highlights of the Consolidated Financial Results

(Billions of yen)	Mar. '07	Mar. '08	Change	%change
Net sales	114.8	153.0	38.1	33.2%
Operating income	31.5	48.1	16.6	52.7%
Ordinary income	29.6	52.3	22.6	76.5%
Net income	15.4	30.6	15.2	98.4%

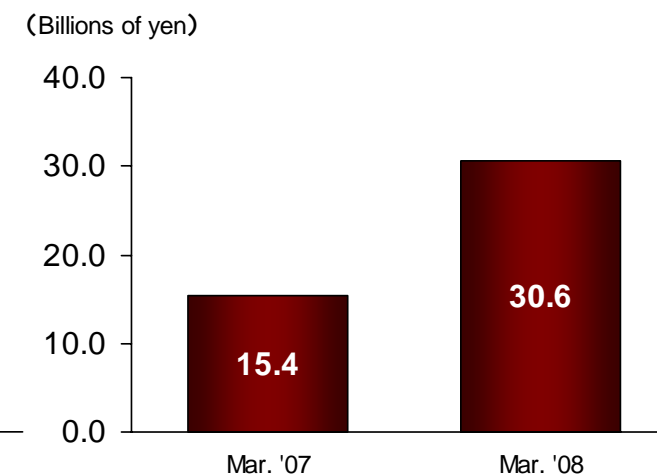
(Billions of yen) Net Sales



Ordinary Income



Net Income



■ Crude Oil ■ Natural Gas (Inc. LPG) ■ Petroleum Products

## Teikoku Oil Crude Oil Sales

(Billions of yen)	Mar. '07	Mar. '08	Change	Change %
Net sales	16.1	29.1	12.9	80.4%
Overseas Crude Oil Sales volume (Mdbl)	2,371	3,194	823	34.7%
Sales volume after adjustment of the oil trading and storage business (Mdbl)	2,371	2,482	110	4.7%
Domestic Crude Oil Sales volume (Mkl)	27	65	38	139.3%
Overseas average unit price(\$/bbl)	53.90	67.93	14.03	26.0%
Domestic average unit price (¥/kl)	45,694	62,225	16,531	36.2%
Average exchange rate (¥/\$)	116.83	115.82	(1.01)	(0.9%)

▪ Started crude oil sales at Sakhalin I project (it is netted in consolidated financial statement of INPEX Holdings)

# Teikoku Oil

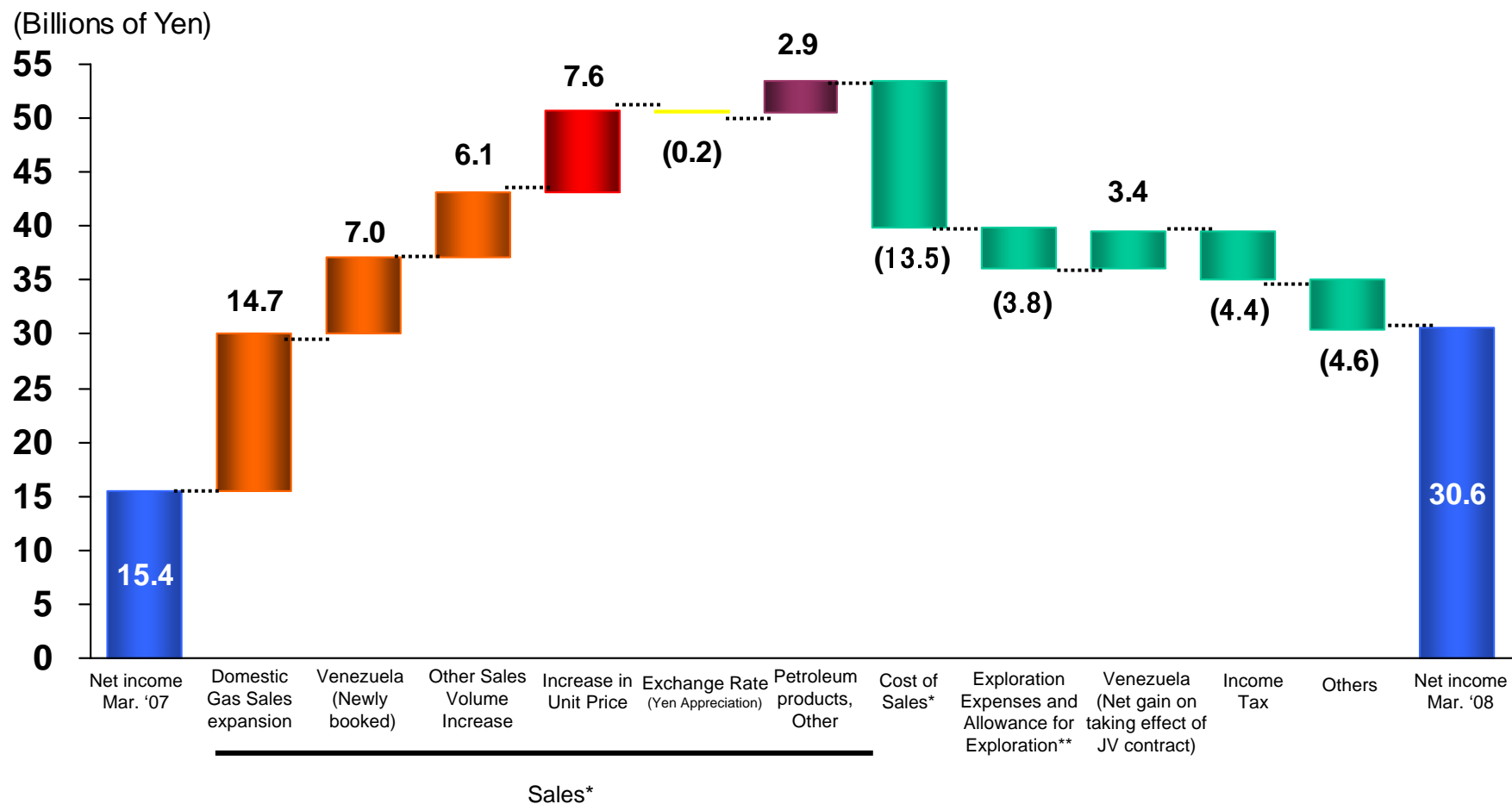
## Natural Gas Sales

	Mar. '07	Mar. '08	Change	%change
Natural gas sales** (Billions of yen)	47.1	69.3	22.1	47.1%

Overseas Natural gas sales volume (MMcf)	172	29,777	29,605	17,219.4%
Domestic Natural gas sales volume (MMNm <sup>3</sup> )	1,273	1,657	385	30.2%
Overseas average sales price (\$/Mcf)	6.77	2.14	(4.63)	(68.4%)
Domestic average sales price (¥/Nm <sup>3</sup> )	34.96	35.70	0.74	2.1%
Average exchange rate (¥/\$)	116.39	117.86	1.47	1.3%

- Venezuela Gas JV is newly consolidated from current accounting period.
- Domestic gas sales volume : Expansion to industrial users, increase in sales to Shizuoka Gas

# Teikoku Oil Analysis of Net Profit Increase



\* Including the amount of the oil trading and storage business

\*\* Provision for allowance for recoverable accounts under production sharing and Provision for exploration projects (484 million yen decrease)



(Billions of yen)	Mar. '07	Mar. '08	Change	%change
Net sales	114.8	153.0	38.1	33.2%
Cost of sales	59.6	73.1	13.5	22.7%
Exploration expenses	2.8	6.2	3.3	116.7%
Selling, general and administrative expenses	20.8	25.4	4.6	22.3%
Operating income	31.5	48.1	16.6	52.7%
Other income	4.7	10.1	5.4	114.8%
Other expenses	6.6	5.9	(0.6)	(9.5%)
Ordinary income	29.6	51.4	21.1	69.8%
Special income	0.6	0.0	(0.6)	(99.5%)
Special loss	-	0.8	0.8	-
Income taxes	14.5	18.9	4.4	30.7%
Minority interests	0.3	1.8	1.5	427.5%
Net income	15.4	30.6	15.2	98.4%

Cost of sales for  
crude oil : 12.9  
Change +8.1  
Cost of sales for  
natural gas : 16.9  
Change +4.9

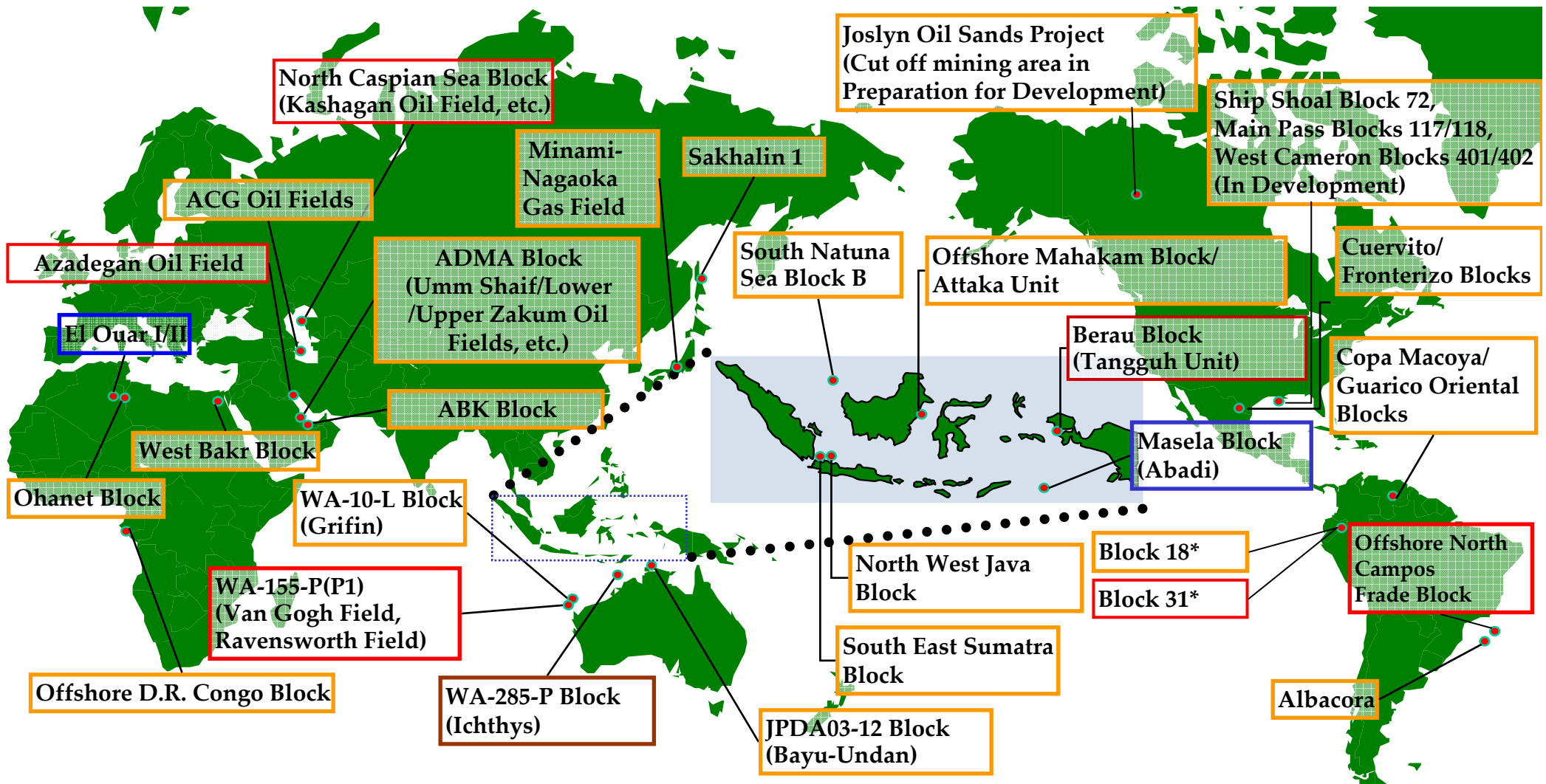
Offshore North Ibaraki  
(Japan) etc.

Net gain by the effect of joint  
venture agreement at Venezuela  
project. (Revenue by adjustment  
between April, 2006 and  
December, 2006. )

Minority interests of gas sales in  
Venezuela to PDVSA

# Project Summary

# Existing Interests in Major Assets



In Production   
  In Development   
  Preparation for Development (Discovered)   
  Undeveloped (Discovered)

\* In a governmental approval process for interests transfer

# Production Start-up Schedule

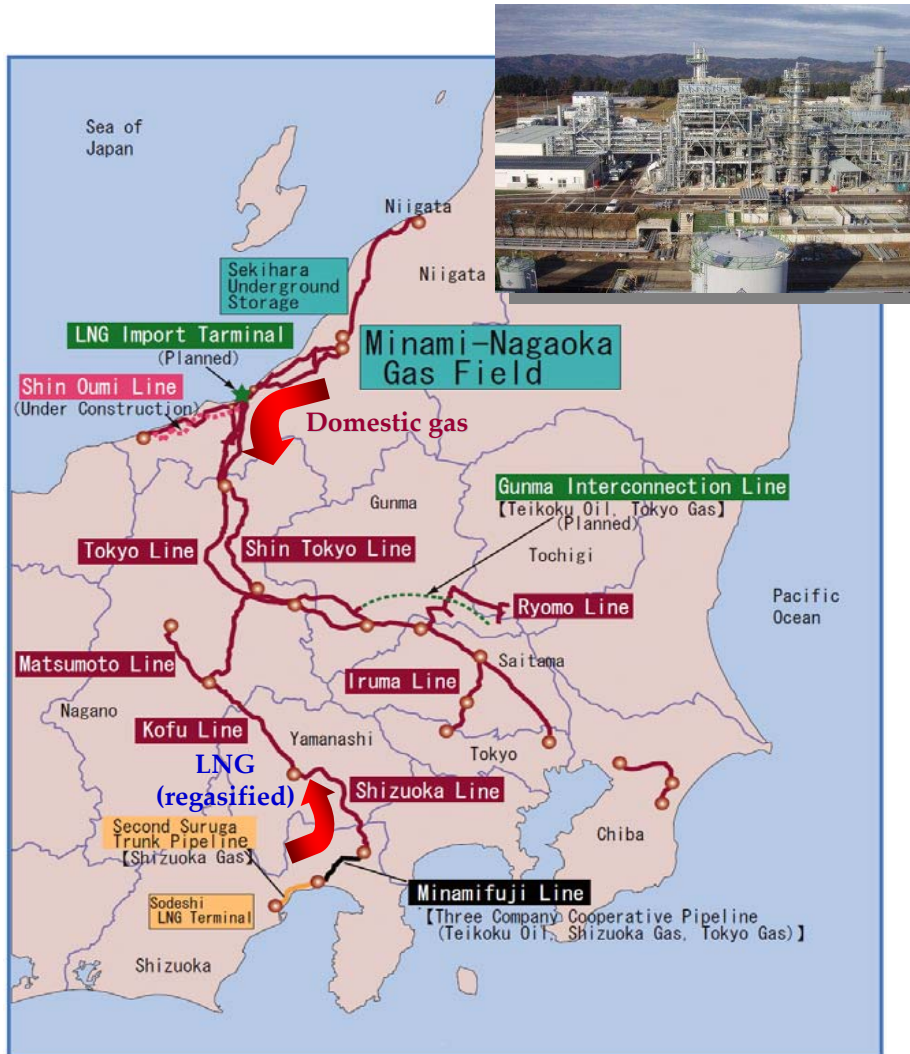
Production Start-up	Project/Oil & Gas Field	Country	Operator	Peak Production / Production Capacity	Our Share*1
April '08 - March '09	Frade Oil Field Tangguh LNG Project	Brazil Indonesia	Chevron BP	100Mbb/d 7.6MMt/a	6.85% 7.79%
April '09 - March '10	Van Gogh Oil Field North Belut Gas Field	Australia Indonesia	Apache ConocoPhillips	60Mbb/d - *2	47.499% 35%
April '10 - March '11	Ravensworth Oil Field	Australia	BHPBP	- *2	28.5%
April '12 - March '13	El Ouar I&II	Algeria	ENI	TBD	10.29%
After April '13	Joslyn Oil Sand Project (Cut off mining) Ichthys LNG Project (LNG) (Condensate) (LPG) Abadi LNG Project	Canada Australia  Indonesia	TOTAL INPEX  INPEX	230Mbb/d Over 8MMt/a Approximately 100Mbb/d Approximately 1.6MMt/a TBD	10% 76%  100%
Discovered/ Production start-up (TBD)	Kashagan Oil Field Kuda Tasi / Jahal / Kitan Kalamkas, Aktote, Kairan and Southwest Kashagan structures	Kazakhstan JPDA Kazakhstan	ENI ENI ENI	1.5MMbb/d TBD TBD	8.33% *3 35% 8.33% *3
Phase 1 Full-scale production (TBD) Under initial stage production	Azadegan Oil Field	Iran	NICO	260Mbb/d	10%

\*1 Our share is a working interest. In case of equity method affiliate, multiplying working interest by our controlling share.

