

**Financial results for the year ended March 31, 2007**  
**Appendix**

# INPEX Holdings Net Sales

## Crude Oil Sales

	Mar. '07
Crude oil sales (Billions of yen)*	607.4
Overseas crude oil sales volume (Mbb1)	83,105
Average unit price(\$/bb1)	62.16
Average exchange rate (¥/\$)	116.90
Domestic crude oil sales volume (Mkl)	27
Average unit price (¥/kl)	45,694

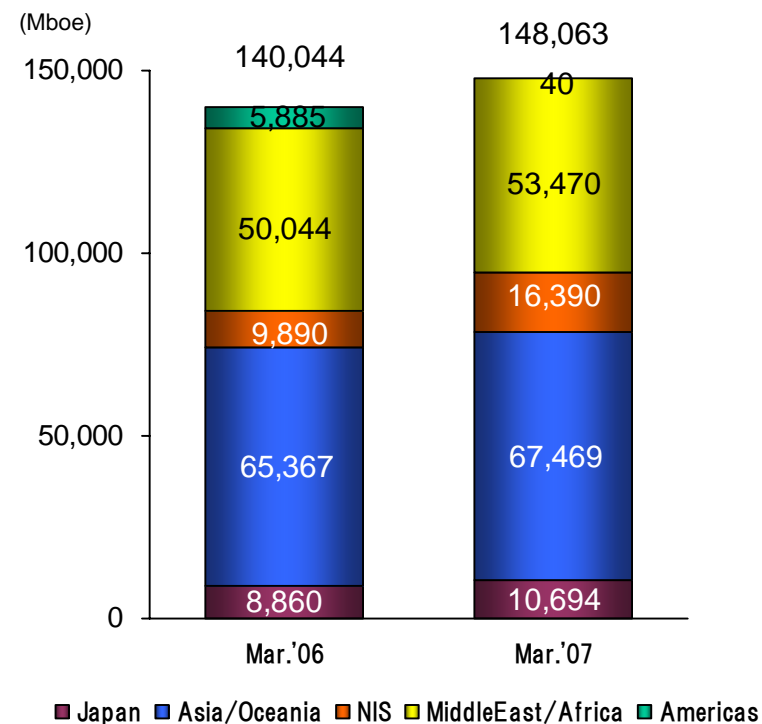
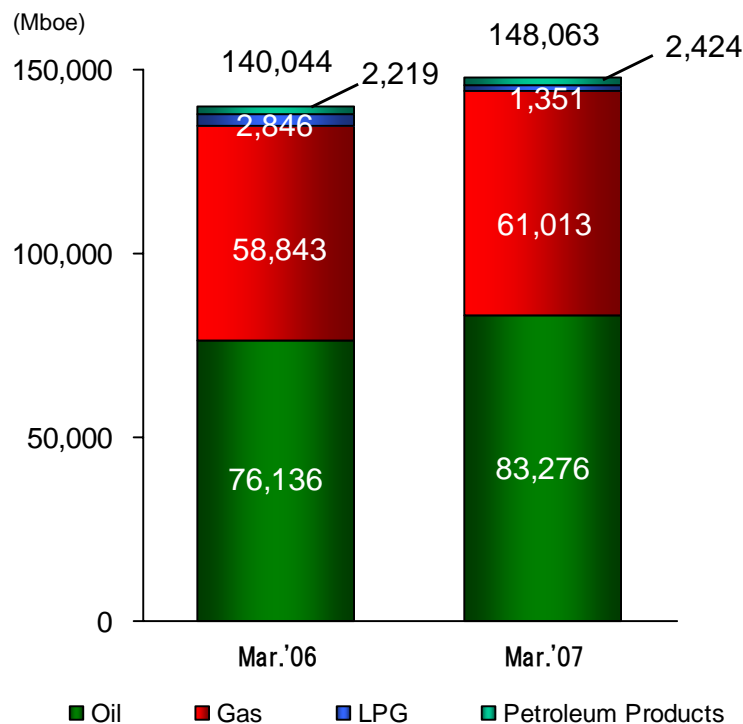
\* Includes domestic supply obligations with Indonesia

## Natural Gas Sales

	Mar. '07
Natural gas sales (Billions of yen)	332.9
Overseas Natural gas sales volume (MMcf)	318,585
Average unit price (\$/Mcf)	7.51
Average exchange rate (¥/\$)	116.91
Domestic Natural gas sales volume (MMNm <sup>3</sup> )	1,272
Average unit price (¥/Nm <sup>3</sup> )	34.96
Overseas LPG sales volume (Mbb1)	1,166
Average unit price(\$/bb1)	48.76
Average exchange rate(¥/\$)	116.30
Domestic LPG sales volume (ton)	17,540
Average unit price (¥/kg)	126.55

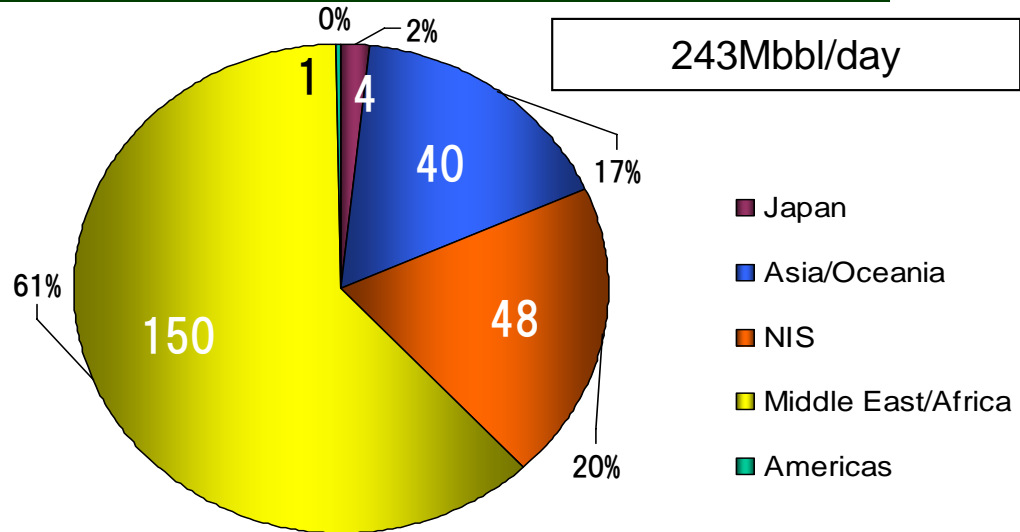
# INPEX holdings Sales Volume

	Mar. '06					Mar. '07					Change				
	Crude Oil (Mbbbl)	Natural Gas (MMcf)	LPG (Mbbbl)	Petroleum Products (Mbbbl)	Total (Mboe)	Crude Oil (Mbbbl)	Natural Gas (MMcf)	LPG (Mbbbl)	Petroleum Products (Mbbbl)	Total (Mboe)	Crude Oil (Mbbbl)	Natural Gas (MMcf)	LPG (Mbbbl)	Petroleum Products (Mbbbl)	Total (Mboe)
Japan	54	38,547	162	2,219	8,860	170	47,495	184	2,424	10,694	117	8,948	22	205	1,835
Asia/Oceania	14,890	286,755	2,684	-	65,367	13,234	318,413	1,166	-	67,469	(1,656)	31,659	(1,518)	-	2,103
NIS	9,890	-	-	-	9,890	16,390	-	-	-	16,390	6,501	-	-	-	6,501
Middle East/Africa	50,044	-	-	-	50,044	53,470	-	-	-	53,470	3,426	-	-	-	3,426
Americas	1,259	27,757	-	-	5,885	11	172	-	-	40	(1,248)	(27,585)	-	-	(5,846)
<b>Total</b>	<b>76,136</b>	<b>353,059</b>	<b>2,846</b>	<b>2,219</b>	<b>140,044</b>	<b>83,276</b>	<b>366,080</b>	<b>1,351</b>	<b>2,424</b>	<b>148,063</b>	<b>7,139</b>	<b>13,021</b>	<b>(1,496)</b>	<b>205</b>	<b>8,019</b>



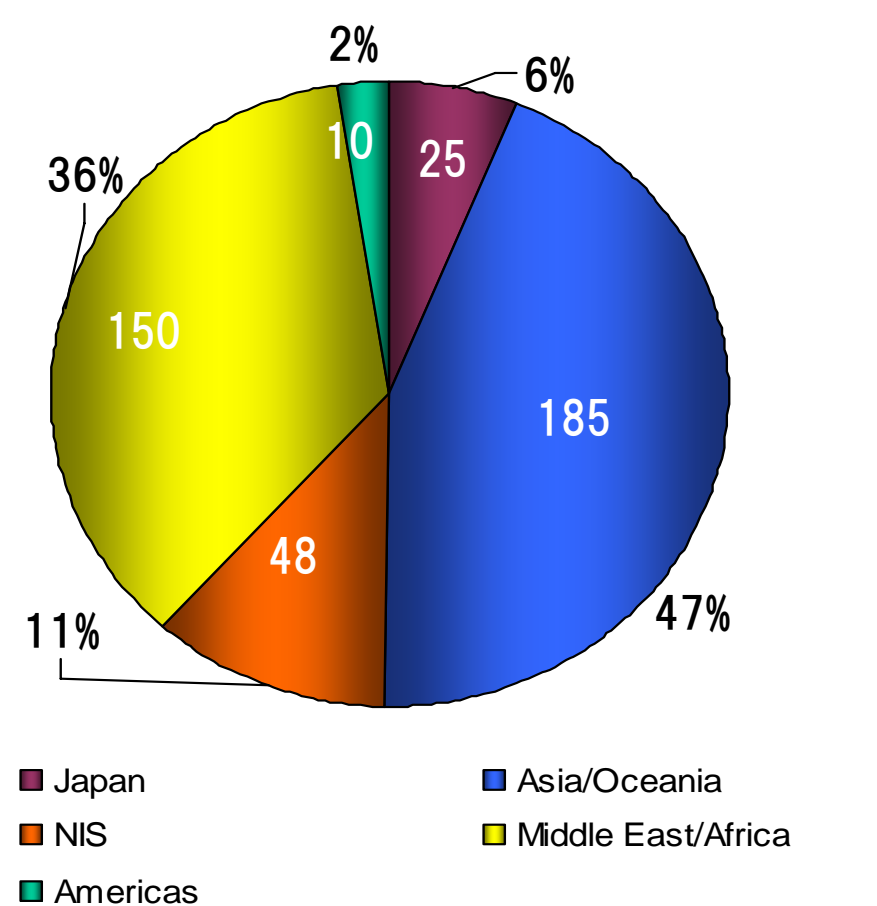
# INPEX Holdings Production (By region)

