

23 May, 2006

Plans for Construction of Natural Gas Pipeline (Shin Oumi Line)

Teikoku Oil Co., Ltd., a 100% subsidiary of INPEX Holdings Inc., has made a decision to construct the “Shin Oumi Line” (total length: 49 km) to increase the gas transportation capacity in a move to meet the demands posed by the steady demand for natural gas along the “Oumi Line,” (total length: 66km extending between Joetsu and Itoigawa cities), a natural gas pipeline under operation by Teikoku Oil in the vicinity of Joetsu City, Niigata Prefecture.

Against a background of recent increases in the price of crude oil and a growing recognition of environmental issues, a significant acceleration is being seen in the entire region around the pipeline because of the shift from liquid fuels for industrial applications to the use of natural gas, and the decision has been taken to increase the oil transportation capacity of this line in response to forecasts that, sooner or later, the future demand envisaged in the area concerned will rise to levels well in excess of the current gas transportation capacity.

The new line will result in a 39 km extension at the point of origin of the current line (Joetsu City - Nou, Itoigawa City) and a 10 km extension at the point of termination (Minami Oshiage - Toumi, Itoigawa City) (For details, see the attached map).

Using a wide-spanning pipeline network covering 1,300 km, Teikoku Oil Co., Ltd. supplies natural gas produced in Niigata to approximately 700,000 regular households and commercial and business customers in Niigata, Nagano, Gunma, Tochigi, Saitama prefectures and Tokyo, principally via city-gas enterprises. Construction of the Shin Oumi line will further reinforce the system for safe supply of domestically produced natural gas to the city of Niigata and make global environment-friendly natural gas available to an even greater number of users.

1. Specification: Design pressure: 6.9MPa  
Pipe Diameter: 20 inches (508 mm)
2. Span: Joetsu City ~ Nou, Itoigawa City: 39 km  
Minami Oshiage ~ Toumi, Itoigawa City: 10 km  
Total Extension Length: 49 km
3. Construction Schedule: Commencement: Spring, 2007, Completion: 2009
4. Construction Cost: Approximately 9.5 billion yen

# Natural Gas Pipeline Map