\*2 Nondisclosure because of confidentiality agreement with project partner

\*3 Basic agreement with the Government of Republic of Kazakhstan in January 2008 (Our participating interest would be 7.56% from 8.33%)

# Domestic Natural Gas Business Teikoku Oil Co., Ltd.



Domestic Pipeline Network

- Production\* :
  - Natural gas: approximately 4.4 million m<sup>3</sup>/d
  - Crude oil: approximately 5,000 bbl/d
- Natural Gas Sales : 1.7 billion m<sup>3</sup>/y : 37% increase from previous year (Teikoku Oil : Non Consolidated)
- Minami-Nagaoka Gas Field (production commencement in 1984)
  - Promotion of development in the northern part of the field by Massive Hydraulic Fracturing (MHF) Technology
  - Reinforcement of the plant processing capacity in 2006 (Output capacity : approximately 5.0 million m<sup>3</sup>/d : whole of the field)
- Completion of pipeline network construction (1,400km) targeted to expand gas sales
  - Shin Oumi Line (71km: Approximately 17.8 billion yen: completion in 2009)
  - Gunma Interconnection Line (Planned with Tokyo Gas)
- Introduction of LNG
  - From Shizuoka Gas Co., Ltd. in 2010
- Construction of LNG Import Terminal in Joetsu-shi (planned)
  - Design to establish LNG Value Chain by our group
- Power business : approximately 55,000 kw

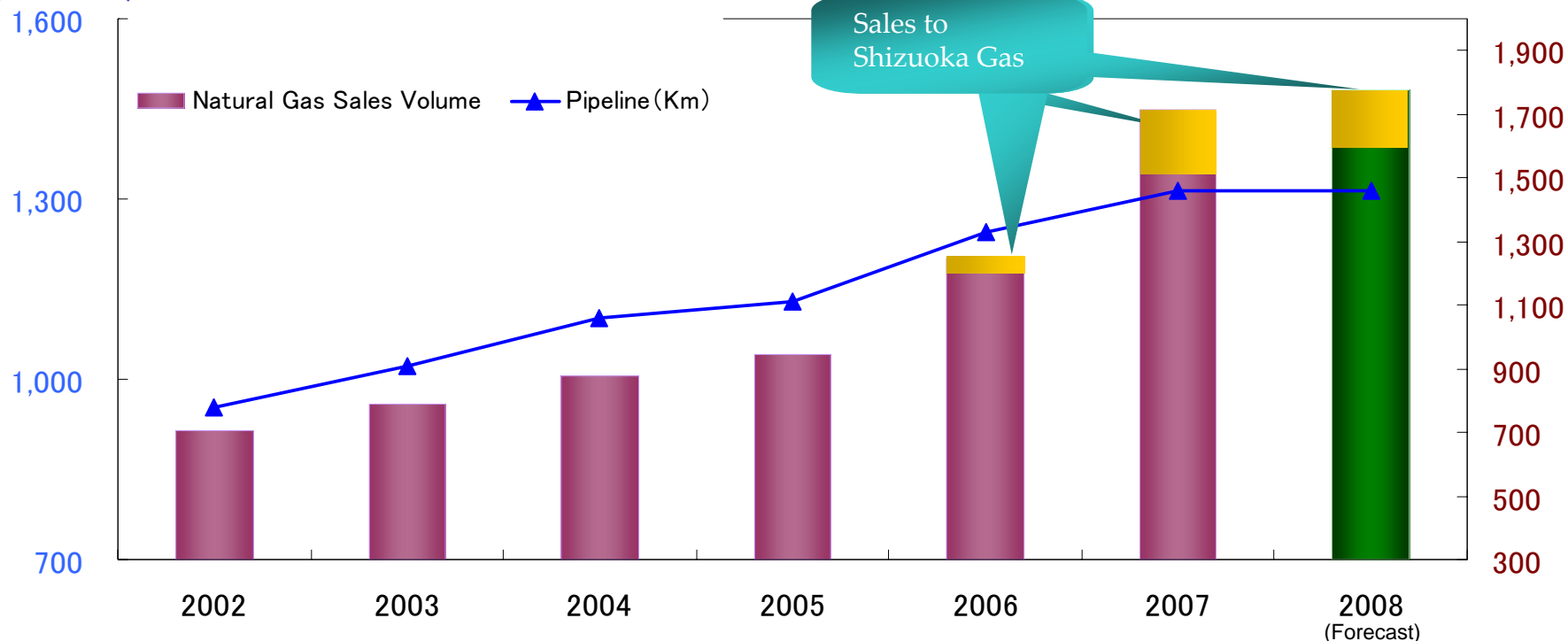
\* sum of domestic crude oil and gas fields ; average daily volume (FY2007)

# Domestic Natural Gas Business

## Sales Expansion

Pipeline Extensions  
(kilometers)

Natural Gas Sales Volume  
(Millions of Cubic Meters)

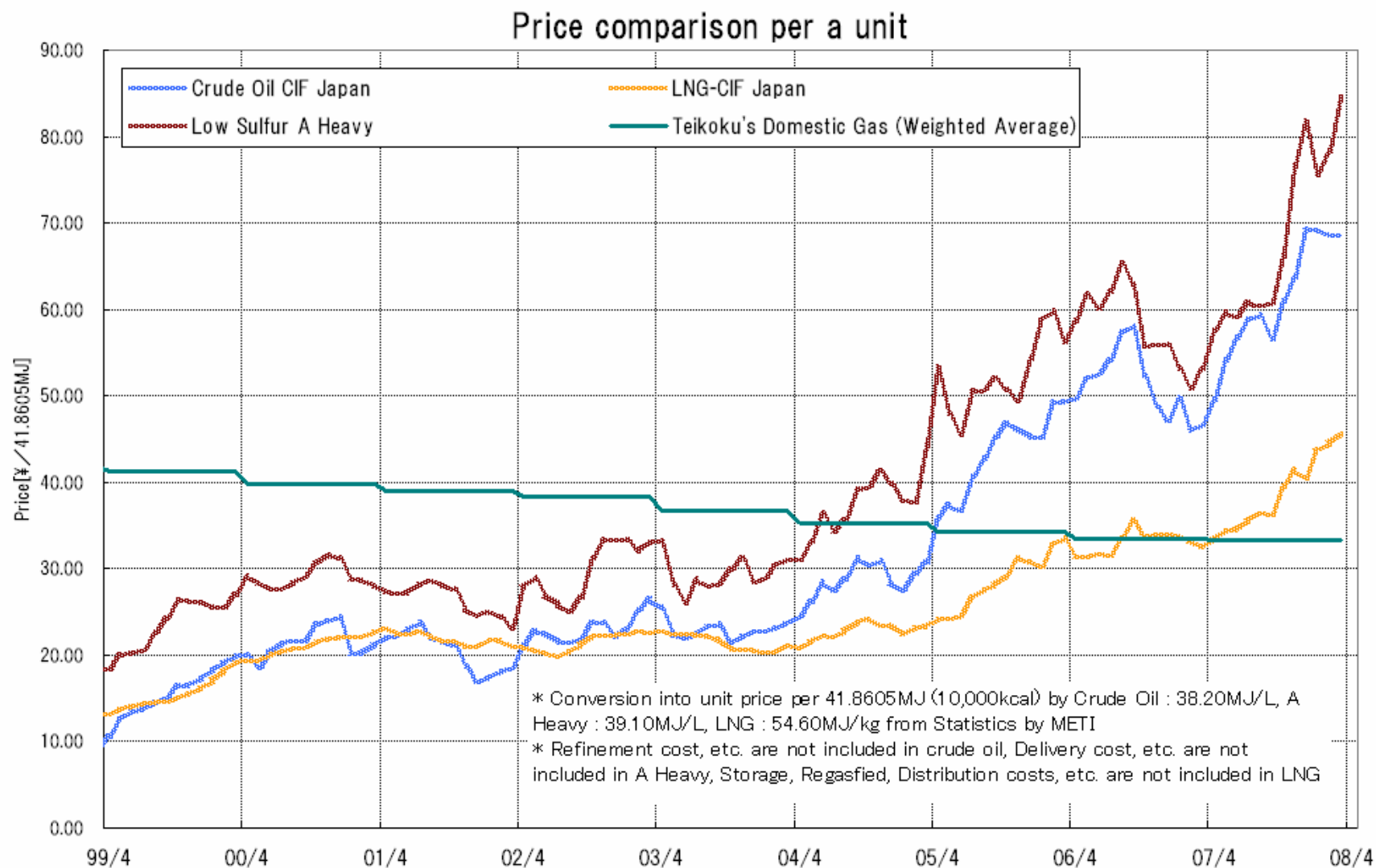


note: \*2002-2005 : Calendar year 2006- : April to March  
 \*\*Conversion into 1 cubic meter per 41.8605MJ (10,000kcal)  
 \*\*\*Teikoku Oil (Non Consolidated)

- Sales Volume : 1.7 billion m<sup>3</sup> in FY2007 : 37% increase for previous year (Teikoku Oil : Non Consolidated)
- Fuel Switching to natural gas by Industrial users
- Sales to Shizuoka Gas through full year
- ⇒ To over 2.0 billion m<sup>3</sup> : mid to long term forecast
- Introduction of LNG (From 2010)
- Corresponding to our growing sales
- Studying new sales price formula for after 2010

# Domestic Natural Gas Business

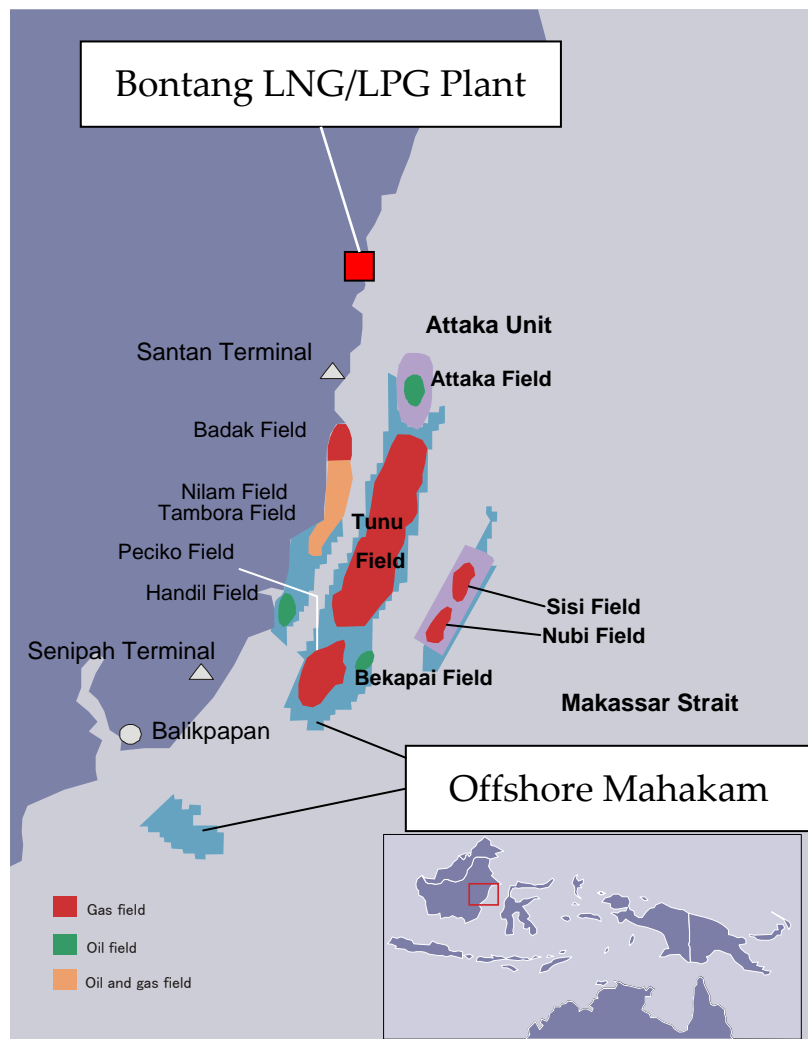
## Price Environment





## Offshore Mahakam

## INPEX CORPORATION

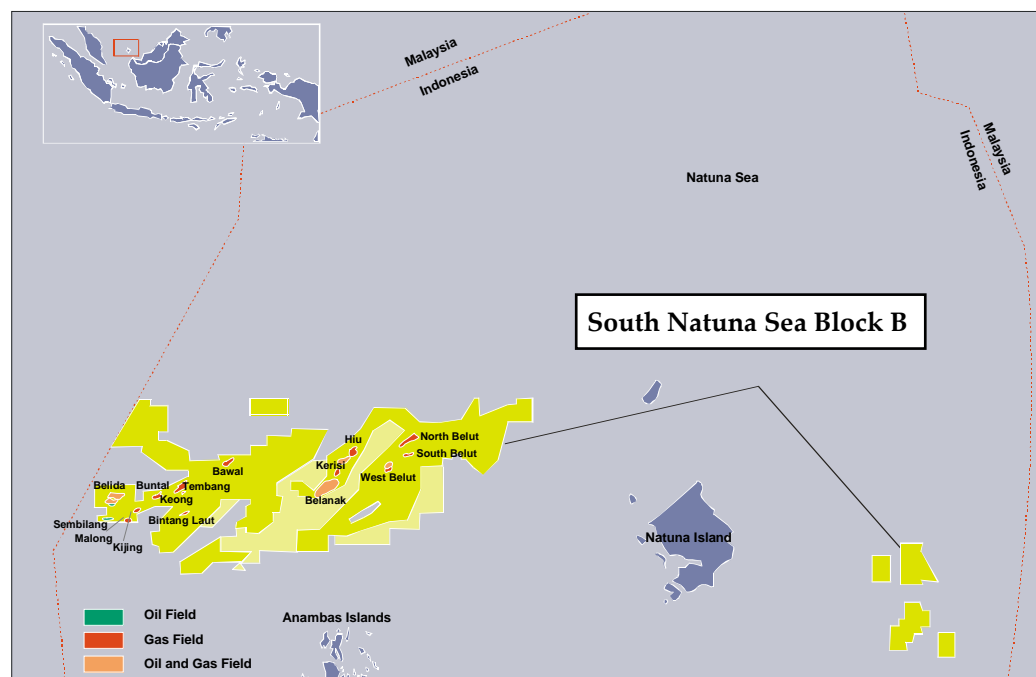


\* All field base and average of March 2008

- INPEX's Working Interest: 50.0% (Operator : TOTAL)
- Production\*
  - Crude Oil: Approximately 73,000 bbl/d
  - Gas: Approximately 2.7 billion cf/d
- PSC: Until 2017
- Continue development activities to stabilize the supply of gas to Bontang LNG plant
  - Phased development of Tunu / Peciko field
  - Additional development of Tambora field
  - Development of Sisi-Nubi Unit
- Renewal (under negotiation) of two LNG sales contracts to be expired in December 2010 and March 2011



