Appendix : Additional Slides
<table>
<thead>
<tr>
<th>(Billions of yen)</th>
<th>FY2004</th>
<th>FY2005</th>
<th>Change</th>
<th>% of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>168.2</td>
<td>202.7</td>
<td>34.4</td>
<td>20.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>92.6</td>
<td>113.5</td>
<td>20.9</td>
<td>22.6%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>76.2</td>
<td>112.5</td>
<td>36.3</td>
<td>47.7%</td>
</tr>
<tr>
<td>Net income</td>
<td>28.3</td>
<td>50.7</td>
<td>22.4</td>
<td>79.1%</td>
</tr>
<tr>
<td>Net income per share (¥)</td>
<td>*15,986.65</td>
<td>26,717.47</td>
<td>10,730.82</td>
<td>67.1%</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>5.8</td>
<td>7.6</td>
<td>1.7</td>
<td>30.3%</td>
</tr>
<tr>
<td>Dividends per share (¥)</td>
<td>*3,333</td>
<td>4,000</td>
<td>667</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Note: * Adjusted for a three for one stock split in May 2004
Overview of Consolidated Balance Sheets

(Millions of Yen)

FY2003
- Total: 338,747
- 54% Other Asset
- 46% Other Liabilities
- 14% Cash and Deposits*
- 11% Marketable Securities**

FY2004
- Total: 525,298
- 70% Other Asset
- 30% Total Debt
- 24% Other Liabilities
- 76% Cash and Deposits*
- 9% Marketable Securities**

FY2005
- Total: 779,227
- 53% Other Asset
- 30% Total Debt
- 20% Other Liabilities
- 23% Cash and Deposits*
- 4% Marketable Securities**

Notes:
* Including collateralized fixed-term deposit of JPY 9,140 million for FY2004 and of JPY 8,200 millions for FY2005
** Government bonds, government agency bonds and corporate bonds (with market value)
Earning Before Interest, Depreciation and Amortization, and Exploration (EBIDAX)*

(Millions of Yen)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>EBIDAX (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2003</td>
<td>61,818</td>
</tr>
<tr>
<td>FY2004</td>
<td>76,014</td>
</tr>
<tr>
<td>FY2005</td>
<td>125,996</td>
</tr>
</tbody>
</table>

Note: * Net Income + Minority Interests + Deferred Tax + (1 – Tax Rate) x (Interest Expense – Interest Income) + (Depreciation and Amortization + Recovery of Recoverable Accounts under Production Sharing (Capital Expenditure)) + (Exploration Expenses + Provision for Allowance for Recoverable Accounts under Production Sharing) + Amortization of Exploration and Development Right + Exchange Profit and Loss. Our EBIDAX measures may not be comparable to other similarly titled measures of other companies.
# Details of EBIDAX Calculation for FY2005

<table>
<thead>
<tr>
<th>(Millions of Yen)</th>
<th>INPEX</th>
<th>Source</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>76,493</td>
<td>P/L</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(468)</td>
<td>P/L</td>
<td></td>
</tr>
<tr>
<td>Depreciation equivalent amount</td>
<td>51,335</td>
<td>C/F</td>
<td>Depreciation under concession agreements and G&amp;A</td>
</tr>
<tr>
<td></td>
<td>12,960</td>
<td>C/F</td>
<td>Depreciation under PS contracts</td>
</tr>
<tr>
<td></td>
<td>38,375</td>
<td>C/F</td>
<td></td>
</tr>
<tr>
<td>Exploration cost equivalent amount</td>
<td>2,991</td>
<td>P/L</td>
<td>Exploration expense under concession agreements</td>
</tr>
<tr>
<td>Exploration expenses</td>
<td>2,473</td>
<td>P/L</td>
<td>Exploration expense under PS contracts</td>
</tr>
<tr>
<td>Provision for allowance for recoverable accounts under production sharing</td>
<td>518</td>
<td>P/L</td>
<td></td>
</tr>
<tr>
<td>Material non-cash items</td>
<td>(5,272)</td>
<td>P/L</td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(4,798)</td>
<td>P/L</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange (gain) loss</td>
<td>(474)</td>
<td>C/F</td>
<td></td>
</tr>
<tr>
<td>Amortization of exploration and Development rights</td>
<td>1,606</td>
<td>P/L</td>
<td>Cash expense for acquisitions of assets under exploration phase</td>
</tr>
<tr>
<td>Net interest expenses (income), after tax</td>
<td>(689)</td>
<td>P/L</td>
<td>After-tax interest expense minus interest income</td>
</tr>
</tbody>
</table>

