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Press Release

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Announcement on Commencement of Production at Laffan Refinery 2 in Qatar

Idemitsu Kosan Co.,Ltd. (headquarters: Chiyoda-ku, Tokyo; Representative Director & Chief Executive Officer: Takashi Tsukioka; hereinafter, "Idemitsu" or the "Company"), Cosmo Energy Holdings Co., Ltd. (President, Representative Director and Chief Executive Officer: Keizo Morikawa), Marubeni Corporation (President and CEO, Member of the Board: Kokubu Fumiya), and Mitsui & Co., Ltd. (Representative Director, President and Chief Executive Officer: Tatsuo Yasunaga), which have co-invested in Laffan Refinery Company Limited 2 alongside Qatar's government-run petroleum company and Total (based in France), announce that Refinery Company Limited 2 has completed construction of Laffan Refinery 2 and commenced production activities.

Laffan Refinery 2 (processing capacity: 146,000 barrels/day) produces naphtha, kerosene, diesel fuel, and LPG and is located next to Laffan Refinery 1 (processing capacity: 146,000 barrels/day), which commenced operations in 2009.
Pursuant to the Qatar government's strategy, the refinery refines condensate produced in North Field gas field, which has the world's largest unitary structure natural gas field in terms of reserves. The refinery also elevates the value by producing petroleum products from condensate and ships them both domestically and overseas. Construction was commenced in April 2014 and was recently completed, and production activity was commenced soon thereafter.
Laffan Refinery 1 and 2 are expected to achieve efficiency in refinery operations through the shared use of certain facilities. In addition, a new gas oil deep desulfurization unit has been installed in Refinery 2. The low-sulfur diesel fuel produced will be distributed domestically in Qatar, contributing to the reduction of the environmental burden in Qatar.

Idemitsu has dispatched technicians specialized in refinery operation in order to support the safety of Laffan Refinery 1's operations and has also dispatched technicians to Refinery 2 from the basic design phase.

The Company hopes to contribute to energy security in Japan by strengthening its strategic partnership with Qatar as well as other oil-producing countries through this initiative.
Note that there is no impact on the Company's consolidated performance in fiscal year 2016.

Reference:
(Overview of Laffan Refinery Company Limited 2)

Company Name	Laffan Refinery Company Limited 2
Headquarters	Doha, Qatar
Representative	Sheikh Khalid Bin Khalifa Al-Thani, CEO
Established	October 2014
Major Shareholders	Qatar Petroleum (84%), Total (10%), Cosmo Energy Holdings (2%), Idemitsu Kosan (2%), Marubeni (1%), MIT Laffan Refinery Ltd. (1%)
Business Description	Petroleum refinery operations