## Oil/Condensate/LPG

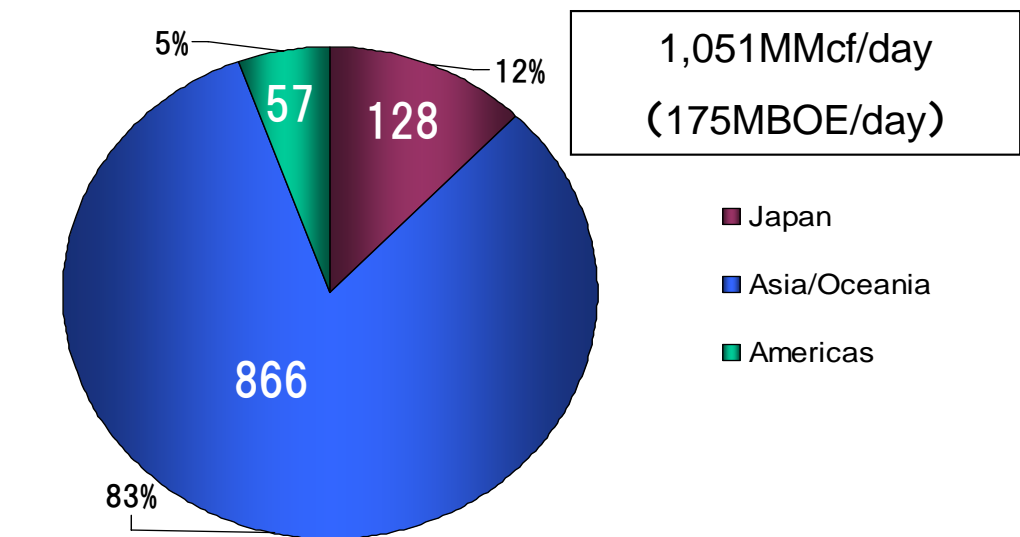


## Total

**418MBOE/day**

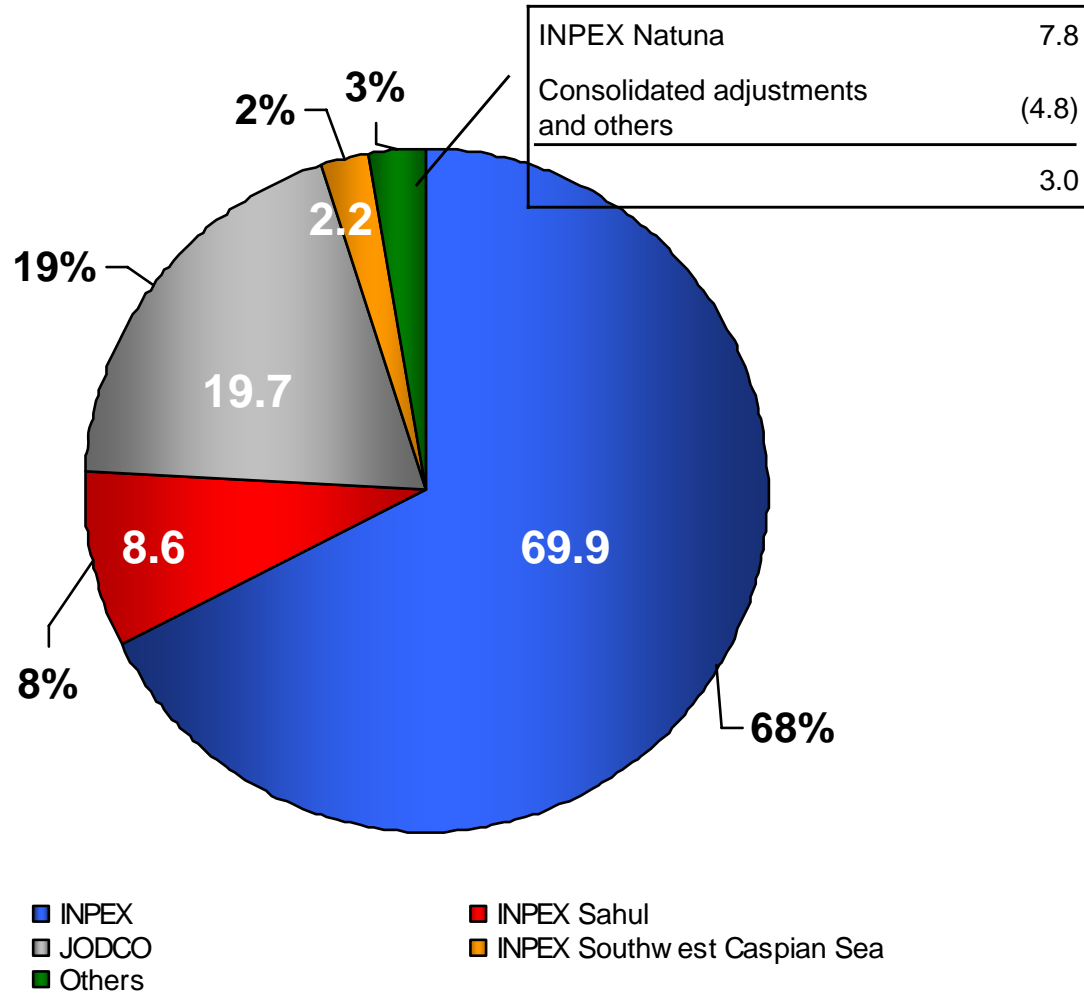


## Natural Gas



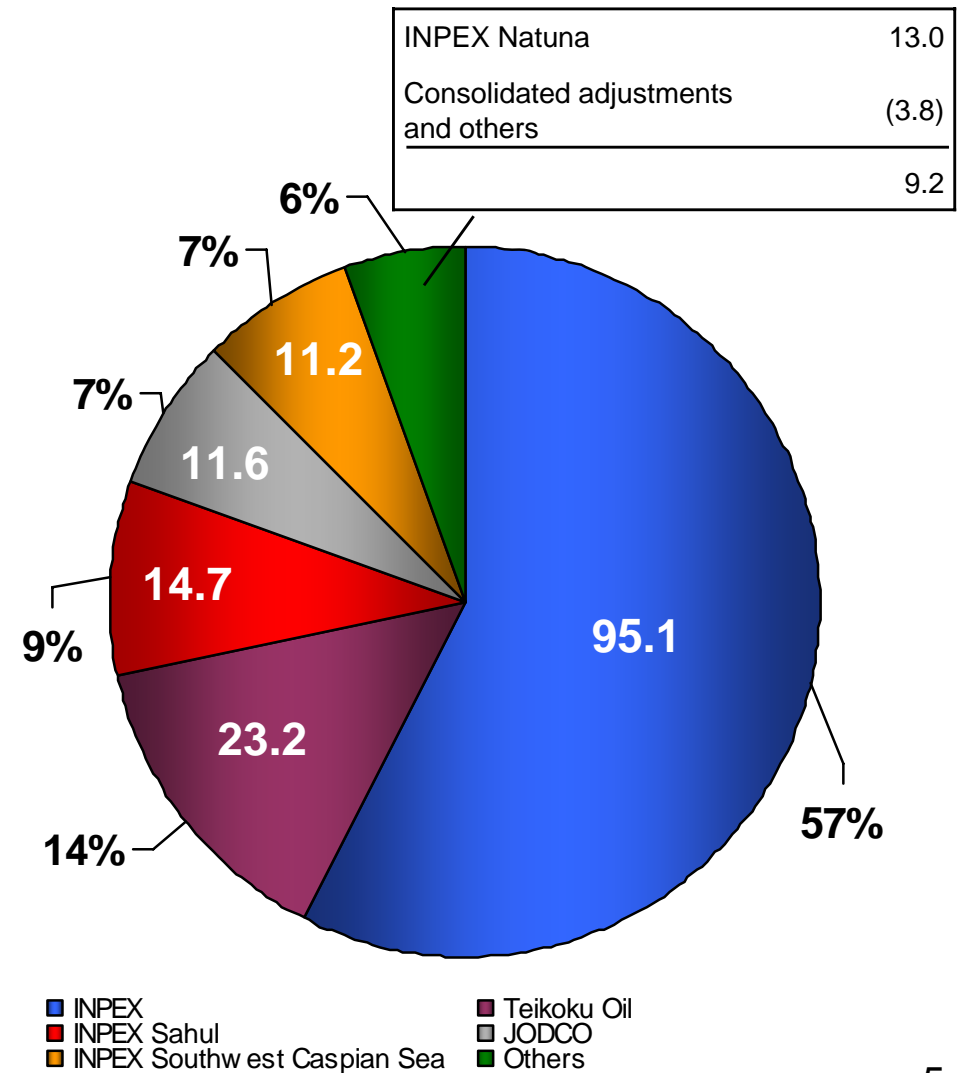
# Profit contribution of subsidiaries

INPEX CORPORATION Net profit for Mar.'06: 103.4 billion yen



Note: Consolidation adjustments are applied to the amount

INPEX Holdings Net profit for Mar.'07: 165.0 billion yen



# INPEX Holdings

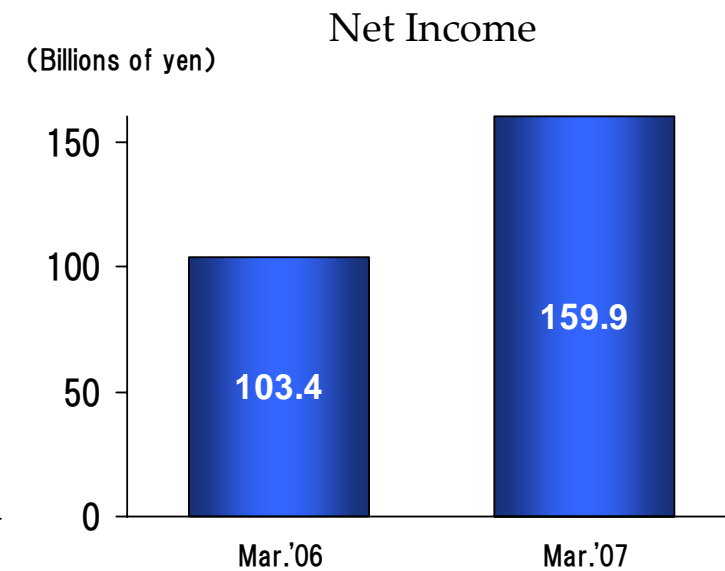
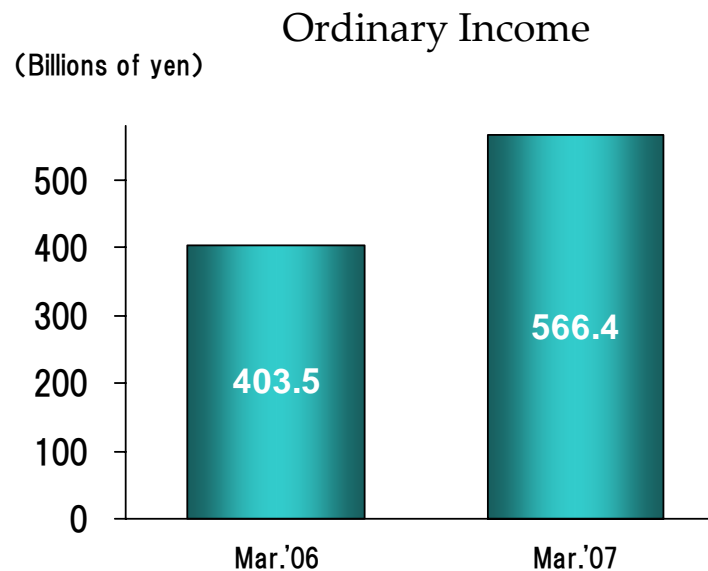
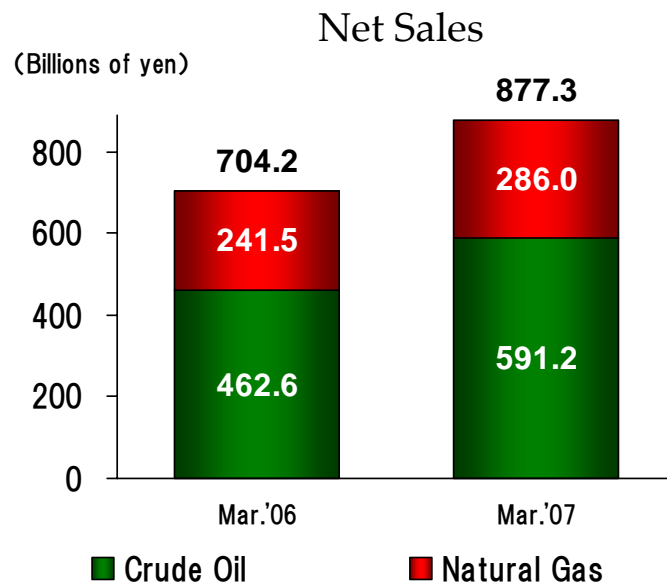
## Details of EBIDAX Calculation for Mar. 2007

(Millions of yen)		Source	Notes
<b>Net income</b>	165,091	P/L	
<b>Minority interests</b>	7,932	P/L	
<b>Depreciation equivalent amount</b>	143,525		
Depreciation and amortization	30,599	C/F	Depreciation under concession agreements and G&A
Amortization of goodwill	6,977	C/F	
Recovery of recoverable accounts under production sharing (capital expenditure)	105,949	C/F	Depreciation under PS contracts
<b>Exploration cost equivalent amount</b>	26,837		
Exploration expenses	17,688	P/L	Exploration expense under concession agreements
Provision for allowance for recoverable accounts under production sharing	6,176	P/L	Exploration expense under PS contracts
Provision for exploration projects	2,973	P/L	Exploration expense under PS contracts
<b>Material non-cash items</b>	(21,307)		
Deferred income taxes	(19,655)	P/L	
Foreign exchange (gain) loss	(1,652)	C/F	
<b>Net interest expenses (income), after tax</b>	(291)	P/L	After-tax interest expense minus interest income
<b>EBIDAX</b>	<b>321,787</b>		

# INPEX CORPORATION

## Highlights of the Consolidated Financial Results

(Billions of yen)	Mar. '06	Mar. '07	Change	%change
Net sales	704.2	877.3	173.0	24.6%
Operating income	426.6	534.1	107.4	25.2%
Ordinary income	403.5	566.4	162.9	40.4%
Net income	103.4	159.9	56.4	54.6%

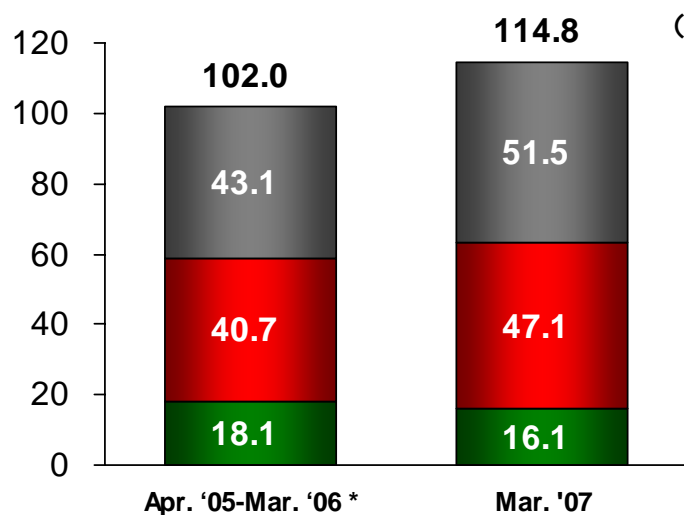


# Teikoku Oil

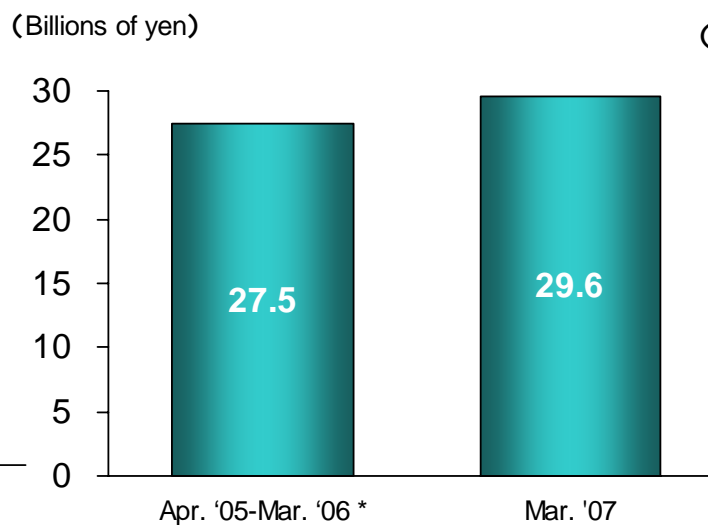
## Highlights of the Consolidated Financial Results

(Billions of yen)	Apr. '05-Mar. '06 *	Mar. '07	Change	%change
<b>Net sales</b>	102.0	114.8	12.7	12.5%
<b>Operating income</b>	23.3	31.5	8.1	34.9%
<b>Ordinary income</b>	27.5	29.6	2.1	7.8%
<b>Net income</b>	16.5	15.4	(1.1)	(6.8%)

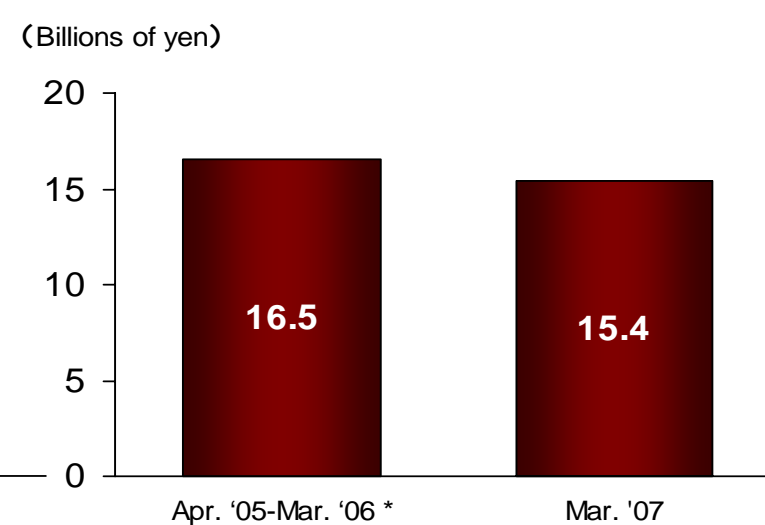
(Billions of yen) **Net Sales**



(Billions of yen) **Ordinary Income**



(Billions of yen) **Net Income**



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

\*The amount is reference numeric value that deducted 1st Quarter (Jan.-Mar. 2005) from Full year (Jan.-Dec. 2005) and added Jan.-Mar. 2006

\*Some sales of the consolidated subsidiaries are not included in Jan-Mar in 2006 due to the irregularity accounts for accounting period change



## Geographical segment information

For the year ended March 31, 2007 (April 1, 2006 through March 31, 2007)

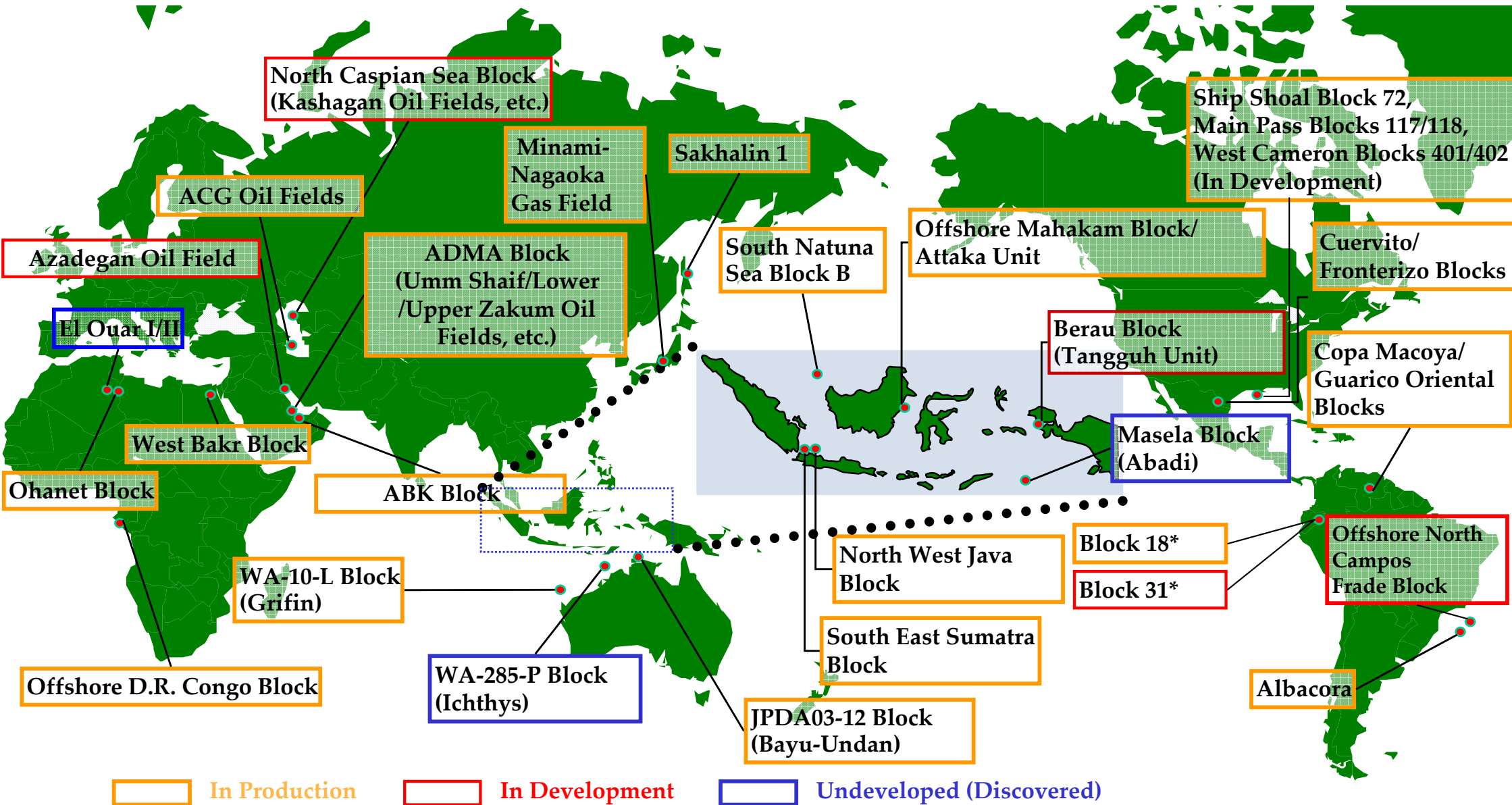
(Millions of yen)

	Japan	Asia/Oceania	NIS	Middle East/Africa	Americas	Total	Eliminations and other	Consolidated
Net Sales	77,322	387,542	118,617	386,009	220	969,713	(0)	969,712
Operating expenses	54,306	145,637	82,995	119,282	1,659	403,882	6,753	410,635
Operating income(loss)	23,016	241,905	35,621	266,726	(1,438)	565,831	(6,753)	559,077
Assets	197,404	322,115	320,574	254,071	17,775	1,111,942	496,163	1,608,106

- Notes:
- Countries and areas are segmented based on their geographic proximity and their mutual operational relationships.
  - Major countries and areas that belong to segments are as follows:
    - Asia - Oceania.....Indonesia, Australia, East Timor, Vietnam
    - NIS.....Azerbaijan, Kazakhstan
    - Middle East - Africa...UAE, D.R. Congo, Iran, Libya, Egypt, Algeria
    - Americas.....Venezuela, Ecuador, USA
  - Unallocated operating expenses included in "Eliminations and other" of ¥9,793 million under the operating expenses are mainly amortization of goodwill and general administrative expenses.
  - Of the figure for assets, ¥496,371 million included in "Eliminations and other" are mainly goodwill, cash and deposit, marketable securities and investment securities concerned with the administrative divisions.

