

INPEX CORPORATION

Financial Results

for the Six Months ended September 30, 2015

November 11, 2015



1. Corporate Overview

Toshiaki Kitamura

Representative Director, President & CEO

2. Financial Results for the six months ended September 30, 2015

Masahiro Murayama

Director, Managing Executive Officer

Senior Vice President of Finance & Accounting Division

Cautionary Statement



This presentation includes forward-looking information that reflects the plan and expectations of the Company. Such forward-looking information is based on the current assumptions and judgments of the Company in light of the information currently available to it, and involves known and unknown risk, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the Company's performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation:

- Price volatility and change in demand in crude oil and natural gas
- Foreign exchange rate volatility
- Change in costs and other expenses pertaining to exploration, development and production

The Company undertakes no obligation to publicly update or revise the disclosure of information in this presentation (including forward-looking information) after the date of this presentation.

Corporate Overview

Toshiaki Kitamura
Representative Director, President & CEO

First-Half FY 2016/03 Corporate Highlights (1/2)



■ Half-year Results (Apr.2015 -Sep.2015)	- Net sales ¥567.0 billion (14.5% decrease YoY) - Net income ¥45.4 billion (48.7% decrease YoY)
■ Net Production	- 503 thousand BOED (28% increase YoY)
■ Ichthys LNG Project	- Production start: End December 2016 ⇒3rd quarter of 2017 - Increase of the project's CAPEX : Approx. 10% - LNG production capacity : Approx. 8.4 million t/y ⇒Approx. 8.9 million t/y - Project progress : Approx. 78%
■ Abadi LNG Project	- Submission of revised plan of development : Floating LNG (FLNG) plant with an annual LNG processing capacity of 7.5 million tons for the development of the Abadi gas field
■ Responding to Lower Oil Prices	- Continuing reduction on investments in exploration, development and production costs - Investments to be secured by own funds, operating cash flow and bank loans

First-Half FY 2016/03 Corporate Highlights (2/2)



Continuous Enhancement of E&P Activities

Existing projects

- Discovered oil in Deepwater Block R, Offshore East Malaysia (April)
- Acquired participating interest in ADCO Onshore Concession (April)
- Re-start of oil production in Van Gogh Oil Field, Western Australia (April)
- Commenced oil production at Coniston Oil Field, Western Australia (May)
- Discovered oil in Minami-Kuwayama Oil Field in Niigata Prefecture, Japan (June)

Reinforcement of Renewable Energy Initiatives

- Joined the Sarulla Geothermal Independent Power Producer (IPP) Project in Indonesia (June)
- Started operation of the second photovoltaic power generation system (maximum output of 2 megawatts) (July)

Ichthys LNG Project (1/4)



Updates Production Schedule and Raises LNG Production Capacity

- Production start: End December 2016 → 3rd quarter of 2017
- CAPEX : Approx. 10% increase
- LNG production capacity:
Approx. 8.4 million t/y → Approx. 8.9 million t/y (approx. 6% increase)

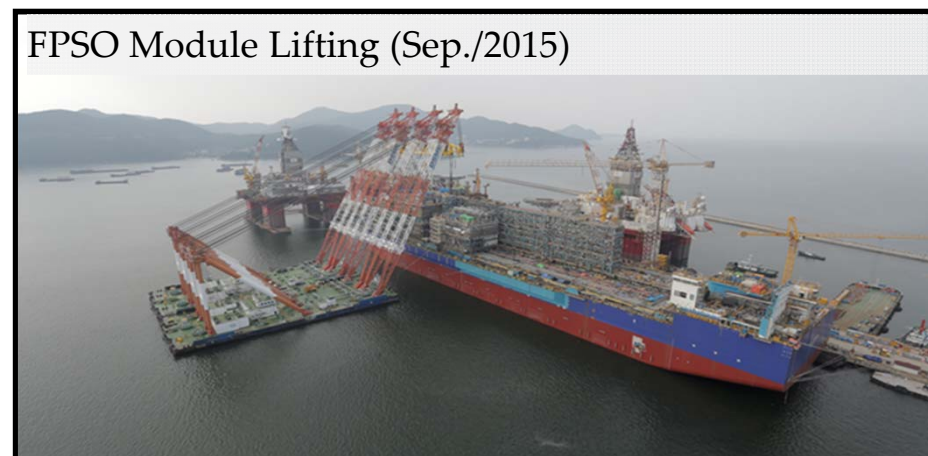
Construction of LNG plant (Aug./2015, Darwin)



CPF (June/2015, Korea)



Ichthys LNG Project (2/4)



- Proved reserves: Approx. 970 million BOE (Based on INPEX's participating interest of 62.245%)
- Production volume:
 - Approx. 8.9 million t/y of LNG
 - Approx. 1.6 million t/y of LPG
 - Approx. 100,000 bbl/d of condensate (at peak)
- CAPEX: approx. 10% increase
- Participating interest:
INPEX 62.245%, TOTAL 30.000%, Tokyo Gas 1.575%, Osaka Gas 1.200%,
Chubu Electric Power 0.735%, Toho Gas 0.420%, CPC 2.625%, Kansai Electric Power 1.200%
- FID in January 2012
- Production start : In the third quarter (July-September) of 2017
- Project progress: Approx. 78%

Ichthys LNG Project (3/4)

Offshore Facilities

INPEX

Major works for Offshore Facilities done since FID and plans up to the third quarter of 2017

2012	2013	2014	2015	2016	2017 (Jan.-Sep.)
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Detailed engineering / procurement

