

March 29, 2004

INPEX Wins Safety Award in Australia for Its Exploratory Operations

On March 29, 2004, the Australian Petroleum Production & Exploration Association (APPEA) announced the winners of the APPEA Safety Award at the opening session of its annual conference in Canberra, Australia. INPEX's wholly owned subsidiary, INPEX Browse, Ltd., which is based in Western Australia, received the Safety Award in the field of exploration.

Each year, APPEA presents the Safety Award in three company categories to recognize excellent operational safety: production companies; exploration companies; and onshore and offshore drilling contractors. INPEX Browse, Ltd. is the first Japanese company to receive the APPEA Safety Award.

From June 2003 to February 2004, INPEX Browse, Ltd. independently implemented its second round of back-to-back drillings at three exploratory wells in the Ichthys gas condensate field. In the process, it not only satisfied Australia's stringent health, safety, and environment (HSE) standards, but also made sure that all employees working on the project and related contractors were thoroughly aware of the HSE standards. This dedication to superlative operations on the part of INPEX Browse, Ltd. was recognized with this award.

INPEX Corporation has always been committed to improving HSE and will continue to work even harder to ensure safety and environmental conservation, not only on the Ichthys project but in all of its worldwide activities as an operator in the fields of exploration, development, and production. In this way, it will contribute to the stable and efficient supply of oil and natural gas to Japan.

* Supplemental Information

1. In August 1998, INPEX began conducting exploratory work as an operator in the WA-285-P permit area through its wholly owned subsidiary, INPEX Browse, Ltd. INPEX acquired a 100% interest in the project through a bid submitted in 1997, and transferred that interest to the subsidiary. It is the first project that the INPEX Group has implemented as an operator in Australia.

2. The WA-285-P permit area is located in the Browse Basin, which is on the northwest continental shelf off the coast of Western Australia, about 440 kilometers north of Broome and about 800 kilometers west of Darwin. It has an area of 5,050 square kilometers and lies at an underwater depth of 90 to 340 meters.

3. In 1998, a 2-D seismic was implemented. Result analyses led to the drilling of three wildcat wells in the first round of drilling, which was implemented in 2000 and 2001. All three of the wells successfully produced gas condensate in subsequent drill stem tests (DST).

4. The success of the three wildcat wells in the first round of drilling raised the possibility that the structure being explored was in fact one huge gas condensate field. In 2001, 3-D seismic data covering the entire area was obtained and analyzed, leading to the expectation that commercial quantities of gas condensate existed. The structure was named the Ichthys gas condensate field at that time. To confirm the amount of reserves, a second round of drilling (comprised of another three appraisal wells) was implemented from 2003 into 2004, thus confirming the status and distribution of the reservoir rock strata of the gas condensate field.

5. Concerning the commercial development of the Ichthys gas condensate field, reserve evaluation and facility-related evaluation will be implemented with a target date of the end of 2005, based on the results obtained from the two drilling rounds. In addition, various developmental scenarios will be developed in parallel with the goal of initiating commercial production sometime around 2010, including such possibilities as LNG and GTL supply, as well as the pipeline supply of raw gas to Australia.

6. Australian Petroleum Production & Exploration Association (APPEA)

APPEA is comprised of 52 oil and service companies that are involved in oil and gas exploration and development in Australia.

7. Main APPEA Safety Award recipients over the past five years

Exploration companies: INPEX, 2004; Kerr-McGee NW Shelf Australia Energy, 2000 and 2003; Tap Oil Limited, 2001; BP Developments, 1999; and Phoenix Energy Pty Limited, 1998-1999. (Two companies won the award in 1999.)

Production companies: Woodside, 2004; Esso Australia Pty Ltd., 2000-2003; BHP Petroleum Pty Ltd, 1999-2000. (Two companies won the award in 2000.)