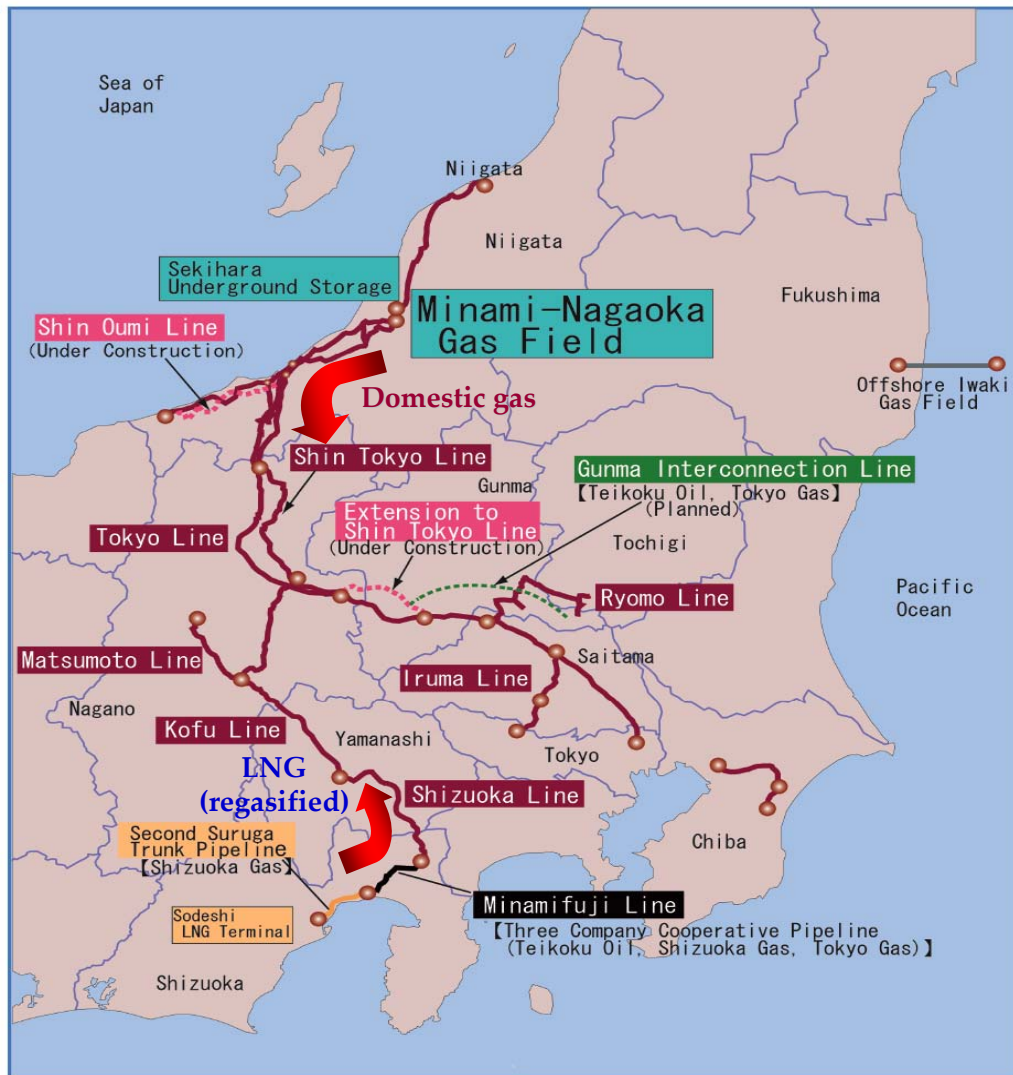
# INPEX Holdings Inc. Project Summary

# Existing Interests in Major Assets



\* In a governmental approval process for interests transfer

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



Domestic Pipeline Network

- Production\* :
  - Natural gas: approximately 3.6 million m<sup>3</sup>/d
  - Crude oil: approximately 3,900 bbl/d
- Natural Gas Sales : 1.2 billion m<sup>3</sup>/y We achieved the aim ahead of schedule for four years. : To promote further expansion
- 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 to Kanto-Koshinetsu region
  - Shizuoka Line (83km: 22 billion yen: completion in Dec. 2006)
  - Minamifuji Line (30km: 2.7 billion yen: completion in Dec. 2006)
  - Extension of Shin-Tokyo Line (50km: Approximately 11 billion yen: completion in 2007)
  - Shin Oumi Line (71km: Approximately 17.8 billion yen: completion in 2009)
- Starting the Power business in 2007 : approximately 55,000 kw

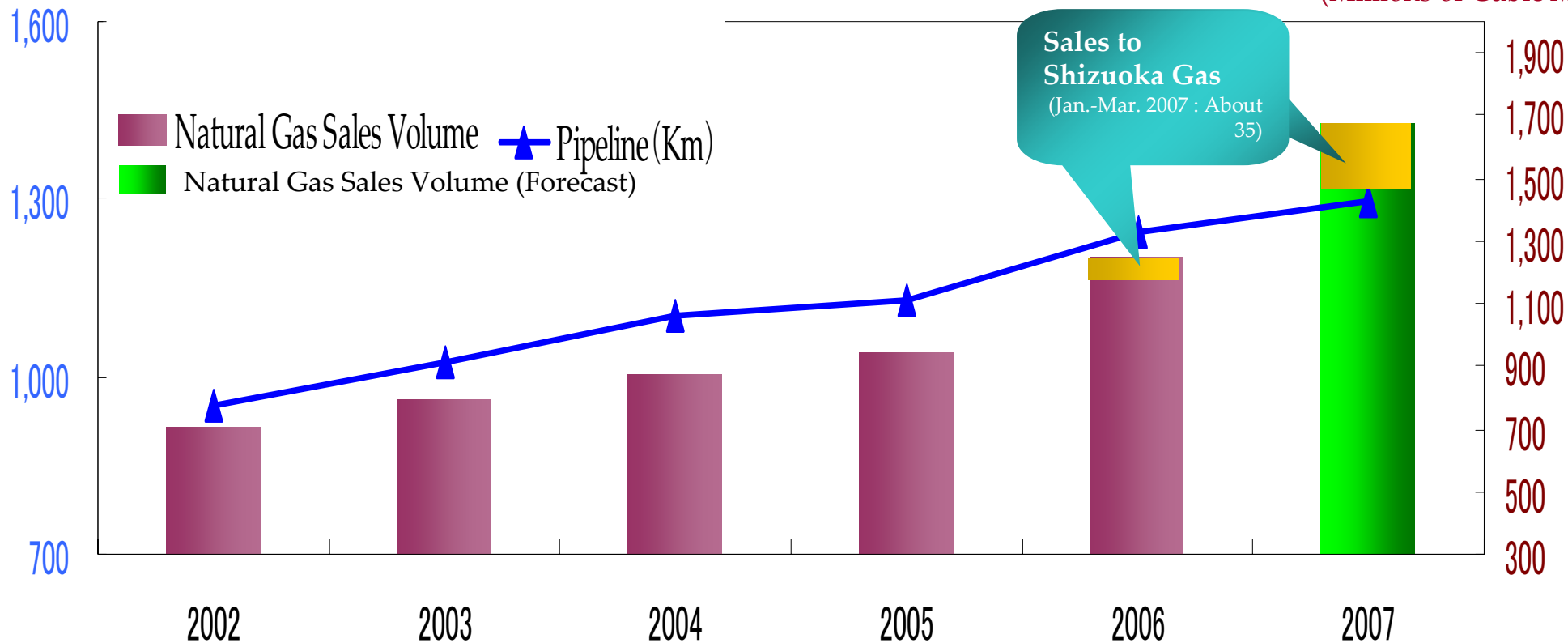
\* sum of domestic crude oil and gas fields ; average daily volume (FY2006)

# Domestic Natural Gas Business

## Sales Expansion

Pipeline Extensions  
(kilometers)

Natural Gas Sales Volume  
(Millions of Cubic Meters)



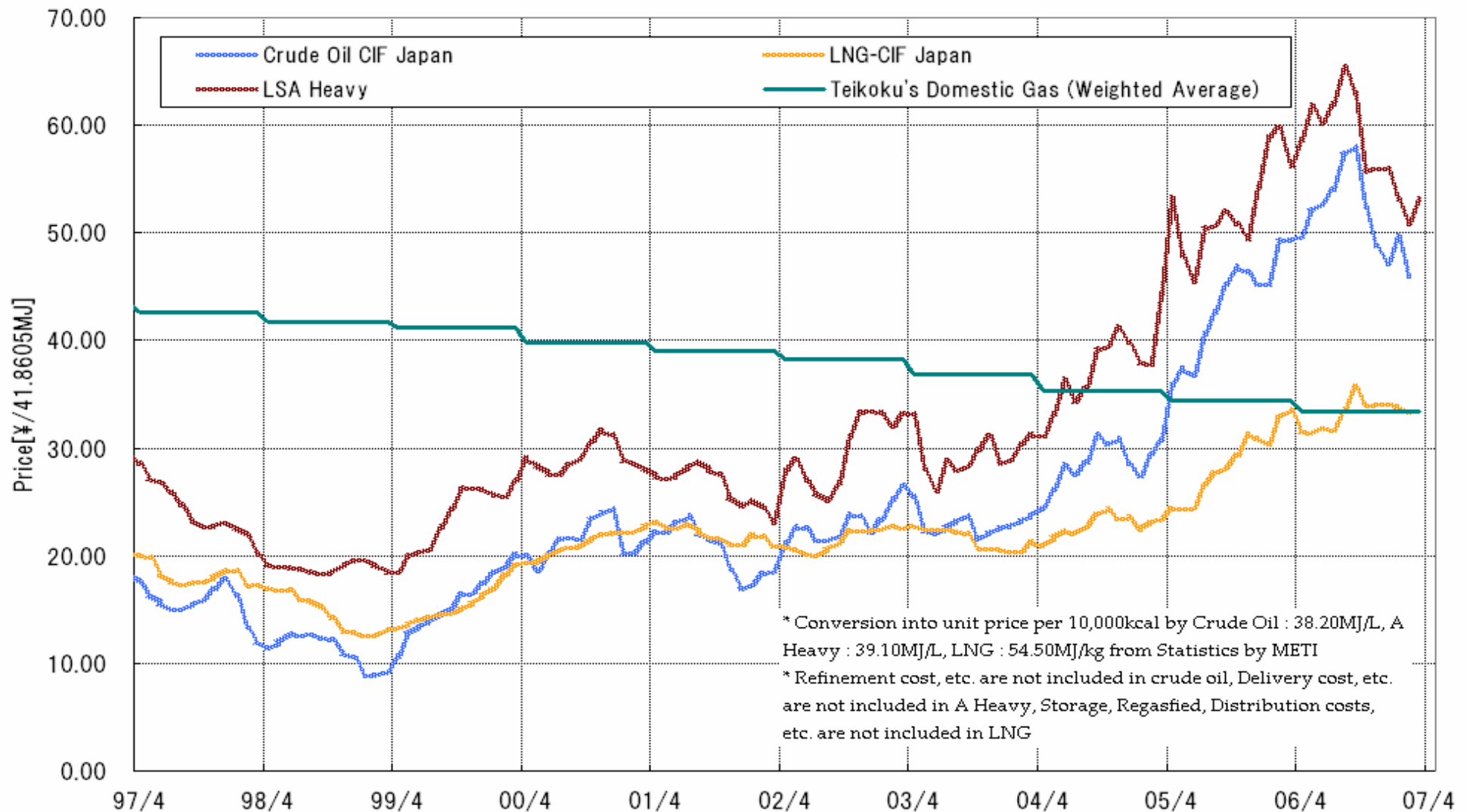
note: \* 2002-2005 : Calendar year 2006- : April to March  
\*\* Teikoku Oil (Non Consolidated)

- We achieved the aim 1.2 billion m<sup>3</sup>/y ahead of schedule for four years.
  - Fuel Switching to natural gas by Industrial users
  - Starting the sales to Shizuoka Gas
  - Introduction of LNG (From 2010)
  - Corresponding to our growing sales
  - Price policy to make a moderate increase
- ⇒ 1.7 billion m<sup>3</sup>/y to be achieved in 2007 : Increase 40%

# Domestic Natural Gas Business

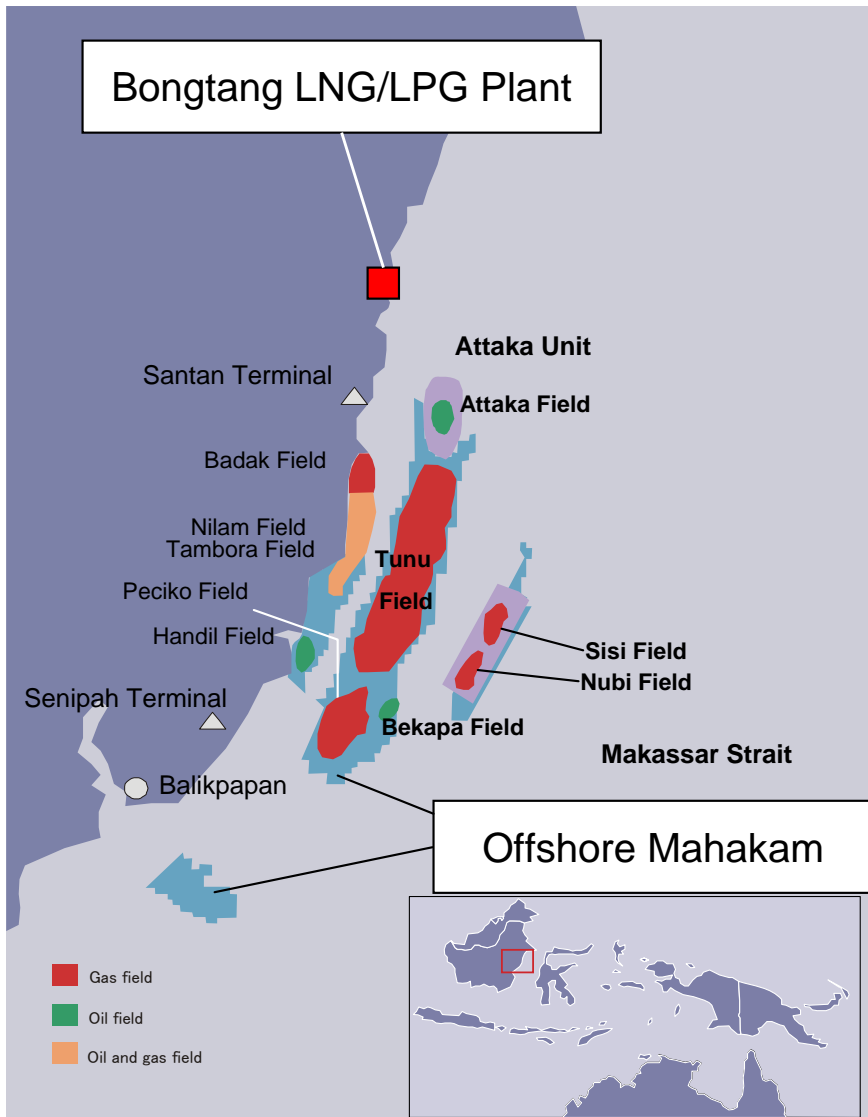
## Price Environment

Price comparison per a unit



# Offshore Mahakam

## INPEX CORPORATION

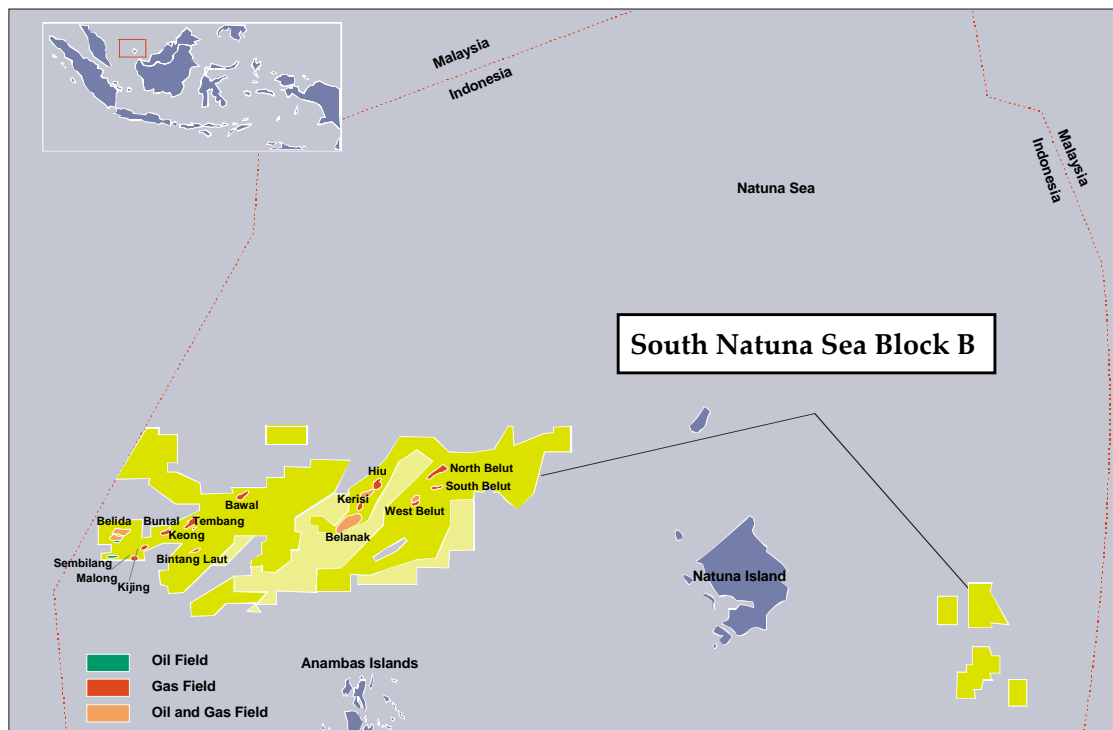


- INPEX's Working Interest: 50.0% (Operator : TOTAL)
- Production\*
  - Crude Oil: Approximately 66,000 bbl/d
  - Gas: Approximately 2.9 billion cf/d
- PSC: Until 2017
- Continue development activities to stabilize the supply of gas to Bongtang LNG plant
  - Phased development of Tunu / Peciko field
  - Additional development of Tambora field
  - Development of Sisi-Nubi Unit