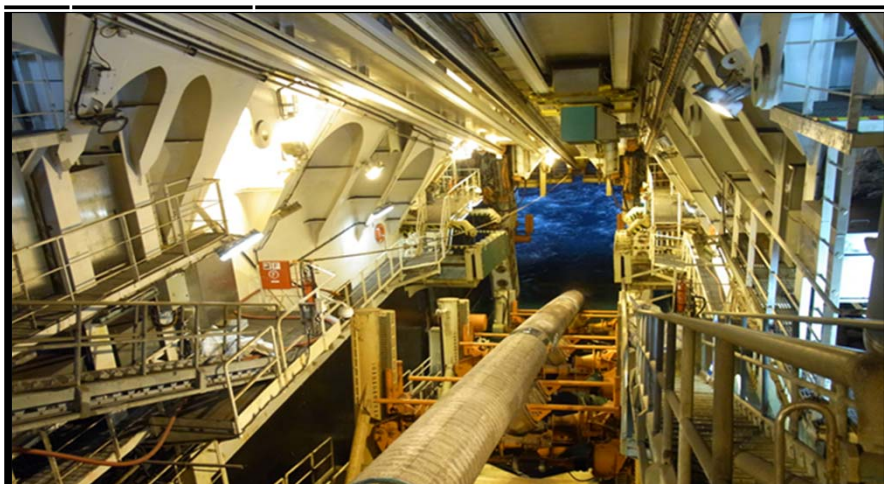
Installation of GEP

Construction of CPF and FPSO / sailing away to the site

Installation and hook-up offshore production facilities / commissioning

Drilling production wells / completion

Production
start-up



Installation of GEP(Gas Export Pipeline) (Mar/2015)



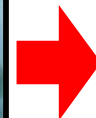
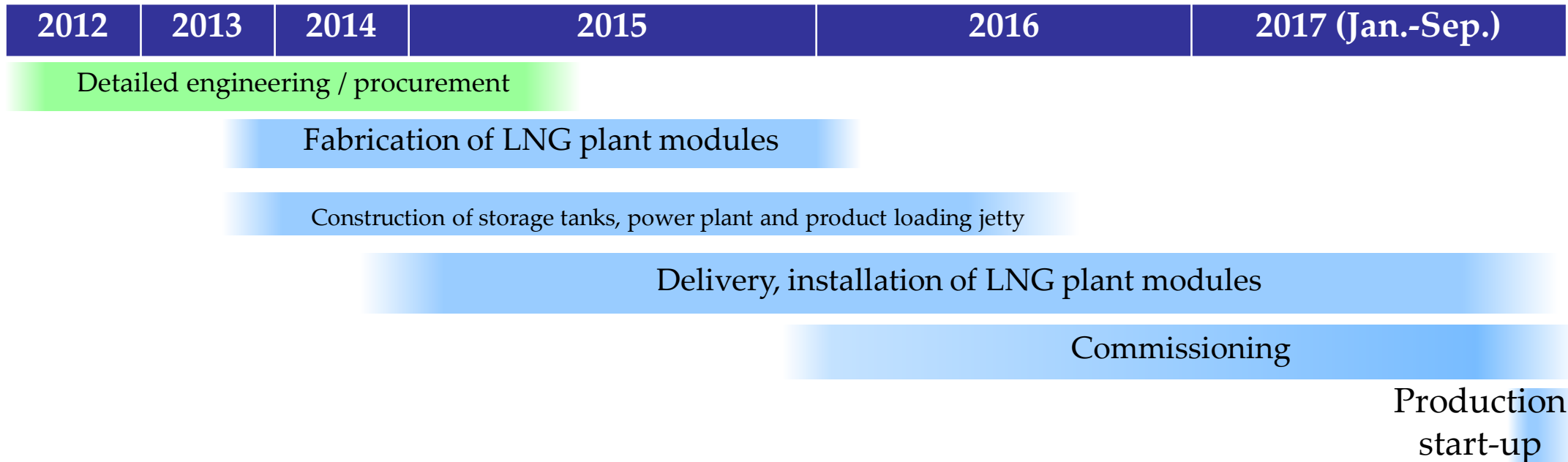
Launched central processing facility
(September/2015)

Ichthys LNG Project (4/4)

Onshore Facilities



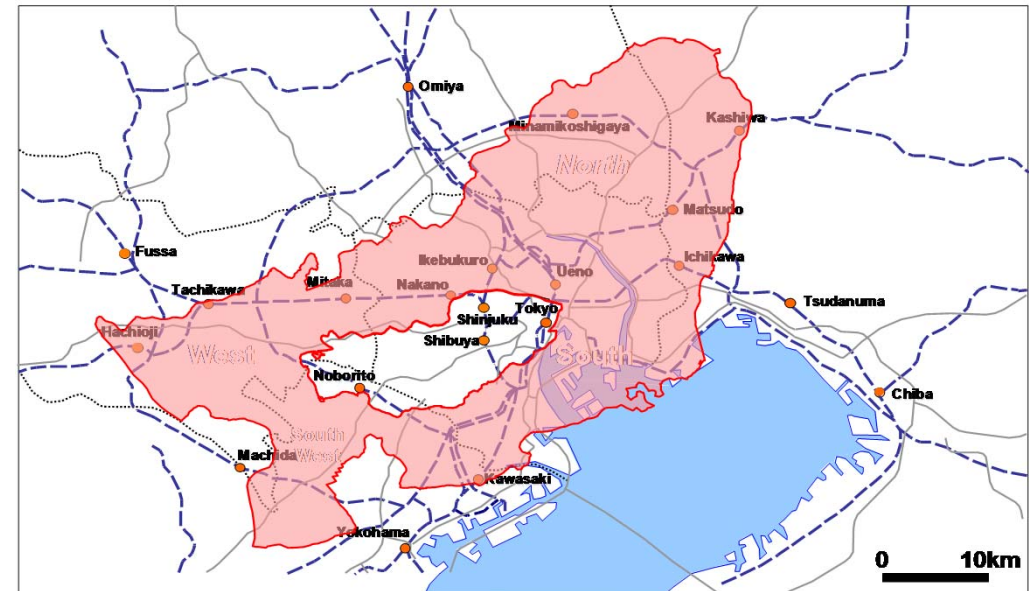
Major works for Onshore Facilities done since FID and plans up to the third quarter of 2017



Abadi LNG Project



- Submitted to the Indonesian government a revised Plan of Development (Revised POD) in September 2015
- ✓ Revised POD envisions FLNG plant with 7.5 million t/y
- ✓ Revised POD is under discussion with the Indonesian government
- ✓ To propel the project forward to launch FEED works for the development of the Abadi gas field



