Presentation of Full-Year Results for Fiscal 2015 and Progress Made in the 5th Consolidated Medium-Term Management Plan

May 12, 2016

COSMO ENERGY HOLDINGS CO., LTD.

Contents

1

FY2015 Review

- ✓ Commenced construction of pipelines at the Chiba Refinery of JV, agreed on business alliances for Yokkaichi Refinery, etc. Promoted alliances in the oil refinery business.
- ✓ Made Maruzen Petrochemical Co., Ltd. a consolidated subsidiary to pursue the synergy of the petrochemical business and the oil refining business.
- ✓ Changed to the holding company structure.
  - Aiming for stable dividends, prompt decision-making and strengthened alliance.
- ✓ Ordinary income is 32.6 billion yen (-33.9 billion yen year-on-year) excluding the impact of inventory valuation, mainly reflecting decreased income in the Oil E&P Business due to a sharp fall in oil price. Loss attributable to owners of parent is 50.2 billion yen (+27.5 billion yen year-on-year)

2

Policy for FY2016

- ✓ Promote alliances by region and business and concurrently accelerate rationalization and efficiency, mainly in the oil refining business, to strengthen competitiveness.
- ✓ Promote the development of the Hail oil field, strengthen the retail business(car leasing for individuals), increase the wind power generation capacity and take other actions to strengthen the growth foundation.
- ✓ Ordinary income is expected to be 54.5 billion yen(+21.9 billion yen year-on-year) excluding the impact of inventory valuation. Profit attributable to owners of parent including inventory valuation of 13.0 billion yen is expected to be 47.5 billion yen (+97.7 billion yen year-on-year).
- ✓ We plan to pay ¥50 per share of a holding company in comprehensive consideration of factors such as the transformation to a holding company and the profitability, financial position, and investment strategy of the Group.

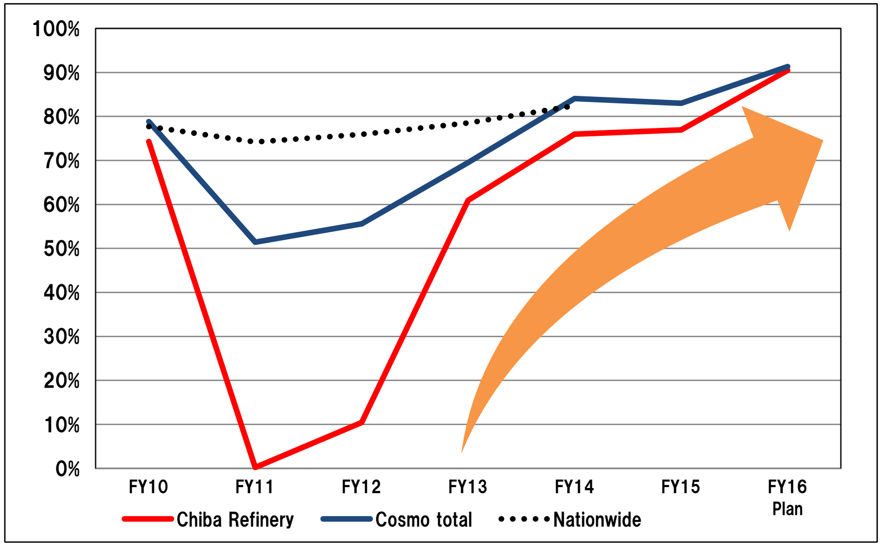
- ✓ Oil refining : Expected to improve by about 7 billion yen/year through two-year long run (every other year maintenance) at the Chiba Refinery
- ✓ Petrochemicals: Pursue synergy through the promotion of integrated operations with oil refining

Oil Refinery Business

- ✓ Chiba Refinery acquired certification

➡ Implementation of two-year long run
Ensuring proper operation benefits and maintenance cost
Expected improvement of about 7 billion yen/year

[CDU operating ratio (calendar days)]



Petrochemical Business

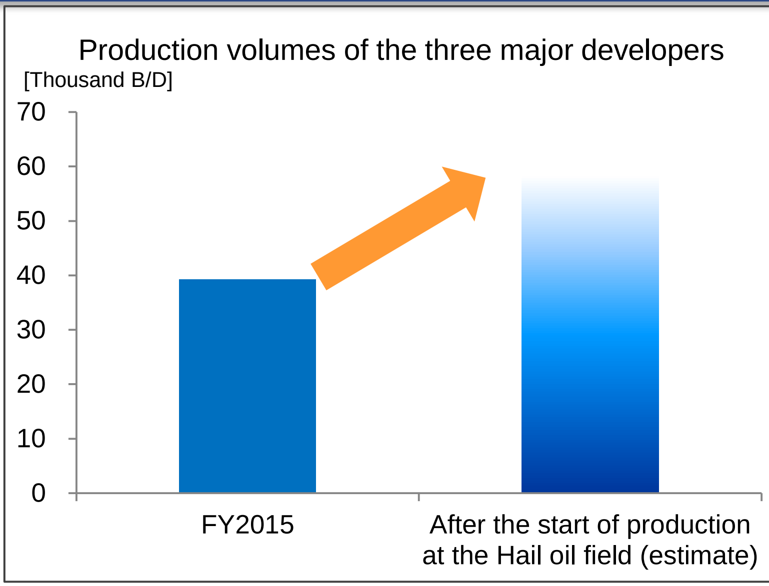
- ✓ Pursuit of synergy with Maruzen Petrochemical

➡ Provision of raw materials and fuel, etc.

[Policy for FY2016] Strengthening of the Growth Field

- ✓ Oil E&P : Promote the development of the Hail oil field, relying on cost competitiveness
- ✓ Retail : Strengthen SS profitability by focusing on the car leasing business for individuals
- ✓ Wind power generation : Power generation capacity is expected to increase by about 15% upon the start of operations at the new sites