**EBIDAX** | **125,996** |
Exploration and Development Investments in FY2006

**Exploration Expenditures**
- Asia / Oceania: 10.1
- Middle East: 2.4
- Caspian sea / Other: 2.4
- Total: 12.6 (Billions of yen)

**Development Expenditures**
- Asia / Oceania: 76.1
- Middle East: 24.6
- Caspian sea / Other: 48.2
- Total: 149.0 (Billions of yen)
The bar chart shows expensed portion of total exploration expenditures ("Exploration cost equivalent amount")

- Exploration cost equivalent amount in FY2004 were mainly consist of exploratory drilling costs at the WA-285-P (Ichthys) Block in Australia (exploration expenses) and exploration cost in the North Caspian Sea region (provision for allowance for recoverable accounts under production sharing)

- Exploration cost equivalent amount declined sharply in FY2005 because there was no exploratory drilling activity as an operation in the WA-285-P (Ichthys) and Masela, and additional provision for allowance was not required since a development plan was approved by the Kazakhstan government

- Estimate of exploration cost equivalent amount in FY2006 will increase sharply year-over-year due to the scheduled drilling activity at the Masela Block
### INPEX Group Key Contracts

<table>
<thead>
<tr>
<th>Field</th>
<th>Country or Region</th>
<th>Contract Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahakam/Attaka</td>
<td>Indonesia</td>
<td>PS Contract</td>
</tr>
<tr>
<td>South Natuna Sea Block ‘B’</td>
<td>Indonesia</td>
<td>PS Contract</td>
</tr>
<tr>
<td>Berau (Tangguh)</td>
<td>Indonesia</td>
<td>PS Contract</td>
</tr>
<tr>
<td>Masela (Abadi)*</td>
<td>Indonesia</td>
<td>PS Contract</td>
</tr>
<tr>
<td>Bayu-Undan</td>
<td>JPDA</td>
<td>PS Contract</td>
</tr>
<tr>
<td>WA-10-L (Griffin Fields)</td>
<td>Australia</td>
<td>Concession Agreement</td>
</tr>
<tr>
<td>WA-285-P (Ichthys)*</td>
<td>Australia</td>
<td>Concession Agreement</td>
</tr>
<tr>
<td>North Caspian Sea (Kashagan, etc.)</td>
<td>Kazakhstan</td>
<td>PS Contract</td>
</tr>
<tr>
<td>ACG</td>
<td>Azerbaijan</td>
<td>PS Contract</td>
</tr>
<tr>
<td>Umm Shaif/Lower Zakum/Upper Zakum</td>
<td>UAE</td>
<td>Concession Agreement</td>
</tr>
<tr>
<td>Azadegan*</td>
<td>Iran</td>
<td>Service Contract</td>
</tr>
</tbody>
</table>

* Note:  * INPEX group is the operator
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 Profit Oil
Contractor Profit Oil

Host Country Share
Contractor Share

: Host Country Take
: Subject to Tax
: Not Subject to Tax

Contractor Take
Accounting on Concession Agreement

**Cash Out**
- Exploration Expenditures

**Assets on Balance Sheet**
- All exploration costs are expensed as incurred
  - Exploration expenses
  - Tangible Fixed Assets
    - All production costs are expensed as incurred
  - Cost of sales (Depreciation and amortization)

**Income Statement**
- Cost of sales (Operating expenses)
  - Cost of sales (Depreciation and amortization)
The government of the United Arab Emirates has decided that the fiscal regime for tax rates, royalty rates and depreciation periods applicable to the Upper Zakum field will be changed from January 2004.

A fixed margin regime will be applied from January 2006.

The change to a fixed margin regime have no impact on net sales, but net income decline.

The Umm Shaif and Lower Zakum fields have been applied for a fixed margin since JODCO participated.

Net sales and net income changes in relation to crude oil prices on the Umm Al-Dalhk and Satah fields where a fixed margin is not applied.
Geographical Area for the Key Assets

North Caspian Sea Field (Kashagan, etc)
North Campos, Frade
WA-285-P Field (Ichthys)
AZADegan Field
ACG Field
ADMA Field (Umm Shaif / Upper Zakum / Lower Zakum, etc.)
Sakhalin 1*
South Natuna Sea Block ‘B’ Field
Mahakam / Attaka Unit
WA-10-L Field (Griffin Fields)
JPDA03-12 (Bayu Undan Unit)
Albacora

Note: *Currently under discussion on the acquisition of JNOC holding shares of SODECO
## INPEX Group Key Investments