Abadi gas field (image)

- Participating Interest
 - INPEX(Operator): 65%, Shell: 35%
- FLNG plant capacity :
 - LNG: 7.5 million tons per annum
 - Condensate : approx. 24 thousand bbl/day
- Current phase: Preparation for development



FLNG at Abadi (image)

First-Half FY 2016/03 Topics

INPEX

Progress of the existing projects (Results in the 1st half of FY 2016/03)

Abu Dhabi : Acquired participating interest in ADCO Onshore Concession in April 2015

- INPEX share : 5%
- Production volume : approximately 1.6 million bbl/d, to expand production capacity to 1.8 million bbl/d by 2017



Onshore pipeline

Japan : Discovered oil in Minami-Kuwayama Oil Field in Niigata Prefecture, in June 2015

Malaysia : Discovered oil in deepwater Block R Offshore, Sabah in April 2015

- INPEX share: 27.5%

Australia : Van Gogh Oil Field / Coniston Oil Field

- INPEX share : 47.499%
- Re-start of oil production at Van Gogh Oil Field in April 2015
- Commenced oil production at Coniston Oil Field in May 2015

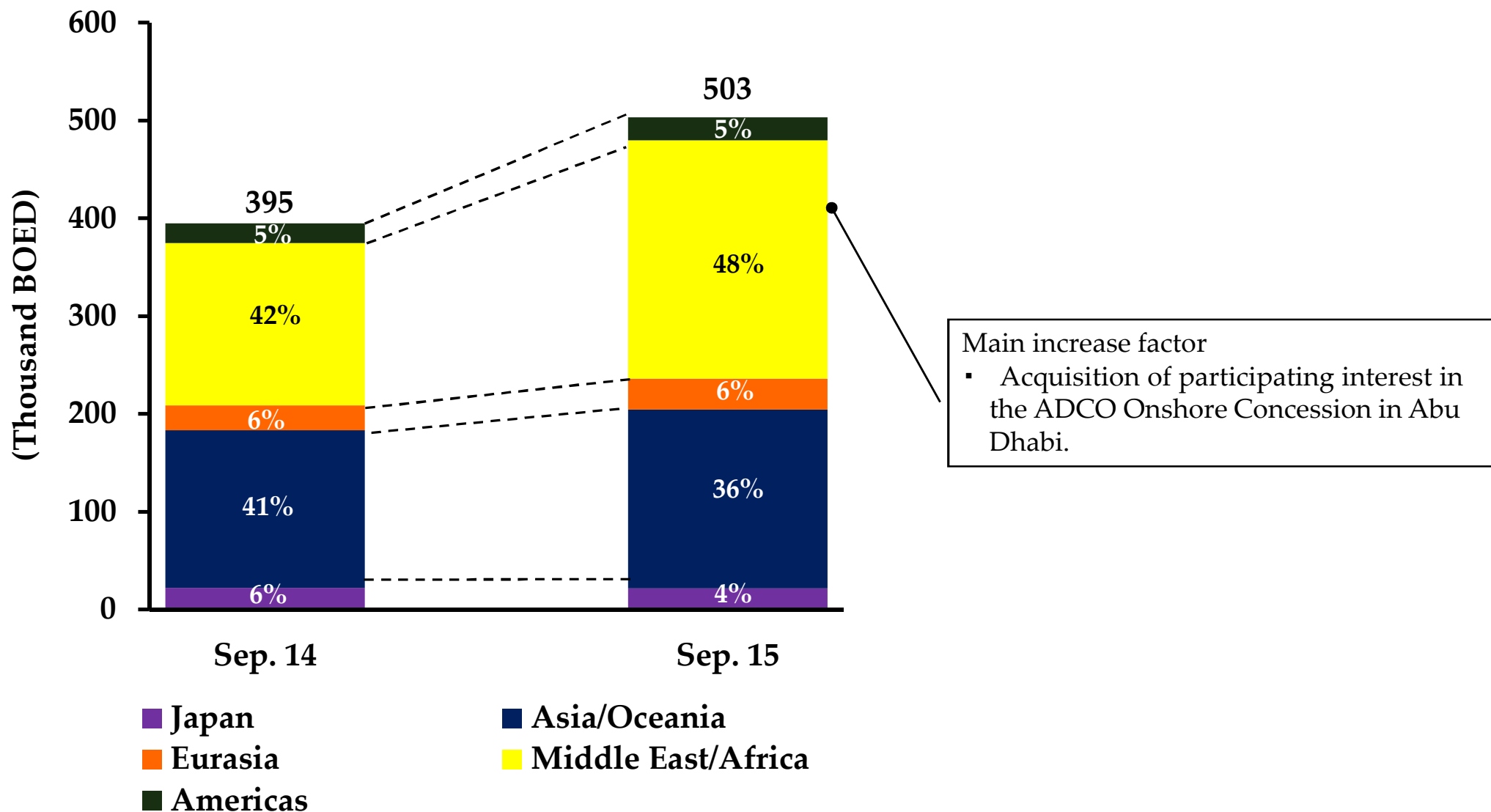


FPSO

● Production project

● Exploration project

Net Production* (April – September 2015) **INPEX**

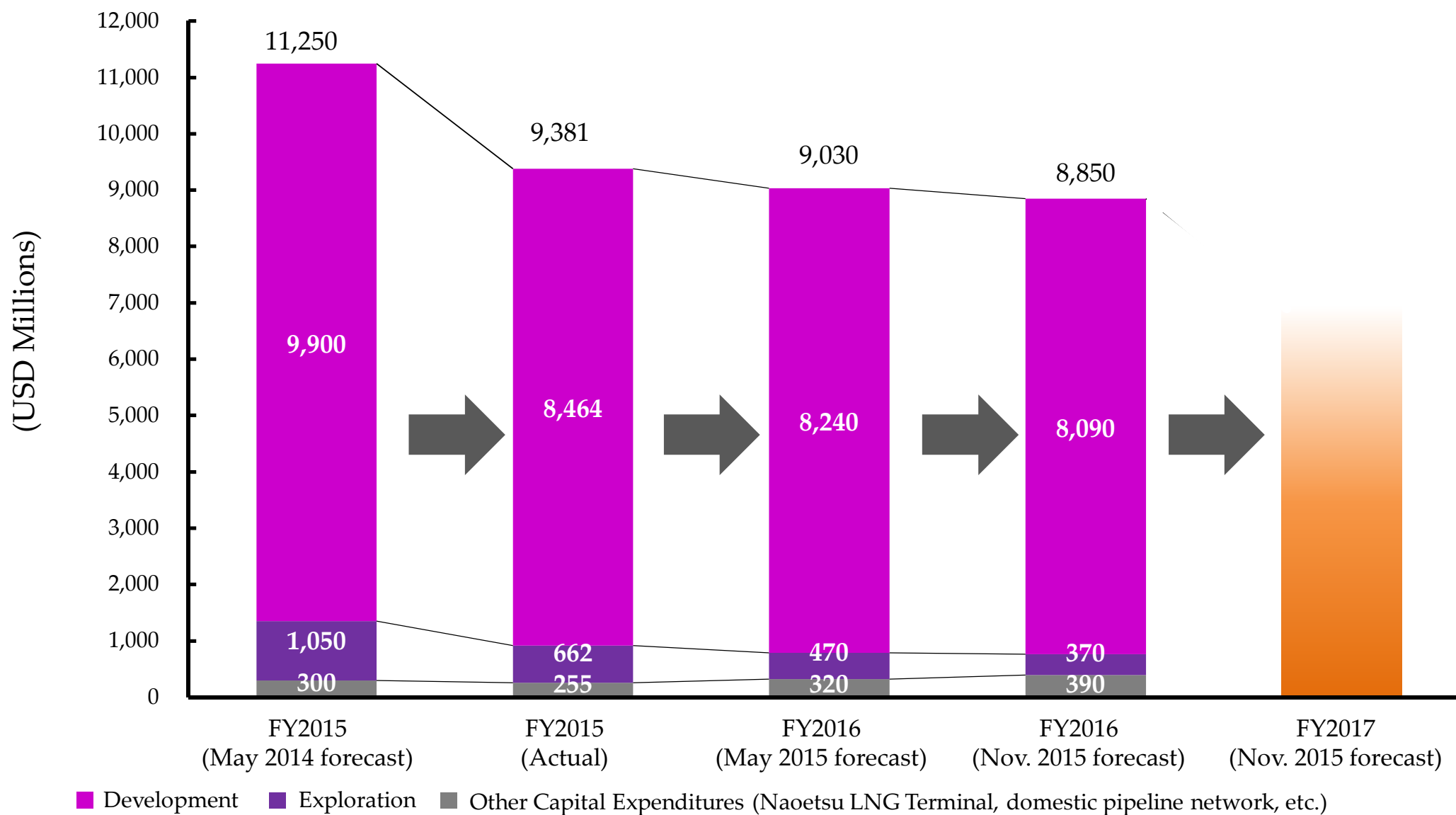


* The production volume of crude oil and natural gas under the production sharing contracts entered into by INPEX Group corresponds to the net economic take of INPEX Group.

Responding to Lower Oil Prices (1/2)

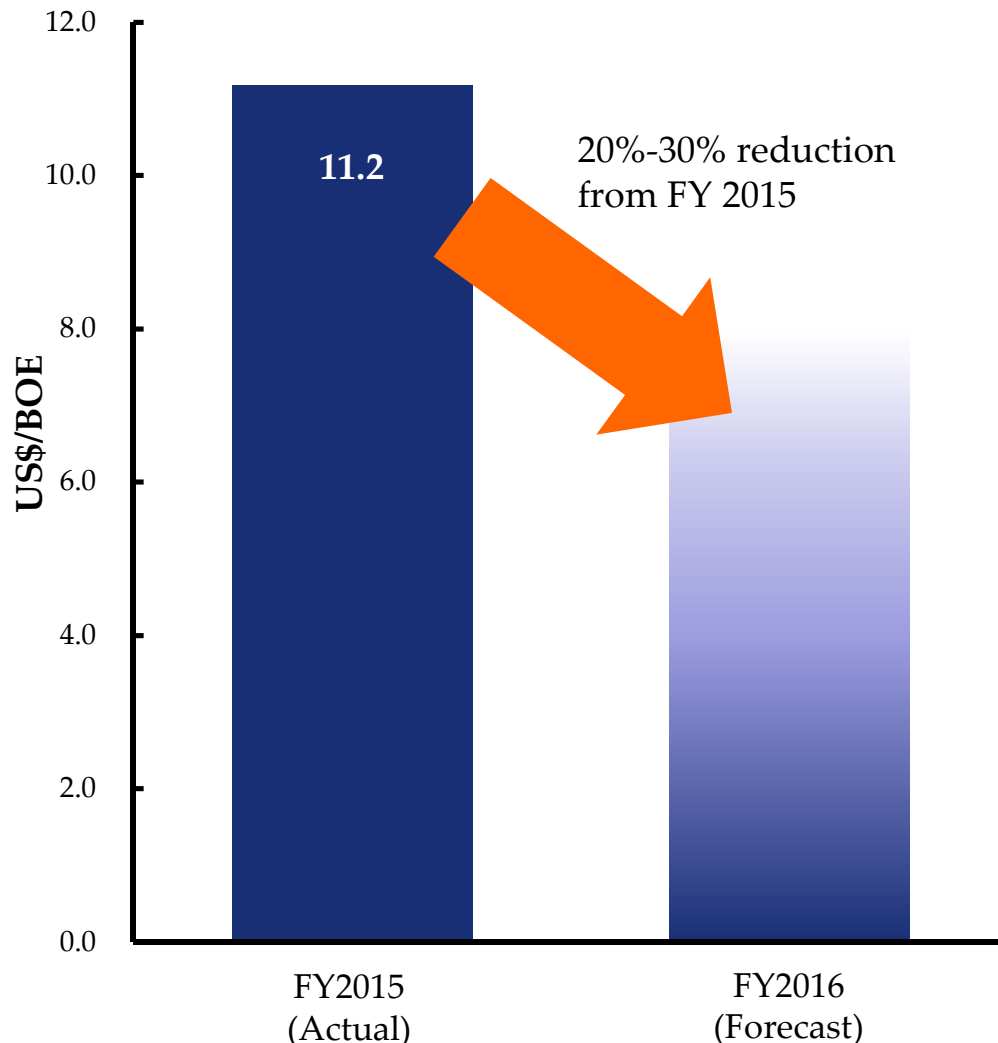
INPEX

FY2015 investments versus FY2016 & FY2017 investment forecast



Responding to Lower Oil Prices (2/2)

