

## Joint Venture Study on the Manufacturing and Sale of Hydrocarbon Vapor Recovery Units with Chongqing Endurance Industrial Stock Co.,Ltd.

– Turning China’s tougher regulations on the environment into a business opportunity –

Nippon Oil Corporation (President: Shinji Nishio) is pleased to announce that the company and Chongqing Endurance Industrial Stock Co.,Ltd (Head office: Chongqing Municipality, China, Chairman: Lin Chaoyang, hereinafter “Chongqing Endurance”) reached an agreement to conduct a joint venture study for the manufacturing and sale of hydrocarbon vapor recovery units (hereafter referred to VRUs)\* in China, and signed a master agreement on joint FS and licensing of technology on Friday, November 7.

Due to the introduction of advanced environmental regulations in China, the market of VRUs for oil facilities in China is projected likely to expand to a magnitude of billions yen (estimate) by 2012. Based on the technology of System Eng Service Co., Ltd. (President: Hiroshi Nochi), the largest manufacturer of VRUs in Japan, we have created a business model by adding our technology and marketing know-how in a domestic and overseas market, and we have already started delivering the VRUs in South Korea and China. With Chongqing Endurance as our local partner with broad business network in China, we will further expand business with Chinese petroleum companies.

The signing ceremony of a master agreement was conducted in the presence of Hongju Wang, the Governor of Chongqing Municipality, who came to Japan for an investment seminar and made a courtesy visit to Nippon Oil Corporation.

\* Hydrocarbon vapor recovery unit: An equipment which recovers vapor from petroleum products such as gasoline at the cargo loading/discharging, and returns it into tanks at oil facilities (refineries, oil storage terminals and gas stations), contributing to prevent air pollution and product loss. The “Pressure Swing Adsorption Method using Silica-gel as Adsorbent,” which System Eng Service Co., Ltd. has developed, has the best level of capability (recovery rate) in the world.

### 1. Date of signing of the master agreement

Friday, November 7, 2008

### 2. Signing parties

Nippon Oil Corporation: Satoshi Uchida, General Manager of the Overseas Business Division

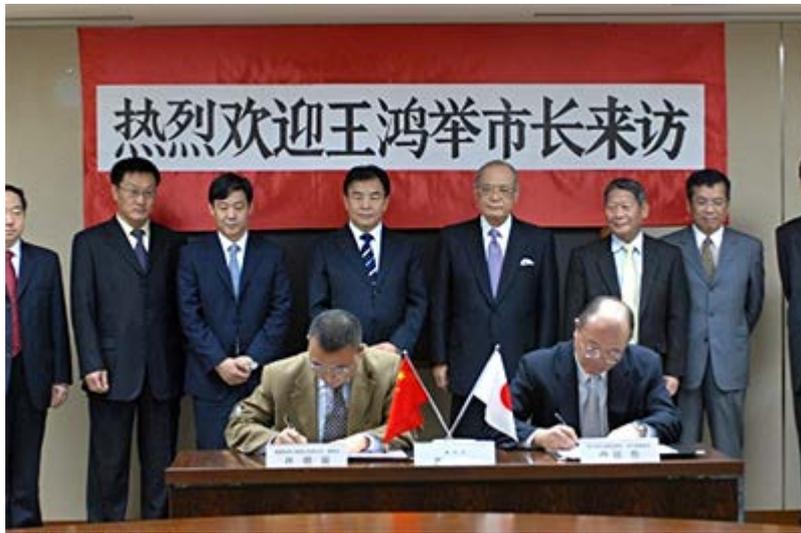
Chongqing Endurance Industrial Stock Co.,Ltd.: Lin Chaoyang, Chairman and President

(in the presence of Shinji Nishio, President of Nippon Oil Corporation, and Hongju Wang, Governor of Chongqing Municipality)

### 3. Courtesy visit by Hongju Wang, the Governor of Chongqing Municipality and signing ceremony



Meeting between Mr. Nishio and Mr. Wang



Signing ceremony

Appendix:  [Overview of Chongqing Endurance Industrial Stock Co.,Ltd. and System Eng Service Co., Ltd.\(PDF:38KB\)](#)