\* All field base and average of March 2007



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

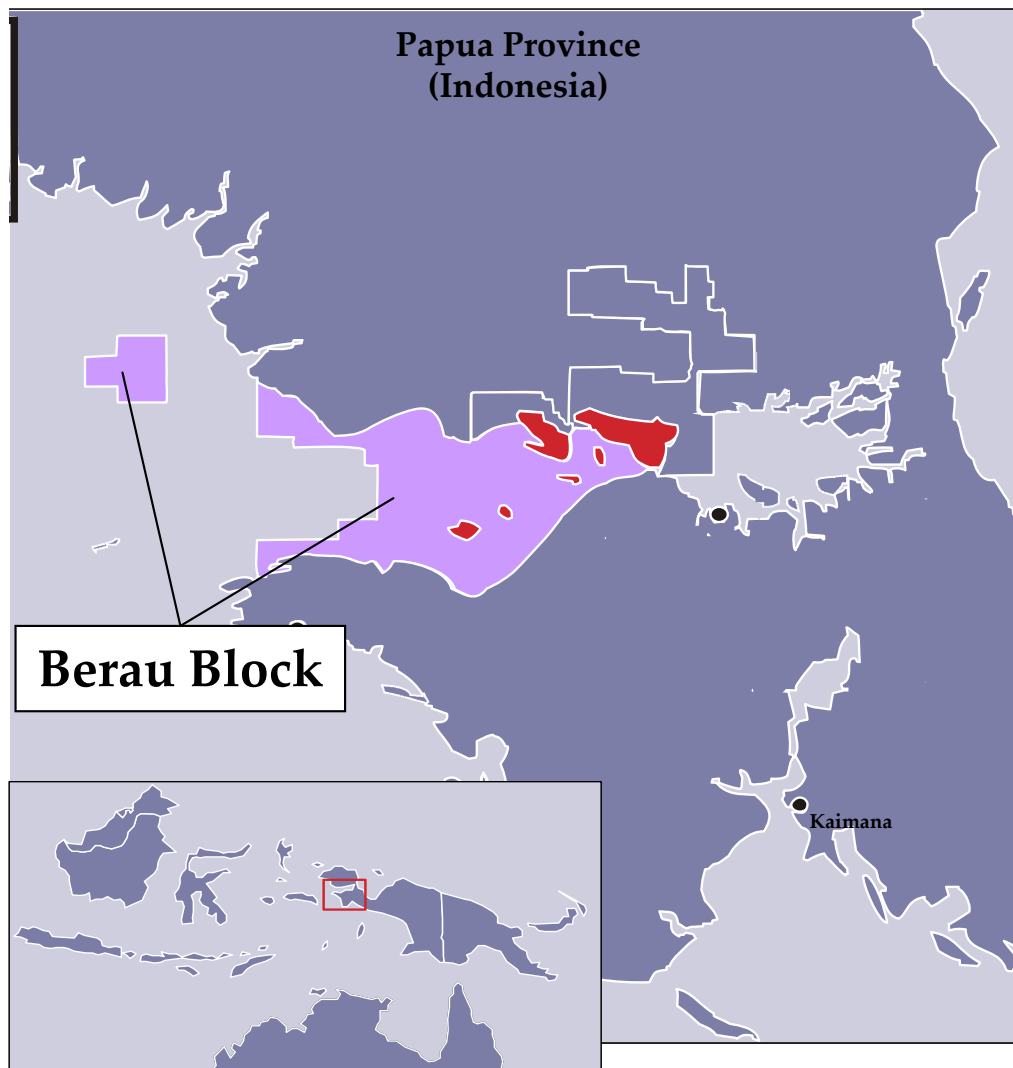


\* All field base and average of March 2007

- INPEX's Working Interest: 35.0%
- Production\*:
  - Crude Oil: Approximately 35,000 bbl/d
  - Gas: Approximately 370 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 is expected to start at Kerisi in 2007 and at North Belut in 2009

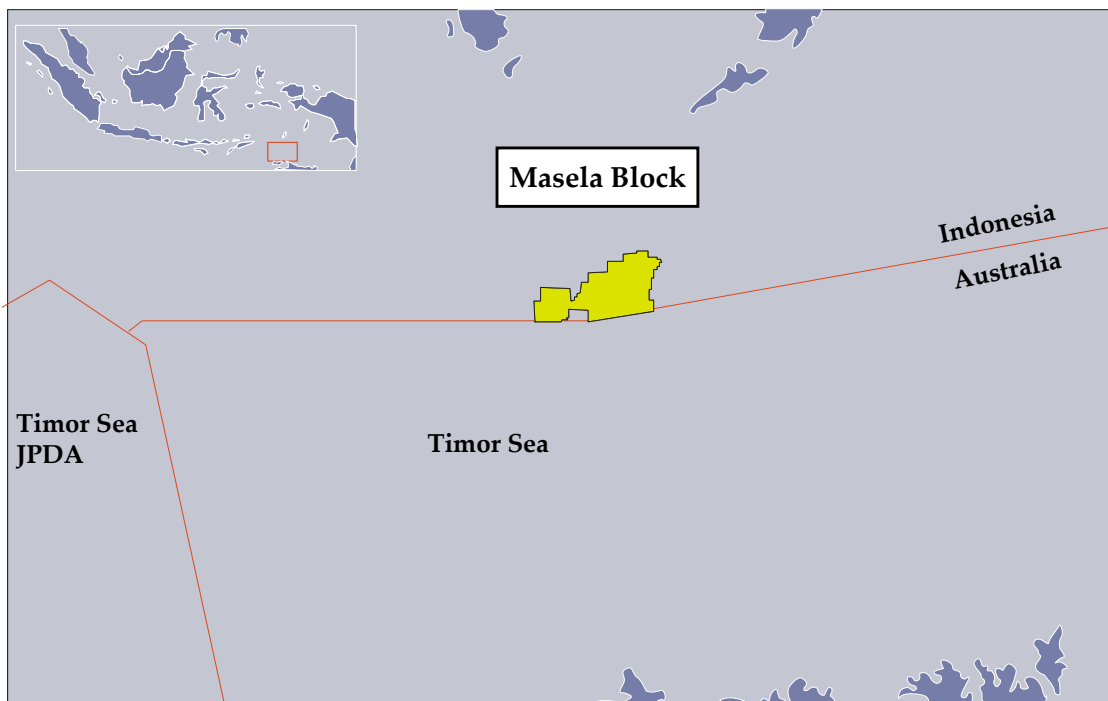


## Berau (Tangguh LNG Project) MI Berau B.V.



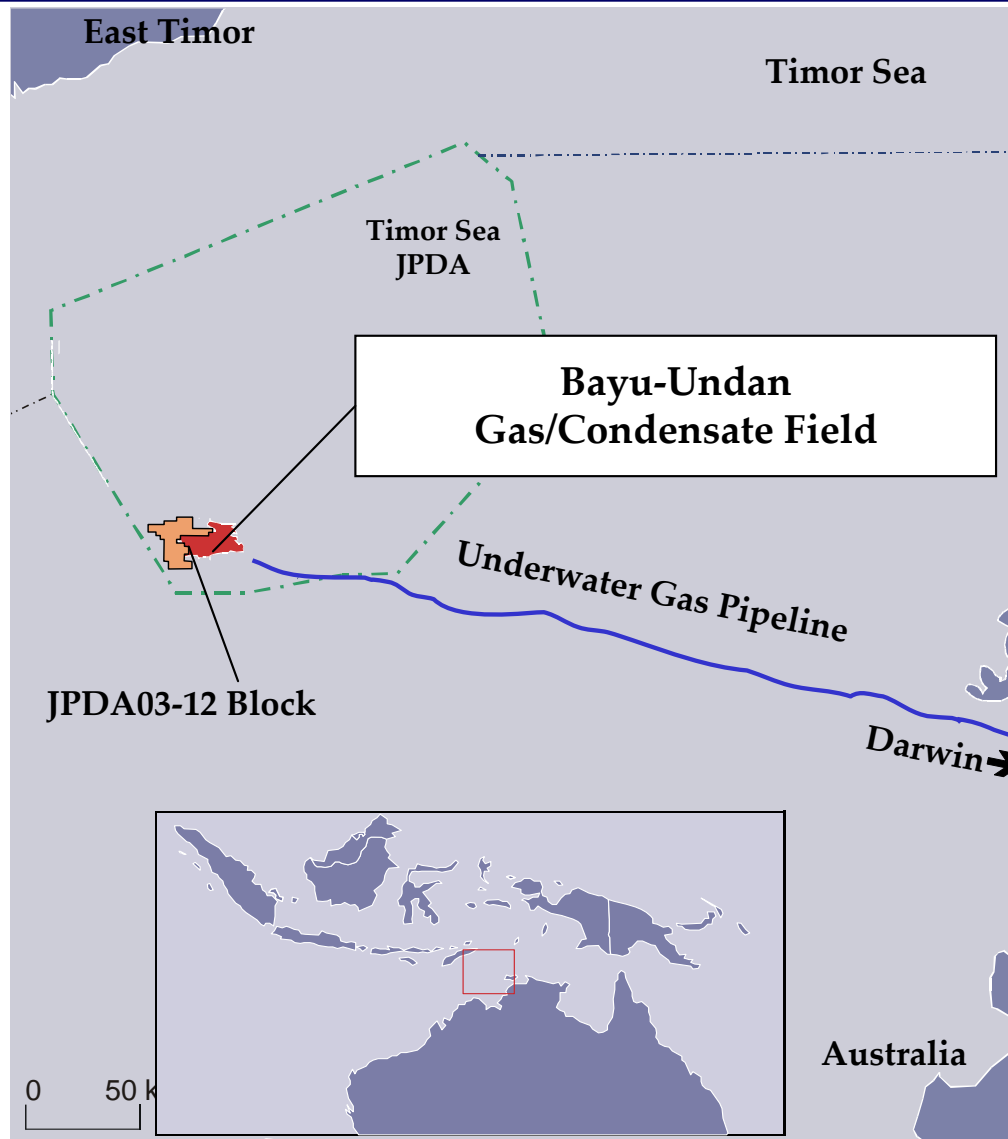
- MI Berau: JV with Mitsubishi Corporation
- MI Berau's Working Interest:
  - Berau: 22.9%(Tangguh Unit: 16.3%)  
(Operator : BP)
- PSC: Until 2035
- Development plan and extension of the PS contract were approved by Indonesian government
- Signed loan agreements total approximately US\$2.6 billion to finance the development of the LNG project in August 2006
- 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)
  - 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 2 appraisal wells in 2002
- Started drilling 4 appraisal wells from May 2007
- Scheduled to receive third-party valuation of recoverable reserves in 2008

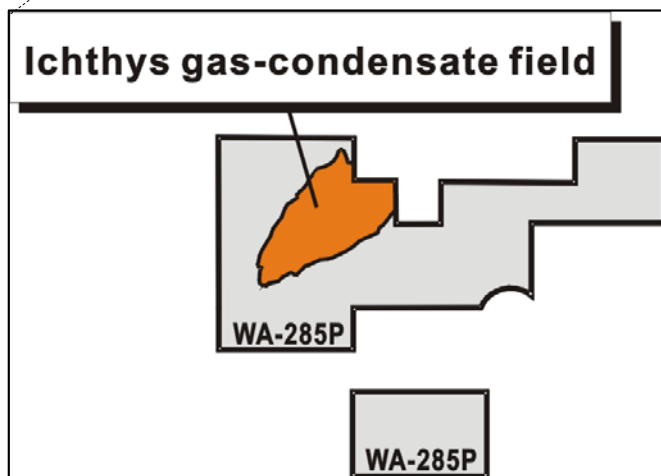
# Bayu-Undan INPEX Sahul, Ltd.



- INPEX's Working Interest: 10.53%  
(Operator : ConocoPhillips)
- Production\*:
  - Oil / Condensate: Approximately 69,000 bbl/d
  - Gas: Approximately 1.1 billion cf/d
  - LPG: Approximately 34,000 bbl/d
- PSC: Until 2022
- Production of condensate and LPG started in February 2004
- Phase 2 development is for LNG (started in February 2006)
  - Entered into LNG Sales Contract with TEPCO and Tokyo Gas (3 million tons per year for 17 years from 2006)

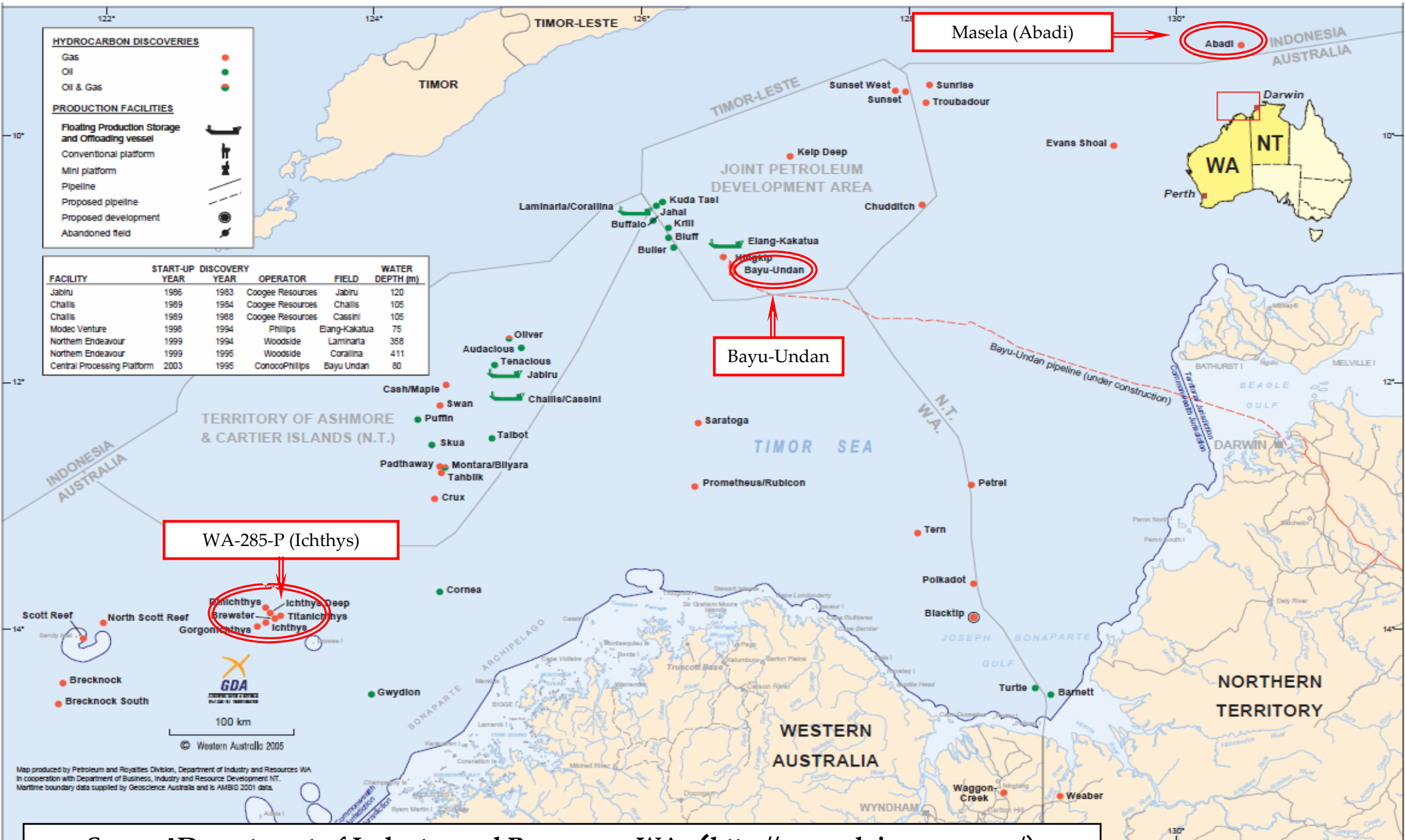
\* All field base in JPDA03-12 including Elang Kakatua and average of March 2007

# WA-285-P (Ichthys) INPEX Browse, Ltd.



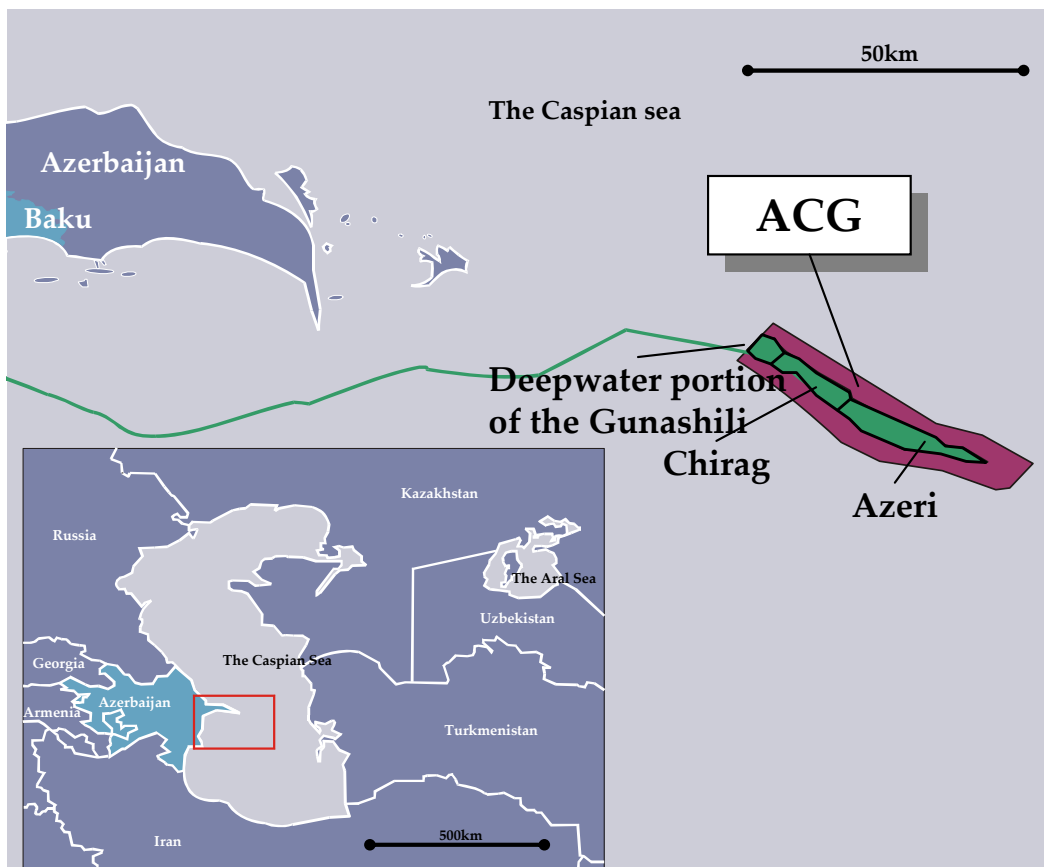
- INPEX's Working Interest: 100.0%\*
- Operator: INPEX
- Concession Agreement:
  - Exploration Period until September 2009
  - Production Period for 21 years from the grant of the production license
- Drilled six exploration wells from 2000 and discovered major gas-condensate field, named Ichthys structure
- Commenced Australian federal and West Australian state government approval processes for assessment of environmental impact of the Ichthys project in May 2006
- The Australian Government awards Major Project Facilitation(MPF) status to Ichthys project in August 2006, as it provides a significant boost to Australia's employment and exports
- Started drilling an exploration well from April 2007, where we expect additional gas reserves
- Conducting feasibility study for the target commencement of production in 2012. Plan to initially produce approximately 7.6 MTPA of LNG and around 100,000 bbl/day of condensate and LPG

