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Via Electronic and U.S. Mail

Richard Irons, PhD, DABT
Principal Investigator, Shanghai Health Study
University of Colorado Health Sciences Center
4200 East 9th Avenue, C238
Denver, CO 80262

Ralph J Altieri, PhD
Dean, School of Pharmacy
University of Colorado Health Sciences Center
4200 East 9th Avenue, C238
Denver, CO 80262

Re: ***The Shanghai Health Study***

Dear Drs. Irons and Altieri:

We are writing on behalf of the American Petroleum Institute (API) in support of the scientific and clinical research being conducted in China, the Shanghai Health Study. We appreciate Dr. Irons' efforts as a principal investigator for this unique project in Shanghai and we look forward to the successful completion of this worthy effort.

API has been authorized to spend additional money to continue the study contingent upon API receiving formal financial commitments from the five members of the Benzene Health Research Consortium (BHRC). Additional terms of the study being continued are the implementation of a supplemental, independent Quality Assurance/Quality Control plan and metrics and milestones for progress and payment. API and the BHRC Oversight Committee have considered the draft *Shanghai Health Study Proposed Budget for Extension and JCML Transition* request dated November 10, 2006. Additional funding up to \$6,559,864 has been provisionally agreed to. This represents funding for the following (as described in the referenced request):

Plan A Study Completion Total (Tables 1 and 2)	\$5,759,864
Plan B Laboratory Transition Personnel Proposed Budget (From Table 3)	\$400,000
Post Study Costs for continued publication of study findings	\$400,000
TOTAL	<u>\$6,559,864</u>

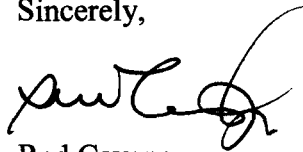
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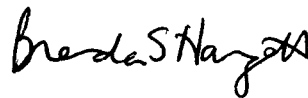
Formal authorization and disbursement of these additional monies are contingent upon successful execution of an agreement between API and the research entity that will be continuing the study. API Exhibits A-I to A-III, Proposal Guide for Prospective Contractors are attached; the information requested therein is necessary for the establishment of the new commitment.

Given the urgency to execute a grant/contract to continue the study, API looks forward to receiving a proposal in the near future to extend the existing grant or to establish a new contract with the University of Colorado, CinPathoGen, Inc. or another entity. Once again we appreciate the continuing efforts of Dr Irons and the University of Colorado.

Sincerely,



Red Cavaney
President



Brenda Hargett
Vice President & Chief Financial Officer

Cc: C. Klaus
D. Ross
D. Wilkerson