

## **Commencing Construction of Niigata GTL Demonstration Plant - Launching measures aimed for stable supply of energy -**

We are pleased to announce that the groundbreaking ceremony for the construction of the GTL demonstration plant (500B/D) for Nippon GTL Technology Research Association (Nippon GTL) was held on 5 September (Wednesday) in Niigata-shi, Niigata prefecture. On 25 October, 2006, Nippon GTL was established by INPEX CORPORATION, Nippon Oil Corporation, Japan Petroleum Exploration Co., Ltd., COSMO OIL Co., Ltd., NIPPON STEEL ENGINEERING Co., Ltd, and CHIYODA CORPORATION. Demonstration tests on the technology to convert natural gas to liquid fuel (hereinafter, GTL technology) are conducted in coordination with Japan Oil, Gas and Metals National Corporation (hereinafter JOGMEC).

GTL technology allows the production of oils similar to petroleum products from natural gas, and is considered to be a highly effective method for securing alternative fuel source and diversification of energy supplies. The fuel produced by GTL technology is also expected to be an environmentally friendly clean fuel. JAPAN-GTL Process being developed in this GTL demonstration test project is a groundbreaking technology that would for the first time ever allow for natural gas containing carbon dioxide gas to be used directly. Through this research we will develop the technology to compete with the leading companies as we work toward harmonizing future stable energy supply with the preservation of the global environment.

### 1. Outline of the groundbreaking ceremony

- (1) Date: 5 September, 2007 (Wednesday) 11:00 – 12:00
- (2) Location: Area adjacent to the Niigata Division Office of JAPEX Offshore Ltd.  
2881-45 Tarodai, Kita-ku, Niigata-shi,  
Niigata prefecture

### 2. Outline of the Niigata GTL demonstration plant

- (1) Location: Area adjacent to the Niigata Division Office of JAPEX Offshore, Ltd.  
2881-45 Tarodai, Kita-ku, Niigata-shi,  
Niigata prefecture

- (2) Plant capacity: 500 barrels a day (80 kl/day)
- (3) Main process facilities: Syngas production section  
FT (Fischer-Tropsch) synthesis section  
Upgrading section (Hydrotreater, hydrocracker )
- (4) Schedule: Start construction: September 2007  
Completion: April 2009  
Demonstration operation: FY2009-FY2010