

News Release

July 19,2007

Nippon Steel Engineering Co., Ltd.

**PT Nippon Steel Construction Indonesia is awarded for Peciko
by Total E&P Indonesia**

PT Nippon Steel Construction Indonesia, a subsidiary of Nippon Steel Engineering Co. Ltd, have been awarded by Total E & P Indonesia, an EPCI Contract to construct and install one offshore SWP-F platform (3,400 ton) and sub sea pipeline (20" x 4.7km) for Peciko Phase 5 located in East Kalimantan, Indonesia. The scope of the contract covers engineering, procurement, fabrication, offshore installation, hook-up and commissioning for these offshore platform and pipeline.

The award of this contract is the 4th major contract awarded by Total E & P Indonesia to PT Nippon Steel Construction Indonesia, following Peciko Phase 1 (1998), Peciko Phase 2 (2001) and Sisi Nubi Phase 1(2005).

Peciko gas field is located offshore from the Mahakam river delta, on the East Kalimantan under a Production Sharing Contract with the Indonesian government operated by TOTAL (50%) and Inpex (50%). Gas from Peciko field will be sent to the Bontang LNG Plant for liquefaction and exports to Japan.

< Overview of PT Nippon Steel Construction Indonesia >

- Main Lines of Business: EPCI base for Oil & Gas Business in Indonesia
- Date of Establishment: November, 1972
- Location: Jakarta, Indonesia
- Name of Title of the Representative: Yuji Nakamura, President Director
- Capital: 1.5 million US dollars
- Main Shareholders and Ownership Percentage: Nippon Steel Engineering Co., Ltd.(70%)
- Number of Employees: 280

< Overview of PT Nippon Steel Batam Offshore Service >

- Main Lines of Business: Engineering, Fabrication base for Oil & Gas Business in Indonesia and Mooring base for Kuroshio(Derrick and Lay Barge)
- Date of Establishment: June, 1994
- Location: Batam island, Indonesia
- Name of Title of the Representative: Kazuo Shiga, President Director
- Capital: 1.4 million US dollars
- Main Shareholders and Ownership Percentage: Nippon Steel Engineering Co., Ltd.(100%)
- Number of Employees: 1,200

For more information, please contact:

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Oil & Gas Business Unit 1

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