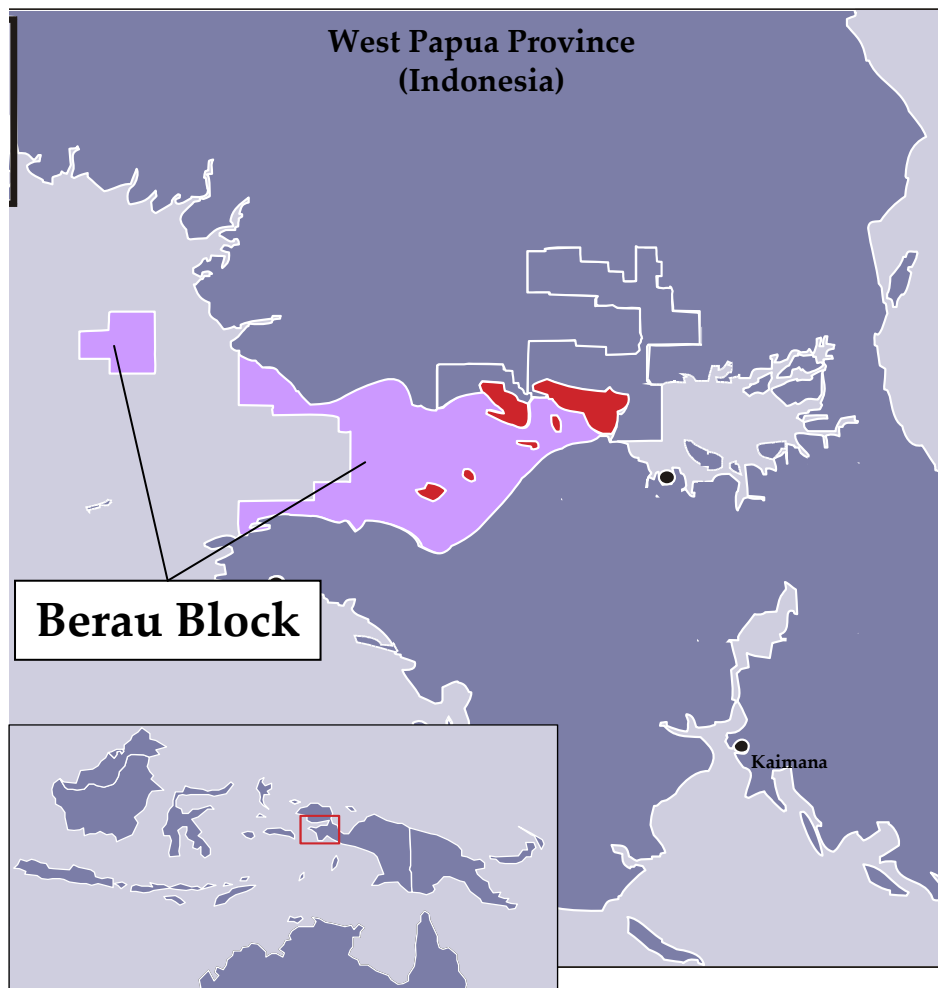
## South Natuna Sea Block 'B' INPEX Natuna, Ltd.



\* All field base and average of March 2008

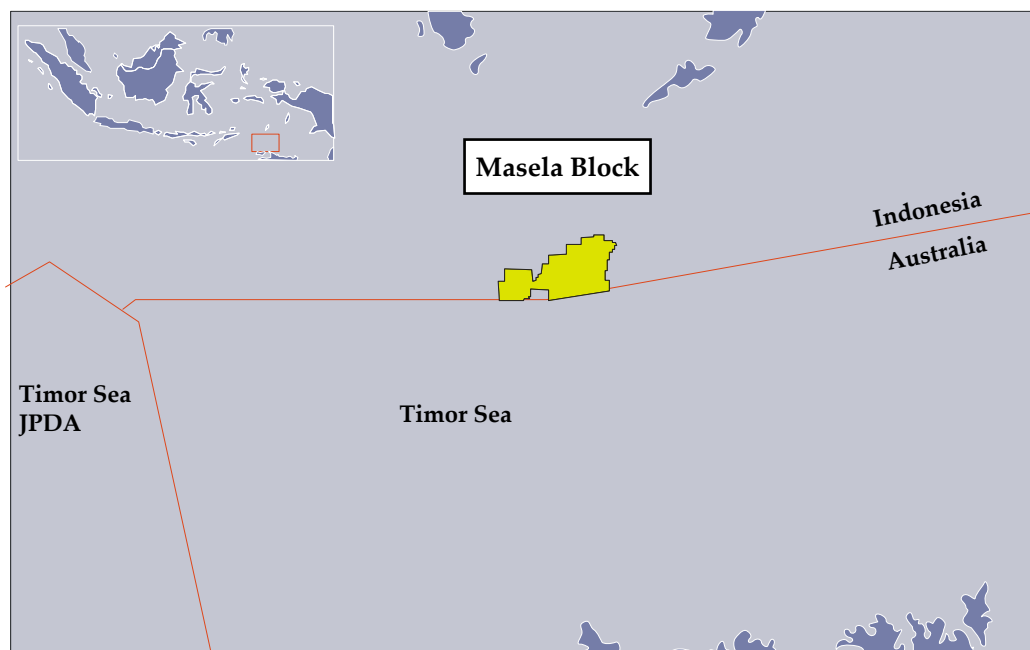
- INPEX's Working Interest: 35.0%  
(Operator : ConocoPhillips)
- Production\*:
  - Crude Oil: Approximately 85,000 bbl/d
  - LPG: Approximately 11,000 bbl/d
  - Gas: Approximately 470 million cf/d
- PSC: Until 2028
- Signed a gas sales contract for 22 years from 2001 with SembCorp (Singapore) and for 20 years from 2002 with Petronas (Malaysia)
- Belanak commenced crude oil production in December 2004 and LPG production in April 2007. Production has started at Kerisi in December of 2007.
- Production is expected to start at North Belut in 2009.

## Berau (Tangguh LNG Project) MI Berau B.V. / MI Berau Japan Ltd.



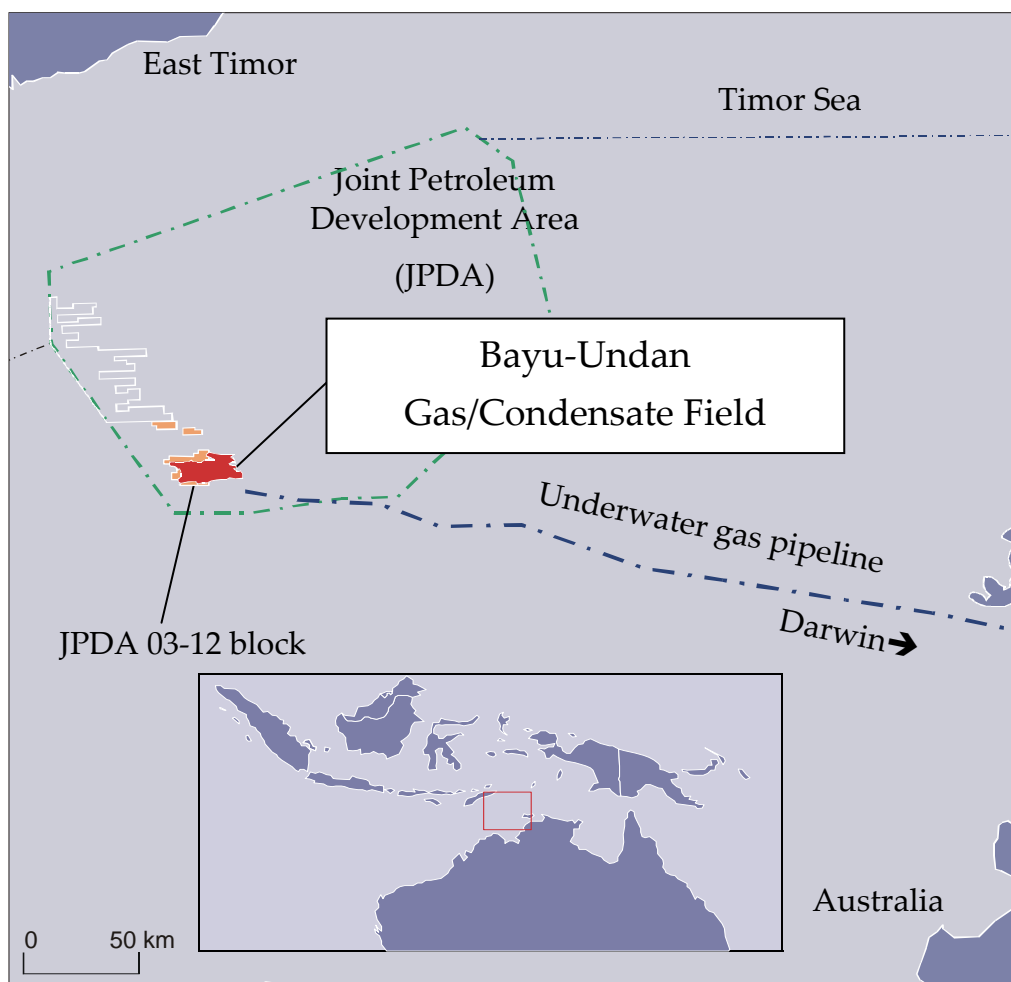
- MI Berau B.V./MI Berau Japan Ltd.\* : Joint venture with Mitsubishi Corporation (INPEX 44%, Mitsubishi 56%)
  - \*MI Berau Japan owns approximately 16.5% share of KG Berau Petroleum Ltd.
- Working Interest:
  - MI Berau : 22.9%(Tangguh Unit: 16.3%)
  - KG Berau Petroleum : 12%(Tangguh Unit: 8.56%)
 (Operator : BP)
- PSC: Until 2035
- Development plan and extension of the PS contract were approved by Indonesian government
- Signed loan agreements total US\$3.5 billion to finance the development of the LNG project
- LNG plant is scheduled to commence production in the last half of 2008
  - Scheduled to produce 7.6 million tons of LNG per year
  - Signed long-term LNG sales contract for Fujian
  - Signed LNG sales contract with POSCO and K-Power Company of Korea
  - Entered into LNG sales contract with Sempra of the USA

## Masela (Abadi) INPEX Masela, Ltd.



- INPEX's Working Interest: 100.0%
- Operator: INPEX
- PSC:
  - 10 years exploration period (until 2008)
  - 20 years development/ production period (until 2028)
- Discovered gas in Abadi-1 exploration well in 2000
- Confirmed the extension of gas in the Abadi structure by 2 appraisal wells in 2002
- 4 wells appraisal drilling have been conducted since May 2007 to evaluate reserves
- Planning to start discussion with Indonesia Government about Plan of Development of the field

# Bayu-Undan INPEX Sahul, Ltd.



■ **INPEX's Working Interest: 11.27%\*1**  
(Operator : ConocoPhillips)

\*1 On, June 29, 2007, Timor Sea Designated Authority (TSDA) approved the change from 10.57% to 11.27% as a result of re-determination of the reserves between JPDA03-12 block and JPDA03-13 block, both of which comprise Bayu-Undan unit, in accordance with Bayu-Undan Unit Operating Agreement

■ **Production\*2:**

- Oil / Condensate: Approximately 70,000 bbl/d
- Gas: Approximately 1.2 billion cf/d
- LPG: Approximately 39,000 bbl/d

■ **PSC: Until 2022**

■ **As phase 1, development and production of condensate and LPG started in February 2004**

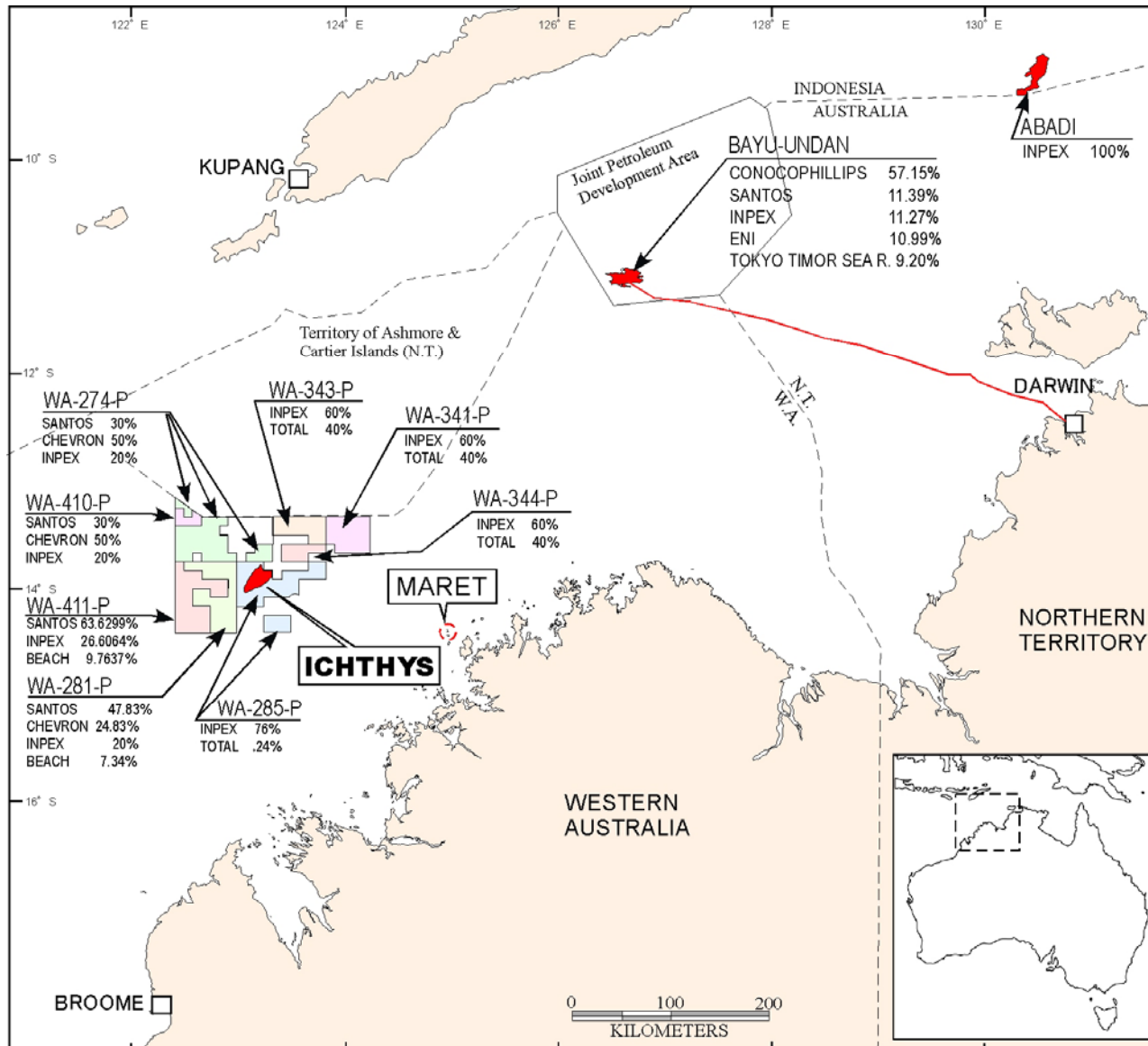
■ **Phase 2 is LNG project in Darwin, the Northern Territory, Australia. LNG sales started in February 2006**