<table>
<thead>
<tr>
<th>Company</th>
<th>Field / Project Name</th>
<th>Country</th>
<th>INPEX Ownership</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asia / Oceania</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INPEX</td>
<td>Mahakam</td>
<td>Indonesia</td>
<td></td>
<td>Producing</td>
</tr>
<tr>
<td>INPEX Natuna</td>
<td>South Natuna Block ‘B’</td>
<td>Indonesia</td>
<td>100%</td>
<td>Producing</td>
</tr>
<tr>
<td>MI Berau B.V.</td>
<td>Berau (Tangguh LNG Project)</td>
<td>Indonesia</td>
<td>44%</td>
<td>Development</td>
</tr>
<tr>
<td>INPEX Masela</td>
<td>Masela (Abadi)*</td>
<td>Indonesia</td>
<td>50%</td>
<td>Under Discussion for Development</td>
</tr>
<tr>
<td>INPEX Sahul</td>
<td>Bayu-Undan</td>
<td>JPDA</td>
<td>100%</td>
<td>Producing</td>
</tr>
<tr>
<td>INPEX Browse</td>
<td>WA-285-P (Ichthys)*</td>
<td>Australia</td>
<td>100%</td>
<td>Under Discussion for Development</td>
</tr>
<tr>
<td><strong>The Middle East</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JODCO</td>
<td>Umm Shaif / Upper Zakum / Lower Zakum</td>
<td>UAE</td>
<td>100%</td>
<td>Producing</td>
</tr>
<tr>
<td>Azadegan</td>
<td>Azadegan*</td>
<td>Iran</td>
<td>100%</td>
<td>Development</td>
</tr>
<tr>
<td><strong>The Caspian Sea / Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INPEX Southwest Caspian Sea</td>
<td>ACG</td>
<td>Azerbaijan</td>
<td>51%</td>
<td>Producing</td>
</tr>
<tr>
<td>INPEX North Caspian Sea</td>
<td>Kashagan</td>
<td>Kazakhstan</td>
<td>45%</td>
<td>Development</td>
</tr>
</tbody>
</table>

Note: *INPEX group is the operator*
- Our Working Interest: 50%
- **Production**
  - Crude Oil: Approximately 65,000 BOPD
  - Gas: Approximately 2.7 Bscfd
- **Contract Period**: Until 2017
- Continue development activities to stabilize the supply of gas to Bontang LNG plant
  - Gradual development of Tunu / Peciko field
  - Additional development of Tambora field
  - Development of Sisi-Nubi Unit

Note: * All field base and average of March 2005
Our Working Interest: 35.0%

Production*:
- Crude Oil: Approximately 54,000 BOPD
- Gas: Approximately 380MMscfd

Contract period: Until 2028

Signed a gas sales contract for 22 years from 2001 with SembCorp (Singapore) and for 20 years from 2002 with Petronas (Malaysia)

Belenanak commenced production in 2004/12

Planned to produce sequentially in Hiu (2006), Kerisi (2007)

Note: * All field base and average of March 2005
Berau (Tangguh LNG Project)  MI Berau B.V.

- MI Berau: JV with Mitsubishi Corporation
- MI Berau’s Working Interest:
  - Berau: 22.9% (Tangguh Unit: 16.3%)
- Contract Period: Until 2035
- Development plan and extension of the PS contract were approved by Indonesian government
- 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
  - Reached an agreement for sales of LNG with Sempra Energy of the USA

Papua Province (Indonesia)

Wiriagar

Muturi

Berau

Kaimana
Masela (Abadi) INPEX Masela

- **Our Working Interest:** 100.0%
- **Operator:** INPEX
- **Contract Period:**
  - 10 years exploration period (until 2008)
  - 30 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 two appraisal wells in 2002**
- **Additional drilling of appraisal wells are planned**
Our Working Interest: 10.53%

Production*:
- Oil / Condensate: Approximately 67,000 BOPD
- LPG: Approximately 29,000 BPD

Contract Period: Until 2022

Carrying out phase 1 development for production of condensate and LPG
- Production of condensate and LPG started in February and April 2004 respectively

Phase 2 development is for LNG (starting in 2006)
- Reached agreement with TEPCO and Tokyo Gas for a long term sale of LNG (3 million tons per year for 17 years)

Note: * All field base in JPDA03-12 including Elang Kakatua. Average of March 2005
Our Working Interest: 100.0%

Operator: INPEX

Contract Period:
- Exploration Period until September 2009
- Production Period for 21 years from the grant of the production license