Production cost per Barrel of Oil Equivalent*



* Excluding Royalties

- Production cost per Barrel reduced as a result of improving operational efficiency as well as investment cut/postponement
- Substantially increasing production volume and reducing production cost of mature projects will reduce the FY 2016 production cost per barrel by approx. 20-30% YoY
- Construction of the strong business structure even if the current oil price level will continue a while

Financial Results for the six months ended
September 30, 2015

Masahiro Murayama

Director, Managing Executive Officer

Senior Vice President of Finance & Accounting Division

Highlights of the Consolidated Financial Results for the six months ended September 30, 2015



	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Net sales (Billions of yen)	663.1	567.0	(96.1)	(14.5%)
Crude oil sales	437.6	396.8	(40.7)	(9.3%)
Natural gas sales (including LPG)	216.7	163.3	(53.4)	(24.7%)
Others	8.6	6.8	(1.8)	(21.7%)
Operating income (Billions of yen)	346.7	246.7	(99.9)	(28.8%)
Ordinary income (Billions of yen)	368.4	258.8	(109.6)	(29.8%)
Net income attributable to owners of parent (Billions of yen)	88.7	45.4	(43.2)	(48.7%)
Net income per share (Yen)	60.77	31.15	(29.62)	(48.7%)

Average number of INPEX shares issued and outstanding during the six months ended September 30, 2015: 1,460,357,200

Average crude oil price (Brent) (\$/bbl)	106.56	57.31	(49.25)	(46.2%)
Average exchange rate (¥/\$)	103.01	121.88	18.87 yen depreciation	18.3% yen depreciation

Crude Oil Sales



	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Net sales (Billions of yen)	437.6	396.8	(40.7)	(9.3%)
Sales volume (thousand bbl)	40,048	57,805	17,757	44.3%
Average unit price of overseas production (\$/bbl)	105.75	56.52	(49.23)	(46.6%)
Average unit price of domestic production (¥/kl)	71,325	47,043	(24,282)	(34.0%)
Average exchange rate (¥/\$)	102.93	121.36	18.43 yen depreciation	17.9% yen depreciation
Sales volume by region (thousand bbl)	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Japan	404 (64.2 thousand kl)	290 (46.2 thousand kl)	(113) (-18.0 thousand kl)	(28.1%)
Asia/Oceania	5,683	6,837	1,154	20.3%
Eurasia (Europe/NIS)	5,538	6,028	491	8.9%
Middle East/Africa	28,409	43,963	15,554	54.8%
Americas	15	687	672	-
Total	40,048	57,805	17,757	44.3%

Natural Gas Sales (excluding LPG)



	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Net sales (Billions of yen)	205.8	157.7	(48.1)	(23.4%)
Sales volume (million cf)	152,056	160,634	8,577	5.6%
Average unit price of overseas production (\$/thousand cf)	12.78	7.23	(5.55)	(43.4%)
Average unit price of domestic sales (¥/m ³)	57.14	54.72	(2.42)	(4.2%)
Average exchange rate (¥/\$)	102.56	121.23	18.67 yen depreciation	18.2% yen depreciation
Sales volume by region (million cf)	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Japan	29,694 (796 million m ³ *)	28,725 (770 million m ³ *)	(969) (-26 million m ³ *)	(3.3%)
Asia/Oceania	103,482	114,556	11,074	10.7%
Eurasia (Europe/NIS)	-	-	-	-
Middle East/Africa	-	-	-	-
Americas	18,880	17,353	(1,528)	(8.1%)
Total	152,056	160,634	8,577	5.6%

