

【Sakhalin 1 project pipeline started to transport crude oil】

NIPPON STEEL ENGINEERING CO., LTD.

Nippon Steel Engineering Co., Ltd. (President: Makoto HAYA) Energy Facilities, Civil Engineering & Marine Construction Division (Director: Yoshichika NISHIO) has been working on the execution of the Sakhalin 1 Project pipelines since it received the order in October 2002 from Exxon Neftegas Limited for the engineering, procurement and construction of the pipeline. The pipeline construction has now been commissioned and the transportation of crude oil has started.

This pipeline that connects Chayvo in the east coast of northern Sakhalin across the northern part of Sakhalin Island, Tatar Strait and further down to the newly built export terminal in DeKastri, Khabarovsk Krai extends for the length of 267km (Onshore 225km, offshore 42km). The pipeline is designed to meet the severe natural conditions of the Russian Far East. Various considerations were also made in the design and construction of the pipeline to protect the natural environment.

The first oil taker is planned to ship to Japan. It will contribute to the stabilization of the energy supply of Japan, which is heavily dependent on energy from the Middle East.

The engineering, procurement and construction of the pipeline that took place in Russia was executed by NS Neftegazstroy Limited, a 100% subsidiary of Nippon Steel Engineering Co., Ltd. Many energy development projects are planned in the Far East Russia and Sakhalin. Based on the successful accomplishment of this project, Nippon Steel Engineering Co., Ltd. plans to actively participate in these development projects.

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