

**<MISI Affiliate Reaches Agreement to Launch  
Steel Pipe Sales Joint Venture in Canada>**

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Hallmark Tubulars Limited, (95 percent owned by MISI subsidiary Marubeni-Itochu Tubulars America Inc.), has reached an agreement with two local companies to collectively launch the new Mackenzie Integrated Tubular Solutions, Ltd. in the Mackenzie Delta region of the Northwest Territories in the far north of Canada. The new joint venture will engage in inventory sales of oil well pipes and line pipes, while also handling related services.

Against the backdrop of the sharp rise in the price of crude oil, the development of oil sand in Alberta Province in Canada is attracting major attention. With heat sources needed to effectively produce and refine oil sand, oil companies are setting their sights on using the natural gas fields in the Mackenzie Delta, a region estimated to contain some 10 trillion cubic feet of gas reserves, as a means of supplying this heat. Numerous projects are being envisioned for this district, including plans to excavate development and production wells and construct pipelines. MISI has decided to establish the new company to respond to the expected increase in demand for steel pipe.

The Mackenzie Delta is a district autonomously controlled by the Inuvialuit, an indigenous race of Canadians. Good relations and cooperation with local citizens hold the key to a successful launch and operation of this project. The two companies chosen as partners by Hallmark Tubulars are the Inuvialuit Development Corp., a business investment company, and the Northern Transportation Co., a shipping company. Both are affiliates of the Inuvialuit Development Corp, a publicly run corporate group in this region. These two partners will hold a combined equity of 67 percent in the newly formed Mackenzie Integrated Tubular Solutions, with Hallmark Tubulars accounting for the remaining 33 percent.

There are high hopes for a role to be played by this new MISI-affiliate in helping to ease the tight supply-and-demand situation for crude oil. The company will strive to make a lasting contribution to the progress and development of the local communities inhabited by indigenous people.

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