(FYI) LPG Sales

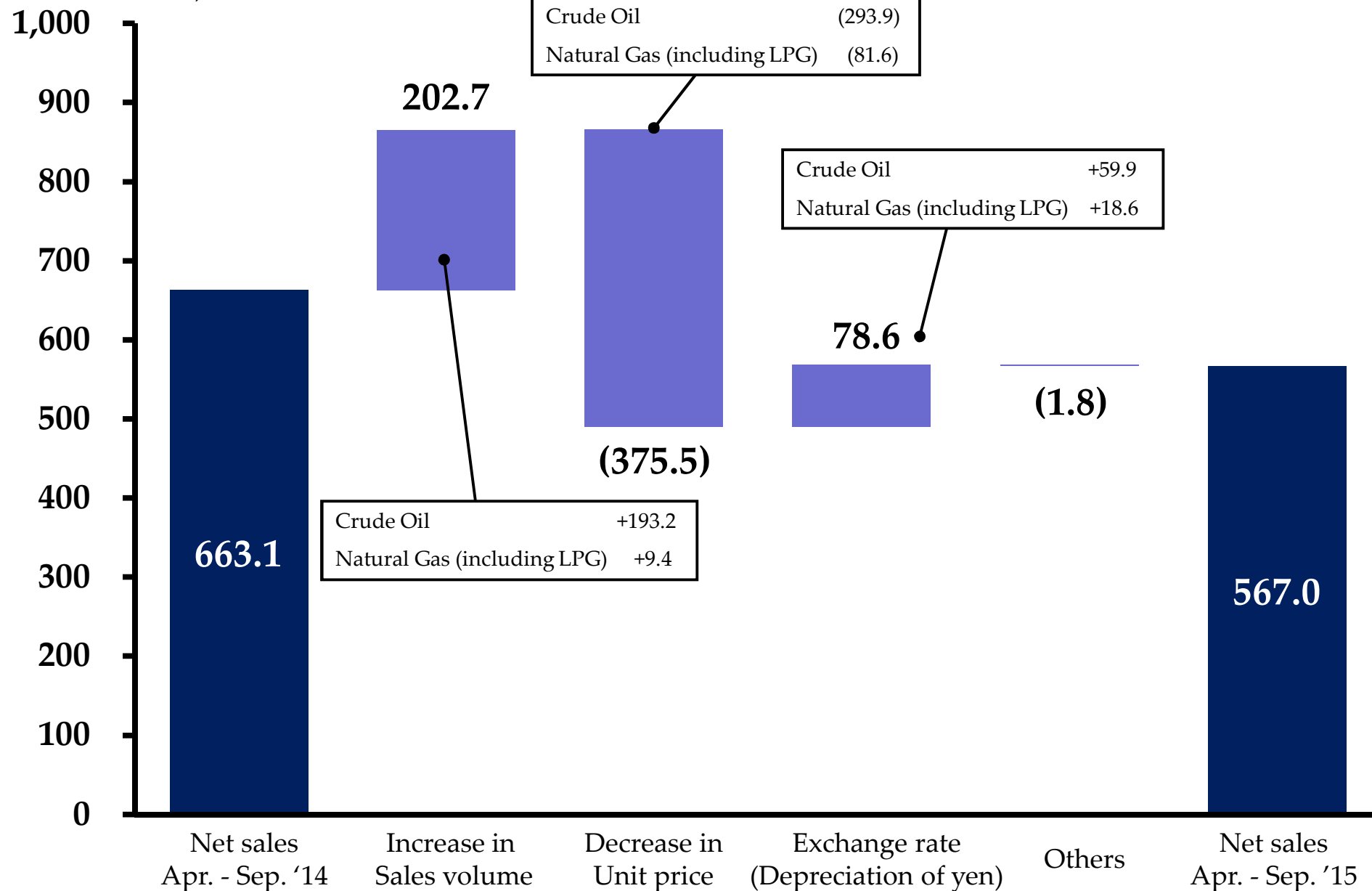
	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Net sales (Billions of yen)	10.9	5.5	(5.3)	(49.2%)

*1m³=41.8605MJ

Analysis of Net Sales Decrease

INPEX

(Billions of Yen)



Statement of Income

INPEX

(Billions of Yen)	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change	
Net sales	663.1	567.0	(96.1)	(14.5%)	Increase in sales volume : +202.7 Decrease in unit price : (375.5) Exchange rate (Depreciation of Yen) : +78.6 Others : (1.8)
Cost of sales	257.8	273.5	15.7	6.1%	
Gross profit	405.3	293.4	(111.8)	(27.6%)	Cost of sales for Crude Oil : 187.6 (Change) +23.3 Cost of sales for Natural Gas* : 80.0 (Change) (7.0) * Including LPG
Exploration expenses	15.5	4.0	(11.4)	(73.6%)	
Selling, general and administrative expenses	43.0	42.5	(0.4)	(1.1%)	
Operating income	346.7	246.7	(99.9)	(28.8%)	
Other income	30.1	39.8	9.6	32.1%	Main factor : Gain on sales of marketable securities +6.8
Other expenses	8.4	27.8	19.3	230.1%	
Ordinary income	368.4	258.8	(109.6)	(29.8%)	Main factor : Provision for allowance for recoverable accounts under production sharing +13.1
Total income taxes	277.9	219.5	(58.4)	(21.0%)	
Net income (loss) attributable to non-controlling interests	1.7	(6.1)	(7.9)	-	
Net income attributable to owners of parent	88.7	45.4	(43.2)	(48.7%)	