# Location of Masela (Abadi) and WA-285-P (Ichthys)



Source: Department of Industry and Resources, WA (<http://www.doir.wa.gov.au/>)

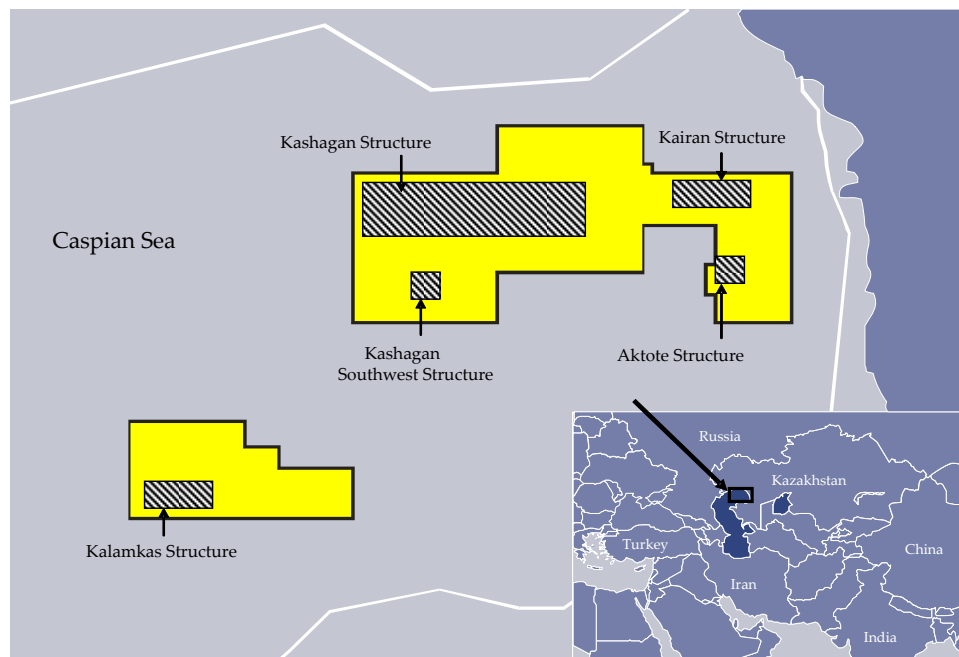
# ACG INPEX Southwest Caspian Sea, Ltd.



- INPEX's Working Interest: 10.0% (Operator : BP)
- Production\*: Approximately 700,000 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
- Planning to increase production level to 1 million barrels per day in 2009
  - In Phase 3 (Gunashli deepwater) production is scheduled to start in 2Q 2008

\* All field base and average of March 2007

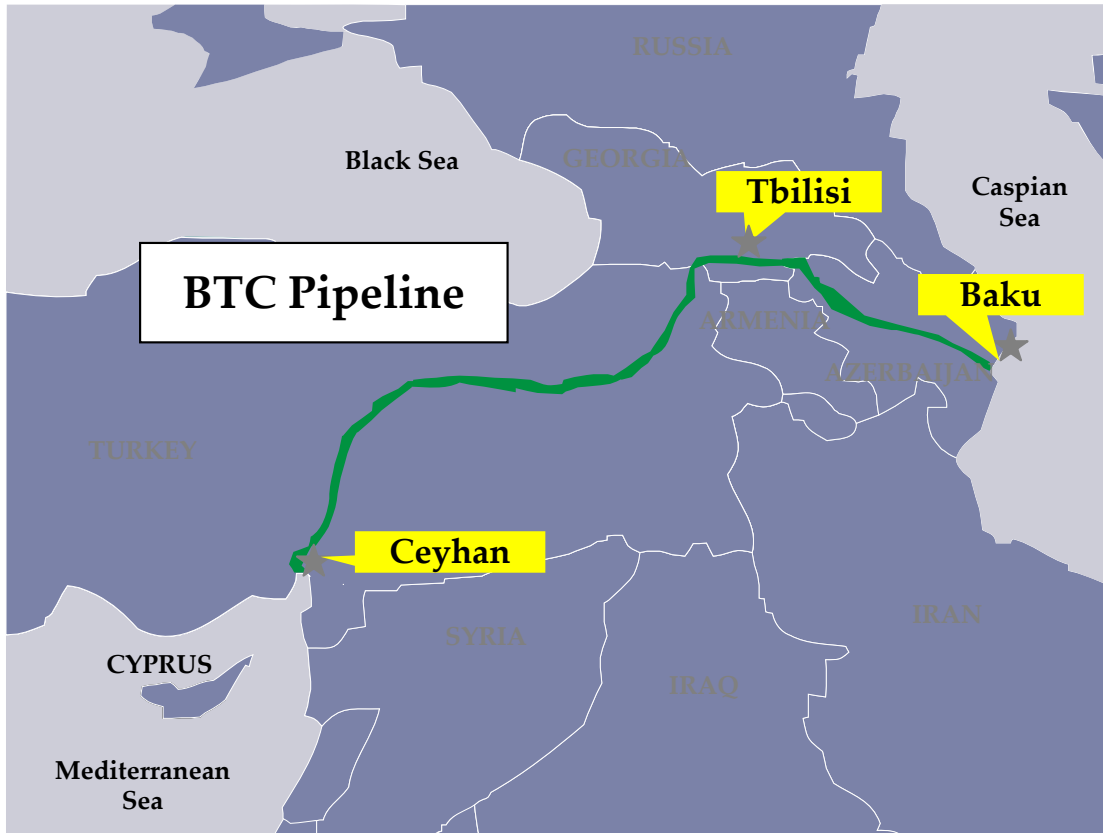
## Kashagan, etc. INPEX North Caspian Sea Ltd.



- INPEX's Working Interest: 8.33% (Operator : Eni)
- PSC: 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 oil field, 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 in 2008
  - Optimizing development plan and production start up will be delayed



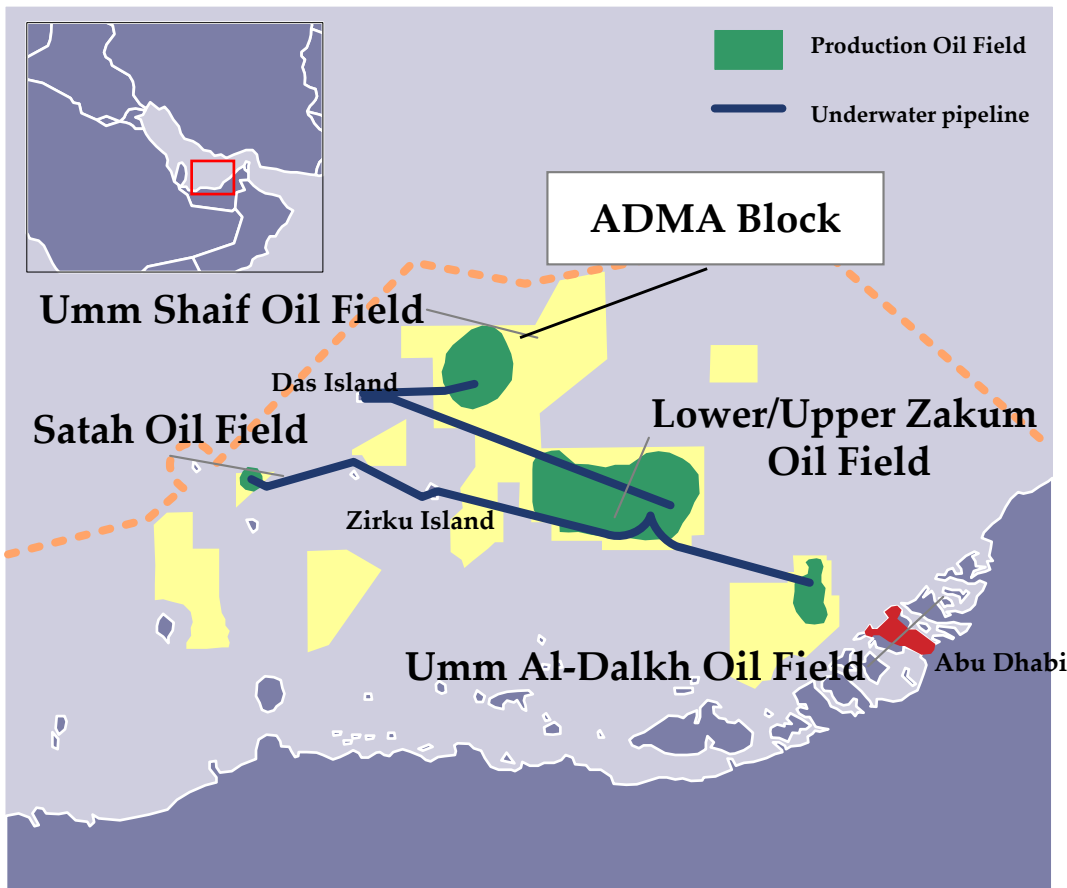
# BTC(Baku-Tbilisi-Ceyhan) Pipeline Project INPEX BTC Pipeline, Ltd.



- 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
- Plan to transport 1 million bbl/d in 2007



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

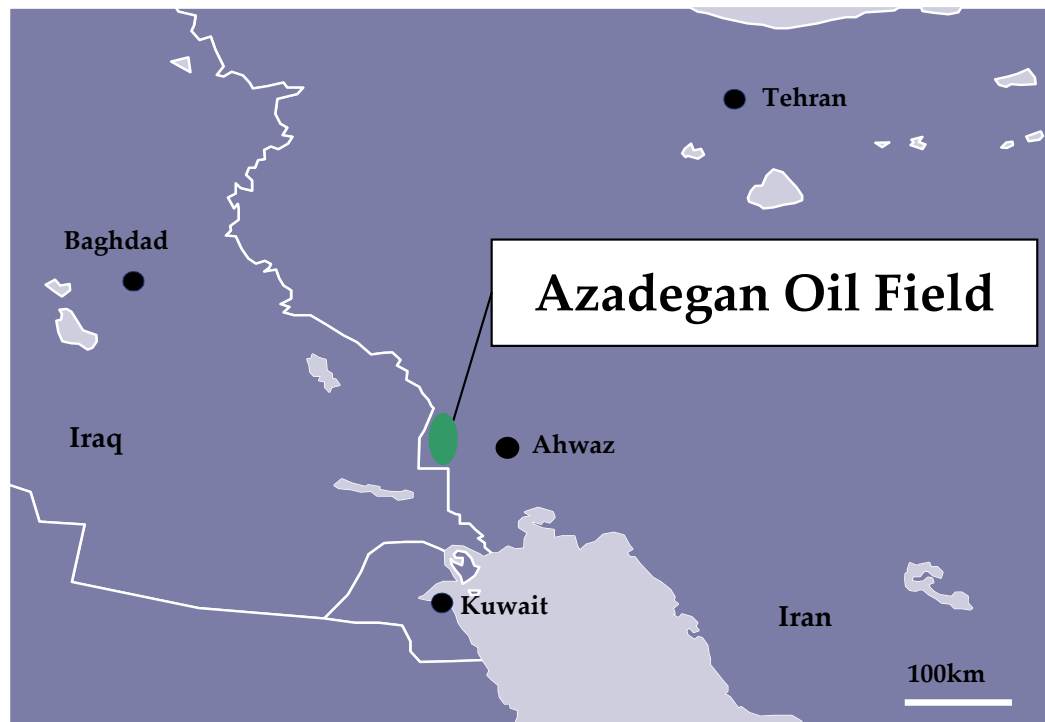


- Umm Shaif / Lower Zakum
  - INPEX's Working Interest: 12.0% (Operator : ADMA-OPCO\*)
- Upper Zakum / Umm Al-Dalkh / Satah
  - INPEX's Working Interest: Upper Zakum / Umm Al-Dalkh: 12.0% Satah: 40.0% (Operator : ZADCO\*)

\*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 by signing amended joint development agreement in March 2006)
- Continuous development to keep and increase the production level
  - Water injections to all the fields have started
  - Gas injection to Umm Shaif / Lower Zakum fields has started

# 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 2010
  - In case we move onto phase 2, planned to reach 260,000 bbl/d after 2014

\* all field base; projections at current point in time

# Venezuela

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

Teikoku Oil & Gas Venezuela, C.A.  
Copa Macoya / Guarico Oriental Blocks

## Copa Macoya<sup>\*\*\*</sup> / 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 81 million cf/d
  - Crude oil : Approximately 1,700 bbl/d

PT Moruy II, S.A. \*\*  
Moruy II Block

## Moruy II Block

- Gas exploration project
- Teikoku's interest: 50% (Operator PETROBRAS)
- Currently reviewing data of seismic survey