Oil E&P Business



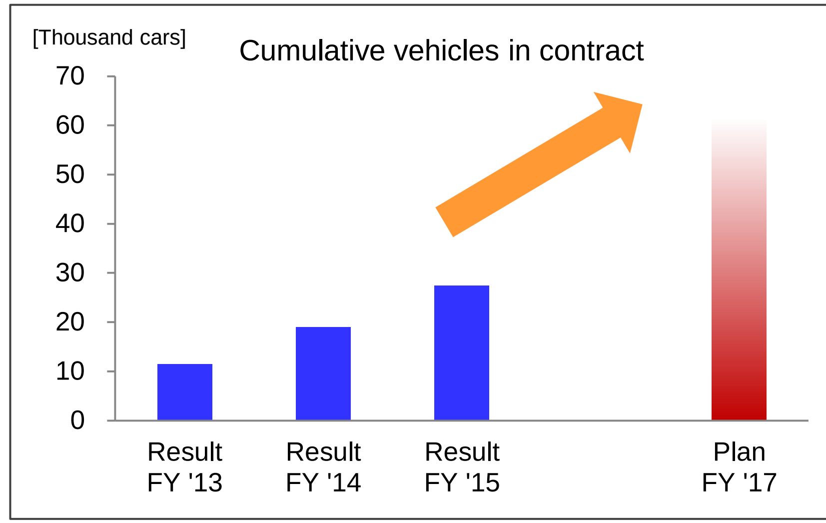
Wind Power Generation Business

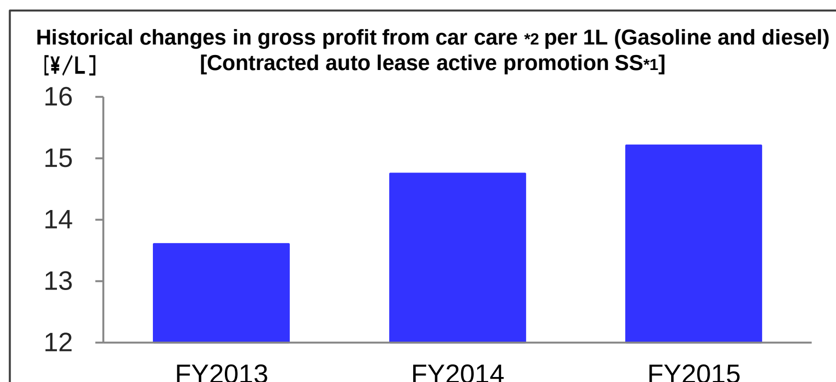
✓ **2H FY2016**
Start of operations of the Watarai wind farm (Mie Prefecture)

<Changes in power generation capacity>

FY2015	FY2016	FY2017
180,000kW	210,000kW	230,000kW

Retail Business





*1 Contracted auto lease active promotion SS: SS promoting private car leasing and vehicle sales
*2 Car care: income other than fuel oil (mandatory car inspection, maintenance, insurance, etc.)

5th Consolidated Medium-Term Management Plan and Progress/ Prospects of Next Medium-Term Management Plan

- ✓ Increase profitability through steady and prompt implementation of the medium-term management plans for FY2016/FY2017
- ✓ Investment will be declined significantly and improve cash flow from the next medium-term management plan

Fiscal Year			FY2013–FY2017 (FY2013, FY2014, FY2015, FY2016, FY2017)	From FY2018
Large growth investment			The development of the Hail oil field・New PX production plant ・New wind farm,etc.	Investment to decline
Growth Businesses	Oil E&P	Hail oil field	Acquisition of mining areas ⇒ ⇒ ⇒ ⇒ Development; Production to begin⇒Total production of Abu Dhabi Oil will be doubled	Production to begin⇒Total production of Abu Dhabi Oil will be doubled
		Comprehensive strategic alliance with CEPSA	Forming a comprehensive strategic alliance; Capital participation in Abu Dhabi Oil company of CEPSA ⇒ Consider the acquisition of new interests	Capital participation in Abu Dhabi Oil company of CEPSA ⇒ Consider the acquisition of new interests
	Retail	Private car leasing business	Accumulated total of 20,000 vehicles; Expansion in number of outlets, improvement of sales system ⇒ Aiming for total of 60,000 vehicles	Further business expansion
	Renewable Energy	Wind Power Generation	Feed-in tariff scheme (20 years) (Total power generation capacity of approx. 150,000 kW); Start of operation at Hirogawa/Aizu (Total. 180,000 kW); Start of operation at Watarai (Total. 210,000 kW); Start of operation at Sakata Port/Ishikari Bay Port (Total. 230,000 kW)	Further business expansion
Core Businesses	Petroleum	Chiba Refinery (Joint Venture; Acquisition of factory certification)	Determination of alliance with Tonen General Sekiyu K.K.; Establishment of Keiyo Seisei JV, Pipeline construction ⇒ ⇒ ⇒; Pipeline completion ⇒ Synergy of ¥10 billion/year; 2-year long run ⇒ Refining costs decrease (approx. ¥7 billion)	Pipeline completion ⇒ Synergy of ¥10 billion/year; 4-year long run Further reduction in refining costs
		Sakai Refinery	Operation of new coker plant; Benefited from falling oil prices	
		Yokkaichi Refinery	Business alliance with Showa Shell Sekiyu; Optimizing the equipment	Optimizing the equipment
		IPP Business	Completion of upgrade work (Electric power selling capacity: 200,000 kW); Competitive electric power supply	Competitive electric power supply
	Petro-Chemical	HCP (Aroma business)	Operation of new PX production plant; Energy-saving investment/ rationalization; Establishment of profit base resilient to market fluctuation	Establishment of profit base resilient to market fluctuation
		Maruzen Petrochemical (Olefine business)	Make into subsidiary ⇒ Establishment of petrochemical supply chain	Make into subsidiary ⇒ Establishment of petrochemical supply chain

Highlights of Results for FY2015

Unit: billion yen

No.	Item	FY2015 (Apr.-Mar.2016)	FY2014 (Apr.-Mar.2015)	Changes
1	Net sales	2,244.3	3,035.8	-791.5
2	Cost of sales	2,154.6	2,944.9	-790.3
3	Selling, general and administrative expenses	119.4	129.3	-9.9
4	Operating income	-29.7	-38.4	8.7
5	Non-operating income/expenses, net	-6.4	-11.2	4.8
6	Ordinary income	-36.1	-49.6	13.5
7	Extraordinary income/losses, net	-7.7	5.0	-12.7
8	Income taxes	0.6	29.8	-29.2
9	Profit attributable to non-controlling interests	5.8	3.3	2.5
10	Profit attributable to owners of parent	-50.2	-77.7	27.5

【Reference】

No.	Item	FY2015 (Apr.-Mar.2016)	FY2014 (Apr.-Mar.2015)	Changes
11	Impact of inventory valuation	-68.7	-116.1	47.4
12	Ordinary income excluding impact of inventory valuation	32.6	66.5	-33.9
13	Dubai crude oil price (USD/B)	45.7	83.5	-37.8
14	JPY/USD exchange rate (yen/USD)	120.1	109.9	10.2

Assigned part of subsidiaries stock to CEPSA in FY2014

- Decline from decreased income in oil E&P business.
- Tax effect for transferring the land within the consolidated group.

Unit: billion yen

No.		FY2015 (Apr.-Mar.2016)	FY2014 (Apr.-Mar.2015)	Changes
1	Ordinary income excluding impact of inventory valuation	32.6	66.5	-33.9
	(Each Segment)			
2	Petroleum business	-62.8	-93.5	30.7
3	Petroleum business (Excluding impact of inventory valuation)	5.8	22.0	-16.2
4	Petrochemical business	4.1	-7.6	11.7
5	Petrochemical business (Excluding impact of inventory valuation)	4.2	-7.0	11.2
6	Oil E & P business	18.6	47.5	-28.9
7	Other (*)	4.0	4.0	0.0

* Including consolidated adjustment

Inventory valuation Petroleum business : FY2015 -68.6 / FY2014 -115.5
Inventory valuation Petrochemical business : FY2015 -0.1 / FY2014 -0.6

