

March 5, 2007

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 by the five members of the Benzene Health Research Consortium to spend additional money to continue the study (contingent upon API receiving formal financial commitments). Additional **terms** of the study being continued are the implementation of an supplemental Quality Assurance/Quality Control plan and metrics and milestones for progress and payment. Please see attached draft charter for this work. The consortium and API have considered Dr Irons draft request, Shanghai Health Study Proposed Budget for Extension and JCML Transition 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	<u>\$400,000</u>
TOTAL	<u>\$6,559,864</u>

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 support this unique project. We look forward to the successful completion of this work.

Sincerely,

Red Cavaney

Brenda Hargett

Cc: C. Klaus
D. Ross
D. Wilkerson