

13 December 2004

Execution of Gas Sales Agreement
of the Offshore Southeast Sumatra Production Sharing Contract, Indonesia

INPEX CORPORATION announces that its subsidiary, INPEX Sumatra, Ltd. together with other contractors of the Offshore Southeast Sumatra Production Sharing Contract (PSC), executed the Gas Sales Agreement on 12 December, with P.T. Perusahaan Listrik Negara (Persero) (PLN), the national electric power company of Indonesia.

The Offshore Southeast Sumatra PSC will supply the natural gas from 2006 to 2018. Sales amount will be 80 billion BTU per day during the plateau period from 2007 under the agreement.

The natural gas will be produced mainly from gas fields of Zelda area and Banuwati area and the sales gas will be supplied to the Cilegon Power Plant of PLN in West Java by a subsea pipeline.

This project is the first gas supply business of the Offshore Southeast Sumatra PSC and it will contribute to the effective use of gas reserves in Indonesia.

Business activities of INPEX group will be further expanded through the execution of this agreement.

Supplemental Information

1. Contract Area

Offshore Southeast Sumatra Production Sharing Contract (8,286 km²) is located in the offshore Sumatra. Offshore Northeast Java in the attached map is the Production Sharing Contract which INPEX Jawa has a participating interest.

2. Participation and Partners

INPEX Sumatra, Ltd. acquired a participating interest under Offshore Southeast Sumatra PSC in 1987. Its current share is 13.067444%. Other Parties to the PSC are CNOOC (Operator: 65.54%), KNOC (8.91%), Mitsubishi (5%) and Paladin (7.48%). The PSC was executed in 1968 between IAPCO and Pertamina and the term of the contract was extended to 2018.

3. Crude production

Existing Cinta, Widuri and other oil fields produce 71,000 bopd of crude oil as of the end of November 2004.

4. INPEX group's Gas Supply project in Indonesia

Gas supply to PLN from INPEX Sumatra increases the number of INPEX group's gas project for Indonesian domestic market. INPEX CORPORATION delivers gas to Bontang area, east Kalimantan and INPEX Jawa delivers to PLN and PGN (national gas company of Indonesia). In addition to these projects, INPEX Natuna has gas projects to Singapore and Malaysia through the international pipelines.

