

## Construction of "Hachinohe LNG Terminal" and signing of HOA with Chevron for the purchase of the Gorgon LNG

### PRESS RELEASE

Nippon Oil Corporation (President: Shinji Nishio) is pleased to announce on the final decision to construct an LNG importing terminal (hereinafter "Hachinohe LNG Terminal") in Port Island, Kawaragi District, Port of Hachinohe, Aomori, Japan (hereinafter "Port Island").

We have been supplying natural gas and LNG in the northern part of the Tohoku region (Aomori, Iwate and Akita Prefectures) since March 2007 when the existing Hachinohe LNG Satellite Terminal was completed. The new terminal will be built in order to comply with the demand growth particularly in industrial sector and to expand our supply areas. We will begin the construction work during FY 2010 and aim to start the operation in April 2015.

In line with the above, we have entered into a "Heads of Agreement (HOA) for the Sale and Purchase of LNG" with the Australian subsidiaries of Chevron Corporation (hereinafter "Chevron") pertaining to the purchase of 300,000 tons per annum of LNG to be imported at Hachinohe LNG Terminal. The LNG will be produced from the Gorgon Project which Chevron has been developing in Western Australia as an operator. We will continue discussion with Chevron to conclude a contract for this transaction.

In addition, we have started studies together with Hokkaido Gas Co., Ltd, on construction of a new LNG satellite terminal in Kushiro City, the eastern part of Hokkaido. The objective of this plan is to meet the natural gas and LNG demand which is expected in this area. LNG supply to the satellite terminal will be made by coastal tanker from the Hachinohe LNG Terminal or Hokkaido gas' s new Ishikari Terminal which is currently under construction.

As a comprehensive energy supplier, Nippon Oil Corporation will continue its endeavor to contribute in promoting further utilization of environmentally-friendly natural gas and LNG, and also undertaking regional development initiatives.

#### Summary of the plan

##### 1. Hachinohe LNG Terminal

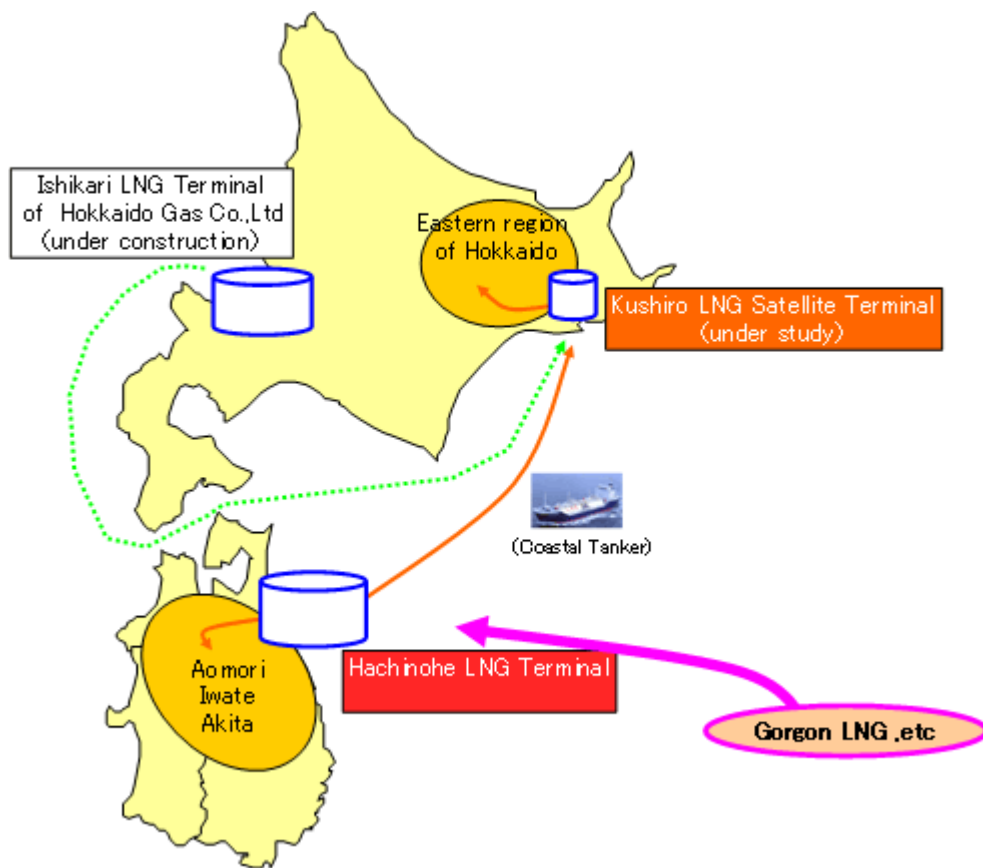
- Location: Port Island, Kawaragi District, Port of Hachinohe, Aomori, Japan
- Site area: 114,000m<sup>2</sup>
- Facilities: LNG tanks (140,000KL x 2), unloading facilities for LNG tanker, loading facilities for coastal LNG tanker, natural gas vaporizer, loading facilities for tank car, etc.
- Commencement of operation: April 2015 (scheduled)

