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INPEX confirms major gas discovery in the Masela Block, Timor Sea, Indonesia.

INPEX CORPORATION (INPEX) announced that it successfully confirmed a large size gas accumulation in the Masela PSC Block, Timor Sea, Indonesia, by the two appraisal wells, Abadi-2 and Abadi-3, drilled from March to October 2002, through its owned subsidiary, INPEX Masela, Ltd.

These appraisal wells were drilled to evaluate the results of the Abadi-1 well drilled in 2000, which was the first discovery ever made in the Timor Sea.

The Masela Block is located approximately 800 kilometers east of Kupang, West Timor, Indonesia, and approximately 400 kilometers north of Darwin, Northern Territory, Australia. Water depth in the Block ranges from 300m to 1,000m. The southern boundary of the block adjacent to the agreed Indonesia, Australia seabed boundary. The Abadi structure is located in the central part of the Block.

The first appraisal well, Abadi-2, was drilled in 580 m of water to a total depth of 3,986 m, and flowed gas and condensate at a rate of 18.6 million standard cubic feet per day (MMSCF/D) plus 150 barrels of condensate per day (BCPD) through a 40/64 inch choke.

The second appraisal well, Abadi-3, was drilled in 423 m of water to a total depth of 4,032 m, and flowed gas and condensate at a rate of 13.8 MMSCF/D plus 266 BCPD through a 44/64 inch choke.

The first exploration well, Abadi-1 wildcat, was drilled in 457 m of water to a total depth of 4,230 m, and flowed gas and condensate at a rate of 25 million standard cubic feet per day (MMSCF/D) plus 260 barrels of condensate per day (BCPD) through a 40/64 inch choke.

Abadi-2 was drilled approximately 13.5 kilometers northeast of Abadi-1, while Abadi-3 was drilled approximately 16.5 kilometers southwest of Abadi-1.

The initial evaluation shows the gas deliverability is much higher than tested results due to some mechanical constraints during drill stem tests.

Further evaluations are required to determine the recoverable reserves, however, the successful results at Abadi-1, 2 and 3 confirmed that the Abadi is a giant gas field which can warrant various commercial development options including LNG.

INPEX acquired 100 percent interest in the Masela Block in November 1998 and has been carrying out the exploration works as operator through its owned subsidiary, INPEX Masela, Ltd.