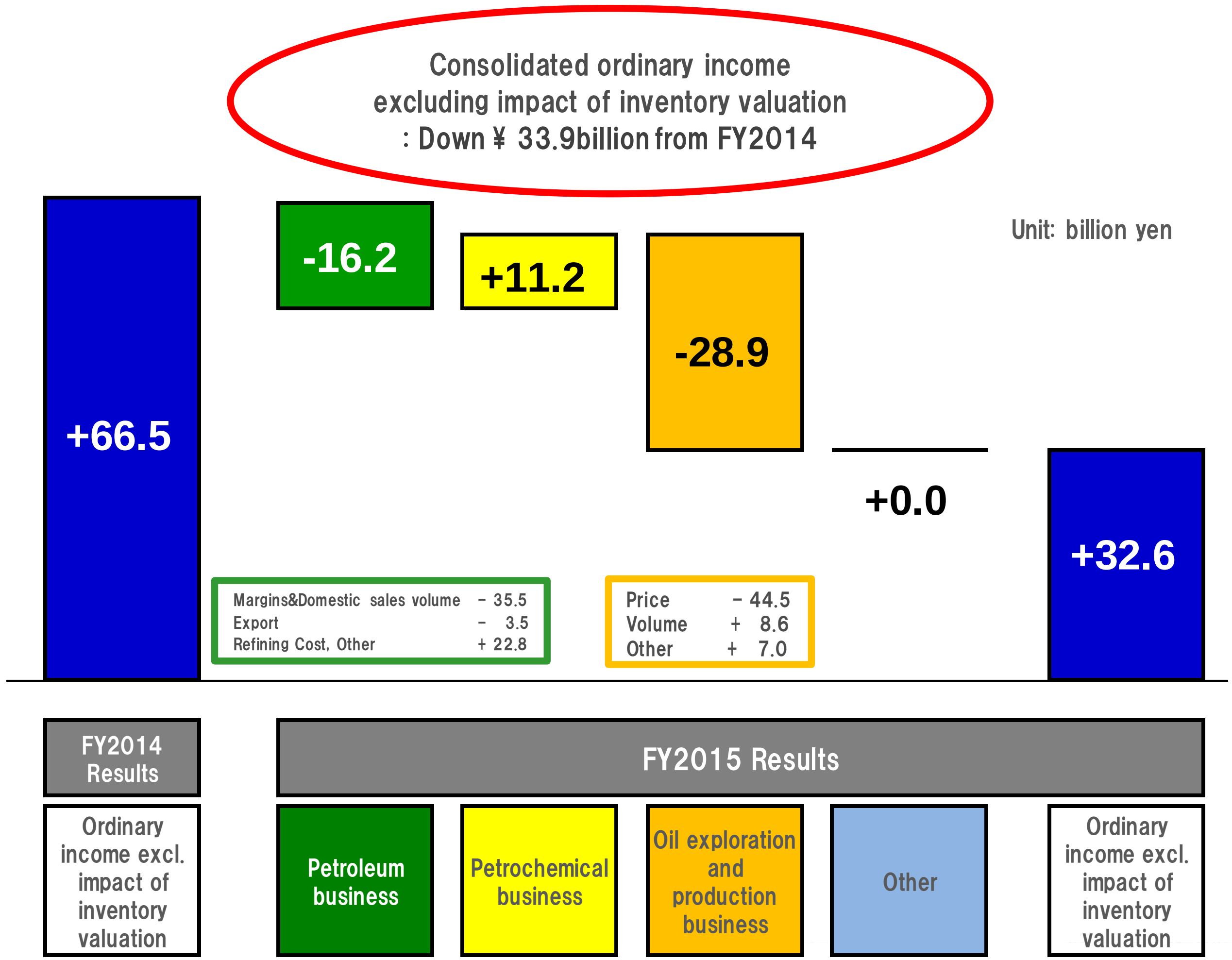
[FY2015 Results] Consolidated Ordinary Income (Excluding the Impact of Inventory Valuation) - Analysis of Changes from FY2014

Key variable factors

Petroleum business : Ordinary income decreased, primarily due to deteriorated market conditions associated with a fall in oil prices.

Petrochemical business : Ordinary income increased due to the buoyant market conditions for ethylene and cost reductions of HCP.

Oil E&P business : Ordinary income decreased due to the fall in oil prices, although the production volume has been increasing.



Outline of Consolidated Cash Flows and Consolidated Balance Sheet

Consolidated Cash Flows

Unit: billion yen

No		FY 2015 (Apr.-Mar.2016)	FY 2014 (Apr.-Mar.2015)
1	Cash flows from operating activities	18.4	163.4
2	Cash flows from investing activities	-32.8	-30.1
3	Cash flows from financing activities	32.5	-178.9
4	Cash and cash equivalents at end of the period	89.4	80.8

Consolidated Balance Sheet

Unit: billion yen

No		FY2015 (As of Mar. 31, '16)	FY2014 (As of Mar. 31, '15)	Changes
1	Total Assets	1,409.6	1,428.6	-19.0
2	Net assets	202.7	207.5	-4.8
3	Net worth	108.0	167.2	-59.2
4	Net worth ratio	7.7%	11.7%	Down 4.0 points
5	Net interest-bearing debt *1	666.2	597.7	68.5
6	Debt Equity Ratio (times) (based on the credit rating) *2	4.6	3.6	Down 1.0 points

*1 Total interest-bearing debts net of cash and deposits as of the end of the period

*2 50% of original amount of Hybrid Load regarded as Equity is counted as Equity by the assessment of Japan Credit Agency, Ltd.
(50% of 60 billion yen Hybrid Loan started on 1st April 2015 is included into Equity)

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2015 Results	Change from FY2014
1	Capital expenditures	82.8	12.4
2	Depreciation expense amount,etc	30.7	-1.7

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2015 Results	FY2014 Results	Change from FY2014
1	Petroleum	32.7	33.3	-0.6
2	Petrochemical	1.0	0.5	0.5
3	Oil E&P	45.8	27.4	18.4
4	Other	6.4	9.1	-2.7
5	Adjustment	-3.1	0.1	-3.2
6	Total	82.8	70.4	12.4

Forecast for FY2016 Performance

Unit: billion

No.		FY2016 Forecast	FY2015 Results	Changes
1	Ordinary income	67.5	-36.1	103.6
2	impact of inventory valuation	13.0	-68.7	81.7
3	Ordinary income excluding impact of inventory valuation	54.5	32.6	21.9
4	Petroleum business	35.0	5.8	29.2
5	Petrochemical business	7.0	4.2	2.8
6	Oil E & P business	7.5	18.6	-11.1
7	Other	5.0	4.0	1.0
8	Profit attributable to owners of parent	47.5	-50.2	97.7
9	Dividend per Share (Forecast) (yen)	¥50	¥40	¥10