##### 2. HOA with Chevron

- Sellers: Chevron Australia Pty. Ltd.  
Chevron (TAPL) Australia Pty. Ltd.
- Buyer: Nippon Oil Corporation
- Date of agreement: December 15, 2009
- Contract term: 15 years beginning from 2015 (scheduled)
- Contract quantity: 300,000 tons per annum

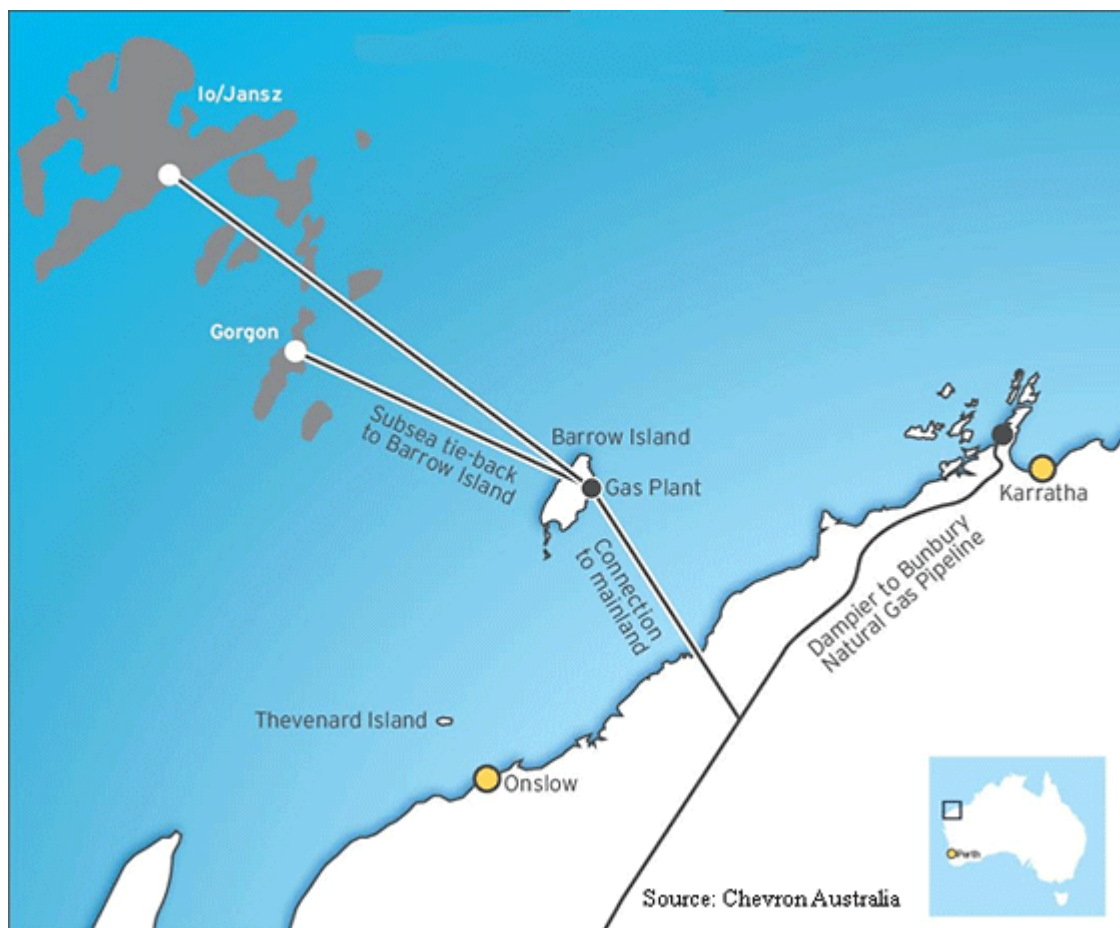
##### 3. Kushiro LNG Satellite Terminal

- Location: Kushiro City, Hokkaido, Japan (Nippon Oil' s former Kushiro West Port Oil Depot)
- Site area: 45,000m<sup>2</sup>
- Facilities: LNG tank, unloading facilities for coastal LNG tanker, natural gas vaporizer, loading facilities for tank car, etc.
- Commencement of operation: TBD



**Gorgon LNG Project**

- Location of the gas fields: Offshore of North-west Western Australia
- LNG plant site (scheduled): Barrow Island
- Liquefaction capacity: 15 million tons per annum (5 million tons x 3 trains)
- Commencement of supply: 2014 (scheduled)



## Reference Information

Outline of the existing Hachinohe LNG Satellite Terminal (started operation on March 1, 2007)

- Location:8-3, Aza-Uhee Kawara, Oaza-Kawaragi, Hachinohe-shi, Aomori, Japan
- Site area:Approx. 20,000m<sup>2</sup>
- Facilities:LNG tank (4,500KL x 1), unloading facilities for coastal LNG tanker, vaporizers (4 units with a capacity of 2tons per hour), loading facilities for tank car (3 lanes), etc.
- Supply capacity:Approx. 60,000 tons per annum