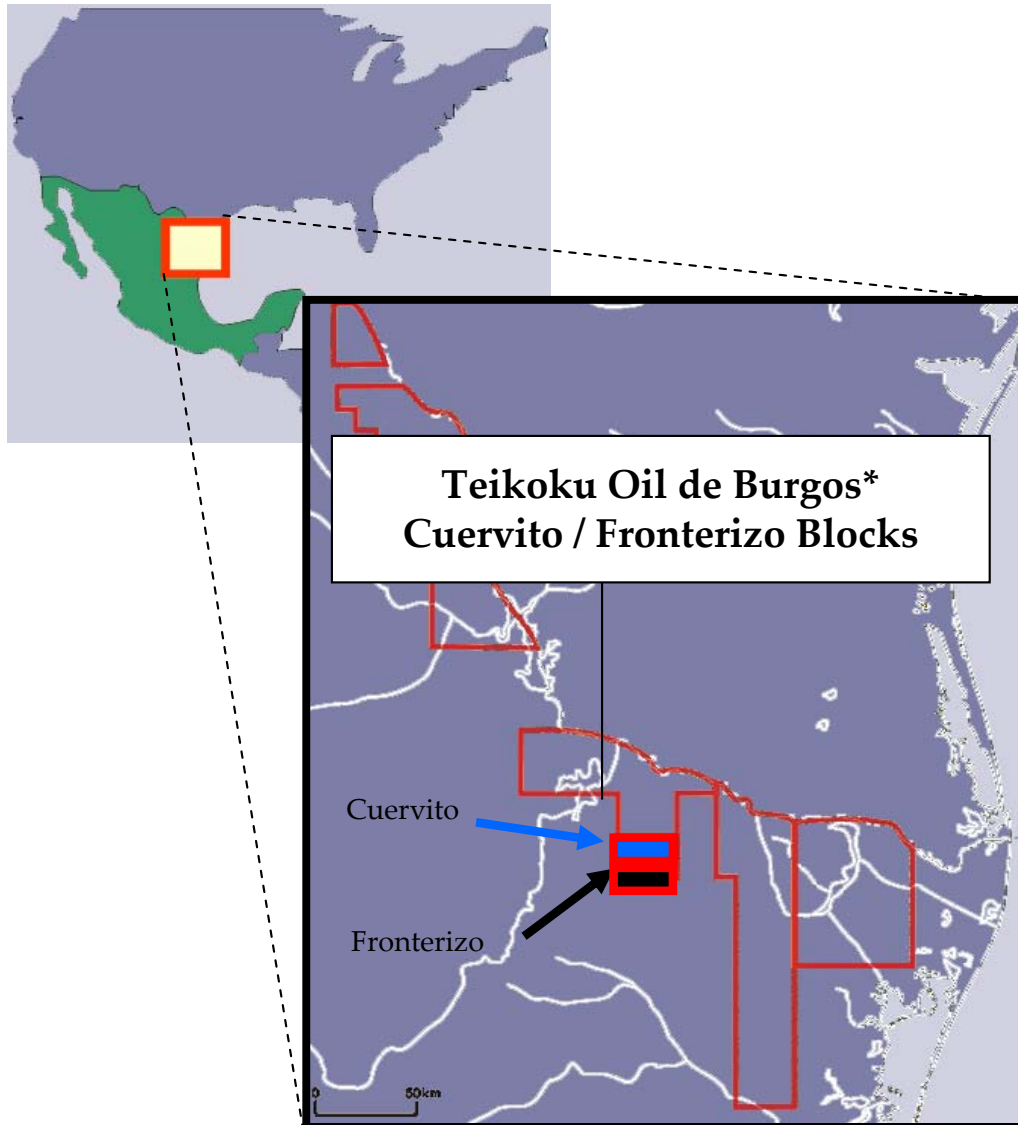


\*All field base and average of March 2007

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

\*\*\*Operator project

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



## Cuervito / Fronterizo Blocks

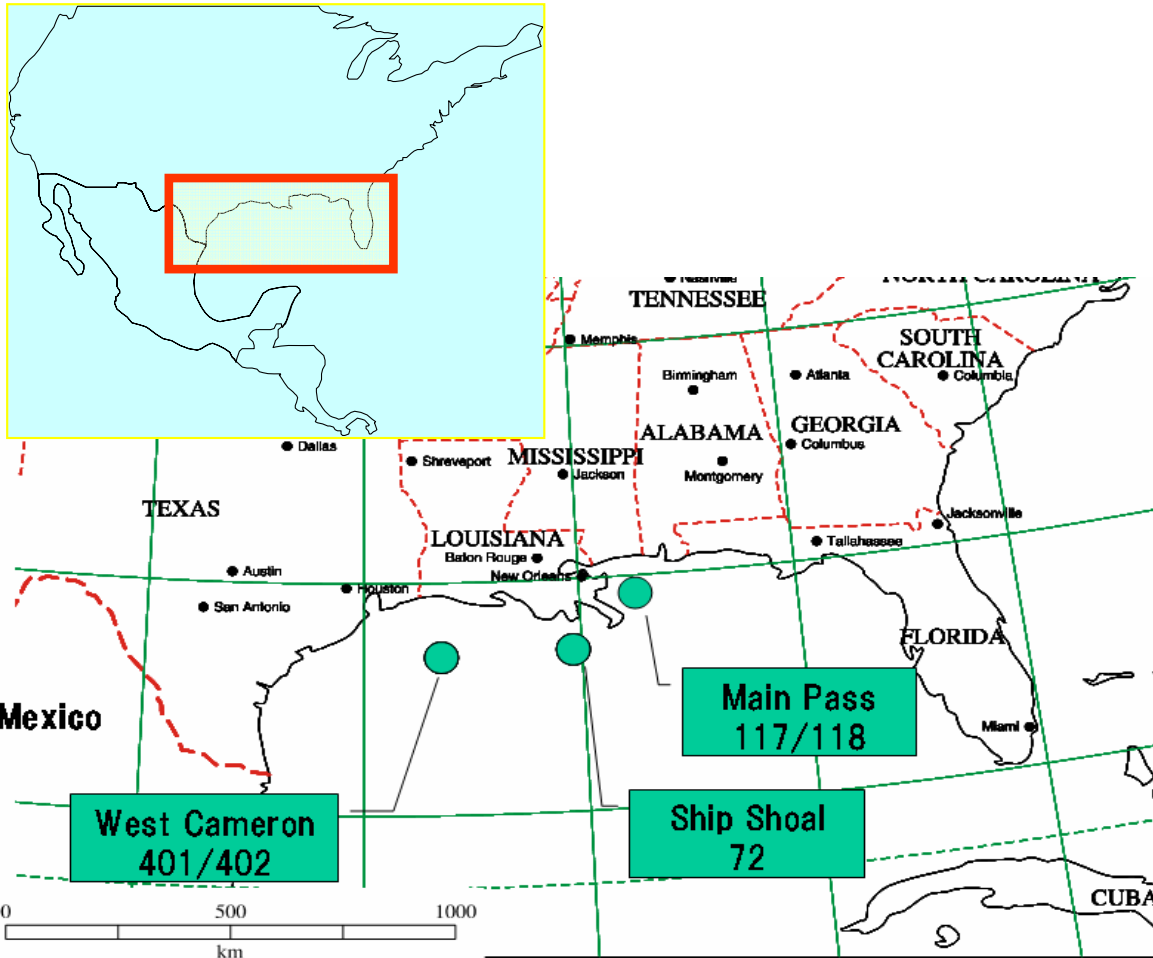
- Gas exploration and development project
- Multiple Service Contract
- Teikoku's interest: 40% (Operator: PETROBRAS)
- Production volume\*\* : Approximately 29 million cf/d

\* Teikoku's share 75%

\*\* All field base and average of March 2007

# Gulf of Mexico (USA)

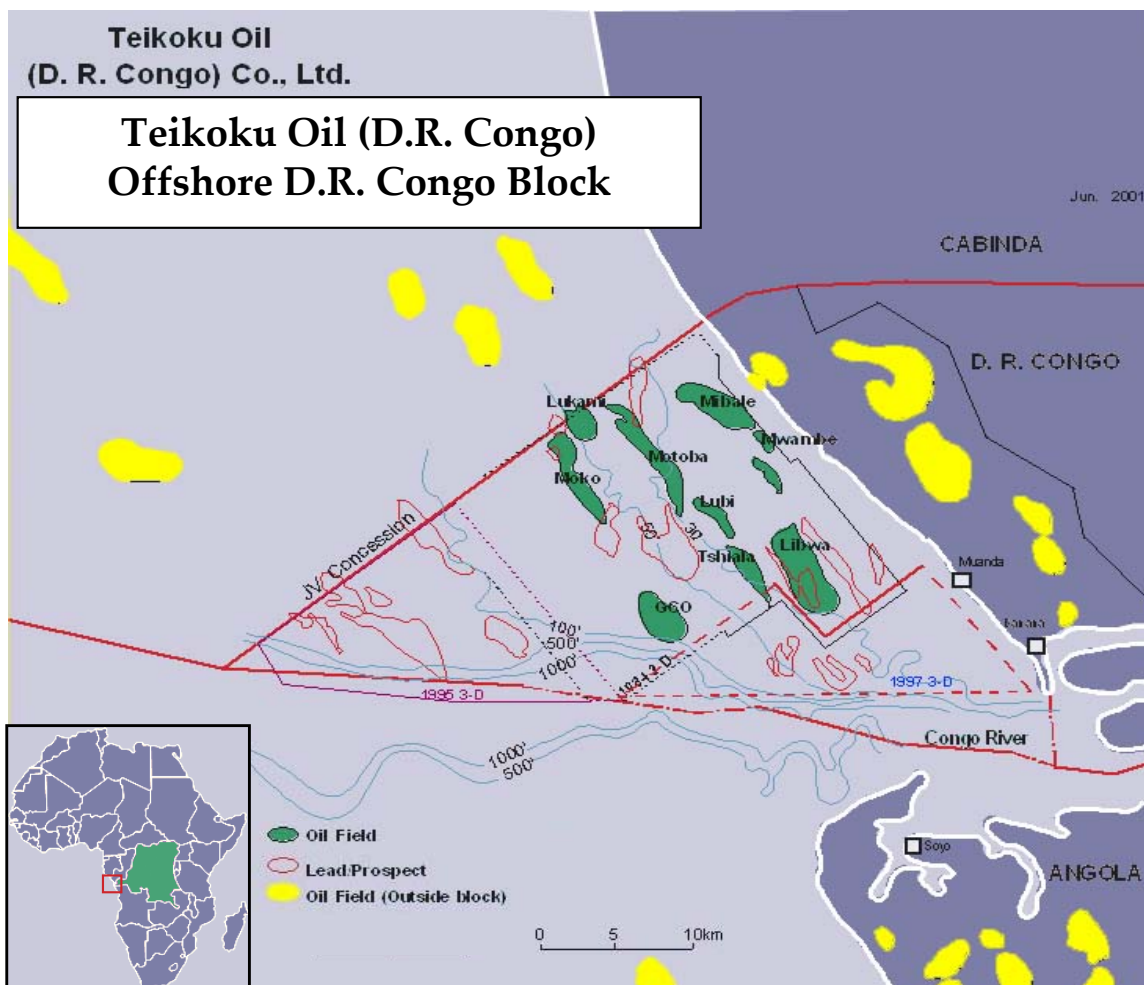
Teikoku Oil (North America) Co., Ltd.



- 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 6.8 million cf/d
  - Crude oil : Approximately 1,600bbl/d

\* Average of March 2007 of Ship Shoal 72

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



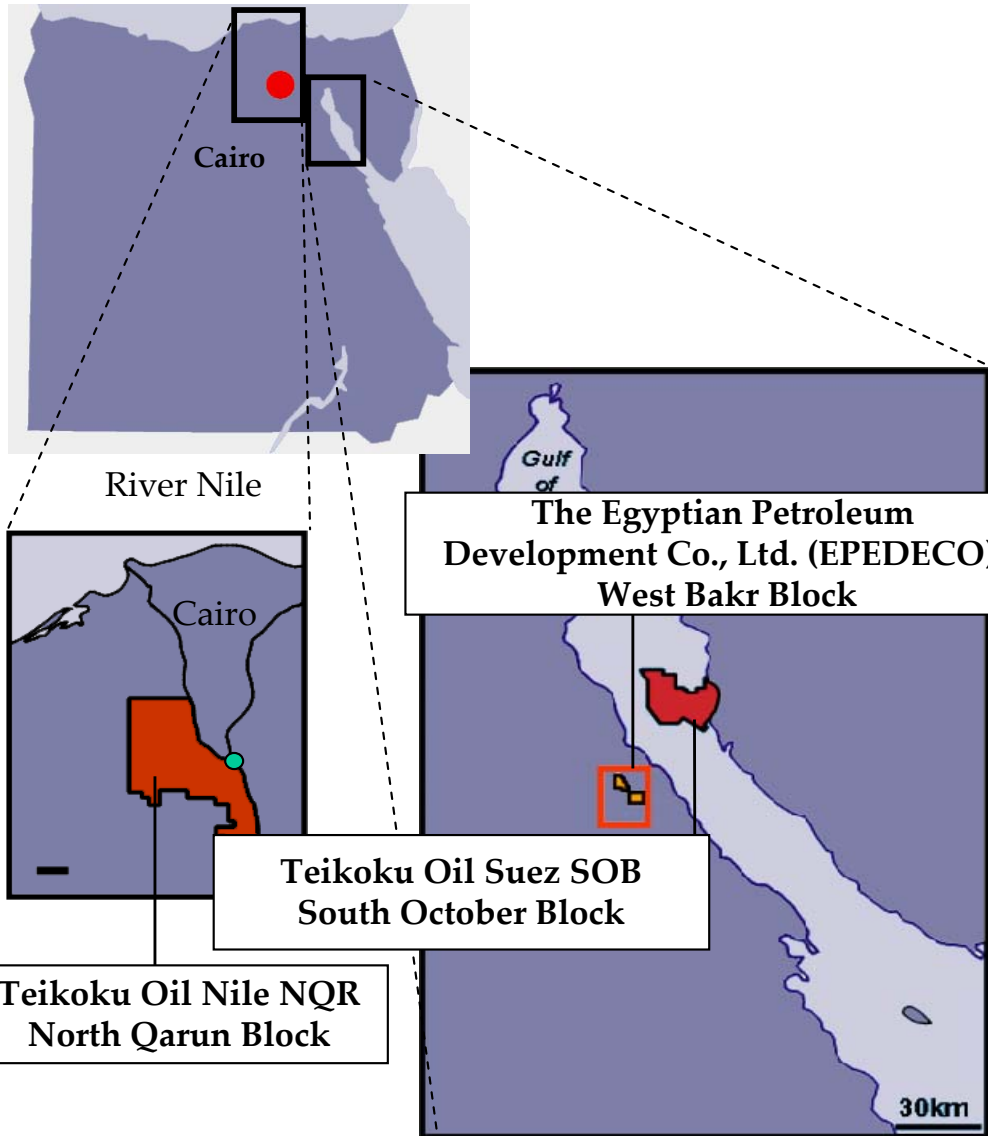
Offshore D.R. Congo Block

- Oil exploration and development project
- Concession Agreement (1969-2023)
- Teikoku's interest: 32.28% (Operator: Perenco)
- Production Commencement: 1975
- Production volume\*: Approximately 14,600 bbl/d

\* All field base and average of March 2007

# Egypt

The Egyptian Petroleum Development Co., Ltd.  
 Teikoku Oil Suez SOB Co., Ltd.  
 Teikoku Oil Nile NQR Co., Ltd.



## 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 4,500bbl/d

## South October Block

- Oil and Gas Exploration phase
- Teikoku's interest:35% (Operator:Devon)
- Work obligation (3years):3D seismic (270 km<sup>2</sup>), 2 exploratory wells

## North Qarun Block

- Oil and Gas Exploration phase
- Teikoku's interest:25% (Operator:Devon)
- Work obligation (3.5years):2D seismic (550km), 1 exploratory well

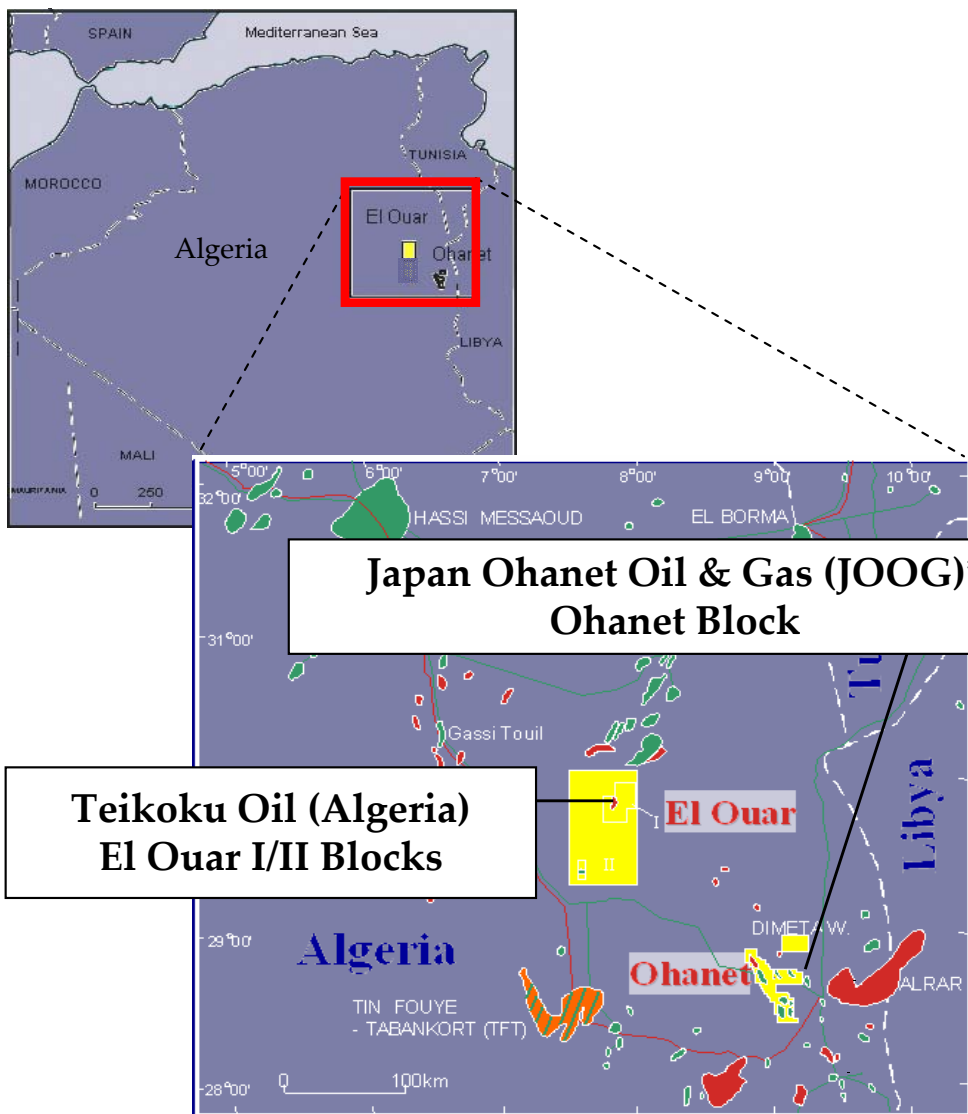
\* Teikoku's share 52.7%

\*\* All field base and average of March 2007



# Algeria

Japan Ohanet Oil & Gas Co., Ltd.  
Teikoku Oil (Algeria) Co., Ltd.