- Entered into LNG Sales Contract with TEPCO and Tokyo Gas (3 million tons per year for 17 years from 2006)

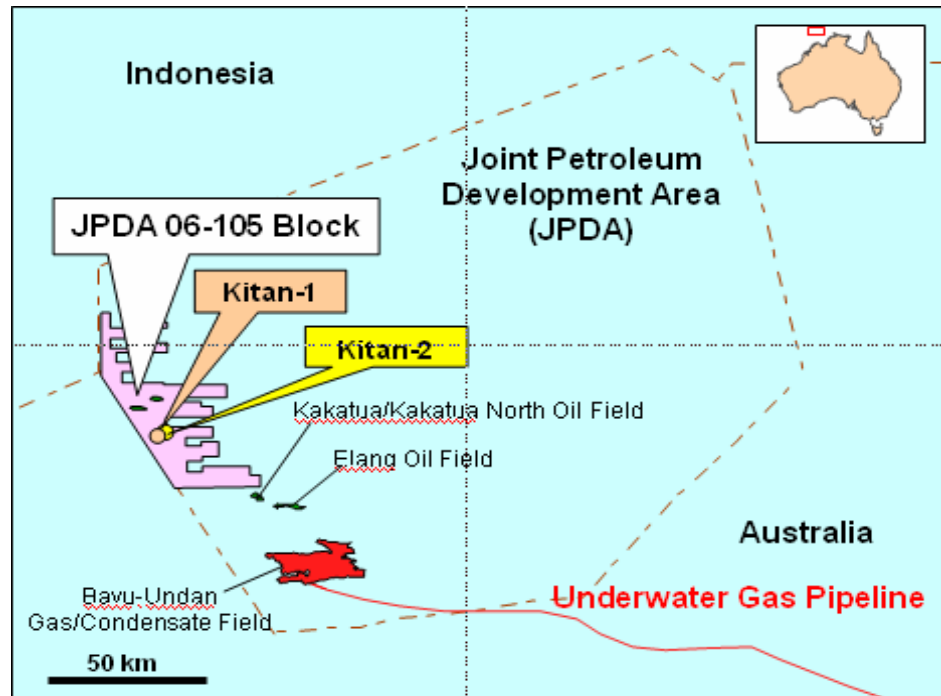
\*2 All field base and average of March 2008



# Permits Location – Ichthys(WA-285-P) and others



# JPDA06-105 Block INPEX Timor Sea, Ltd.



- INPEX's Working Interest: 35% (Operator : Eni)
- PSC: Exploration phase until 2011
- Drilled 6 exploratory wells and 3 appraisal wells since 1994. Oil flow of 6,100bbl/d on drill stem test in Kitan-1 (NFW\*1) drilled from January to February 2008.
- \*1 NFW: New Field Wildcat
- Kitan discovery is currently being evaluated.

# WA-155-P (Part I)

(Van Gogh Oil Field/Ravensworth Oil Field)

INPEX Alpha, Ltd.

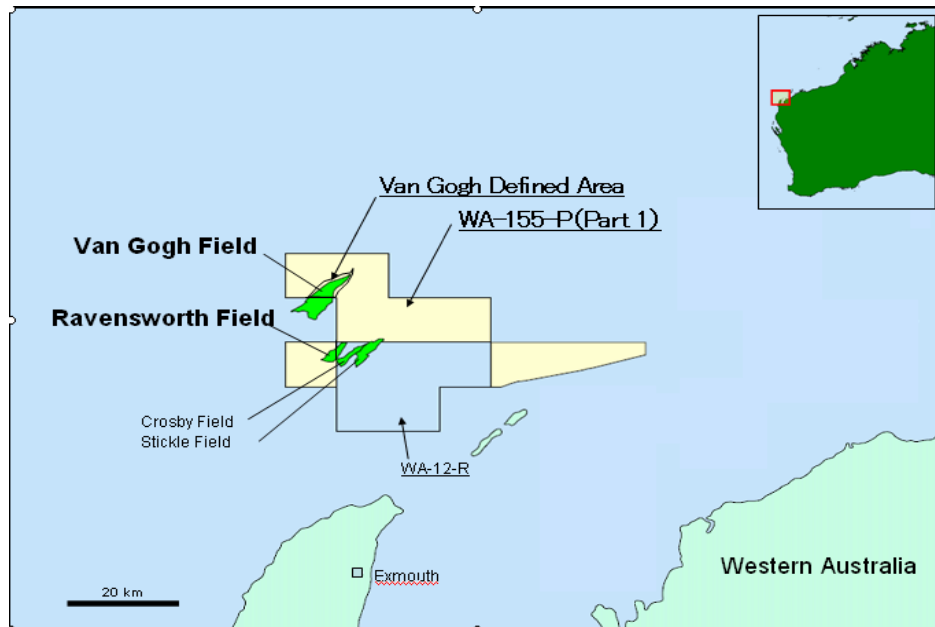
- INPEX's Working Interest: 28.5 %
- Concession Agreement:
  - Exploration Period until February, 2009
  - Production Period for 21 years from the grant of the production license

## Ravensworth Field

- Operator :BHPBP
- Final investment decision was made in November 2007
- The field is to be developed by tie-in to an FPSO in License WA-12-R

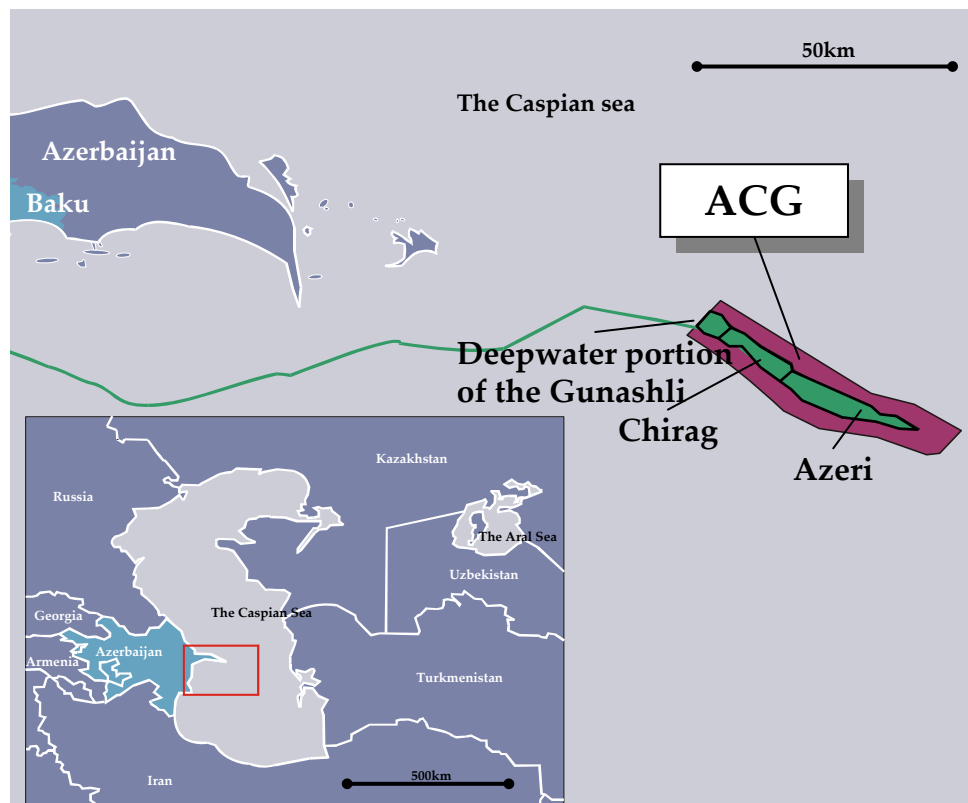
## Van Gogh Defined Area

- INPEX's Working Interest:47.499%
- Operator : Apache
- Final investment decision was made in April 2007
- Scheduled to be put on stream in April 2009
- Daily production of approximately 60 thousand barrels at peak production





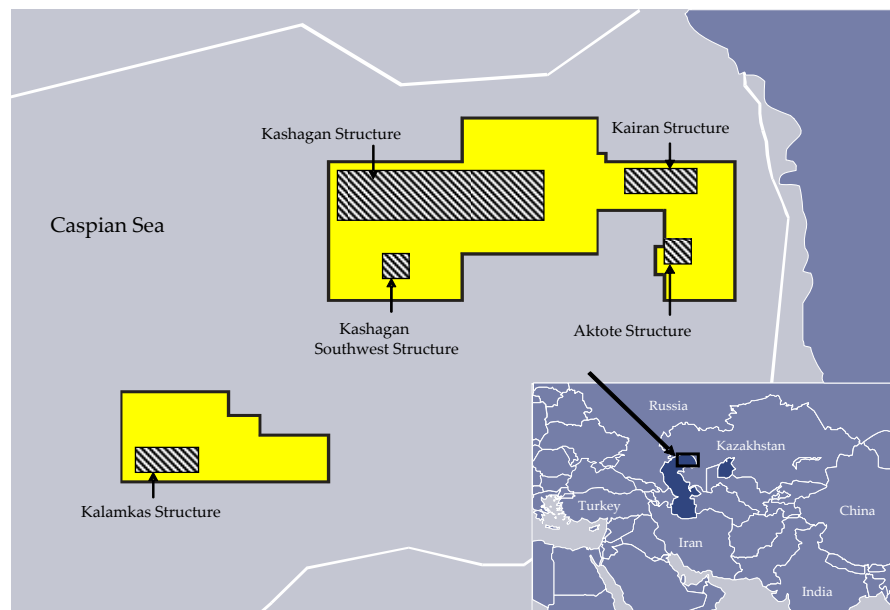
# ACG INPEX Southwest Caspian Sea, Ltd.



- INPEX's Working Interest: 10.0% (Operator : BP)
- Production\*: Approximately 770,000 bbl/d
- PSC: Until 2024
- Phase 1 : Starting oil production in the Central Azeri area in February 2005
- Phase 2 : Starting oil production in the West Azeri area in December 2005 and in the East Azeri area in October 2006
- Phase 3 : Starting oil production in the Deepwater Gunashli area in April 2008
- Planning to increase production level to 1 million barrels per day in 2009

\* All field base and average of March 2008

## Kashagan, etc. INPEX North Caspian Sea Ltd.

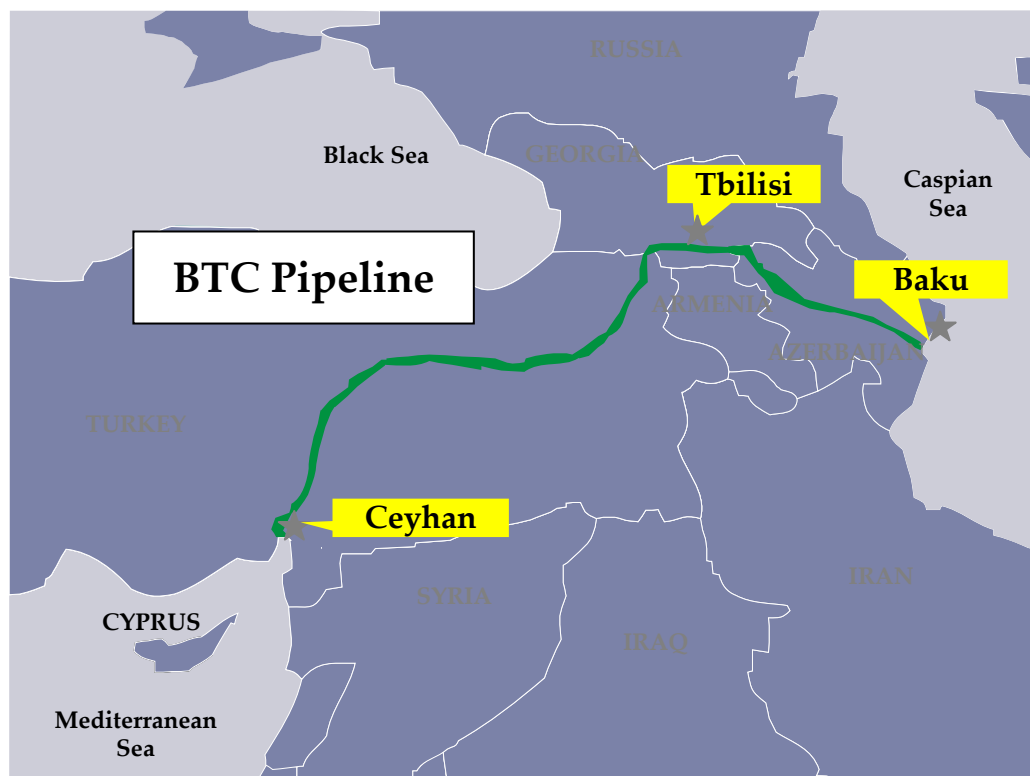


- INPEX's Working Interest: 8.33% (Operator : ENI)
- Basic agreement with the Government of Republic of Kazakhstan on January 14, 2008\*
  - Construction of new operating and governance model
  - All partners except for KazMunayGas (KMG) will dilute proportionally their participating interest allowing KMG's stake to increase matching that of the major shareholders (Our participating interest would be 7.56% from 8.33%)
  - Partial alternation on the financial conditions of the production sharing agreement
- PSC: Until the end of 2021\*\*
- Discovered crude oil in the Kashagan in June 2000
- In addition to the Kashagan oil field, existence of hydrocarbon was confirmed in the Kalamkas, Aktote, Kairan and Southwest Kashagan structures
- The first phase, currently in execution, is the Experimental Program (EP), which will be followed by the Full Field Development (FFD) program.
- The full development of Kashagan field will peak to a new production plateau of up to 1.5 million b/d, an increase of 25% compared to the initial estimates.

