

Chongqing ENEOS & SES Environmental Equipment Co., Ltd. Founded

Chongqing ENEOS & SES Environmental Equipment Co., Ltd. (Chairman: Nobuyuki Tanahashi) (hereinafter “new subsidiary”), a joint venture between Nippon Oil Corporation (President: Shinji Nishio), Chongqing Endurance Industrial Stock Co., Ltd. (Head Office: Chongqing, China, Chairman: Lin Chaoyang) (hereinafter “Chongqing Endurance”) and System Eng Service Co., Ltd. (Head Office: Chiba City, Chiba, Japan, President: Hiroshi Nouchi) (hereinafter “SES”) has been founded and domestic operations were launched today.

The business purpose of the new subsidiary is to manufacture and supply hydrocarbon vapor recovery units* (hereinafter “VRUs”), designed to facilitate both environmental and energy conservation, targeting the Chinese oil industry. Because of the introduction of more stringent environmental regulations in China, the Chinese VRU market for oil facilities is likely to expand to a size of tens of billions of yen (according to our estimate) by 2012. By taking advantage of the patented technology of SES, the top VRU manufacturer in Japan, along with the marketing expertise we have accumulated through both our domestic and overseas business projects and the low-cost production system made possible by the utilization of Chongqing Endurance’s existing production facilities, the new subsidiary will make a proactive effort to expand its business targeting Chinese oil companies with the aim of selling over 1,000 VRUs by 2012.

Based on our group philosophy “Creating the future of energy and promoting prosperity and harmony with nature,” Nippon Oil Corporation will continue to be proactive in developing and supplying environmentally friendly technologies and products.

* 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.

Details

1. Overview of Chongqing ENEOS & SES Environmental Equipment Co., Ltd.

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| (1) Address: | No.6, Yangliu Road, New Northern Zone, Chongqing, China (4 th floor of Chongqing Endurance’s headquarters) |
| (2) Founded: | August, 2009 |
| (3) Share capital: | 2 million USD |
| (4) Shareholder composition: | Nippon Oil Corporation (40%), Chongqing Endurance (40%) and SES (20%) |
| (5) Chairman: | Nobuyuki Tanahashi |
| (6) Business summary: | Manufacture and sale of VRUs |