## 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 591million cf/d
  - Condensate: Approximately 27,000bbl/d
  - LPG: Approximately 2,100 ton/d

## El Ouar I/II Blocks

- Oil and Gas exploration and development project
- Concession Agreement
- Conducting feasibility study on discovered gas/condensate fields
- Teikoku's interest:10.29%(Operator:ENI)

\* Teikoku's share 15%

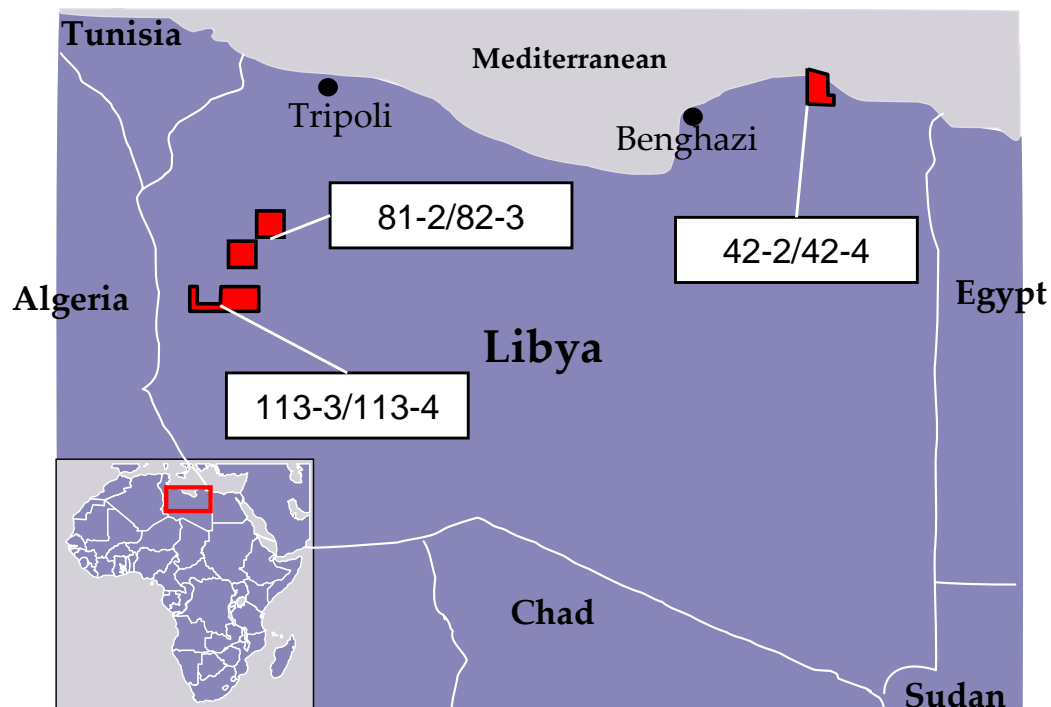
\*\* All field base and average of March 2007



## Libya

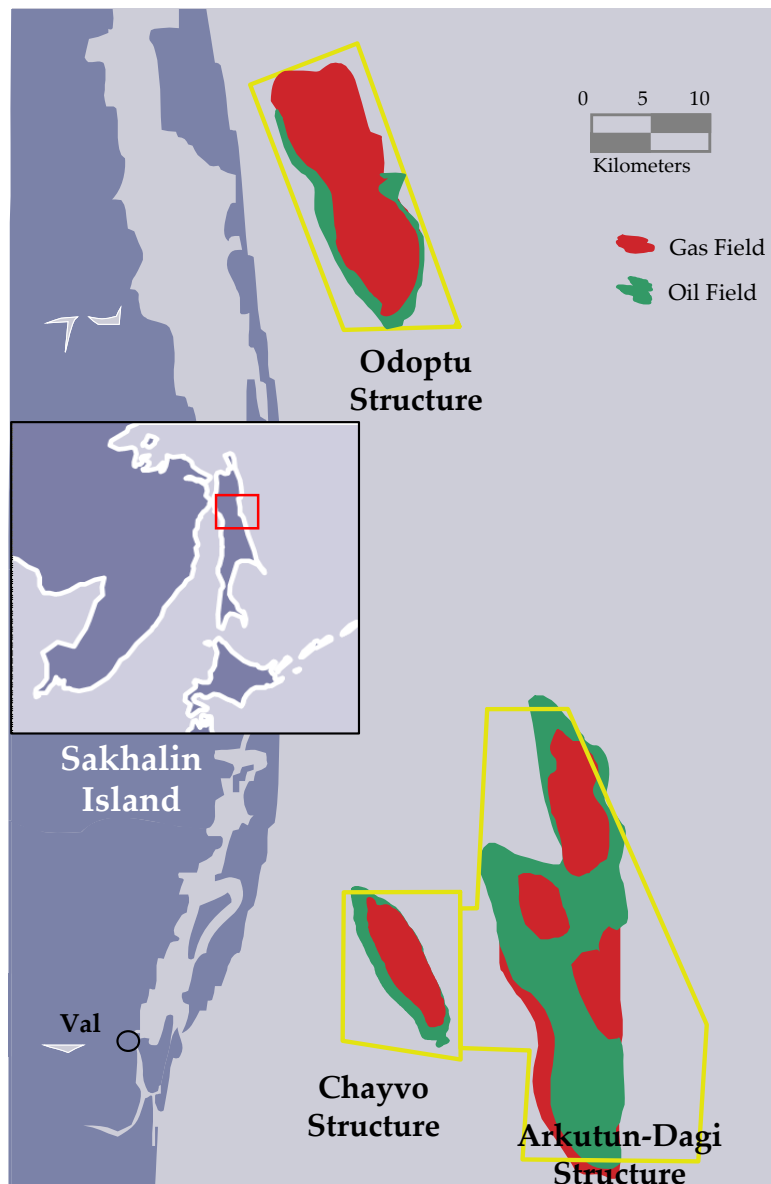
Teikoku Oil Libya UK Ltd

INPEX Libya, Ltd.



- Oil and Gas exploration project
- Exploration and Production Sharing Agreement : EPSA (Exploration period : 5years)
- Working Interest
  - 81-2/82-3:73%(Operator)
  - 42-2/42-4:40%(Operator:TOTAL)
  - 113-3/113-4 : 85% (Operator)
- 3D/2D Seismic survey in operation(81-2/82-3)
- Currently preparing for 2D seismic survey(42-2/42-4)
- Plan to drill exploration wells from 2008(81-2/82-3)

# Sakhalin I Sakhalin Oil and Gas Development Co.



- 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%
- 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 assuming 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

Compan	Field / Project Name	Country	INPEX HD Ownership	Stage
<a href="#">Japan</a>				
TEIKOKU OIL	Minami-Nagaoka, etc. *	Japan	100%	Producing
<a href="#">Asia/Oceania</a>				
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	51%	Under discussion for Development
INPEX Sahul	Bayu-Undan	JPDA	100%	Producing
INPEX Browse	WA-285-P(Ichthys)*	Australia	100%	Under discussion for Development
<a href="#">The Middle East</a>				
IODCO	ADMA(Upper Zakum, etc.)	UAE	100%	Producing
Azadegan	Azadegan	Iran	100%	Development
<a href="#">Caspian Sea</a>				
INPEX Southwest Caspian Sea	ACG	Azerbaijan	51%	Producing
INPEX North Caspian Sea	Kashagan	Kazakhstan	45%	Development
<a href="#">Americas</a>				
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
<a href="#">Africa</a>				
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)

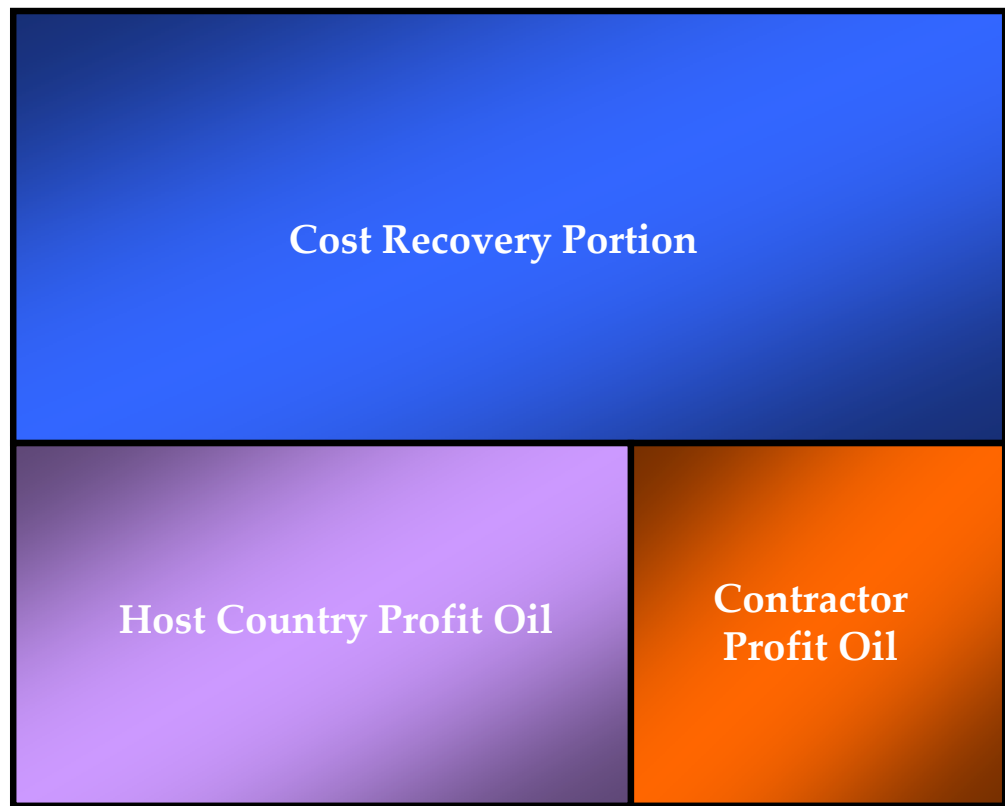
Field	Country or Region	Contract Type
Mahakam/Attaka	Indonesia	Production Sharing Contract
South Natuna Sea Block 'B'	Indonesia	Production Sharing Contract
Berau(Tangguh)	Indonesia	Production Sharing Contract
Masela(Abadi)	Indonesia	Production Sharing Contract
Bayu-Undan	JPDA	Production Sharing Contract
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)

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)

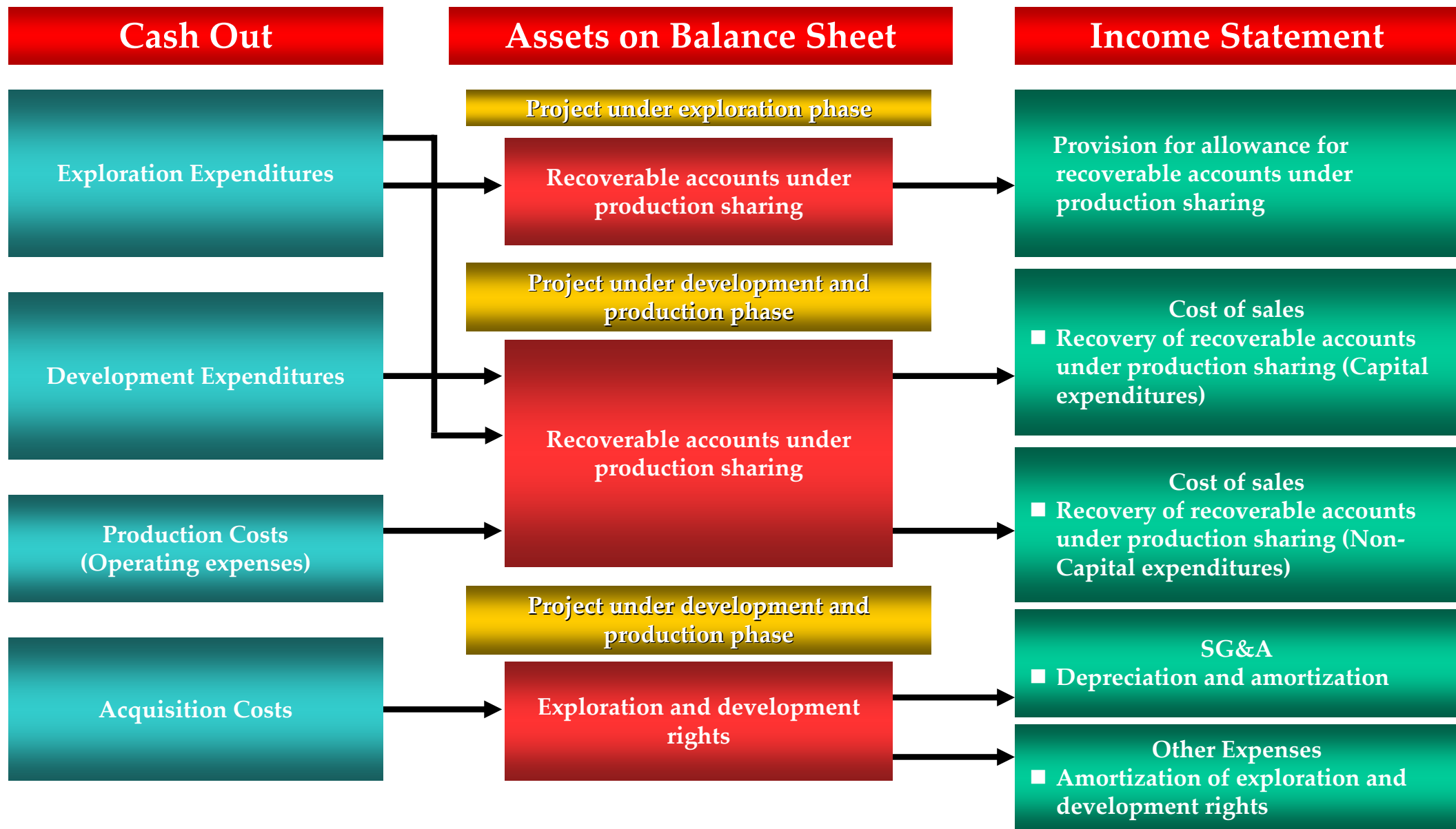


← Host Country Share      Contractor Share →

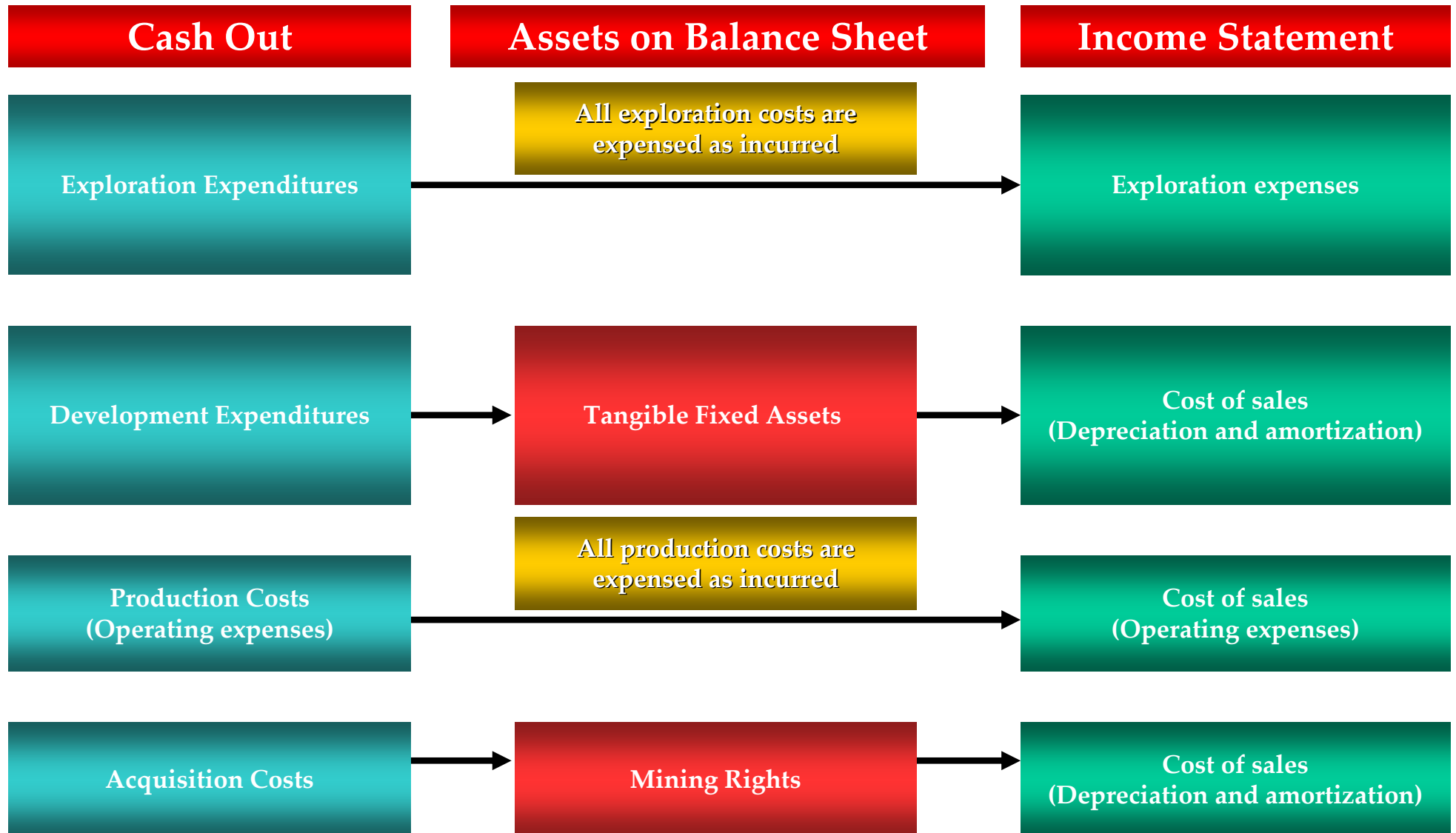
- |   |                      |                   |
|---|----------------------|-------------------|
|  | : Host Country Take  | } Contractor Take |
|  | : Subject to Tax     |                   |
|  | : Not Subject to Tax |                   |



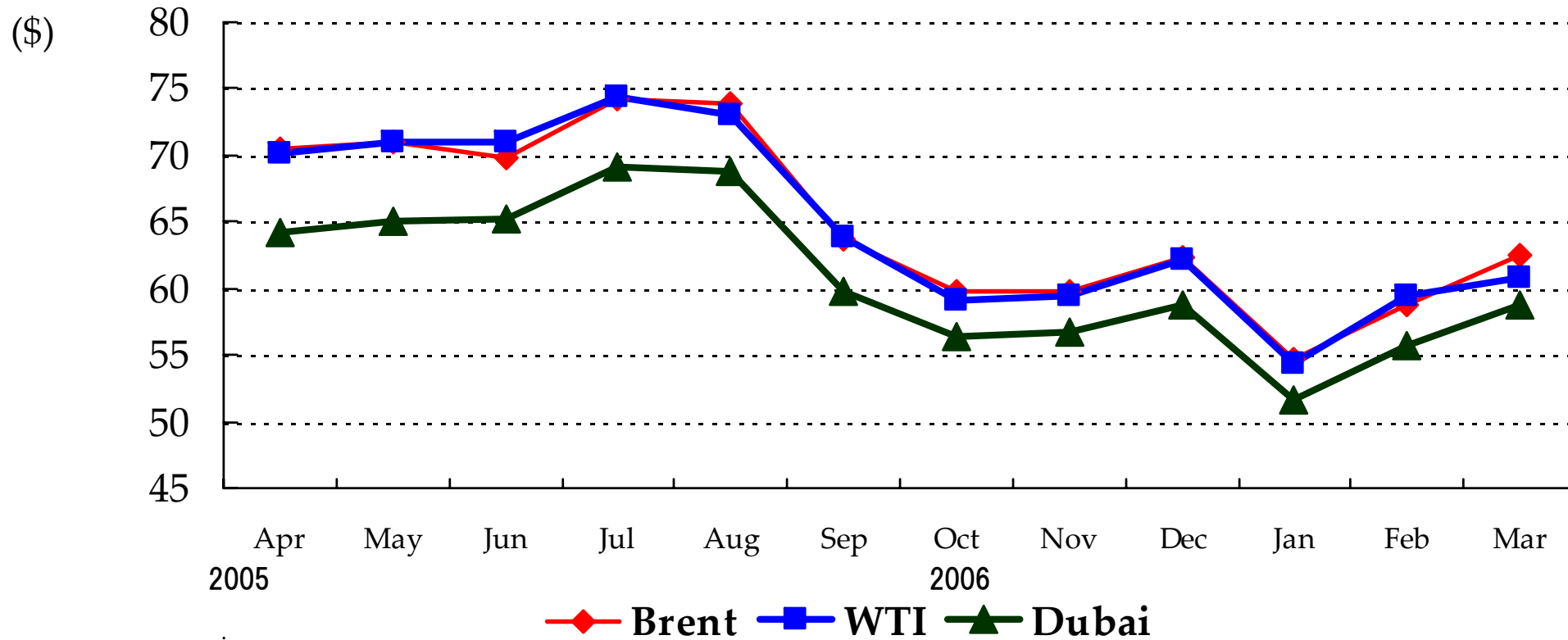
# Accounting on Production Sharing Contract