\* Further detail of the conditions are in process of discussion to reach settlement by the end of May, 2008

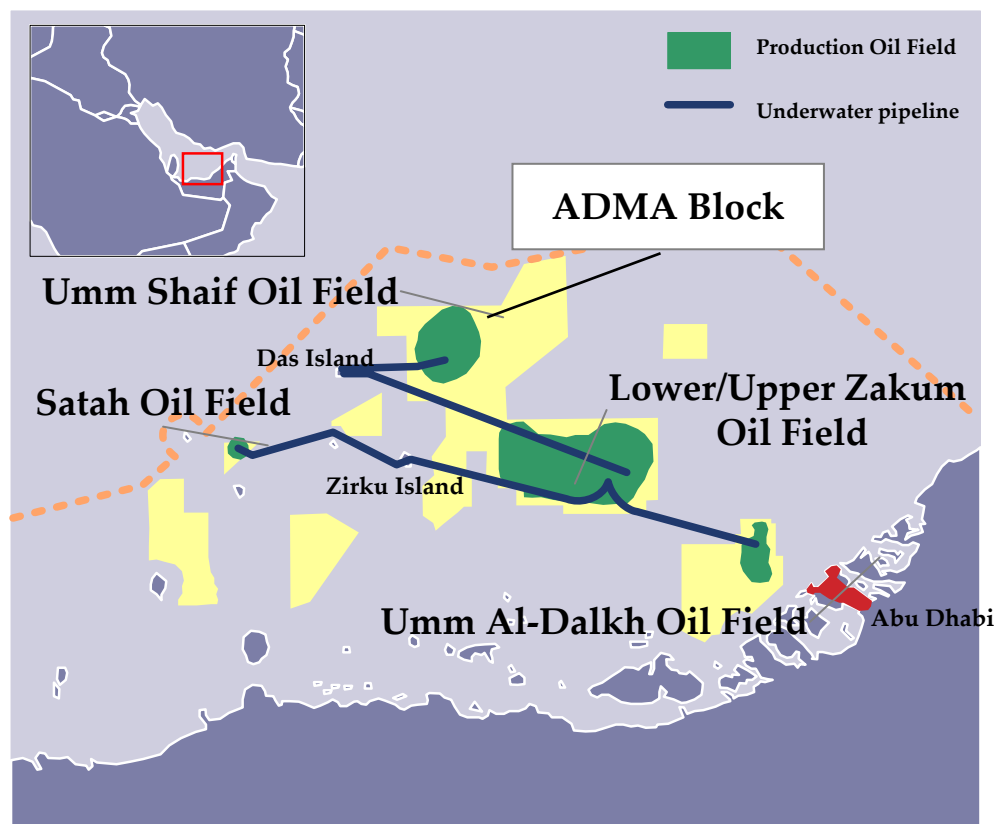
\*\*We have the options to extend the contract period by 20 years

## BTC(Baku-Tbilisi-Ceyhan) Pipeline Project INPEX BTC Pipeline, Ltd.



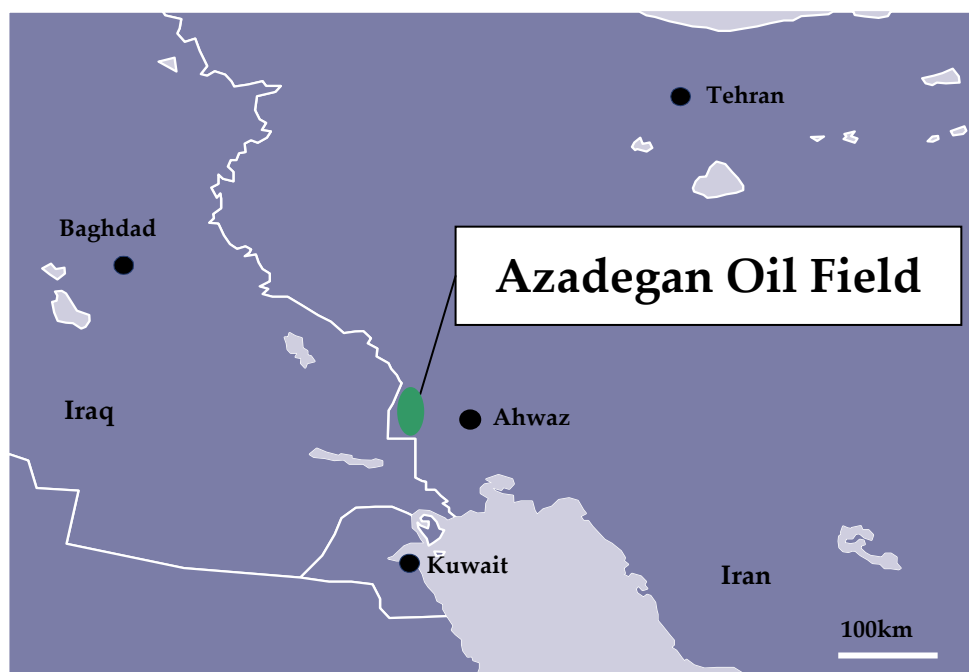
- INPEX's Working Interest: 2.5%  
(Operator : BP)
- Obtained stock of the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002
- Signed project finance contract to raise capital for the construction of the pipeline in February 2004
- Commenced crude oil export in June 2006 from Ceyhan terminal
- Complete commissioning work 1 million bbl/d capacity in 2007 3Q
- Cumulative transportation volume reached 300 MM bbls by March 2008
- 1.2 million bbl/d capacity expansion project will be completed in 2008 4Q

## ADMA Japan Oil Development Co., Ltd. (JODCO)



- Umm Shaif / Lower Zakum
    - INPEX's Working Interest: 12.0% (Operator : ADMA-OPCO\*)
  - Upper Zakum / Umm Al-Dalkh / Satah
    - INPEX's Working Interest: Upper Zakum / Umm Al-Dalkh: 12.0% Satah: 40.0% (Operator : ZADCO\*)
- \*Operating company established by ADNOC and other companies including JODCO. JODCO has 12% interest in each company.
- Concession Agreement: Until 2018 (Contract of Upper Zakum extended from 2018 to 2026)
  - Continuous development to keep and increase the production level by
    - Water injection to all the fields
    - Gas injection to Umm Shaif / Lower Zakum fields

## Azadegan Azadegan Petroleum Development, Ltd

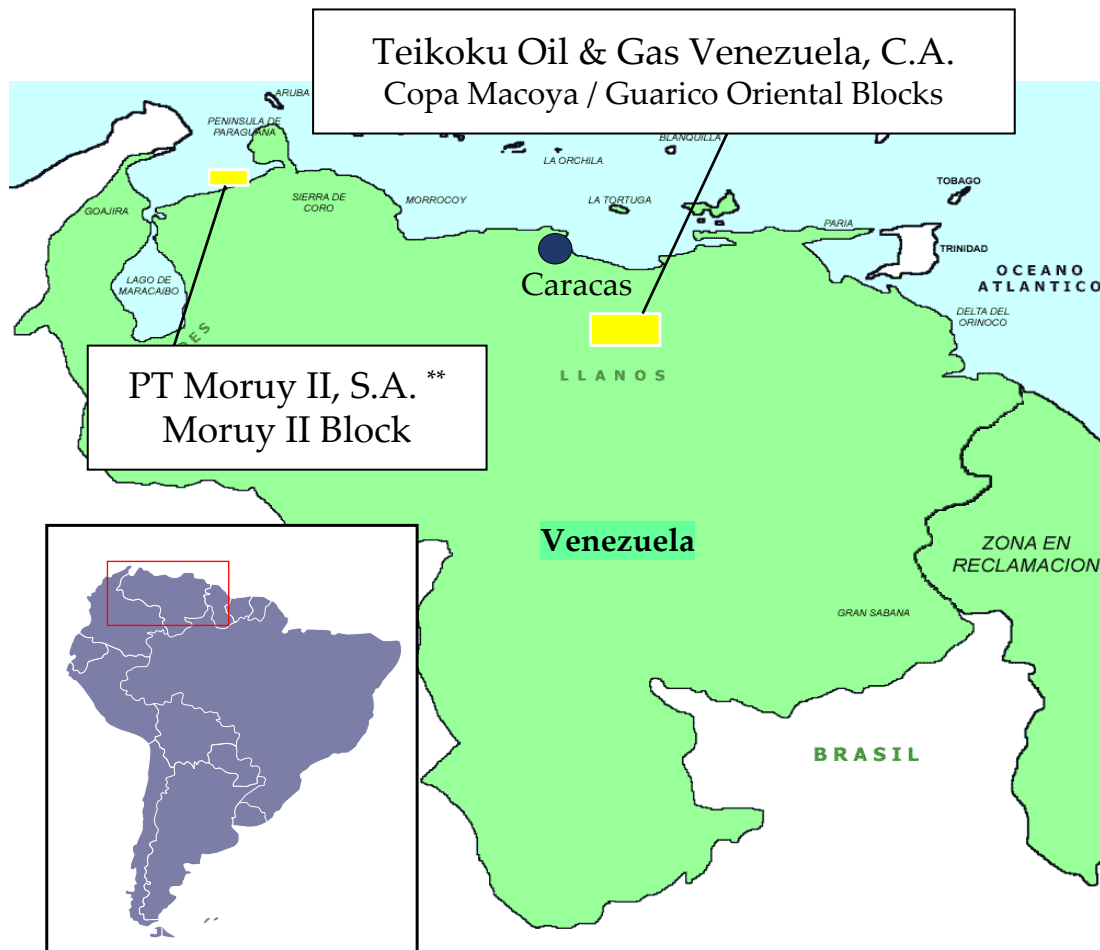


- INPEX's Working Interest: 10%  
(Continuing discussions in detail with Iranian side)
- Service Contract (Buyback Contract)
- Two Phase Oil Field Development Project\*
  - In phase 1, planned to reach 150,000 bbl/d in 2012
  - In case we move onto phase 2, planned to reach 260,000 bbl/d after 2015

\*All field base; timing of production start based on the premise that the development work start within 2008

Teikoku Oil & Gas Venezuela, C.A.  
PT Moruy II, S.A.

# Venezuela



## Copa Macoya / Guarico Oriental Blocks

- Gas and Oil exploration and development project
- Joint Venture Agreement (2006-2026)
- Teikoku's Share\*
  - Gas JV : 70%      Oil JV : 30%
- Production volume\*
  - Gas : Approximately 74 million cf/d
  - Crude oil : Approximately 2,000bbl/d

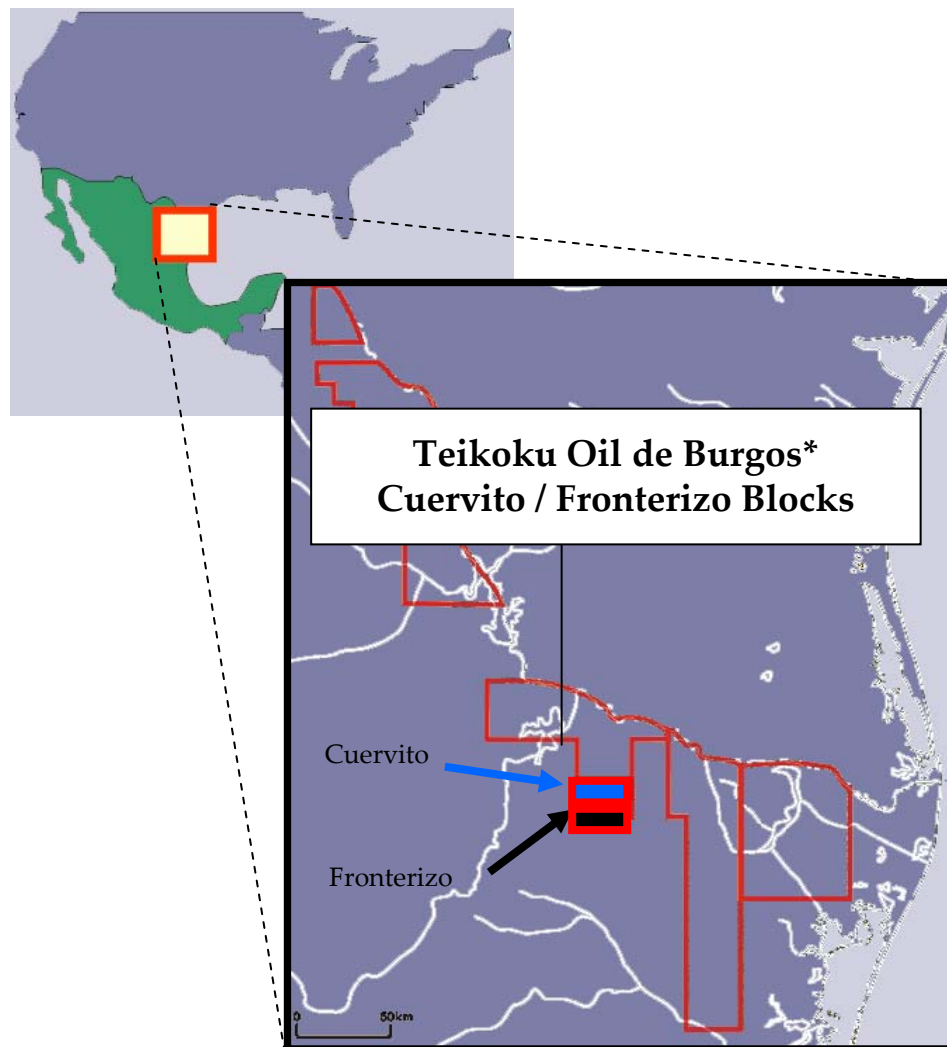
## Moruy II Block

- Gas exploration project
- Teikoku's interest : 50% (Operator PETROBRAS)
- Conducting G & G study

\*All field base and average of March 2008

\*\*Joint venture company with PETROBRAS (50:50)

# Mexico Teikoku Oil de Burgos, S.A. de C.V.\*



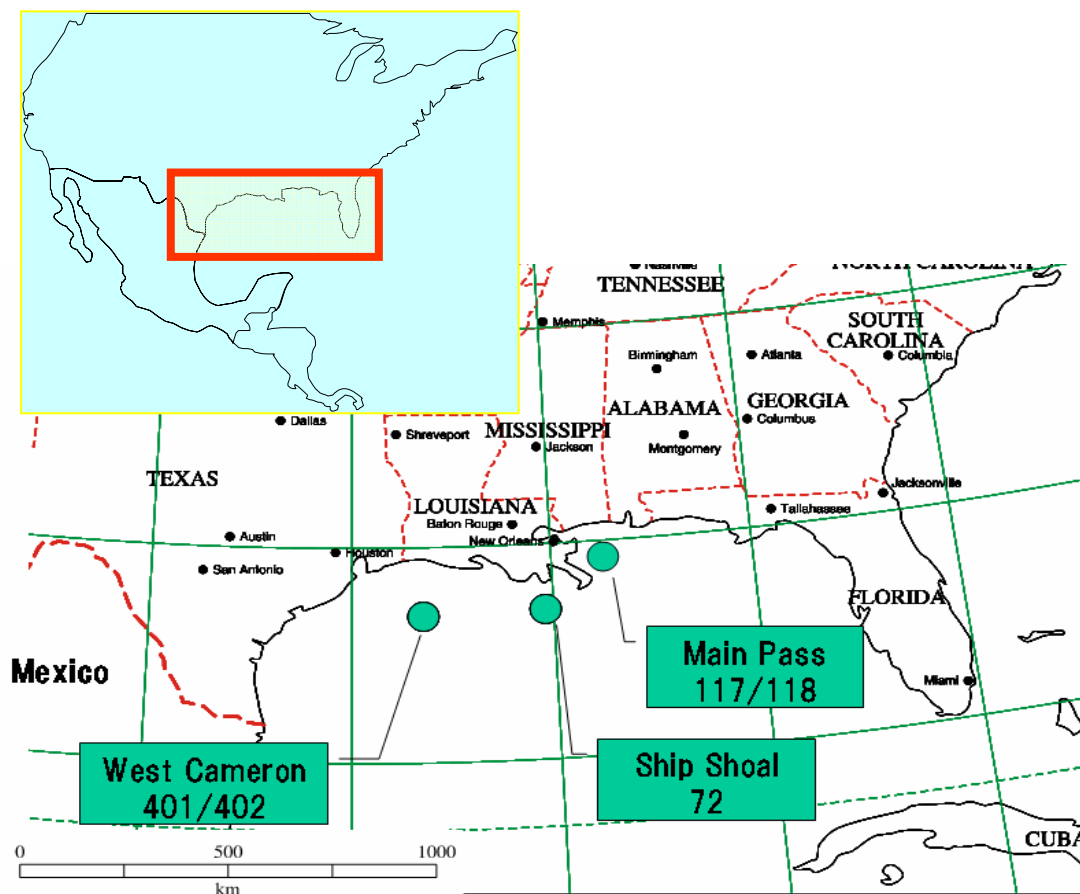
## Cuervito / Fronterizo Blocks

- Gas development project
- Multiple Service Contract
- Teikoku's interest: 40% (Operator: PETROBRAS)
- Production volume\*\* :
  - Gas : Approximately 31 million cf/d
  - Crude oil : Approximately 500 bbl/d