Other Income/Expenses

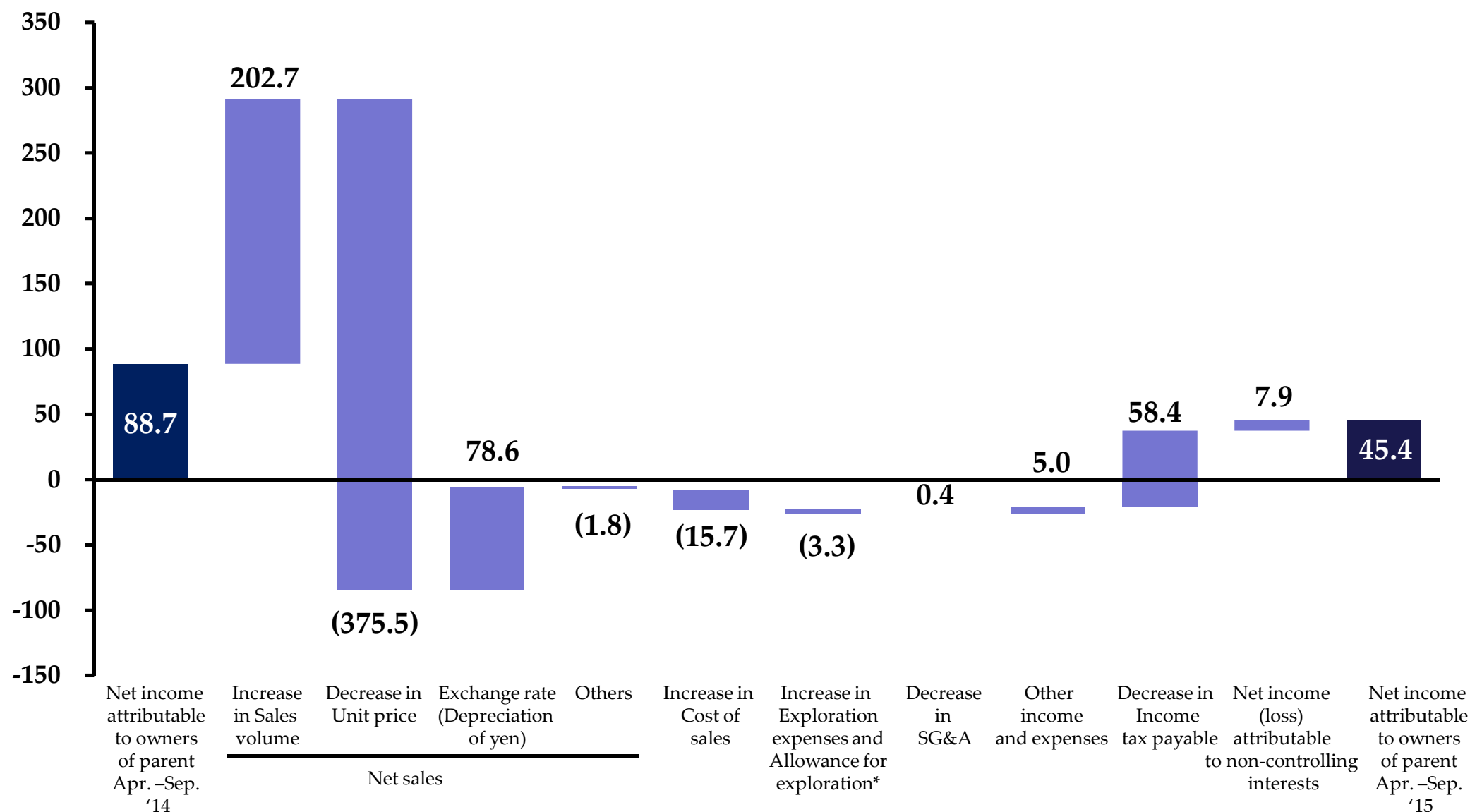


(Billions of Yen)	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Other income	30.1	39.8	9.6	32.1%
Interest income	5.3	4.2	(1.0)	(20.3%)
Dividend income	2.2	2.5	0.2	11.0%
Gain on sales of marketable securities	4.6	11.4	6.8	147.3%
Equity in earnings of affiliates	7.9	-	(7.9)	-
Foreign exchange gain	5.3	9.1	3.8	72.9%
Other	4.6	12.4	7.7	168.4%
Other expenses	8.4	27.8	19.3	230.1%
Interest expense	1.2	2.1	0.9	77.3%
Equity in losses of affiliates	-	0.9	0.9	-
Provision for allowance for recoverable accounts under production sharing	4.9	18.0	13.1	267.6%
Provision for exploration projects	0.0	1.6	1.6	-
Other	2.2	5.0	2.7	119.0%

Analysis of Net Income Decrease

INPEX

(Billions of Yen)



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

Balance Sheet



(Billions of yen)	Mar. '15	Sep. '15	Change	%Change
Current assets	1,342.4	959.8	(382.5)	(28.5%)
Tangible fixed assets	1,497.6	1,683.0	185.4	12.4%
Intangible assets	458.7	587.9	129.1	28.2%
Recoverable accounts under production sharing	703.2	747.8	44.5	6.3%
Other	618.7	682.4	63.7	10.3%
Less allowance for recoverable accounts under production sharing	(121.7)	(139.4)	(17.7)	14.6%
Total assets	4,499.1	4,521.6	22.5	0.5%
Current liabilities	365.2	353.2	(12.0)	(3.3%)
Long-term liabilities	845.2	838.4	(6.7)	(0.8%)
Total net assets	3,288.7	3,330.0	41.3	1.3%
(Non-controlling interests)	222.0	277.0	54.9	24.8%
Total liabilities and net assets	4,499.1	4,521.6	22.5	0.5%
Net assets per share (Yen)	2,099.95	2,090.59	(9.36)	(0.4%)

Available fund (Billions of yen)
769.0*

Breakdown

- Cash and deposits : 641.6
- Long-term time deposits : 36.0
- Marketable securities : 73.2
- Available investment securities : 18.3

*Amounts to be allocated for the investments for development and exploration activities until the year ending March 31, 2017 following the "Medium- To Long-Term Vision of INPEX".

Summary of financial information for Ichthys downstream JV (100% basis, including the Company's equity share 62.245%)

- (Billions of yen)
- Current assets : 38.9
 - Fixed assets : 2,517.4
 - Total assets : 2,556.3

Shareholders' equity (Billions of yen)

- Retained earnings : +32.3
Accumulated other comprehensive income : (43.0)
- Unrealized holding gain on securities : (26.3)
 - Unrealized loss from hedging instruments : +9.2
 - Translation adjustments: (25.8)

Statement of Cash Flows



(Billions of Yen)	Apr.-Sep. '14	Apr.-Sep. '15	Change	%Change
Income before income taxes	368.4	258.8	(109.6)	(29.8%)
Depreciation and amortization	25.6	35.1	9.4	37.0%
Recovery of recoverable accounts under production sharing (capital expenditures)	36.6	26.8	(9.8)	(26.8%)
Recoverable accounts under production sharing (operating expenditures)	(33.1)	(29.3)	3.7	(11.4%)
Income taxes paid	(276.3)	(226.7)	49.6	(18.0%)
Other	(2.0)	32.9	35.0	-
Net cash provided by (used in) operating activities	119.2	97.6	(21.5)	(18.1%)
Payments for time deposits/Proceeds from time deposits	175.7	257.9	82.2	46.8%
Payments for long-term time deposits/Proceeds from long-term time deposits	(112.1)	(63.8)	48.3	(43.1%)
Payments for purchases of tangible fixed assets	(228.0)	(243.9)	(15.9)	7.0%
Payments for purchases of marketable securities/investment securities and proceeds from sales of marketable securities/investment securities	113.0	124.2	11.2	9.9%
Investment in recoverable accounts under production sharing (capital expenditures)	(38.6)	(40.2)	(1.6)	4.2%
Long-term loans made / Collection of long-term loans receivable	(2.0)	(192.2)	(190.2)	-
Payments for purchase of mining rights	(17.8)	(133.6)	(115.7)	-
Other	(4.3)	(21.4)	(17.1)	-
Net cash provided by (used in) investing activities	(114.2)	(313.1)	(198.8)	174.0%
Net cash provided by (used in) financing activities	3.2	46.9	43.7	-
Cash and cash equivalents at end of the period	129.0	90.9	(38.1)	(29.5%)

