

14 February, 2005

Central Azeri Production Start in the Caspian Sea, Azerbaijan

INPEX CORPORATION is pleased to announce that its subsidiary, INPEX Southwest Caspian Sea, Ltd. started oil production from the Central Azeri development, part of the Azeri-Chirag-Gunashli (ACG) field, in the Azerbaijan sector of the Caspian Sea on 13 February.

Total production from Central Azeri is forecast to be some 34 million barrels in 2005 (equivalent to an average of 93,000 barrels of oil a day). Oil from Central Azeri, together with oil produced from Chirag, will initially be transported to market via existing export routes and through new export routes once the Baku-Tbilisi-Ceyhan (BTC) pipeline is operational later this year

The Azeri-Chirag-Gunashli (ACG) Production Sharing Agreement, signed in September 1994, covers the development of the ACG contract area (432.4km²). It is located in approximately 128 meters of water, 100 km east of Baku. The field is being developed in several phases: Chirag has been producing since 1997 as part of the Early Oil Project. This has now been followed by Azeri Project Phase 1 – Central Azeri production. Successive phases include West Azeri and East Azeri as Azeri Project Phase 2, scheduled to come on stream in 2006 and 2007 respectively, with ACG Phase 3 – Deepwater Gunashli, now sanctioned and expected to begin production in 2008. Once complete, the combined development is expected to produce more than 1 million BOPD by 2009.

The parties to the Azeri-Chirag-Gunashli (ACG) Production Sharing Agreement are: BP (operator – 34.1%), Unocal (10.3%), SOCAR (10%), INPEX (10%), Statoil (8.6%), ExxonMobil (8%), TPAO (6.8%), Devon (5.6%), Itochu (3.9%) and Amerada Hess (2.7%).

ACG Project Location Map