\* Teikoku's share 75%

\*\* All field base and average of March 2008

# Gulf of Mexico (USA) Teikoku Oil (North America) Co., Ltd.

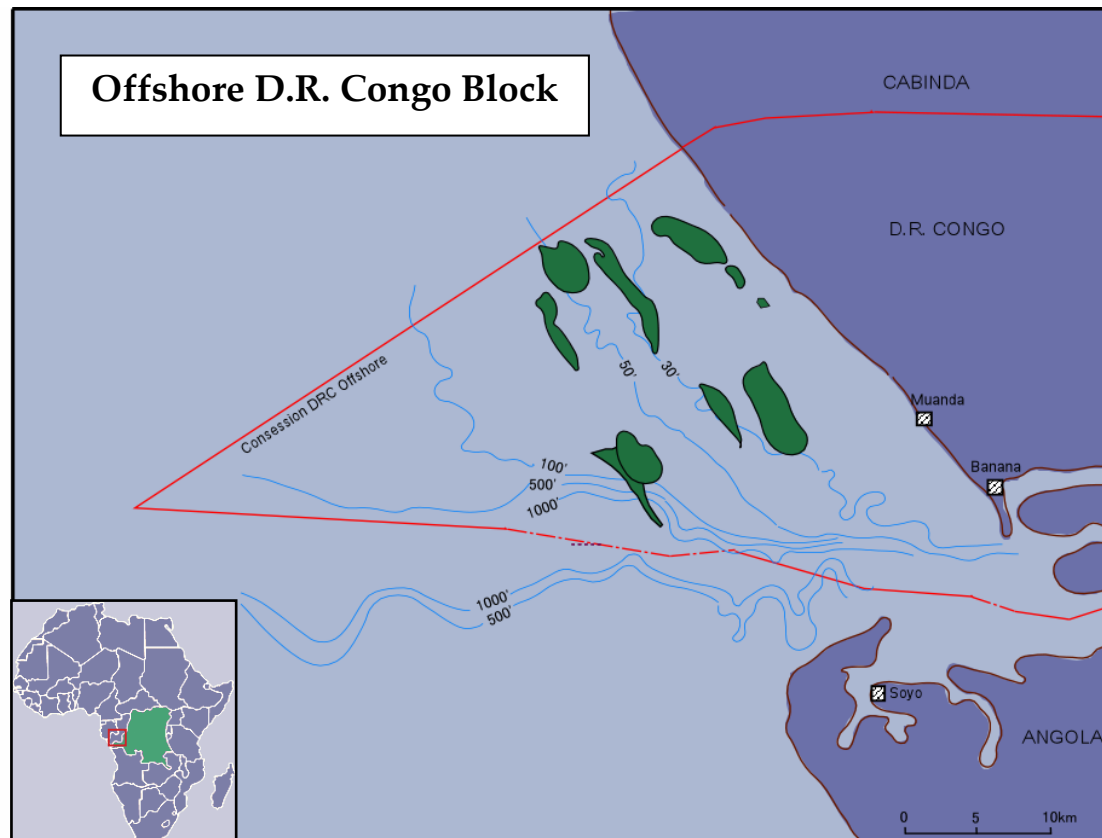


- Gas and Oil exploration and development project
- Concession Agreement
- Teikoku's interest:
  - Ship Shoal 72 : 25%
  - West Cameron 401/402 : 25%
  - Main Pass 117/118 : 10%
- Production volume\*
  - Gas : Approximately 24 million cf/d
  - Crude oil : Approximately 600bbl/d

\* All field base and average of March 2008



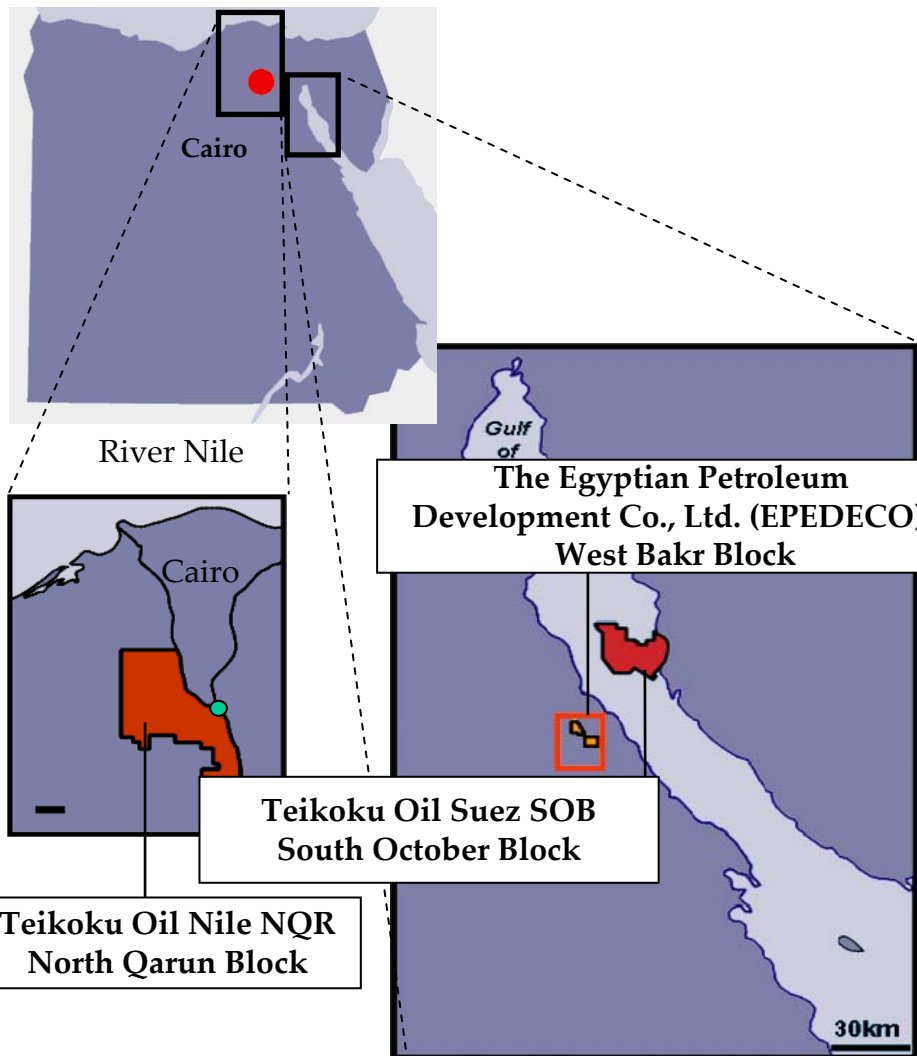
# D.R. Congo Teikoku Oil (D.R. Congo) Co., Ltd.



## Offshore D.R. Congo Block

- Oil exploration and development project
- Concession Agreement (1969-2023)
- Teikoku's interest: 32.28% (Operator: Perenco)
- Production Commencement: 1975
- Production volume\*: Approximately 13,000 bbl/d

\* All field base and average of March 2008



West Bakr Block

- Oil and Gas exploration and development project
- PSC: 1975- 2020+5years option
- EPEDECO's interest: 100%(Operator)
- Production commencement :1980
- Production volume\*\* : Approximately 4,000bbl/d

South October Block

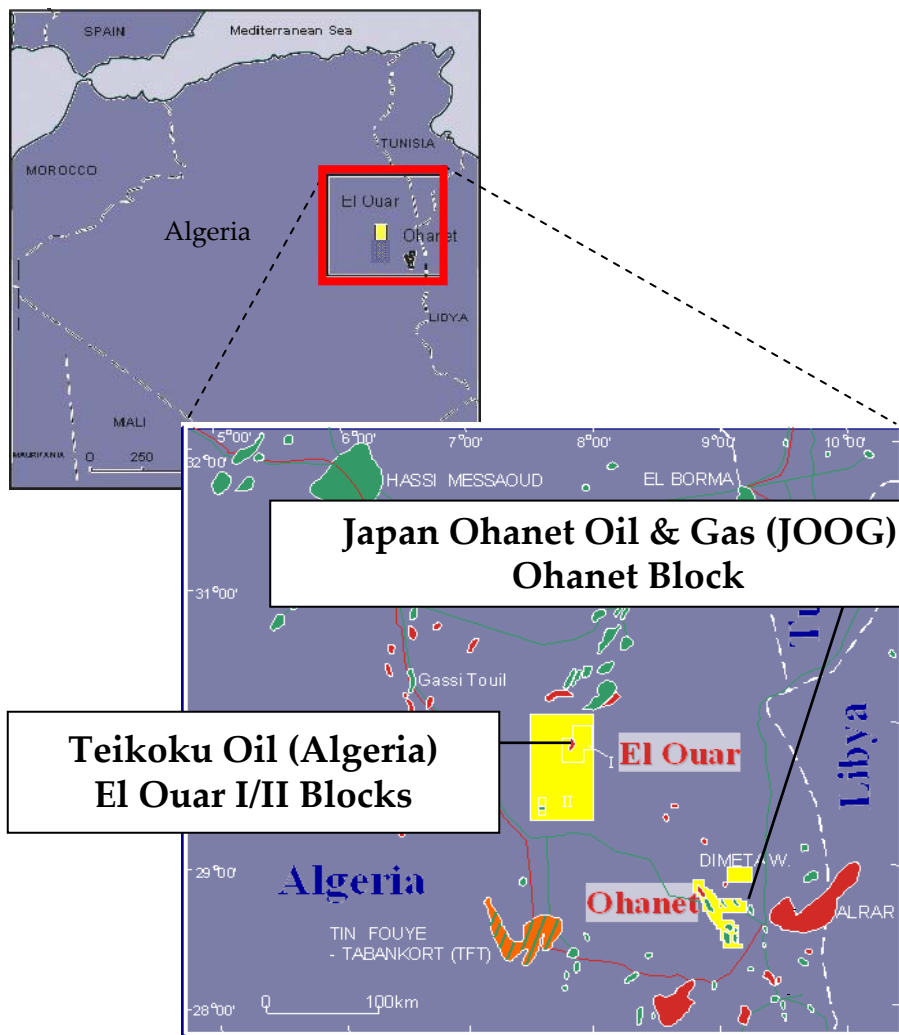
- Oil and Gas Exploration project
- Teikoku's interest: 35% (Operator: Dana Petroleum)
- Conducting G & G study

North Qarun Block

- Oil and Gas Exploration project
- Teikoku's interest: 25% (Operator: Dana Petroleum)
- Preparing 3D seismic survey work

\* Teikoku's share 52.7%

\*\* All field base and average of March 2008



Ohanet Block

- Gas development project
- Risk Service Contract(2000-2011)
- JOOG's interest:30%(Operator:BHPB)
- Production commencement:Oct, 2003
- Production volume\*\*
  - Dry Gas: Approximately 569million cf/d
  - Condensate: Approximately 24,000bbl/d
  - LPG: Approximately 2,200 bbl/d

El Ouar I/II Blocks

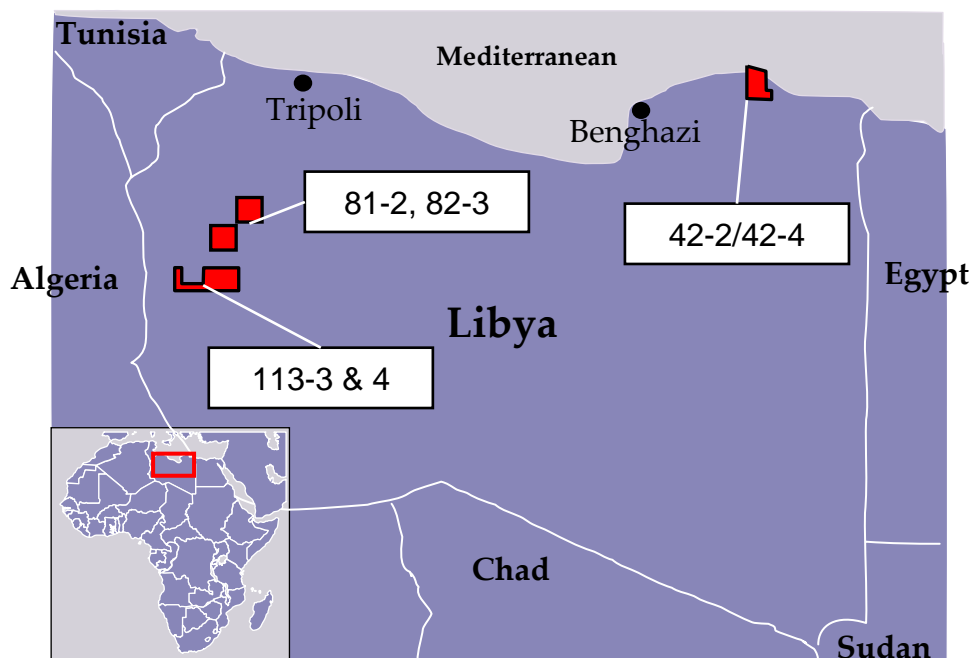
- Oil and Gas exploration and development project
- Concession Agreement
- Preparing development of discovered oil and gas/condensate fields
- Teikoku's interest:10.29%(Operator:ENI)

\* Teikoku's share 15%

\*\* All field base and average of March 2008

Libya

Teikoku Oil Libya UK Ltd (81-2, 82-3 )  
 INPEX Libya, Ltd. (42-2 & 4, 113-3 & 4)



- Oil and Gas exploration project
- Exploration and Production Sharing Agreement : EPSA (Exploration period : 5years)
- Working Interest
  - 81-2, 82-3:73%(Operator)
  - 42-2 & 4:40%(Operator:TOTAL)
  - 113-3 & 4 : 85% (Operator)
- Exploratory well drilling (81-2, 82-3)
- 2D seismic survey in operation(42-2 & 4)
- Currently preparing for 2D seismic survey(113-3 & 4 )

# Joslyn Oil Sands Project

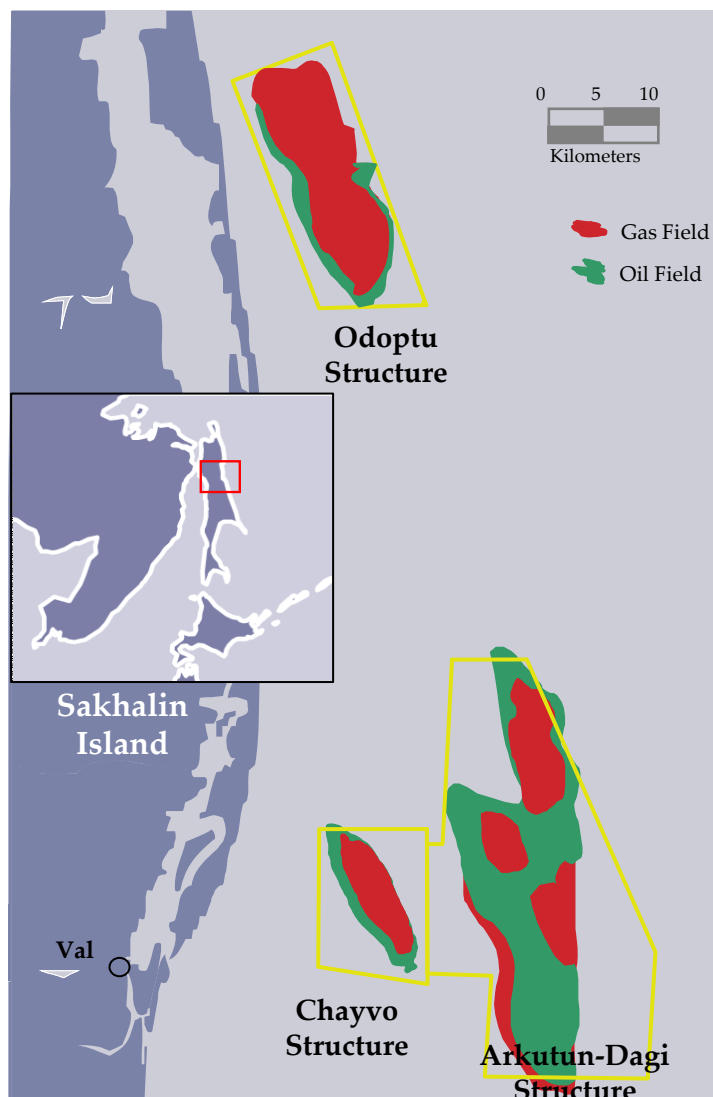
INPEX Canada, Ltd.



