INPEX CORPORATION
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July 25, 2023

INPEX Signs MOU on Strategic Collaboration with PT Pertamina (Persero)

TOKYO, JAPAN - INPEX CORPORATION (INPEX) announced it has signed a memorandum of understanding (MOU) with PT Pertamina (Persero) (Pertamina) on a strategic collaboration to proactively pursue the implementation of the Abadi LNG Project in a new partnership following the execution of a sales and purchase agreement (SPA) between Shell Upstream Overseas Services (I) Limited and Pertamina Hulu Energi (PHE), a subsidiary of Pertamina, and Petronas Masela Sendirian Berhad (Petronas), a subsidiary of Petronas, concerning the transfer of joint venture partner Shell's participating interest in the Abadi LNG Project to PHE and Petronas. The transfer is subject to the fulfillment of certain joint venture procedures and conditional to the approval of the Indonesian government. Through its subsidiary INPEX Masela, Ltd., INPEX is currently preparing the Abadi LNG Project for development as operator in the Masela Block in the Arafura Sea in Indonesia.

Signing Ceremony Takayuki Ueda / INPEX Representative Director, President & CEO and Nicke Widyawati / Pertamina President Director & CEO

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Through the MOU, INPEX and Pertamina will seek to collaborate strategically on a wide range of fields with a focus on the Abadi LNG Project's value chain. Specifically, the companies will pursue opportunities to collaborate on the offtake and transportation of LNG and other products, the production of hydrogen and ammonia and the provision of the needs of local stakeholders. INPEX and Pertamina will also seek to secure the long-term competitiveness and sustainability of the Abadi LNG Project as well as further improvement of project value while generating synergistic effects.

Upon completion of the transfer of Shell's participating interest to the new partners, INPEX plans to resume project activities, including on-site preparation activities, etc. As announced on April 4, 2023, INPEX submitted a revised Plan of Development (POD) for the Abadi LNG Project incorporating a carbon capture and storage (CCS) component to Indonesian government authorities, and plans to revise the production sharing contract (PSC) to reflect the incorporation of CCS following approval of the POD. Going forward, INPEX will proceed with preparations required to reach a final investment decision (FID), including front-end engineering and design (FEED) work as well as marketing and financing activities, while ensuring investability.

The project's annual LNG production volume is expected to reach 9.5 million tons, equivalent to more than 10 percent of Japan's annual LNG imports. The Abadi Gas Field has world-leading gas field properties and plentiful reserves enabling efficient development. By adopting CCS, INPEX will aim to secure a stable supply of clean energy over the long term, and contribute to improving energy security in Indonesia, Japan, and other Asian countries.

Furthermore, the project is expected to contribute to the much needed economic development in the eastern part of Indonesia as well as the Indonesian government's goal of reaching net zero CO2 emissions by 2060.

This matter has no impact on the company's consolidated financial results.

About INPEX

INPEX CORPORATION is Japan's largest exploration and production (E&P) company, and is currently involved in projects across multiple continents, including the Ichthys LNG Project in Australia as Operator. By thoroughly making its oil and gas business cleaner while expanding its 5 net zero business areas, INPEX aims to provide a stable supply of diverse and clean energy sources including oil, natural gas, hydrogen and renewables as a pioneer in energy transformation. For more information, visit https://www.inpex.co.jp/english/index.html.

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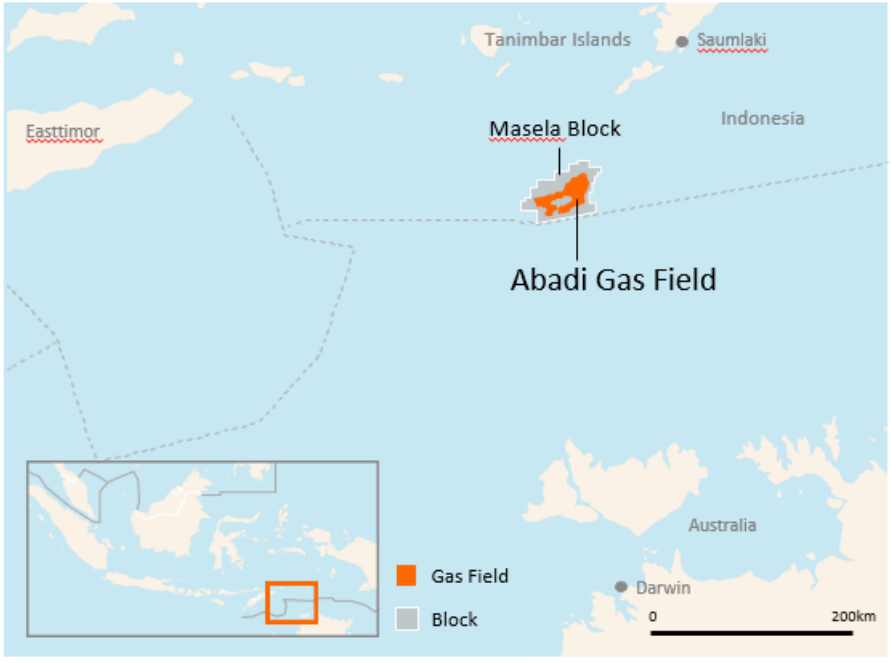
【Reference】

＜Details of Abadi LNG Project＞

Block	Masela Block, Republic of Indonesia
PSC duration	November 15, 2055
Block surface area	Approximately 2,503 square kilometers
Water depth	400~800 meters
Block location	Approximately 150 kilometers offshore Saumlaki, Maluku Province
Production scale	Total natural gas production volume (LNG equivalent): 10.5 million tons per year - 9.5 million tons of LNG - Scheduled supply of gas through pipelines for local demand among communities in the vicinity of the block Up to 35,000 barrels of condensate per day
Participating interest	INPEX Masela: 65 percent Shell Upstream Overseas Services (I) Limited: 35 percent (Upon completion of conditions precedent) PHE: 20 percent Petronas: 15 percent
Other	The Indonesian government designated the project as a National Strategic Project in June 2017, and subsequently as a Priority Infrastructure Project in September 2017.

＜Location of Masela Block＞



Map includes provisional maritime boundaries