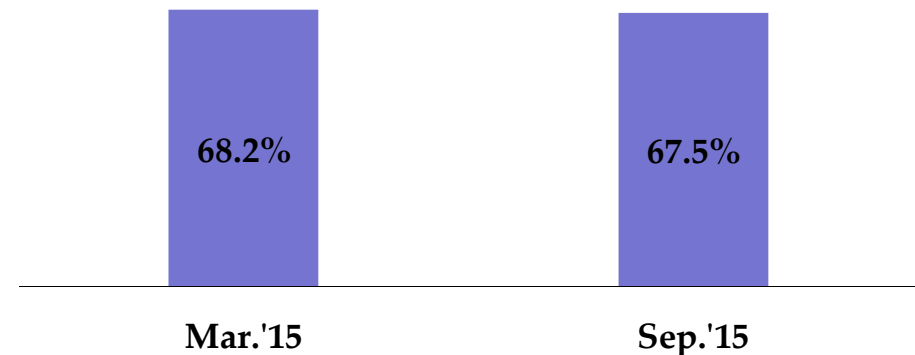
Financial Indices



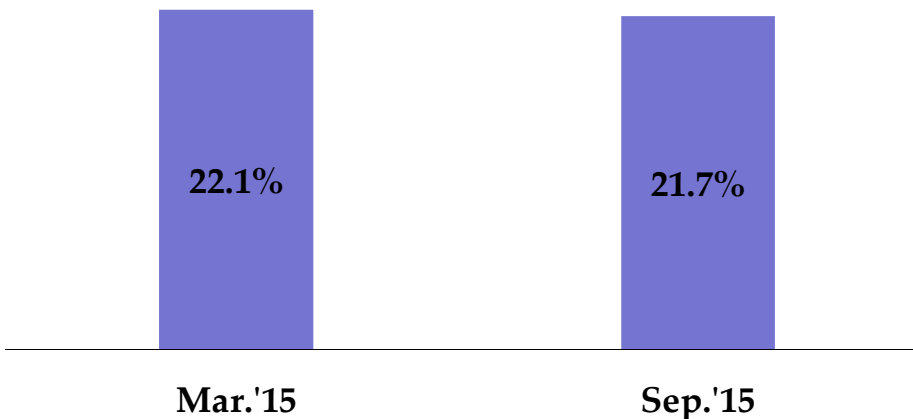
Net Debt/Total Capital Employed (Net)*



Equity Ratio**



D/E Ratio***



- Maintain sound financial indices
- Increase available funds by external loans to prepare for prolonged low crude oil price
- Financial indices in the near future to turn to less strong than the current level, however largely expected to maintain the target level in the mid-and-long term

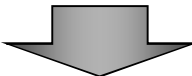
* $\text{Net Debt/Total Capital Employed (Net)} = (\text{Interest-bearing debt} - \text{Cash and deposits} - \text{Public and corporate bonds and other debt securities (with determinable value)} - \text{CP etc.} - \text{Long term time deposits}) / (\text{Net assets} + \text{Interest-bearing debt} - \text{Cash and deposits} - \text{Public and corporate bonds and other debt securities (with determinable value)} - \text{CP etc.} - \text{Long term time deposits})$

** $\text{Equity Ratio} = (\text{Net assets} - \text{Non-controlling interests}) / \text{Total assets}$

*** $\text{D/E Ratio} = \text{Interest-bearing debt} / (\text{Net asset} - \text{Non-controlling interests})$

Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2015 **INPEX**

- Assumptions

(August 7, 2015)	1 st half (Previous Forecasts)
Crude oil price (Brent) (US\$/bbl)	61.8
Exchange rate (yen/US\$)	120.7
	
(November 10, 2015)	1 st half (Actual Results)
Crude oil price (Brent) (US\$/bbl)	57.3
Exchange rate (yen/US\$)	121.9

- Differences between Consolidated Financial Forecasts and Actual Results for the six months ended September 30, 2015

	Previous Forecasts (August 6, 2014)	Actual Results	Change	% Change
Net Sales (billions of yen)	588.0	567.0	(21.0)	(3.6%)
Operating income (billions of yen)	251.0	246.7	(4.3)	(1.7%)
Ordinary income (billions of yen)	255.0	258.8	3.8	1.5%
Net income attributable to owners of parent (billions of yen)	40.0	45.4	5.4	13.5%

Revisions of Financial Forecasts for the year ending March 31, 2016

INPEX

- Assumptions

(August 7, 2015)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	61.8	60.0	60.9
Exchange rate (yen/US\$)	120.7	120.0	120.4



(November 10, 2015)	1 st half	2 nd half	Full year
Crude oil price (Brent) (US\$/bbl)	57.3※1	50.0	53.7
Exchange rate (yen/US\$)	121.9※2	120.0	120.9

*1 1st quarter (Actual) : US\$ 63.5/bbl, 2nd quarter (Actual) : US\$51.3/bbl *2 1st quarter (Actual) : ¥121.4/US\$1, 2nd quarter (Actual) : ¥122.3/US\$

- Financial Forecasts for the year ending March 31, 2016

	Previous forecasts (August 7, 2015)	Revised forecasts (November 10, 2015)	Change	% Change
Net sales (billions of yen)	1,181.0	1,069.0	(112.0)	(9.5%)
Operating income (billions of yen)	471.0	418.0	(53.0)	(11.3%)
Ordinary income (billions of yen)	479.0	434.0	(45.0)	(9.4%)
Net income attributable to owners of parent (billions of yen)	70.0	70.0	-	-

- Dividend per share

	End of 2Q	End of fiscal year (forecast)
Year ending March 31, 2016 (yen)	9	9