Joslyn Oil Sands Lease Location

- INPEX's Working Interest: 10%
- Operator: TOTAL
- Concession Agreement (Lease)
  - 7280060T24 : Indefinite
  - 7404110452 : 15 years primary lease from Nov 2004\*
  - 7405070799 : 15 years primary lease from Jul 2005\*  
\*Will be extended
- Oil Sands Upstream Project:
  - Started production in late 2006 using SAGD technology and expected to reach 10,000 barrels of bitumen per day at plateau by 2009.
  - Large scale development by cutting off mining development: Around 100 thousand barrels of bitumen per day in the beginning of 2010's (first phase), to around 230 thousand barrels of bitumen per day (second phase)
- Upgrader Project:
  - Construction of upgrader plant in Edmonton, Alberta, and producing 130 thousand barrels per day of light sweet synthetic crude. The plant could be commissioned before 2015 (first phase)

## Sakhalin I Sakhalin Oil and Gas Development Co.



\* All field base and average of March 2008

- Sakhalin Oil and Gas Development Co. (SODECO): INPEX Holdings owns 5.75% of the total share (In the process to purchase to maximum 33% of the SODECO's share from the Ministry of Economy, Trade and Industry which has inherited a 50% of the SODECO's shares from JNOC)
- SODECO's Working Interest
  - Sakhalin I: 30.0%
- Production\*:
  - Crude Oil : Approximately 220,000 bbl/d
  - Gas: Approximately 840 million cf/d
- Operator: ExxonMobil
- Partners: ONGC Videsh, Sakhalinmorneftegas-Shelf, RN-Astra
- PSC: In Dec. 2001, "Commerciality Declaration" of the project was authorized by the Russian government and the project moved into development phase for 20 years
- Commenced production in Oct. 2005; commenced crude oil export in 2006
- Commenced natural gas supply to Russian domestic market, and considering natural gas supply to Chinese and other markets



## East China Sea

Teikoku Oil Co., Ltd.



- 1969: Application of exploration rights
- 1981, 1984: Seismic survey
- 1992: Discovery of Pinghu by CNOOC, Production commencement in 1998
- 1997~1999: Seismic survey by JNOC
- 2004~2005: Seismic survey by JOGMEC
- Apr. 2005: Starting a procedure of setting exploration rights by METI, → We submit promotion to set the rights of 3 Areas (Approximately 400km<sup>2</sup>) in application Areas (42,000km<sup>2</sup>) to Kyushu Bureau of METI
- Aug. 2005: Setting exploration rights of 3 Areas
- We have top priority and we watch a trend of government-to-government talks, in future work realization, judge safe security after having discussed it with the authorities.

# Key Investments

Company	Field / Project Name	Country	INPEX HD Ownership	Stage
<u>Japan</u>				
TEIKOKU OIL	Minami-Nagaoka, etc. *	Japan	100%	Producing
<u>Asia/Oceania</u>				
INPEX	Mahakam	Indonesia	100%	Producing
INPEX Natuna	South Natuna Block 'B'	Indonesia	100%	Producing
MI Berau B.V.	Berau(Tangguh LNG Project)	Indonesia	44%	Development
INPEX Masela	Masela(Abadi)*	Indonesia	55.37%	Under discussion for Development
INPEX Sahul	Bayu-Undan	JPDA	100%	Producing
INPEX Browse	WA-285-P(Ichthys)*	Australia	100%	Preparation for Development
<u>The Middle East</u>				
IODCO	ADMA(Upper Zakum, etc.)	UAE	100%	Producing
Azadegan	Azadegan	Iran	100%	Development
<u>NIS</u>				
INPEX Southwest Caspian Sea	ACG	Azerbaijan	51%	Producing
INPEX North Caspian Sea	Kashagan	Kazakhstan	45%	Development
<u>Americas</u>				
Teikoku Oil & Gas Venezuela	Copa Macoya* / Guarico Oriental	Venezuela	100%	Producing
Teikoku Oil de Burgos	Cuervito / Fronterizo	Mexico	75%	Producing
Teikoku Oil (North America)	Ship Shoal 72, West Cameron 401/402, Main Pass 117/118	USA	100%	Producing
<u>Africa</u>				
Teikoku Oil (D.R. Congo)	Offshore D.R.Congo	D.R.Congo	100%	Producing
The Egyptian Petroleum Development	West Bakr*	Egypt	52.7%	Producing
Japan Ohanet Oil & Gas	Ohanet	Algeria	15%	Producing
Teikoku Oil (Algeria)	El Ouar I/ II	Algeria	100%	Under discussion for Development

Note: \*Operator project



## Key Contracts (1)

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Field	Country or Region	Contract Type
Mahakam/Attaka	Indonesia	Production Sharing Contract
South Natuna Sea Block 'B'	Indonesia	Production Sharing Contract
Berau(Tangguh)	Indonesia	Production Sharing Contract
Masela(Abadi)	Indonesia	Production Sharing Contract
JPDA03-12 (Bayu-Undan)	JPDA	Production Sharing Contract
WA-10-L (Griffin Fields)	Australia	Concession Agreement
WA-285-P(Ichthys)	Australia	Concession Agreement
North Caspian Sea(Kashagan, etc.)	Kazakhstan	Production Sharing Contract
ACG	Azerbaijan	Production Sharing Contract
Umm Shaif/Lower Zakum/ Zakum	UAE	Concession Agreement Upper
Azadegan	Iran	Service Contract

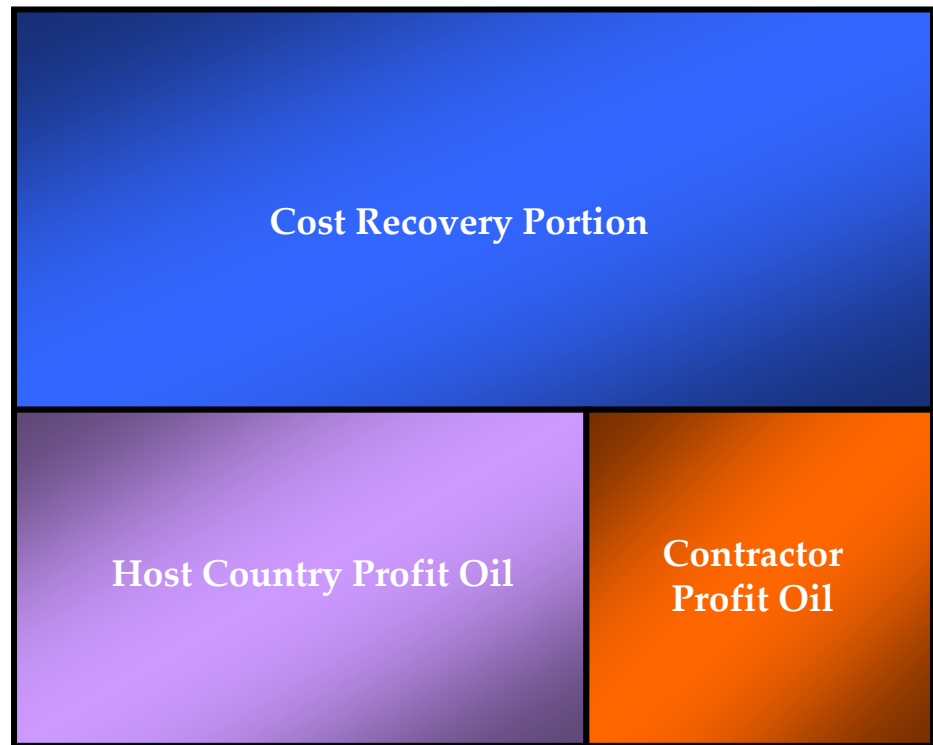
## Key Contracts (2)

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Field	Country or Region	Contract Type
Copa Macoya / Guarico Oriental	Venezuela	Concession Agreement (Joint Venture Agreement)
Cuervito / Fronterizo	Mexico	Service Contract
Ship Shoal 72, West Cameron 401/402, Main Pass 117/118	USA	Concession Agreement
Offshore D.R. Congo	D.R. Congo	Concession Agreement
West Bakr	Egypt	Production Sharing Contract
Ohanet	Algeria	Service Contract (Risk Service Contract)
El Ouar I / II	Algeria	Concession Agreement

**Others**

# Production Sharing Contracts






1. Cost Recovery Portion

- Non-capital expenditures incurred for production and recovered during the current period
- Scheduled depreciation of the capital expenditures for the current period and recovered during the current period
- Recoverable costs that have not been recovered in the previous periods

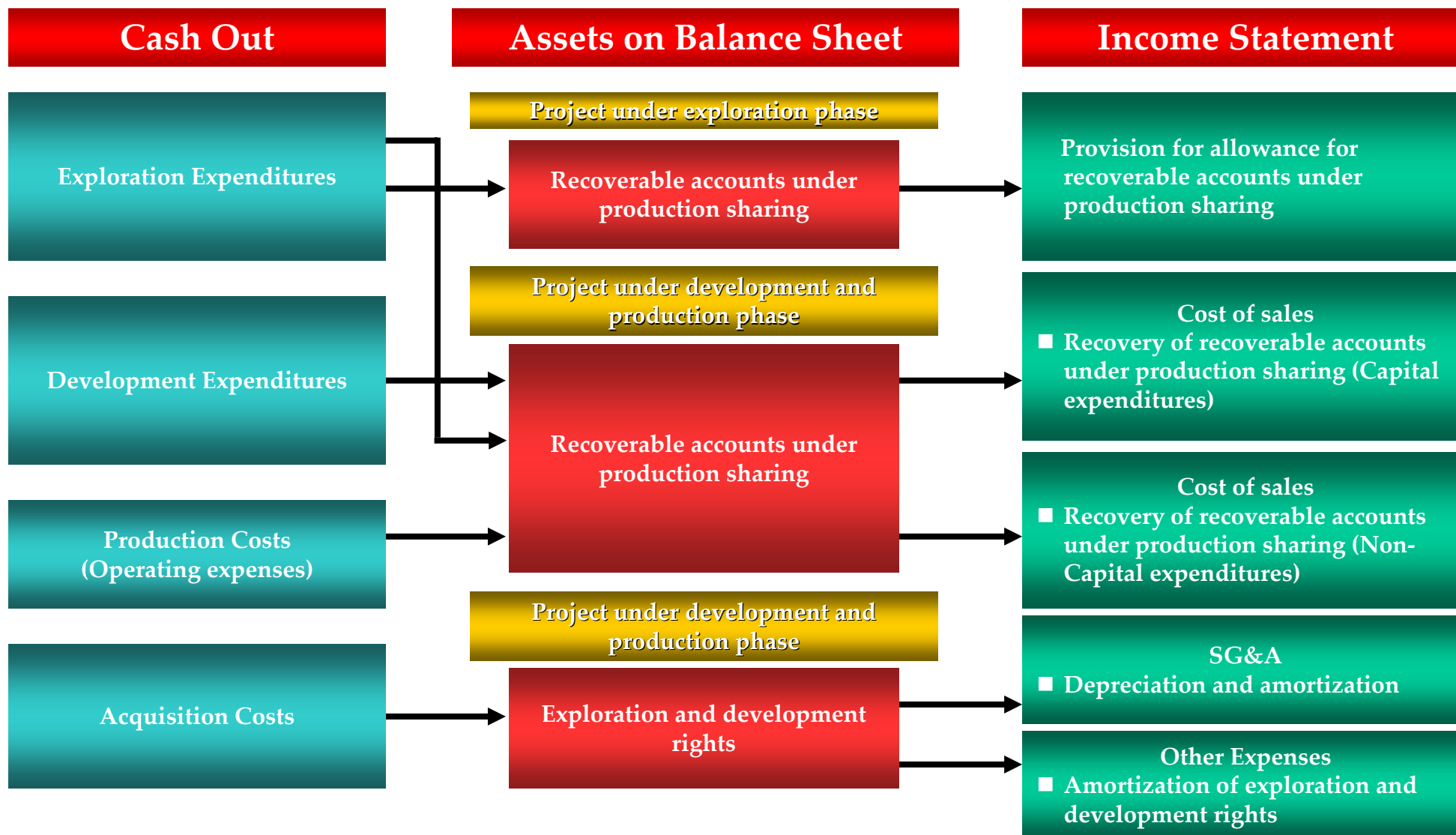
2. Equity Portion (Profit Oil)



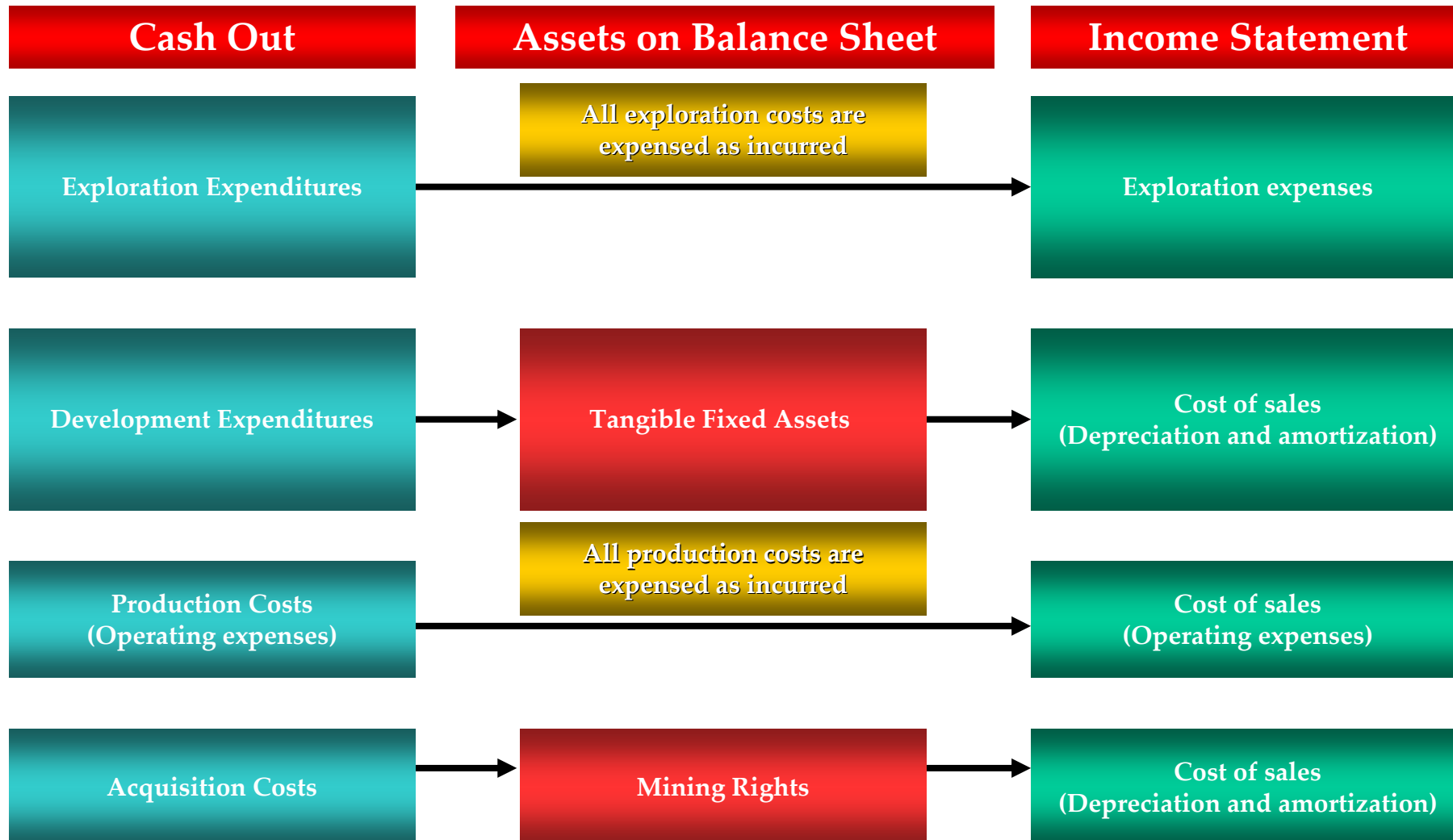
← Host Country Share      Contractor Share →