# Accounting on Concession Agreement

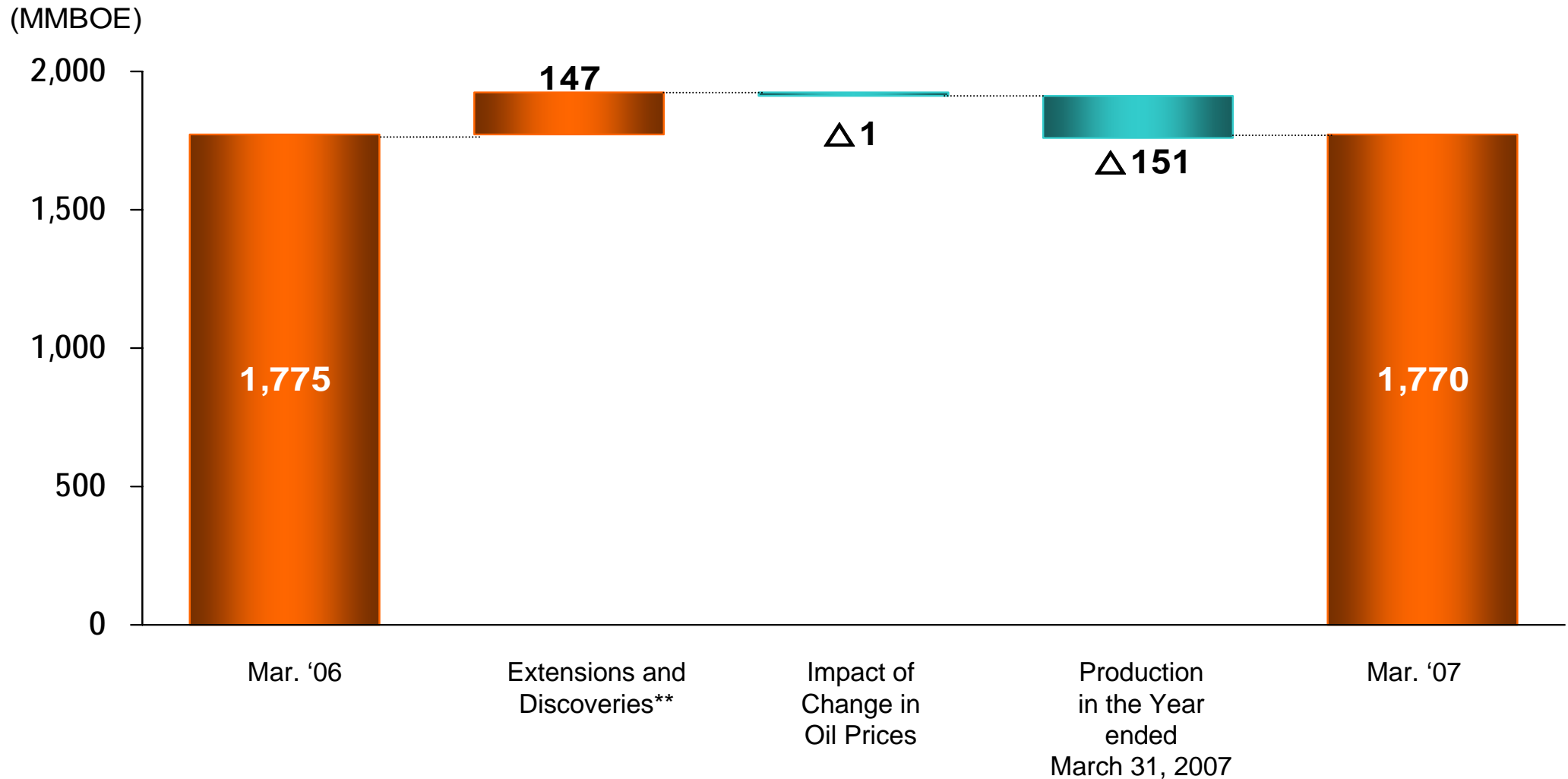


# Crude Oil Price



	Mar.'06	2006												2007	Mar.'07
	Ave.	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Ave.	
Brent	58.78	70.54	70.98	69.78	74.26	73.90	63.64	59.84	59.86	62.29	54.62	58.84	62.46	65.08	
WTI	59.96	70.16	70.96	70.97	74.46	73.08	63.9	59.14	59.40	62.09	54.35	59.39	60.74	64.89	
Dubai	53.50	64.14	65.00	65.22	69.17	68.77	59.82	56.42	56.72	58.68	51.69	55.75	58.80	60.85	

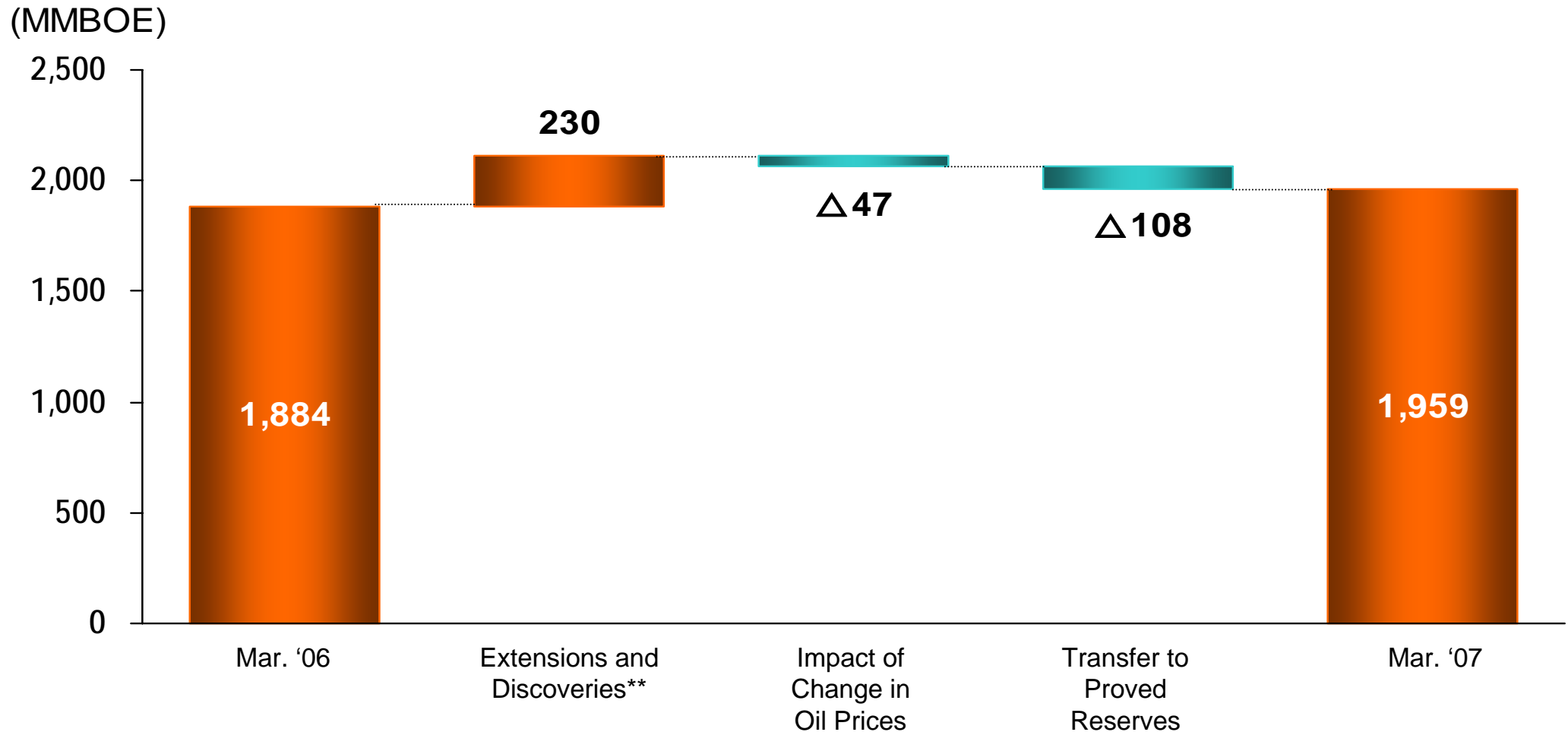
## Factor Analysis of Change in Proved Reserves\*



\* Proved reserve amounts are based on the reserve reports by DeGolyer and MacNaughton in accordance with SEC regulation. Amounts attributable to the equity affiliates are included.

\*\* Including acquisitions and sales, revision to technology assessment and transfer from probable reserves.

# Factor Analysis of Change in Probable Reserves\*



\* Probable reserve amounts are based on the reserve reports by DeGolyer and MacNaughton in accordance with SPE/WPC regulation. Amounts attributable to the equity affiliates are included.

\*\* Including acquisitions and sales and revision to technology assessment

## 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

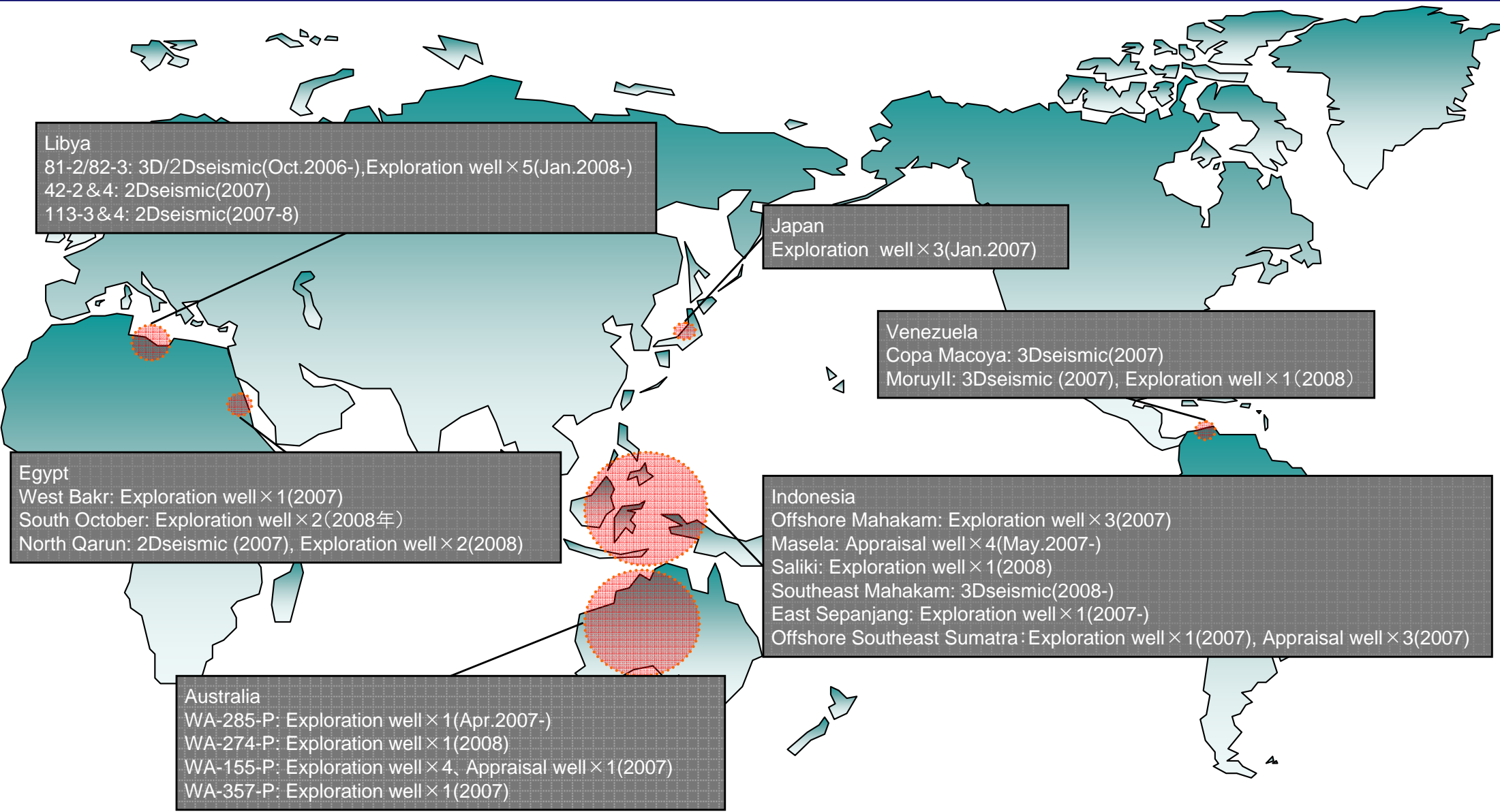
## Definition of Probable Reserves

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- Probable reserves, which term is defined by SPE/WPC, 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

※ In March 2007, SPE decided to change the definition of reserves together with WPC/AAPG/SPEE. Our Probable reserve amounts as of March 31, 2007 are based on the reserves report by DeGolyer and MacNaughton in accordance with former SPE/WPC regulation.

# Exploration work programs for 2007-2008

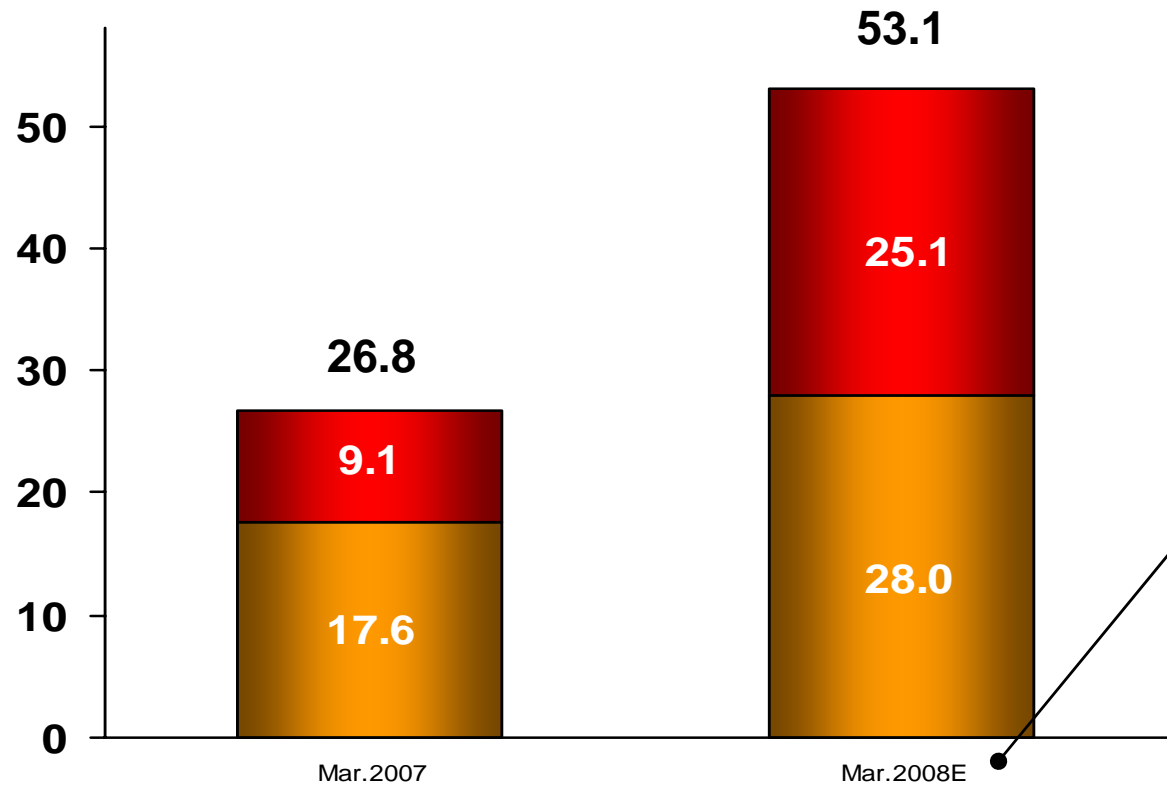


Note: above schedule is as of May 2007 and may be subject to change in the future



# Estimate of Exploration Cost Equivalent Amount

(Billions of yen)



INPEX Holdings' estimate of exploration cost equivalent amount in the year ending March 31, 2008 will increase due to the scheduled drilling at Masela Block and new exploration investments

■ Provision for allowance for recoverable accounts under production sharing\* (PS contract)

■ Exploration expenses (concession agreement)

\*Includes Provision for exploration projects

## Analysis of Recoverable Accounts under Production Sharing

Year ended March 31, 2007		(Millions of yen)		
		INPEX	Teikoku	Holdings
Balance at beginning of period		294,273	802	295,075
Add:	Exploration costs	8,390	1,401	9,791
	Development costs	159,985	128	160,113
	Operating costs	45,031	1,652	46,683
	Other	-	16	16
Less:	Cost recovery (CAPEX)	105,754	195	105,949
	Cost recovery (non-CAPEX)	85,031	1,288	86,319
	Other	-	262	262
Balance at end of period		316,894	2,255	319,149
Allowance for recoverable accounts under production sharing at end of period		(49,556)	(1,634)	(51,190)