

6 December 2004

Start of crude oil and condensate production from Belanak oil and gas field in the South Natuna Sea Block B Production Sharing Contract, Indonesia

INPEX CORPORATION announces that it's wholly owned subsidiary, INPEX Natuna, Ltd. has started the crude oil and condensate production (crude production) from Belanak oil and gas field on 2 December.

Contractors working in the South Natuna Sea Block B Production Sharing Contract, ConocoPhillips (Operator:40%), ChevronTexaco (25%) and INPEX Natuna (35%), plan to start the natural gas production from Belanak oil and gas field in 2005 and LPG production in 2006. The natural gas to be produced from the field will be delivered to Singapore and Malaysia by the existing pipelines.

The crude production from the field will reach the level of 50,000 bopd, in 2006.

It is expected that the crude production from the field will contribute to maintaining of oil production in Indonesia as well as increasing of INPEX group production.

Supplemental Information

1. Contract Area

South Natuna Sea Block B Production Sharing Contract (11,162km<sup>2</sup>) is located at 1,200km north of Jakarta and 400 km northeast of Singapore. Belanak field is located at 220km west of Natuna Island with water depths at 90m.

2. Participation and Partners

INPEX Natuna, Ltd., a wholly owned subsidiary of INPEX CORPORATION acquired a 17.5% of participating interest under Block B in 1978 and acquired an additional 17.5% in 1994.

In 1968, Conoco executed the Block B PSC with Pertamina (National Oil and Gas Company of Indonesia) and the term of the PSC was extended to 2018 year. In addition, further 10 years extension agreement was agreed to correspond with the gas sale and purchase agreements (see 3 below).

### 3. Crude Production and Gas Supply

Existing Belida and Sembilang oil fields produce 35,000 bopd of crude oil as of the end of November 2004 and Belanak will contribute to the crude production from the area.

The natural gas produced from the fields of the Block B and its neighboring contract areas, South Natuna Sea Block A and Kakap, is supplied to Singapore at the rate of 325 mmcf/d under the gas sales agreement executed in 1999. The rate of the gas supply from Block B is 43.1%.

The natural gas produced from the fields of the Block B is supplied to Malaysia at the rate of 250 mmcf/d (2007 plateau basis) under the gas sales agreement executed in 2001.

MALAYSIA

INDONESIA



Nila Block  
(5,271km<sup>2</sup>)

South Natuna Sea Block B  
(11,162km<sup>2</sup>)

Belanak Oil and Gas Field

Natuna Is.

Natuna Sea

Anambas Is.

-  Oil Field
-  Gas Field
-  Oil and Gas Field

