

March 29, 2004

Concerning the Exchange of Stockholdings between Japan National Oil Corporation
and INPEX CORPORATION

Since last year, INPEX CORPORATION (INPEX) has been in discussion with Japan National Oil Corporation (JNOC) and other interested parties concerning specific formation methods, asset evaluation, and other matters related to the transfer of shares related to Japan Oil Development Co., Ltd. (JODCO) and other companies. On February 5, 2004, INPEX and JNOC reached an agreement concerning the following: the exchange of stock between INPEX and JNOC in relation to JODCO; the exchange of stock between INPEX and JNOC in relation to INPEX Southwest Caspian Sea Ltd. (Southwest Caspian); and the transfer of JNOC-owned stock in the following two companies to INPEX: INPEX Java Ltd. (INPEX Java) and INPEX ABK, Ltd. (ABK).

On the foundation of this basic agreement, and through discussions among the parties concerned, an agreement was reached today concerning the details of such matters as the shareholding ratios, and the necessary contracts were signed. The main content of those contracts is summarized below.

(1) Exchange of Stock

INPEX will receive all of the JODCO shares (2 shares) and all of the Southwest Caspian shares (525,220 shares) held by JNOC, in exchange for which INPEX will transfer 71,634.45 shares of its own stock to JNOC, on the premise that INPEX has issued a total of 589,200 shares.

Note: As a result of this exchange, JNOC's interest in INPEX will increase from its present 50.00% to 55.42%. In March 2003 the JNOC Valuation-of-Assets and Arrangement Subcommittee issued a report stating that "after the stock is offered publicly, it is appropriate for JNOC to gradually sell all of its shares, while observing the market and endeavoring to maintain appropriate timing." In accordance with this report, all JNOC-owned INPEX shares shall be appropriately disposed of with consideration given to all relevant circumstances and conditions.

(2) Transfer of Stock Owned by JNOC

JNOC will transfer all of its INPEX Java stock denominated in yen at the equivalent

value of US\$83 million; and all of its ABK stock denominated in yen at the equivalent value of US\$6 million to INPEX.

(3) While the INPEX board agreed to these contracts at a board meeting held today, the various stock transfers are on condition that all necessary legal and contractual approvals are obtained, and that resolutions for the exchange of stock of INPEX, JODCO and Southwest Caspian are adopted at the relevant shareholder meetings.

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