【Reference】

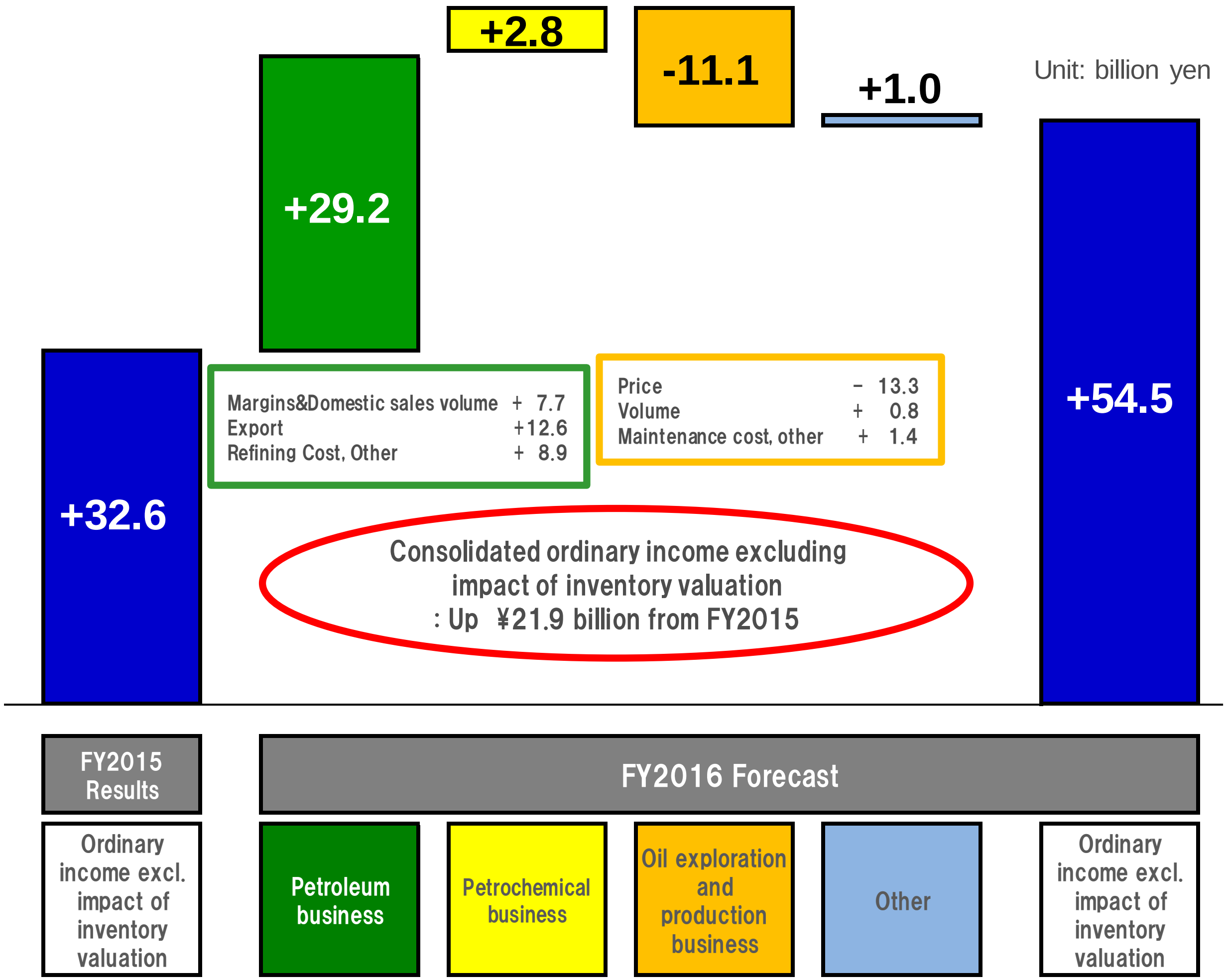
No.		FY2016 Forecast	FY2015 Results	Changes
1	Dubai crude oil price (USD/B)	40.0	45.7	-5.7
2	JPY/USD exchange rate (yen/USD)	110.0	120.1	-10.1

※ For Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity, please see page 24.

[FY2016 Forecast] Consolidated Ordinary Income (Excluding the Impact of Inventory Valuation) - Analysis of Changes from FY2015

Key Variable Factors

- Petroleum business : Higher earnings due to improved CDU operating ratios through two-year long run at Chiba Refinery, increased exports and improved market conditions.
- Petrochemical business: Higher earnings due to improvement in the aroma market and making Maruzen Petrochemical a consolidated subsidiary.
- Oil E&P business : Lower earnings due to the fall in oil prices, although the production volume is on the rise.



- ✓ Steady implementation of investment for growth mainly in the Oil E&P and wind power generation (other) businesses
- ✓ Increase in the petrochemical business by making Maruzen Petrochemical a consolidated subsidiary

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2016 Forecast	Changes
1	Capital expenditures	138.6	55.8
2	Depreciation expense amount,etc	39.4	8.7

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2016 Forecast	FY2015 Results	Changes
1	Petroleum	36.5	32.7	3.8
2	Petrochemical	16.2	1.0	15.2
3	Oil E&P	67.1	45.8	21.3
4	Other	20.3	6.4	13.9
5	adjustment	-1.5	-3.1	1.6
6	Total	138.6	82.8	55.8

Supplementary Information

Supplementary Information of FY2015 Results

[FY2015 Results / FY2016 Forecast] Sales Volume

Unit: thousand KL

No.			FY2015 Results	FY2014 Results	Changes	FY2015 Result Changes from FY2014	FY2016 Forecast	FY2016 outlook changes from FY2015
1	Selling volume in Japan	Gasoline	5,673	5,722	-49	99.1%	5,606	98.8%
2		Kerosene	1,823	1,941	-118	93.9%	1,755	96.3%
3		Diesel fuel	4,133	4,150	-17	99.6%	4,072	98.5%
4		Heavy fuel oil A	1,420	1,555	-135	91.3%	1,377	97.0%
5		Sub-Total	13,049	13,368	-318	97.6%	12,810	98.2%
6		Naphtha	6,204	6,240	-36	99.4%	6,089	98.2%
7		Jet fuel	519	468	50	110.8%	491	94.6%
8		Heavy fuel oil C	1,578	1,663	-85	94.9%	1,315	83.3%
9		inc. Heavy fuel oil C for electric	747	839	-92	89.1%	503	67.3%
10		Total	21,350	21,739	-389	98.2%	20,704	97.0%
11	Export volume (including bond sales)	Middle distillates	2,841	3,203	-362	88.7%	3,960	139.4%
12		Other	1,223	1,070	153	114.3%	1,150	94.0%
13		Sub-Total	4,064	4,273	-209	95.1%	5,110	125.7%
14	Barter deal, Others		10,000	9,710	290	103.0%	9,015	90.2%
15	Total selling volume		35,414	35,723	-309	99.1%	34,829	98.3%

[1] Dubai Crude oil price,processing volume and CDU operating ratios

No.			FY2015 Results	FY2014 Results	Changes from FY2014	
1	Dubai crude oil price (USD/B)		45.7	83.5	-37.8	—
2	JPY/USD exchange rate (yen/USD)		120.1	109.9	10.2	—
3	Crude oil refining	Refined crude oil volume (thousand KL)	21,877	22,043	-166	99.2%
4		CDU operating ratio (Calendar Day)	83.2%	84.0%	-0.8%	—
5		CDU operating ratio (Streaming Day) *	97.1%	93.5%	3.6%	—

*Streaming day indicates operating ratio excluding the impact of suspended operations due to regular repairs and maintenance, etc.

