

[Translation]  
October 12, 2004

To whom it may concern:

INPEX CORPORATION  
Kunihiko Matsuo  
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(Code Number: 1604)  
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**Notice of Resolution of the Board of Directors regarding Secondary Offering of Shares**

We hereby notify you that the Meeting of the Board of Directors of the Company held on October 12, 2004 passed a resolution as follows with respect to a secondary offering of shares in accordance with the listing of the Company's common shares on the Tokyo Stock Exchange, Inc.

**1. Secondary Offering of Shares**

- |  |   |
|--|---|
| (1) Class of Shares subject to the Offering  | Common shares of the Company  |
| (2) Number of Shares subject to the Offering | (i) Japanese offering: 249,201 shares<br>(ii) International offering: 94,524 shares |

Provided, however, that the final breakdown between the number of shares in (i) and (ii) above will be determined on the Offer Price Determination Date set forth in Item (3) below upon taking the level of demand into account, and the maximum total number of shares, which is the aggregate of (i) and (ii) above, will be 343,725 shares (the "Total Shares Offered").

- |                 |                       |
|-----------------|-----------------------|
| (3) Offer Price | Yet to be determined. |
|-----------------|-----------------------|

The offer price will be determined on November 8, 2004 (the "Offer Price Determination Date") after presenting the tentative price range, and taking the level of demand into account based on such tentative price range.

- |  |                              |                                |                |
|--|------------------------------|--------------------------------|----------------|
| (4) Offerer and Number of Shares subject to the Offering | (i) Japanese offering:       | Japan National Oil Corporation | 249,201 shares |
|  | (ii) International offering: | Japan National Oil Corporation | 94,524 shares  |

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(5) Offering Method

(i) Japanese offering

The shares will be offered to the public in Japan, and will be purchased and underwritten by Daiwa Securities SMBC Co. Ltd., Nikko Citigroup Limited, Nomura Securities Co., Ltd., Goldman Sachs (Japan) Ltd., Tokyo Branch, UFJ Tsubasa Securities Co., Ltd., Shinko Securities Co., Ltd., Mitsubishi Securities Co., Ltd., Mizuho Securities Co., Ltd., SMBC Friend Securities Co., Ltd., Tokai Tokyo Securities Co., Ltd., Okasan Securities Co., Ltd., Marusan Securities Co., Ltd., Ichiyoshi Securities Co., Ltd., Cosmo Securities Co., Ltd., Aizawa Securities Co., Ltd., Morgan Stanley Japan Ltd., Tokyo Branch, Mito Securities Co., Ltd., Tachibana Securities Co., Ltd., Merrill Lynch Japan Securities Co., Ltd., Tokyo Branch, World Nichiei Frontier Securities Co., Ltd., Matsui Securities Co., Ltd., UBS Securities Japan Ltd., Takagi Securities Co., Ltd., Kyokuto Securities Co., Ltd., Ace Securities Co., Ltd., Retela Crea Securities Co., Ltd., Chuo-Securities Co., Ltd., Socius Securities Co., Ltd., livedoor Securities Co., Ltd., Hinode Securities Co., Ltd., E\*TRADE Securities Co., Ltd., Maruhachi Securities Co., Ltd., Credit Suisse First Boston Securities (Japan) Ltd., Tokyo Branch, Naito Securities Co., Ltd. and J.P. Morgan Securities Asia Pte. Limited, Tokyo Branch.

(ii) International offering

The shares will be offered outside Japan, in overseas markets mainly in Europe and the United States (provided that in the United States, the offering will be restricted to private offerings to qualified institutional buyers as defined under and in reliance on Rule 144A under the United States Securities Act of 1933), and the total amount of the international offering will be individually purchased and underwritten by international managing underwriters, being Daiwa Securities SMBC Europe Limited, Goldman Sachs International, Citigroup Global Markets Limited and Nomura International plc, acting as international joint lead managers.

(6) Subscription Period

November 9, 2004 (Tuesday) to November 12, 2004 (Friday)

(7) Delivery Date

November 17, 2004 (Wednesday)

(8) Subscription Unit

1 share

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(9) Others

The closing of the Japanese offering is conditioned upon the filing under the Securities and Exchange Act of Japan taking effect.

