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Press Release

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Commencement of Ore Production at the Cigar Lake Mine in Canada

Idemitsu Kosan Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director and CEO: Takashi Tsukioka) announces that ore production has commenced at the Cigar Lake mine in Canada through its Canadian subsidiary Idemitsu Canada Resources Ltd. (Head Office: Alberta, Canada).

The Cigar Lake mine is located in northern Saskatchewan, Canada and it has world class scale uranium deposit with the reserves of 108,000 short tonU3O8 *1 and the average grades of 18.3% U3O8. The ore is recovered from about 450m below the surface by utilizing innovative methods and techniques.

The ore is transported to the McClean Lake mill which is located about 70 kilometers northeast of the minesite and processed to uranium concentrate. The McClean Lake mill is expected to commence processing by the end of the second quarter of 2014 and produce between 1,000 and 1,500 short ton U3O8 of uranium concentrate in 2014. The mill is also expected to ramp up to its full production rate of 9,000 short ton U3O8 by 2018 and the Cigar Lake mine will become the second largest uranium mine in the world at that time.

This commencement will not result in any changes to the Idemitsu Group's projected consolidated business performance for the 2013 fiscal year.

*1 short ton U3O8: a unit of uranium concentrate weight. 1 short ton U3O8 = 0.9 metric ton U3O8

<The Cigar Lake uranium mine Summary>

Name	Cigar Lake mine
Location	Saskatchewan, Canada
Reserves	108,000 short ton U_3O_8
Annual production	9,000 short ton U_3O_8 (at full production)
Operator	Cameco Corporation (Head Office: Saskatoon, Saskatchewan, Canada)
Idemitsu's ownership	7.875%