[2] Crude oil production volume

	FY2015 Results	FY2014 Results	Changes from FY2014	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	39,201	38,031	1,170	103.1%

*1) The production volume represents the total production volumes of the three major developers: Abu Dhabi Oil, Qatar Petroleum Development and United Petroleum Development.

*2) The production period has calculated in the January-December, because that the three major developers of the accounting period is December.

*3) The Cosmo Energy Group has a 51.3% stake in Abu Dhabi Oil Co., Ltd., a 75.0% stake in Qatar Petroleum Development Co., Ltd. and a 45.0% stake in United Petroleum Development Co., Ltd.

Crude Reserves Estimate (Proved and Probable)

(As of Dec. 31, 2015)

Crude Reserves Estimate (working interest base) (*1)			
No.		mmbls	
1	①Proved Reserves (*2)	80.2	Note: The reserves include reserves of new concession area, Hail field.
2	②Probable Reserves (*3)	81.2	
3	③Total Proved and Probable Reserves (①+②)	161.4	
4	(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 24 years	Note: The daily average crude production based on working interest reached 19 thousands bpd for FY2015.

(*1) About results of reserves estimate
The assessment of ADOC reserves which deemed to have significant impact on Cosmo's future profitability was carried out in an independent assessment by Gaffney, Cline & Associate (hereinafter, "GCA"), a leading global independent reserve auditor. Their assessment confirmed Cosmo affiliates' internal assessment of remaining reserves. The assessment was carried out in accordance with the 2007 "Petroleum Resources Management System (PRMS)" prepared by the Oil and Gas Reserves Committee of the "Society of Petroleum Engineers" (SPE), and reviewed and jointly sponsored by the "World Petroleum Congress" (WPC), the "American Association of Petroleum Geologists" (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). The assessment of QPD and UPD reserves were carried out in these companies respectively. These assessments of the reserves do not guarantee the reserves and production from them.

(*2) Proved Reserves
Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. When probabilistic methods are used, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the 1P estimate. (Definition of SPE PRMS 2007 March)

(*3) Probable Reserves
Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. (Definition of SPE PRMS 2007 March)

FY 2015 Results – Changes from FY 2014

Unit: billion yen

No.		Net Sales	Changes from FY2014	Operating Income	Changes from FY2014	Ordinary Income	Changes from FY2014	Ordinary Income (excluding impact of inventory valuation, cost or market method)	Changes from FY2014
1	Petroleum business	2,220.7	-776.3	-50.9	29.1	-62.8	30.7	5.8	-16.2
2	Petrochemical business	48.1	-7.0	-1.7	1.1	4.1	11.7	4.2	11.2
3	Oil E&P business	55.8	-26.5	18.3	-22.7	18.6	-28.9	18.6	-28.9
4	Other	71.4	-4.3	3.7	-0.1	3.5	-0.9	3.5	-0.9
5	adjustment	-151.7	22.6	0.9	1.3	0.5	0.9	0.5	0.9
6	Total	2,244.3	-791.5	-29.7	8.7	-36.1	13.5	32.6	-33.9

Cosmo Group of Companies (by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing Co., Ltd., Cosmo Oil Sales Corp, Cosmo Oil Lubricants Co., Ltd.,Sogo Energy Co., Ltd., Gyxis Corporation (owned by the Cosmo Energy Group on the equity method) etc.
Petrochemical business	Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Energy Group on the equity method) , Hyundai Cosmo Petrochemical Co., Ltd. (owned by the Cosmo Energy Group on the equity method) , etc.
Oil E & P business	Cosmo Energy Exploration & Production Co., Ltd.,Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. (owned by the Cosmo Energy Group on the equity method) , etc.
Other	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., EcoPower Co.,Ltd, etc.

[1] Oil Refinery Operating Ratio

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
CDU operating ratio	78.8%	51.4%	55.6%	69.5%	84.0%	83.2%

* Data as of the end of March of each fiscal year.
* Calender Year base

[2] Number of SSs by Operator Type

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Subsidiary	967	939	914	899	881	920
Dealers	2,642	2,559	2,411	2,329	2,252	2,134
Total	3,609	3,498	3,325	3,228	3,133	3,054
Mobile SSs	36	34	33	34	34	31

[3] Number of Self-Service SSs out of the Total Number of SSs Mentioned [3] above.

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Subsidiary	548	550	550	550	552	581
Dealers	455	457	449	461	479	455
Total	1,003	1,007	999	1,011	1,031	1,036
Share of Self-Service SSs	27.8%	28.8%	30.0%	31.3%	32.9%	33.9%

[4] Cosmo The Card-Number of cards issued

(Unit: million cards)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
No. of cards in force	3.77	3.93	4.10	4.20	4.31	4.39

※ Including the numbers of the card Opus, Triple.

[5] Number of contracted auto lease

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Number of contracted auto lease	-	1,287	5,001	11,734	19,040	27,401

