

Renewal of Petroleum Products Processing Contract with China National Petroleum Corporation (CNPC) Group

Nippon Oil Corporation (President: Shinji Nishio) is pleased to announce that from April 2008 we have agreed to renew and increase the contract quantity of the processing contract concluded with China National Petroleum Corporation (President: Jiang Jiemin. Hereinafter called “CNPC”) group.

The advantages of concluding this contract are, for Nippon Oil Corporation, that we can steadily increase the operations of our refineries (total daily capacity of 1,217,000 barrels) together with “processing contract with Idemitsu Kosan”, “heavy oil production for IPP/PPS” and “increased production of petrochemical products”, whereas the advantages for the CNPC group are that they can steadily receive petroleum products amidst the recent tight supply-and-demand environment due to the steady increase of demand in China.

Details

<Outline of contract>

1. Other contract party: Petrochina International (overseas operations division of the CNPC group)
2. Outline of contract:
 - (1) Contract quantity: 70,000 barrels/day (approximately 4,060,000 kiloliters per year)
 - (2) Contract period: April 2008 to March 2009 (one year)
 - (3) Processing locations: Nippon Petroleum Refining Company's refineries (Muroran, Sendai, Negishi, Osaka, Mizushima and Marifu)
 - (4) Processing crude oil: Middle East crude oil

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