

**News Release**

September 30, 2010  
Nippon Steel Engineering Co., Ltd.

**Title : Nippon Steel Construction Indonesia Awarded South Mahakam Development Phase 1&2 by Total E&P Indonesie**

**PT Nippon Steel Construction Indonesia (hereinafter 'NISCONI')**, a subsidiary of Nippon Steel Engineering Co., Ltd., has been recently awarded by Total E & P Indonesie, a fully owned subsidiary of the Paris based Total Group, an EPSC contract to construct three offshore well head platforms and pipeline for South Mahakam gas condensate development area located in East Kalimantan, Indonesia.

The scope of the contract covers Engineering, Procurement, Supply, Construction, Installation and Precommissioning for three offshore platforms totaling over 9,000 mt and laying pipeline approximately 84 km in length. The project management, engineering and procurement will be performed by NISCONI in Jakarta, the fabrication of the platforms will be carried out in Nippon Steel Engineering's fabrication yard in Batam, Indonesia, and the offshore installation and laying pipeline will be performed by derrick and lay barge named "Kuroshio" owned by Nippon Steel Engineering. The Platform and Pipeline deliveries are scheduled for the second quarter 2012.

The South Mahakam development area is located off the East Kalimantan coast in the Offshore Mahakam Contract Block operated by Total E&P Indonesie in partnership with Tokyo based INPEX CORPORATION under a Production Sharing Contract with the Indonesian government. The fields namely Stupa, East Mandu and West Stupa, along with others in the region, supply gas to the Bontang LNG Plant for liquefaction and exports to Japan, Korea and Taiwan as well as domestic consumers.

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