-  : Host Country Take
  -  : Subject to Tax
  -  : Not Subject to Tax
- } Contractor Take

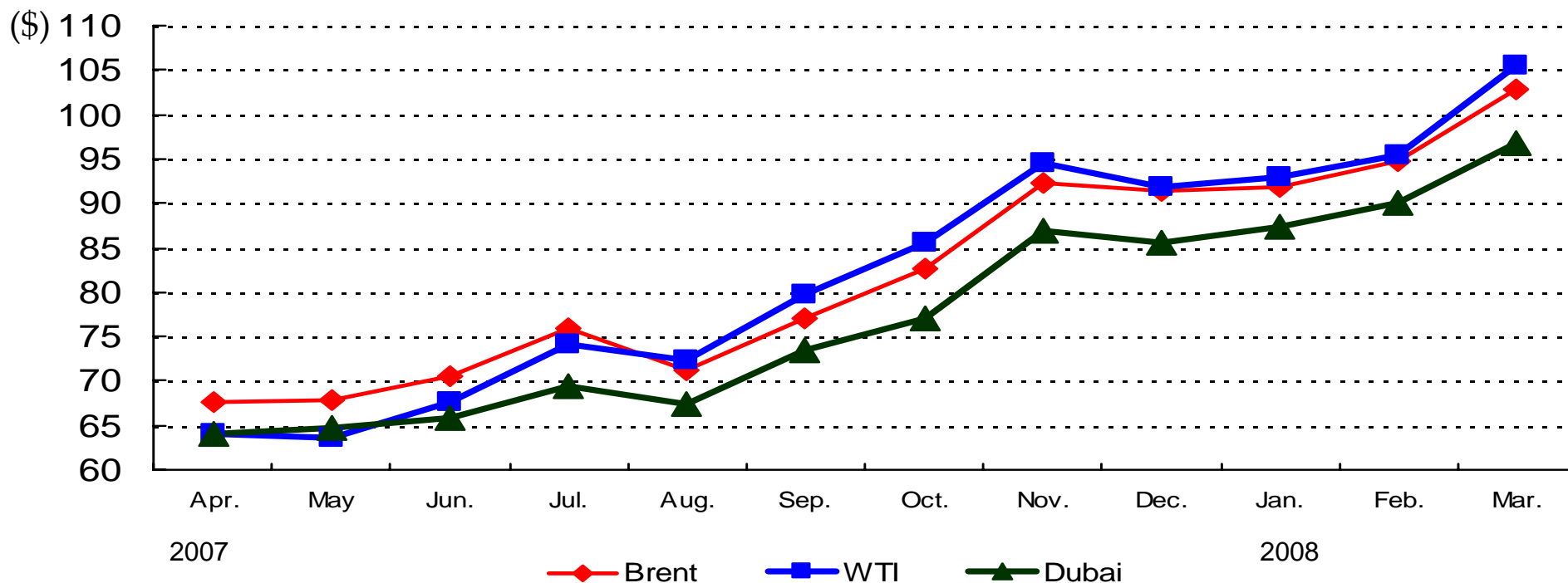
# Accounting on Production Sharing Contract



# Accounting on Concession Agreement

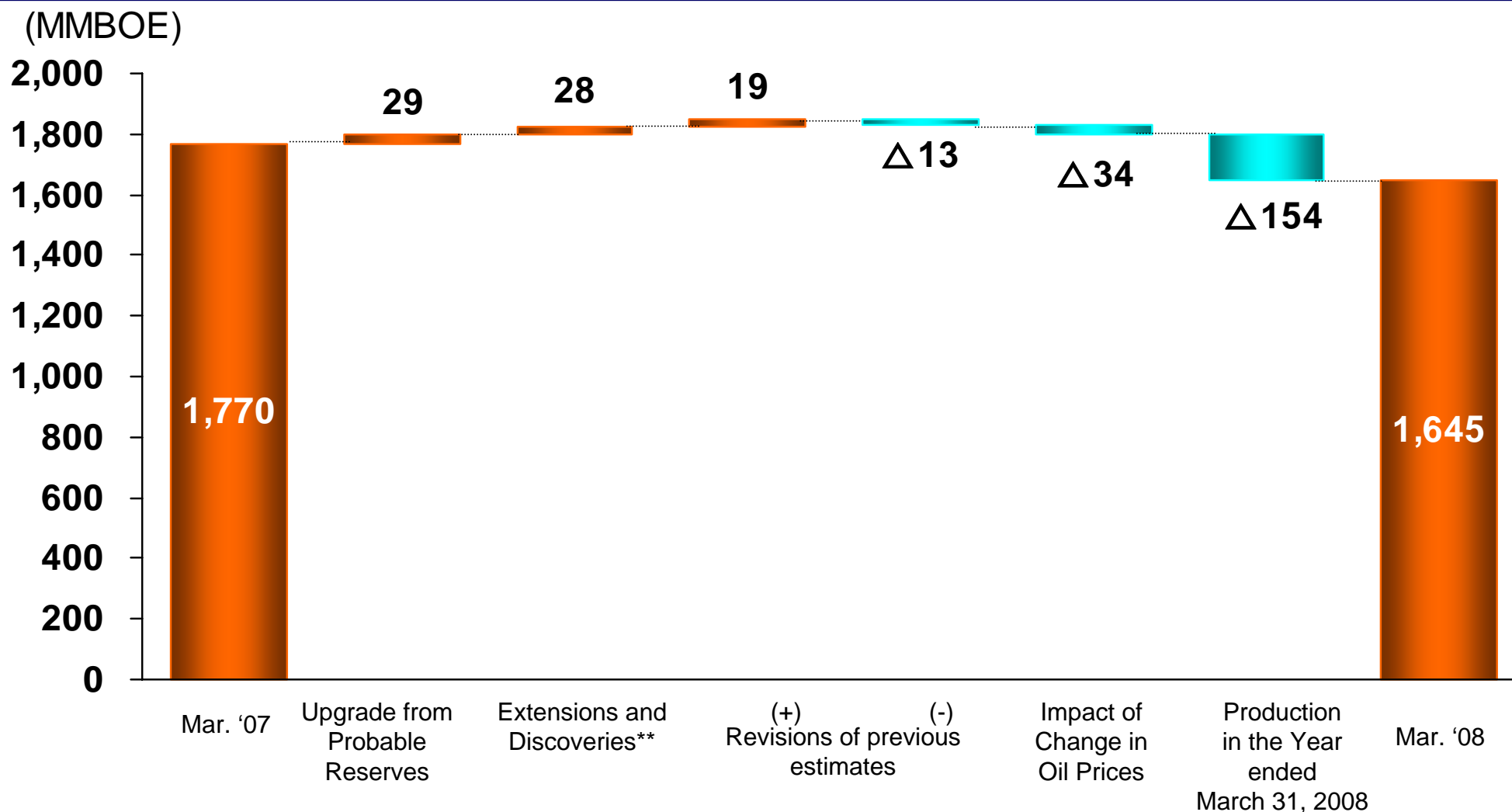


# Crude Oil Price



	FY07.3	2007												2008												FY08.3
	Ave.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Ave.												
Brent	65.08	67.60	67.86	70.54	75.82	71.24	76.94	82.60	92.20	91.44	91.91	94.66	102.87	82.14												
WTI	64.89	64.04	63.53	67.53	74.15	72.36	79.63	85.66	94.63	91.74	92.93	95.35	105.42	82.25												
Dubai	60.85	63.97	64.61	65.79	69.49	67.38	73.36	77.12	86.87	85.58	87.37	90.02	96.76	77.36												

## Factor Analysis of Change in Proved Reserves\*



\* Proved reserve volumes are based on the reserve reports by DeGolyer and MacNaughton applying SEC regulation. Volumes attributable to the equity affiliates are included.

\*\* Including acquisitions and sales



## Definition of Proved Reserves

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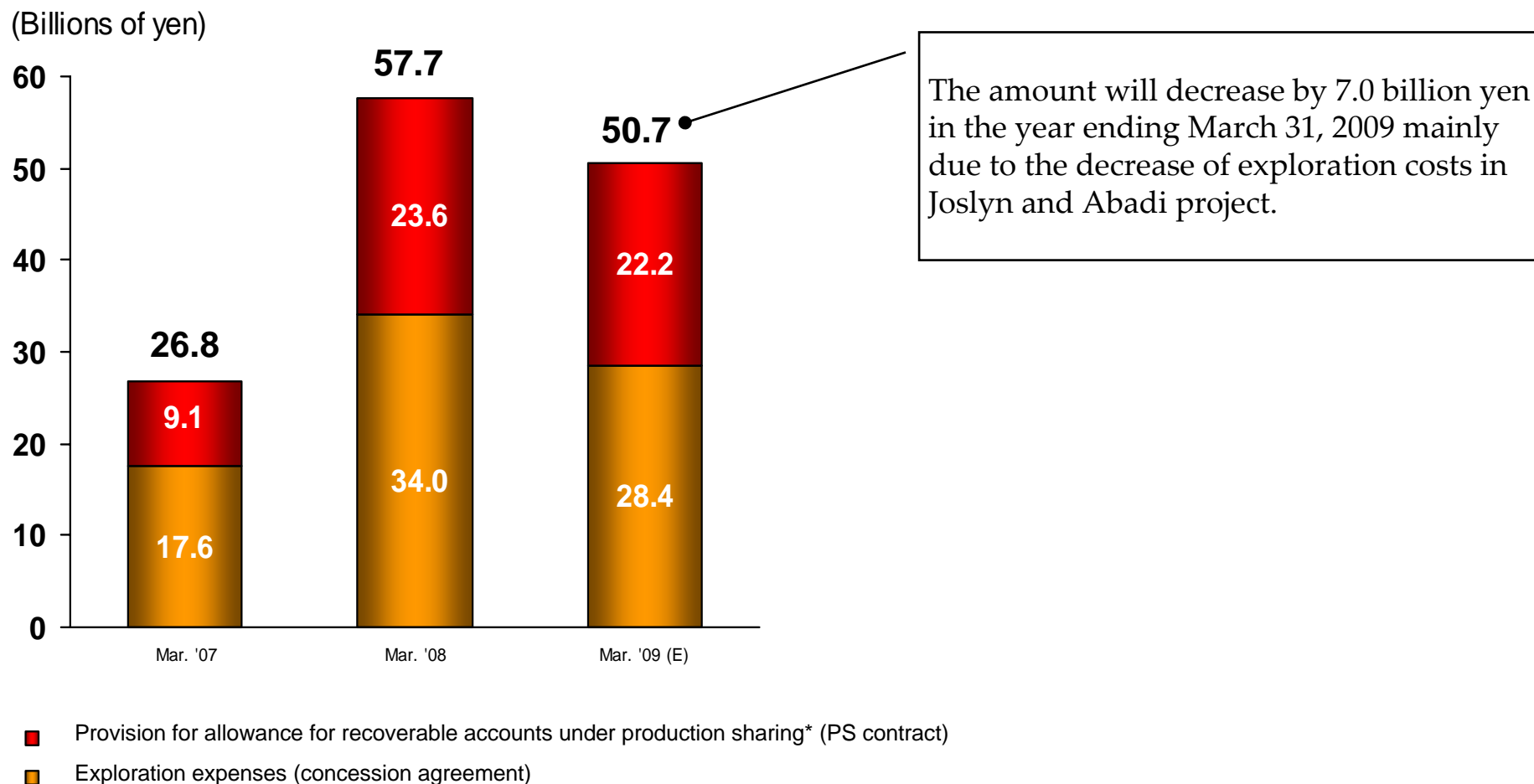
- Our definition of proved reserves is in accordance with the SEC Regulation S-X, Rule 4-10, which defines proved reserves as the estimated quantities of oil/gas which can be recovered with reasonable certainty in future years under current economic and operational conditions based on geographical and engineering data
- To be classified as a proved reserve, the SEC rule requires a market and means of economical production/processing/shipping to exist already or to become available in near future. Thus, this definition is known to be the most conservative among the various definitions of reserves used in the oil and gas industry
- The SEC rule separates proved reserves into two categories; proved developed reserves which can be recovered by existing wells and infrastructure, and proved undeveloped reserves which require future development of wells and infrastructure to be recovered

## Definition of Probable Reserves

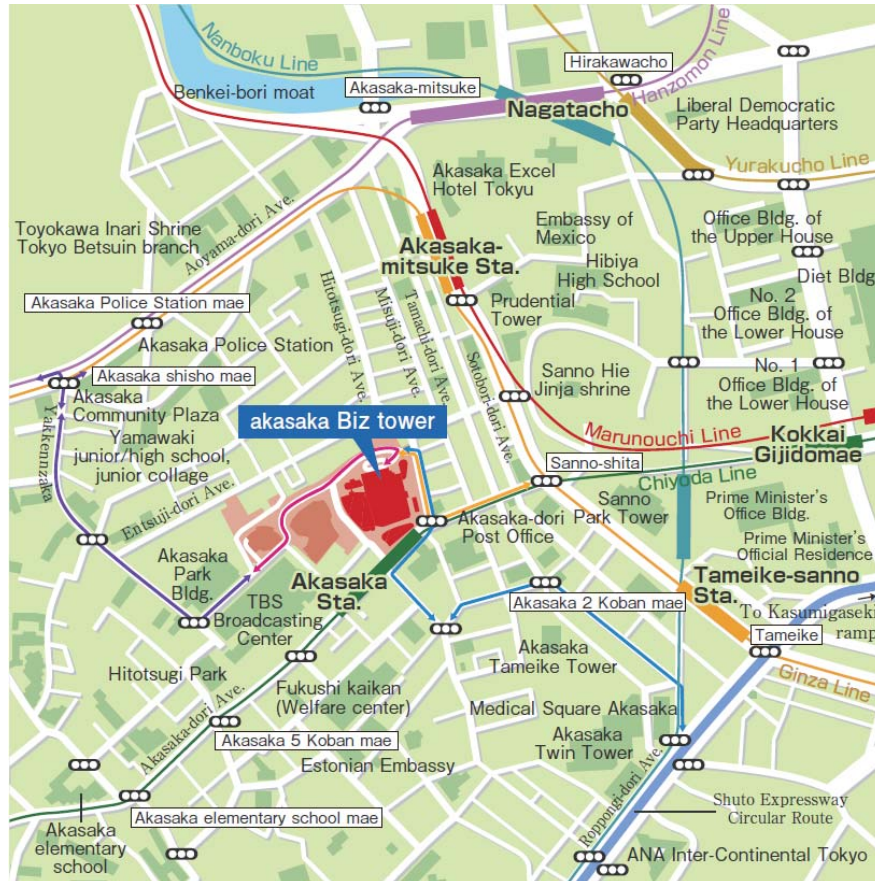
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- Probable reserves, which term is defined by SPE/WPC/AAPG/SPEE, are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable
- In this context, when probabilistic methods are used, 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
- The difference from the definition of proved reserves based on the SEC rule is whether oil/gas can be commercially recovered with reasonable certainty. Some part of the probable reserves are expected to be upgraded to proved reserves by the progress of project maturity (commitment of financing, establishment of sales agreements etc.) and reduction in technical uncertainty by addition of new technical data.

# Estimate of Exploration Expenses/Provision for Allowance for Recoverable Accounts under Production Sharing



\*Including Provision for exploration projects



Four companies (INPEX Holdings, INPEX CORPORATION, Teikoku Oil and Japan Oil Development Company) will move to the following address in late September.

■ **New Address:**

5-3-1, Akasaka, Minato-ku, Tokyo 107-6301, Japan  
 Akasaka Biz Tower 31-34 Floor