Discovered major gas-condensate field, named Ichthys structure, during the first drilling program of three exploration wells conducted from 2000 to 2001

Confirmed continuous distribution of gas and condensate throughout the Ichthys structure by the second drilling program of three exploration wells conducted from 2003 to 2004

Pursuing commencement of gas production targeting at early period from 2010
Our Working Interest: 10.0%

Production*: Approximately 214,000 BOPD

Contract Period: Until 2024

Carrying out an early stage oil production in the Chirag oil field
  — BTC pipeline is scheduled to be completed in 2005

Planning to increase production level to 1 million barrels per day in stages
  — In Phase 1 (Central Azeri area development), production is scheduled to start sequentially in February 2005
  — In Phase 2 (West and East Azeri development), production is scheduled to start in 2006
  — Phase 3 (deepwater portion of Gunashli / West Chirag), production is scheduled to start in 2008

Note: * All field base and average of March 2005
Our Working Interest: 8.33%
Contract Period: Until the end of 2021
Discovered crude oil in the Kashagan in June 2000, then confirmed crude oil/gas in 7 additional exploratory wells by April 2004
In addition to the Kashagan structure, existence of hydrocarbon was confirmed in the Kalamkas, Aktote, Kairan and Southwest Kashagan structures
Kashagan development plan was approved by the Kazakhstan government in February 2004
Scheduled to start production of 75 thousand barrels per day in 2008, then increase the production level to 1.2 million barrels per day in phases by expanding the development area
Our Working Interest: 2.5%

 Obtained stock of the operating company (BTC Co.) through INPEX BTC Pipeline, Ltd. in October 2002

 Participated to secure path for crude oil produced in Caspian Sea in future

 Signed project finance contract to raise capital for the construction of the pipeline in February 2004

 — Currently in construction of the pipeline

 — The pipeline is scheduled to start operation in 2H 2005
- **Umm Shaif / Lower Zakum**
  - Our Working Interest: 12.0%

- **Upper Zakum / Umm Al-Dalkh / Satah**
  - Our Working Interest:
    - Upper Zakum / Umm Al-Dalkh: 12.0%
    - Satah: 40%

- **Contract Period:** Until 2018

- **Continuous development to keep the production level**
  - Water injections to the main three oil fields (Umm Shaif, Upper / Lower Zakum) have started
  - Gas injection to Umm Shaif field has started
Azadegan

- Our Working Interest: 75.0%
- Production*: 150,000 BOPD (Phase 1)
- Joined as the operator
- Two Phase Oil Field Development Project
  - In phase 1, planned to reach 150 thousand barrels per day in 2008
  - If we decide to move onto phase 2, planned to reach 260 thousand barrels per day with additional 110 thousand barrels per day in 2012

Note: All field base
Sakhalin Oil and Gas Development Co. (SODECO):
INPEX owns 4.3% of the total share (INPEX is 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%

Operator: ExxonMobil

Partners: ONGC Videsh, Sakhalinmorneftegashelf, RN-Astra

Contract Period: In Dec. 2001, “Commercialized Declaration” of the project was authorized by Russian government and the project moved into development phase for twenty years

Carrying out the first development phase (Phase 1), which is aimed at an early stage oil production. Scheduled to start the production in 3Q 2005 and start the full production in 2006

Marketing in the works under the assumption that natural gas would be supplied to Japan and China, etc. through the international pipeline
Factor Analysis of Change in Proved Reserves

End of FY2004 Pro Forma*

Expansion and Discovery**

Impact of Change in Oil Prices

Production in FY2005

End of FY2005

(1,634) 1,545

Notes:  
* Assumes JODCO became fully-owned subsidiary of INPEX in FY2004
** Includes acquisition and sales, and revision to technology assessment
Crude Oil Prices

($)

Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar

2004
Brent 32.98 37.20 35.50 37.64 41.75 42.79 49.34 44.57 40.28 44.48 45.86 53.27
WTI 36.56 40.28 37.99 40.81 44.88 45.94 53.09 48.48 43.26 46.85 48.05 54.63
Dubai 31.68 34.74 33.43 34.65 38.55 35.55 37.54 34.87 34.20 37.92 39.87 45.84

2005
Average
Brent 42.14
WTI 45.07
Dubai 36.57

Note: * Brent is from IPE, WTI is from NYMEX and Dubai is from Platt's
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

- Probable reserves, which term is defined by SPE/WPC, 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 recovered with high certainty. Probable reserves will be upgraded to proved reserves with addition of new technical data, under different economical conditions, and with advance in operational conditions.