

February 25, 2004

Concerning the Approval of Development Plans for the Kashagan Oil Field in the
Kazakh Offshore of the North Caspian Sea in the Republic of Kazakhstan

INPEX CORPORATION (INPEX), through its subsidiary INPEX North Caspian Sea, Ltd., is participating in a seven-company consortium of Japanese, European and U.S. companies that are exploring and appraising sites in the Kashagan oil field in the Kazakh offshore of the North Caspian Sea in the Republic of Kazakhstan. Today, February 25, 2004, approval to pursue the development of this oil field was given by the government of Kazakhstan in the capital city of Astana.

With this approval, the international consortium will pursue the phased development of the Kashagan oil field. In 2008, daily production of 75,000 barrels per day will be initiated, to be increased to 450,000 barrels per day by 2010. Subsequently, the development area will be widened, with a phased increase to a daily production level of 1,200,000 barrels. Meanwhile, gas that is produced concomitantly with the oil will be injected into the reservoir in order to maximize oil recovery and reduce sulfur production.

The Kashagan oil field is the largest oil field that has been discovered in the last 30 years. By maximizing oil production through gas injection, it is estimated that a total production amount of 13 billion barrels can be achieved. The total cost of field development is expected to be US\$29 billion.

Using the most advanced technology and expertise in the world today, the international consortium will work in harsh natural conditions while paying close attention to protecting the surrounding environment. It is also expected that this development project will increase Kazakhstan's revenues from crude oil exports and create jobs, thus contributing greatly to the national economy.

The partners of the North Caspian Sea PSA are: Eni (operator, 16.67%, Italy); British Gas (16.67%, Great Britain); ExxonMobil (16.67%, U.S.); Shell (16.67%, British/Dutch); Total (16.67%, France); ConocoPhillips (8.33%, U.S.) and INPEX (8.33%, Japan).

* Supplemental Information

1. The North Caspian Sea contract area is comprised of two blocks: the eastern block (approximately 4,300 km²) and the western block (approximately 1,275 km²) with a combined area of approximately 5,575 km². The approval issued by the Republic of Kazakhstan applies to the Kashagan oil field, which is located in the eastern block, 70 km southeast of Atyrau, Kazakhstan at a depth of 3-5 m.

2. After the Kashagan oil field was discovered with the first exploratory well drilled in June 2000, further exploratory and appraisal wells were drilled, leading to an announcement of commercial viability in June 2002. The development plan was formulated on the basis of exploratory work implemented up until the present time.

3. It has been confirmed that the Kalamkas structure, Kashagan Southwest structure, and Aktote structure located in the region are impregnated with hydrocarbons. Exploratory work is currently being pursued on a fourth structure, the Kairan structure.

4. In September 1998, INPEX, through its subsidiary INPEX North Caspian Sea, Ltd., acquired a one-fourteenth interest in the oil field from the Kazakhstan Caspian Shelf Co. and became a member of the European-American consortium. Subsequently, it further increased its interest through agreements signed with BP and Statoil in September 2001.

5. INPEX North Caspian Sea, Ltd. was founded in August 1998. It was capitalized by the Japan National Oil Corporation, Japan Petroleum Exploration Co., Ltd., and Mitsubishi Corporation. (As of the end of January 2004, total capitalization was ¥41.66 billion, divided as follows: Japan National Oil Corporation, 50%; INPEX, 45%; Japan Petroleum Exploration Co. and Mitsubishi Corporation, 2.5% each.)