Full-Year FY 2016 Outlook – Changes from FY 2015

Unit: billion yen

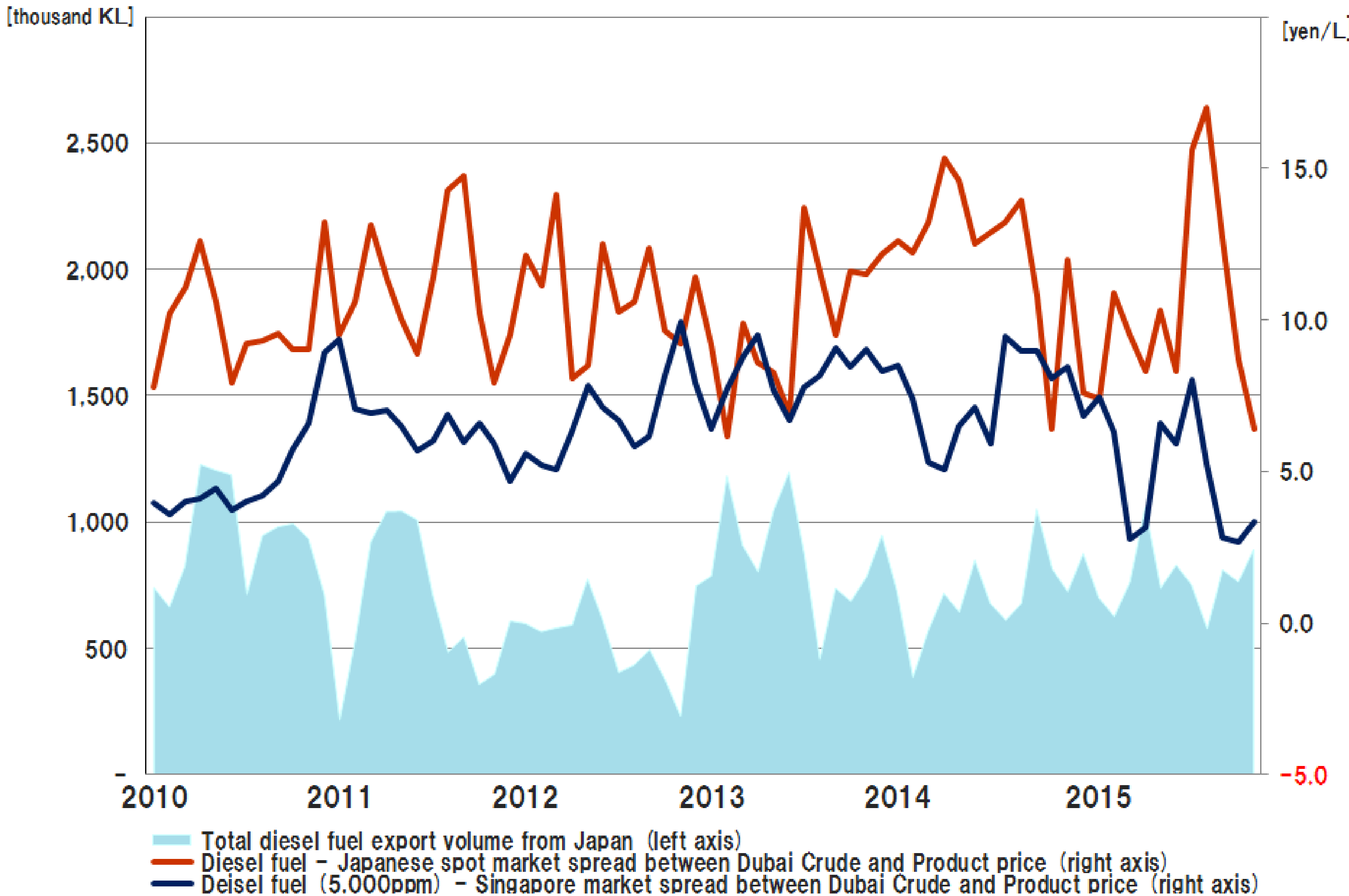
No.		Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
			Changes from FY2015		Changes from FY2015		Changes from FY2015		Changes from FY2015
1	Petroleum business	2,092.0	-128.7	54.5	105.4	47.0	109.8	35.0	29.2
2	Petrochemical business	417.0	368.9	5.0	6.7	8.0	3.9	7.0	2.8
3	Oil E&P business	43.0	-12.8	10.0	-8.3	7.5	-11.1	7.5	-11.1
4	Other business	67.0	-4.4	3.0	-0.7	3.0	-0.5	3.0	-0.5
5	Adjustment	-99.0	52.7	5.0	4.1	2.0	1.5	2.0	1.5
6	Total	2,520.0	275.7	77.5	107.2	67.5	103.6	54.5	21.9

Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity

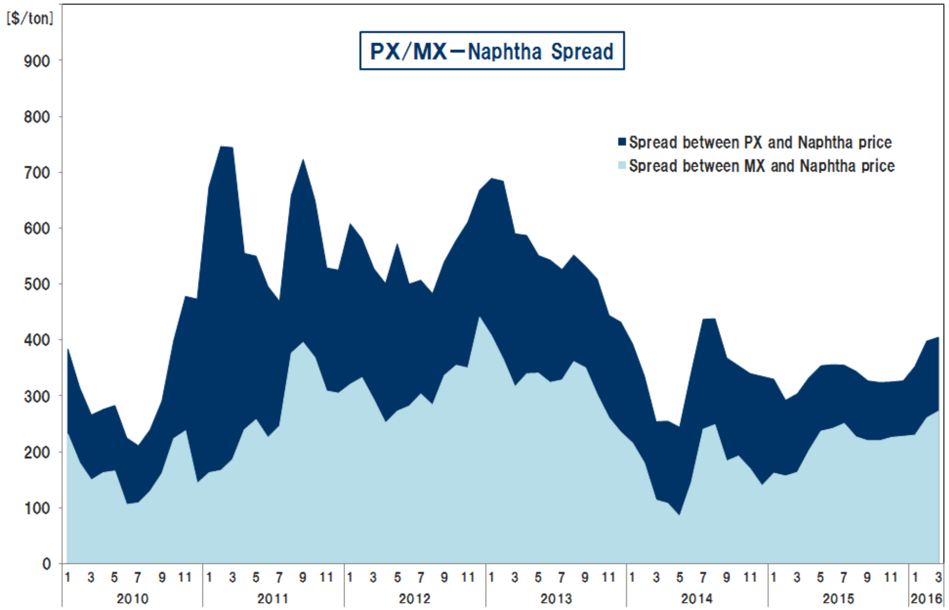
No.		Precondiction	Sensitivity	
			Petroleum Business	Oil E & P Business
1	Crude oil (Dubai)	40.0 USD/BBL	+ 2.0 billion yen	+ 0.7 billion yen
2	JPY/USD exchange rate	110.0 yen/USD	+ 0.7 billion yen	+ 0.3 billion yen

* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

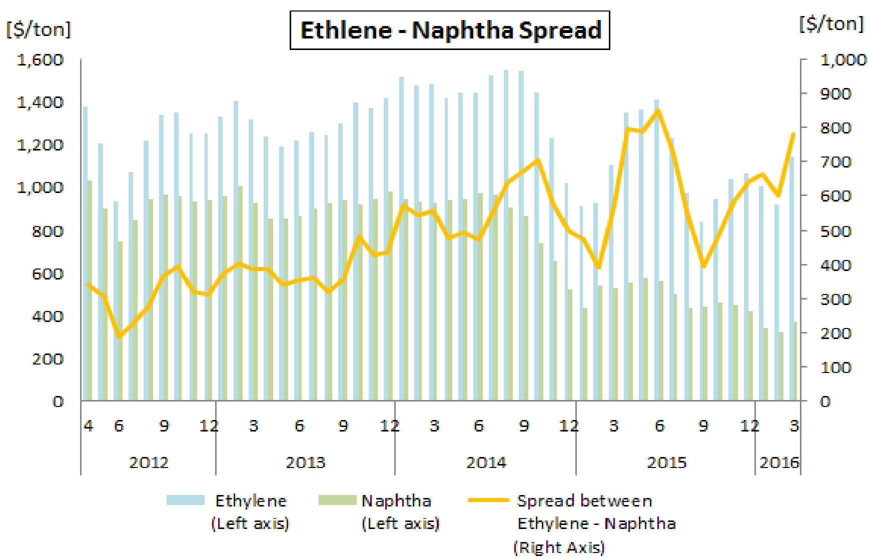
* A twelve-month period of Apr.2016 to Mar.2017 adopted for sensitivity figure estimation for the petroleum business segment and a nine-month period of Apr.2016-Dec.2016 for the oil E&P business


[thousand KL]
[yen/L]
2,500
2,000
1,500
1,000
500
-
15.0
10.0
5.0
0.0
-5.0
2010
2011
2012
2013
2014
2015
Total diesel fuel export volume from Japan (left axis)
Diesel fuel – Japanese spot market spread between Dubai Crude and Product price (right axis)
Deisel fuel (5,000ppm) – Singapore market spread between Dubai Crude and Product price (right axis)

◆ Aromatic-Product Market Conditions



◆ Olefin-Product Market Conditions



Holding Company Structure

- ✓ Achieving sustainable growth and maximizing corporate value by responding to changes in the business environment and transforming the business portfolio with a clear vision of future growth business.
- ✓ Aim for "vertically integrated global energy company", in a timely manner taking an opportunity for restructuring of organizations.