End

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[Reference]

1. Summary of Offering

- |  |  |                                |                |
|--|--|--------------------------------|----------------|
| (1) Offerer and Number of Shares subject to the Offering | Common shares of the Company                             |                                |                |
|  | (i) Japanese offering:                                   | Japan National Oil Corporation | 249,201 shares |
|  | (ii) International offering:                             | Japan National Oil Corporation | 94,524 shares  |
| (2) Period for Declaring Demand                          | October 26, 2004 (Tuesday) to November 5, 2004 (Friday)  |                                |                |
| (3) Price Determination Date                             | November 8, 2004 (Monday)                                |                                |                |
| (4) Subscription Period                                  | November 9, 2004 (Tuesday) to November 12, 2004 (Friday) |                                |                |
| (5) Delivery Date of Share Certificates                  | November 17, 2004 (Wednesday)                            |                                |                |

2. Distribution of Profits to Shareholders

(1) Basic Policy of Profit Distribution

The basic policy of the Company is to make stable dividend payments giving consideration to a balance between returning profits to shareholders and enhancing the Company's financial base. As a result, the Company has continuously paid dividends from the 11th Business Term, when the Company began paying dividends, to the 39th Business Term (fiscal year ended March 2004).

(2) Use of Retained Earnings

The Company plans to effectively use retained earnings in efficient investments aiming to secure new reserves, by appropriating such retained earnings to investments in the exploration and development of petroleum and natural gas in Indonesia and other overseas locations.

(3) Specific Measures to Increase Future Dividends to Shareholders

The Company hopes to make positive efforts to return profits to shareholders, but the specific details of this are yet to be determined.

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(4) Dividends over the Past Three Fiscal Years (Non-consolidated basis)

	Year Ended March 2002	Year Ended March 2003	Year Ended March 2004
Net income per share	45,044.66 yen	45,779.20 yen	47,959.97 yen
Dividend per share (Interim dividend per share)	10,000 yen (-)	10,000 yen (-)	10,000 yen (-)
Actual dividend payout ratio	22.2%	21.8%	20.9%
Return on equity	12.2%	11.4%	11.0%
Dividends on equity	2.6%	2.4%	2.2%

(Note)

1. The net income per share is calculated based on the average number of outstanding shares during the term.
2. The return on equity is the value calculated as the net income divided by the shareholders' equity (average of the values at the beginning and end of term), and the dividends on equity is the value calculated as the total amount of dividends divided by the shareholders' equity.
3. The Company conducted a stock split of three for one (3:1) on May 18, 2004.
4. From the fiscal year ended March 2003, the "Accounting Standards for Earnings per Share" (Accounting Standards No. 2) and the "Implementation Guidance for Accounting Standards for Earnings per Share" (Implementation Guidance for Accounting Standards No. 4) have been applied with respect to the calculation of the net income per share.
5. In relation to the stock split described above, the trends of the indices per share after making retroactive amendments for the effects of the stock split pursuant to the notice from the Tokyo Stock Exchange to the underwriter in charge of this offering entitled "Points in Preparing the Securities Report (Part I) for Listing Application" (TSE Listing Examination No. 460 of August 16, 2004, are as follows for reference purposes. In the table below, the "Accounting Standards for Earnings per Share" (Accounting Standards No. 2) and the "Implementation Guidance for the Accounting Standards for Earnings per Share" (Implementation Guidance for Accounting Standards No. 4) have not been applied with respect to the relevant values on and before the fiscal year ended March 2002.

Further, the values on and before the fiscal year ended March 2002 (and all values with respect to the dividends per share) have not been audited by Shin Nihon & Co.

	Year Ended March 2002	Year Ended March 2003	Year Ended March 2004
Net income per share	15,014.88 yen	15,259.73 yen	15,986.65 yen

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Dividends per share (Interim dividends per share)	3,333 yen (-)	3,333 yen (-)	3,333 yen (-)
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### 3. Basic Distribution Policy

The Company's shares may be sold to investors who have not declared their demand, after taking into account factors such as the satisfaction of the criteria for the number of shareholders prescribed in the Criteria for Listing Examination of Shares of the Exchange and securing the liquidity of the shares after listing. With respect to sales to investors who have declared their demand, the underwriters intend to select those investors from among the investors who have declared their demand at the offer price or higher, in accordance with the internal regulations of each underwriter regarding sale, after taking into account, in principle, matters such as the degree of active participation in the declaration of such demand, experience and knowledge in securities investments and investment policies. With respect to sales to investors who have not declared their demand, the underwriters intend to select investors in accordance with the internal regulations of each underwriter regarding sale, after taking into account, in principle, matters such as the degree of active participation in the declaration of such demand, experience and knowledge in securities investments, investment policies and the trading status with the underwriter.

### 4. Others

A number of shares from among the 249,201 shares offered in the Japanese offering are scheduled to be sold to the Employee Stock Ownership Association of the Company.

(Note) The statements in relation to the future dividends in "2. Distribution of Profits to Shareholders" are not intended to promise a certain amount of dividends, and are based on expectations.

End

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