

June 28, 2002

Declaration of Kashagan Commercial Discovery.

INPEX and the other contracting companies of the North Caspian Sea Production Sharing Agreement (PSA) have declared the commerciality of the Kashagan discovery, in conjunction with KazMunaiGas (KMG), which represents the Government of the Republic of Kazakhstan.

This declaration of commerciality of the Kashagan field, located in the North Caspian Sea some 70 km south-east of Atyrau, comes at the end of a 24-month contractual appraisal period.

During this period, appraisal activities as well as Health Safety and Environmental, engineering, and transportation studies have been carried out. These studies contributed to the definition of a preliminary evaluation of the hydrocarbons in place and of the recoverable reserves which will be produced according to the agreed development of the field.

According to preliminary estimates, the Kashagan field producible reserves are evaluated to be in the region of 7-9 billion barrels of oil. The figures will be revised in the future on the basis of the results of the further data and studies that will be acquired and performed during the future activities.

The agreement reached by the parties on a Kashagan Commercial Discovery is an important achievement for all those involved. Completing the complex and challenging work required to declare commerciality of the Kashagan field confirms the outstanding technological know-how and competencies pooled as a result of cooperation between the contracting companies and KMG.

This declaration sets the stage to successfully proceed with the development of the Kazakhstan oil and gas resources for the mutual benefit of the people of the Republic of Kazakhstan and the contracting companies. The contracting companies are currently preparing a development plan for the Kashagan field, in order to proceed with the activities in full respect of the environmental sensitivities of the North Caspian Sea region.

The contracting companies will continue to explore other structures in the North Caspian Sea contract area by drilling Kalamkas (2002), Kashagan South West (2003), Aktote (2003), and Kairan (2003).

Contracting companies involved in the North Caspian Sea PSA are BG (16.67%), Eni (operating through Agip KCO with an interest of 16.67%), ExxonMobil (16.67%), INPEX (8.33%), Phillips (8.33%), Shell (16.67%) and TotalFinaElf (16.67%).

INPEX, through its subsidiary, INPEX North Caspian Sea, Ltd. is conducting the North Caspian Sea project with funding by INPEX, Japan National Oil Corporation, Japan Petroleum Exploration Co., Ltd and Mitsubishi Corporation.