Changes in business environment

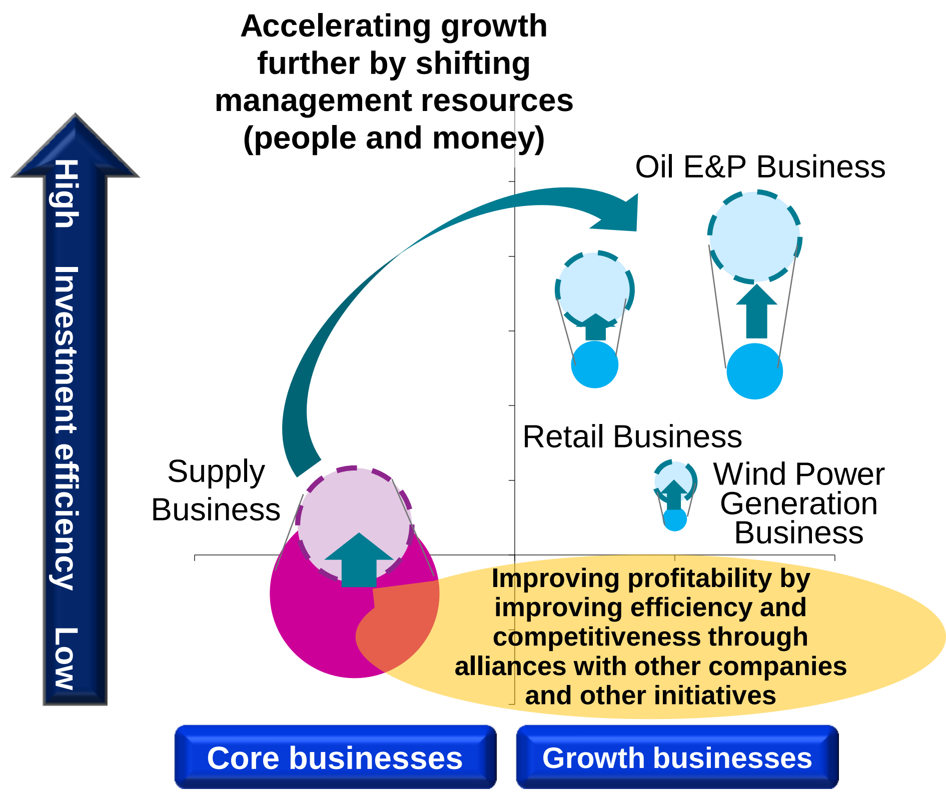
- ✓ Volatile fluctuation of crude oil prices
- ✓ Gradual decrease in domestic demand for oil products
- ✓ Expanded introduction of renewable energy and others

Maximizing corporate value through transformation to a holding company

Objectives and anticipated effects

(1) Stable dividends
(2) Quick decision-making
(3) Promotion of alliances in each business

Sustainable growth and improvement of corporate value through the transformation of the business portfolio



* The size of the circle indicates the size of the assets of each business.

Holding Company Structure

COSMO ENERGY HOLDINGS CO., LTD.

Oil development/Production

COSMO ENERGY EXPLORATION & PRODUCTION CO., LTD.

■ Crude production (three development companies) (*1)
- Approx. 40,000 barrels/day (Comparison with refining capacity: Approx. 9%)

■ Oil development/production areas
- UAE (Abu Dhabi)
- Qatar

■ Major affiliated companies
- Abu Dhabi Oil Co., Ltd.
- Qatar Petroleum Development Co., Ltd.
- United Petroleum Development Co., Ltd.

Oil refining/Petrochemical

COSMO OIL CO., LTD.

■ Major crude oil importing countries
- UAE (Abu Dhabi)
- Saudi Arabia
- Qatar

■ Oil refining capacity (*2)
- 452,000 barrels/day
- Domestic share: Approx. 11.5%

■ Paraxylene production capacity (*2)
- 1,180,000 tons/year

■ Major affiliated companies
- Cosmo Oil Lubricants Co., Ltd.
- Cosmo Matsuyama Oil Co., Ltd.
- CM Aromatics Co., Ltd.
- Hyundai Cosmo Petrochemical Co., Ltd.
- Keiyo Seisei JV G.K.

Oil product sales, Retail business, etc.

COSMO OIL MARKETING CO., LTD.

■ Domestic sales share (*2)
- Approx. 12% (Gasoline, Gas oil, Kerosene, A fuel oil)

■ Number of SSs in Japan (*2)
- Number of Cosmo mark SSs 3,054

■ Car lease business for individuals (*2)
- Cumulative total 27,401 cars

■ Major affiliated companies
- Cosmo Oil Sales Corp.
- Sogo Energy Corporation

Group of affiliated companies

■ Major affiliated companies
- Eco Power Co., Ltd.
- Maruzen Petrochemical Co., Ltd.
- Gyxis Corporation
- Cosmo Trade and Service Co.,
- Cosmo ALA Co., Ltd.
- Cosmo Engineering Co., Ltd

(*1) Results for January -December 2015

(*2) As of December 31, 2016

- ✓ Aim to enhance corporate value in the medium- and long-term by complying with Japan's Corporate Governance Code.
- ✓ We will separate the monitoring of the Group's management from business execution to strengthen the monitoring function and conduct business execution promptly.
- ✓ Of the 10 directors, appoint 4 outside directors.

Changes in business environment (social requirements)

- ✓ Revision to the Companies Act
- ✓ Application of Japan's Corporate Governance Code
- ✓ Application of Japan's Stewardship Code

Transformation to a Company with Audit and Supervisory Committee

Compliance with the Corporate Governance Code

Objectives and anticipated effects (improving corporate value)

1) Increase management transparency

2) Further accelerate decision-making

3) Reflect new ways of thinking, opinions, and others in management

Holding company (company with audit and supervisory committee)

- ✓ Viewing the transformation to a holding company as an opportunity to introduce "Executives Stock Remuneration System", which is an executives remuneration system that further clarifies the connection between remuneration and performance.
- ✓ Basic policies of the system include incentives to enhance business performance and increase corporate value in the medium- and long-term, as well as the sharing of profits with shareholders.

■ Principles of Executives Remuneration Scheme

(1) Clearly valuates company performance and highly links it to remuneration

(2) Encourages executives to increase business performance, and long-term corporate and shareholder value

(3) Makes executives have common interest with the shareholders

(4) Contributes to even much increase of executives challenge spirits

(5) Works to hold back high performance executives

(6) Achieves accountability by acquiring transparency and objectiveness

■ Remuneration Structure

Remuneration Category		Fixed	Performance Based	
		Base Remuneration	Annual Incentive (AI)	Long Term Incentive(LTI)
			Bonus	Share Remuneration*
Performance Based Coefficient	HD Company	-	0～150%	0～200%
	Core 3 Companies	-	0～200%	0～150%

*Share Remuneration is executives incentive plan which refers to Performance Share commonly employed in the United States. The scheme is that shares are granted to executives in accordance with target achievement after a certain period by using trust scheme. It works out for executives having common interest with shareholders and motivation to gain consciousness of performance and share price increase from long term perspectives.

