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Start of natural gas production from APN gas field  
in the Offshore Northwest Java Production Sharing Contract, Indonesia

INPEX CORPORATION announces that its subsidiary, INPEX Jawa, Ltd. started the natural gas production from the newly developed APN gas field on 17 August, 2005. The contractors in the Offshore Northwest Java Production Sharing Contract had been conducting the field development work.

The APN gas field is located at the northwest part of the contract area, 70km northeast of Jakarta in 40m water depths. The field is expected to produce the natural gas at the level of 100 MMCFD in 2006.

The contractors are supplying the natural gas to the Indonesian national electricity company (PLN) for fuel of the power plants and the Indonesian national gas distribution company (PGN) for the use of small and medium enterprises and source of town gas. The gas produced in the APN field, together with the other field in the contract area, will be delivered to PLN and PGN under the current gas sales and purchase agreements. The APN field is expected to produce its natural gas towards the year of 2017 and the maximum ratio of APN contribution will be around 30% in the total amount of gas to be delivered to PLN and PGN.

It is expected that the APN production will contribute to the utilization of natural gas in Indonesia as well as INPEX group business development.

Supplemental Information

- 1 The Offshore Northwest Java PSC (ONWJ) is located offshore Java Island covering 11,052 km<sup>2</sup>.
- 2 INPEX Jawa, Ltd. has a 7.25% participating interest in ONWJ and other major parties are the operator, BP (46%), CNOOC (36.72%) and Itochu (2.58%). IIAPCO signed PSC with PERMINA (the former of PERTAMINA) in 1967 and the PSC was extended to 2017.
- 3 The ONWJ partners produce 24,000 bopd crude oil from Ardjuna fields. The ONWJ partners supply natural gas from the existing 33 oil/gas fields in the contract area, via the offshore gas plant to PLN at the maximum rate of 265 BBTU/d and PGN at 65 BBTU/d. APN gas field is added to the sources for natural gas delivery.
- 4 INPEX's other natural gas projects in Indonesia  
INPEX supplies natural gas from the Offshore Mahakam and Attaka PSCs, East Kalimantan to Bontang area mainly as the source of LNG.

INPEX is also involved in the gas supply projects from Natuna Sea 3 PSCs to Singapore and Malaysia by the international pipelines.

INPEX and the other contractor of the Offshore Southeast Sumatra PSC concluded the gas sales agreement with PLN in 2004 and are conducting the field development work to deliver the natural gas from 2006.

Tangguh project as the third LNG project of Indonesia will start its LNG production from 2008. INPEX participates in the project through MI Berau, the vehicle with Mitsubishi Corporation.

