

Contract on the Sales of Nippon Oil's Emergency Crude Oil Reserves Option to New Zealand Government

Nippon Oil Corporation(President: Shinji Nishio) announced today that it has concluded a contract for FY 2009 giving the New Zealand government “the right to purchase Nippon Oil Corporation's Emergency Crude Oil Reserves at the time of emergency”, based on the treaty today which allows New Zealand to hold some of its emergency oil reserves in Japan, which came into effect on November 5, 2007.

The New Zealand government issues an international tender every year in order to maintain the obligatory amount of oil reserves (equivalent to more than 90 days NET import quantity to the country) based on the IEP (International Energy Program) agreement, and has been purchasing “the option to purchase the crude oil (petroleum products) reserves” from overseas. Since Japanese private companies were qualified for bidding in 2007 as a result of the effectuation of the aforementioned treaty with the Japanese government, Nippon Oil Corporation has taken part in the bidding since last year. This is the second consecutive year that we have won this international tender.

Based on the contract, we will release (sell) part of our crude oil reserves as New Zealand's national crude oil reserves, when oil supply reaches a worldwide emergency situation. In return, we will receive a fee for the option.

We hope this business to be a contribution to international cooperation on oil reserves. We also hope that similar frameworks spread across Asia Pacific Region, and contribute to stable energy market in the region.

[Details of the concluded contract]

1. Term: January 1, 2009 to December 31 2009 (1 year)
2. Kind of oil: Oman crude
3. Amount: 72, 000 t (approximately 84, 000 kl)