

October 18, 2007
Nippon Steel Corporation

Order for about 130,000 tons of Steel Pipe for Offshore Gas Pipeline Received from Woodside, Australia

For the Pluto LNG Project(*1) being developed by Woodside (*2), Australia's largest publicly traded oil and gas exploration and production company, Nippon Steel has received an order with Mitsui and Co (Australia) Ltd's for about 130,000 tons of carbon steel pipe for line pipe, the entire quantity required for this project. Broken down, the order was for about 120,000 tons of large-diameter welded pipe (UO pipe) and about 10,000 tons of High Frequency Electric Resistance Welded pipe (HF-ERW pipe), for delivery from the end of this year to the fall of 2008.

With the growing demand for natural gas as a clean source of energy, Australia is vigorously exploring the ocean floor for gas reserves. Particularly on the northwest continental shelf where there is a vast accumulation of gas deposits, many energy companies are positively planning natural gas projects. The Pluto LNG Project undertaken by Woodside is Western Australia's first LNG project in more the 25 years, transmitting natural gas from the gas field 180km offshore through the submarine pipeline to the new onshore LNG processing plant. Nippon Steel supplies UO pipe 36 and 20 inches in outside diameter for the trunk line and HF-ERW pipe for the MEG(*3) line, 6 inches in outside diameter, to be annexed.

Pipe for offshore pipeline service must be manufactured to tremendously exacting specifications, and, for this reason, supplies are necessarily restricted to suppliers having the required technological strengths. In such an area, Nippon Steel has been given a large order for as much as 130,000 tons, supplying, by itself, the entire requirements for this project. We feel that our reliability for high quality and stable delivery, backed up by years of experience with submarine pipelines, plus our lineup of offshore-service UO pipe and HF-ERW pipe, counted for much with Woodside.

Also, natural gas to be contributed from the Pluto project is scheduled to be purchased by power and gas companies in Japan, indicating that we, as a materials supplier, will be making our share of contribution to Japan's procurement of energy sources needed.

We are hopeful that Nippon Steel's strong presence based on its technologically advanced state will go a good way toward its contribution to searches for mineral resources and energy sources in Australia and elsewhere in the world.

(*1): Outline of the Pluto LNG Project

Participant: Woodside 100% (as of October 2007)

Reserves: dry gas volume estimate of 5 TCF (Trillion cubic feet)

Production: 4.3 million tons/year

Distance of pipeline: 180km (a parallel MEG line: 180km)

(*2): Outline of Woodside

Company name: Woodside Petroleum Ltd.

(The largest publicly traded oil and gas exploration and production company in Australia)

Capital: A\$30 billion (US\$26.5 billion)

Sales: A\$3,810 million (2006)

Gas production: 209 Bcf (Billion cubic feet) (2006 equity production)

Production of fossil-fuel resources: nearly 68 million barrels of oil equivalent (2006 equity production)

Shell Australia: 34% equity participation

(*3): MEG line

Moisture content in natural gas from a winze, when cooled down to below the dew point of water vapor during the processing and transmission, becomes free water and, depending on temperature and pressure conditions, forms gas hydrates, which, being in solid form, cause the clogging of piping. To prevent it, dehumidification is done by the use of monoethylene glycol (MEG) for solution absorption. This line for transportation of MEG is annexed, inside the natural gas line. For lines of this kind, seamless pipe was mostly used in the past, but our HF-ERW pipe has been adopted for this project because of the recognition of its high grade.

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