■ Date of establishment

October 1, 2015

Revision of the 5th Consolidated Medium-Term Management Plan
（Announced on 6th November 2015）

COSMO ENERGY HOLDINGS CO., LTD.

✓ The Plan has been revised, factoring in additional measures to the original medium-term management plan, in addition to changes in crude oil prices and exchange rates.

Main Additional Actions

◆ Competitiveness Enhancement of Oil Refining & Sales Business

- ✓ Establishment of Keiyo Seisei JV G.K. with TonenGeneral which aims at 10 billion yen synergy merit in total.
- ✓ Decision of business alliance with Showa Shell Group as for Yokkaichi Refinery to fortify competitiveness.
- ✓ Establishment GYXIS to merge LP Gas Whole sale with other companies.

◆ IPIC Alliance Enhancement

- ✓ Enhancement of Alliance with CEPSA and study of new oil field concession acquisition.

Revision of Preconditions

Item	Fiscal year	Revised	Original
Dubai crude oil price	FY2016	60$/bbl	100$/bbl
	FY2017	70$/bbl	
JPY/USD exchange rate	FY2016 ～ FY2017	120yen/$	90yen/$

The original plan for ordinary income is maintained due to improvement in the income of the Petroleum business.

✓ Ordinary income of FY2017 in the original plan is maintained due to an improvement in the income of the Petroleum business, despite lower-than-expected income in the Oil E&P business due to changes in crude oil prices and exchange rates.

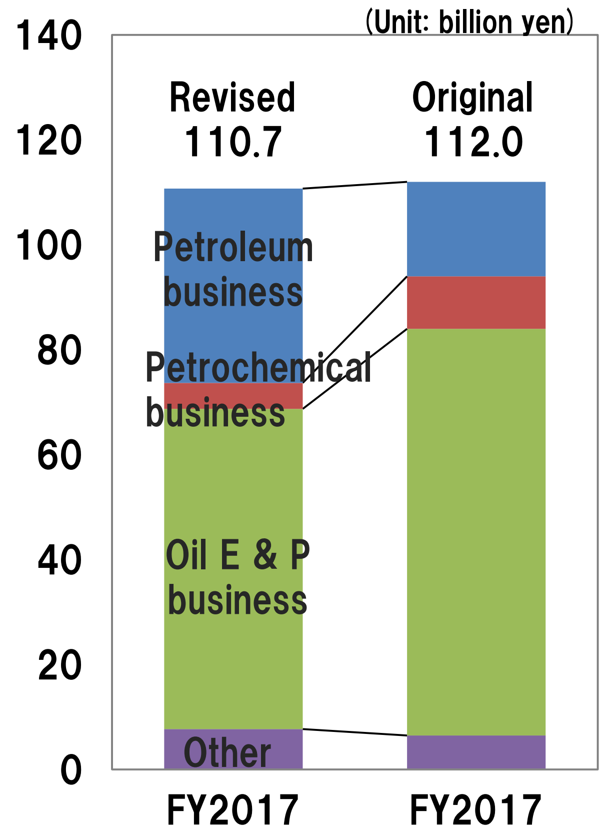
■ Main Earning Items

Unit: billion yen

	FY2017 Revised	FY2017 Original	Changes
Ordinary income excluding impact of inventory valuation	110.7	112.0	-1.3
Petroleum business	57.0	18.0	+39.0
Petroleum business (Excluding impact of inventory valuation)	37.0	18.0	+19.0
Petrochemical business	5.0	10.0	-5.0
Petrochemical business (Excluding impact of inventory valuation)	5.0	10.0	-5.0
Oil E & P business	61.0	77.5	-16.5
Other	7.7	6.5	+1.2
Net income* (Excluding impact of inventory valuation)	59.0	45.0	+14.0
Net income*	75.0		+30.0

* Net Income indicates "Net Income attributable to shareholder of parent company".

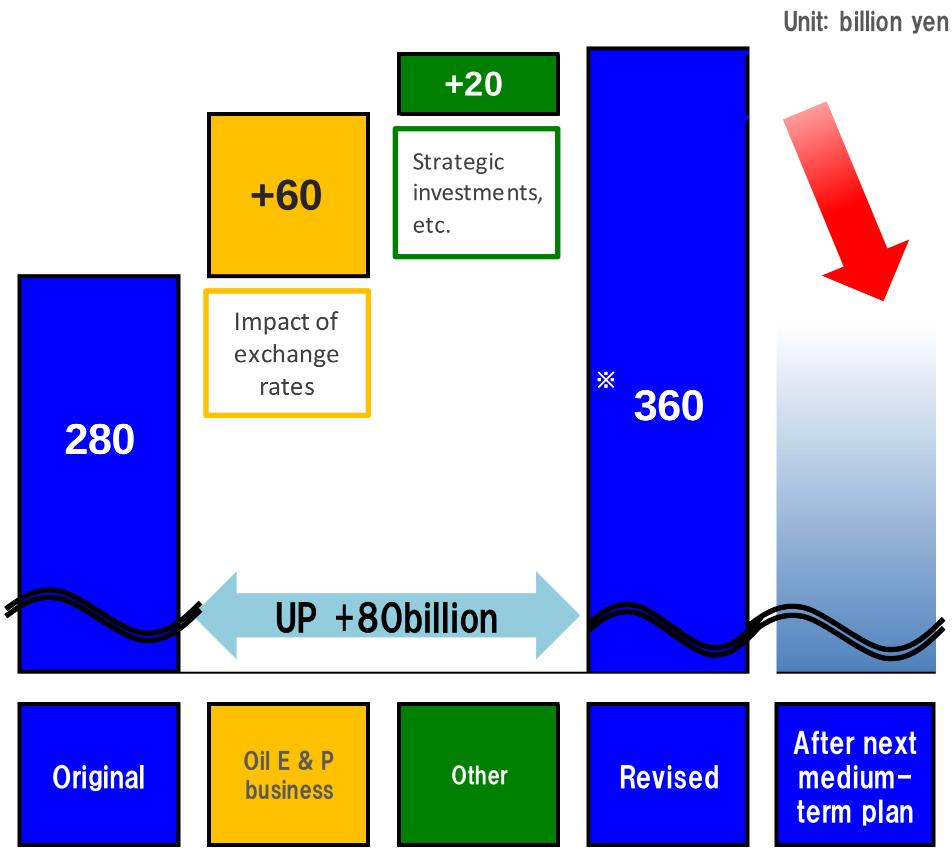
Ordinary income (excluding impact of inventory valuation) (Comparison of the initial medium-term plan with the revised medium-term plan)



Investments for growth are maintained (FY2013 - FY2017)

- ✓ Strategic investments such as the construction of the pipelines in Chiba area, which is an additional measure for growth, will be implemented steadily, despite a larger amount of investment in oil E&P due to changes in exchange rates.
- ✓ Due to the completion of large-scale investments such as development investment in Hale oil filed, investments after the next medium-term plan are expected to decline.

Amount of capital expenditure (compared with the original plan)



*Excluding subsidy

《Factors to increase capital expenditure》

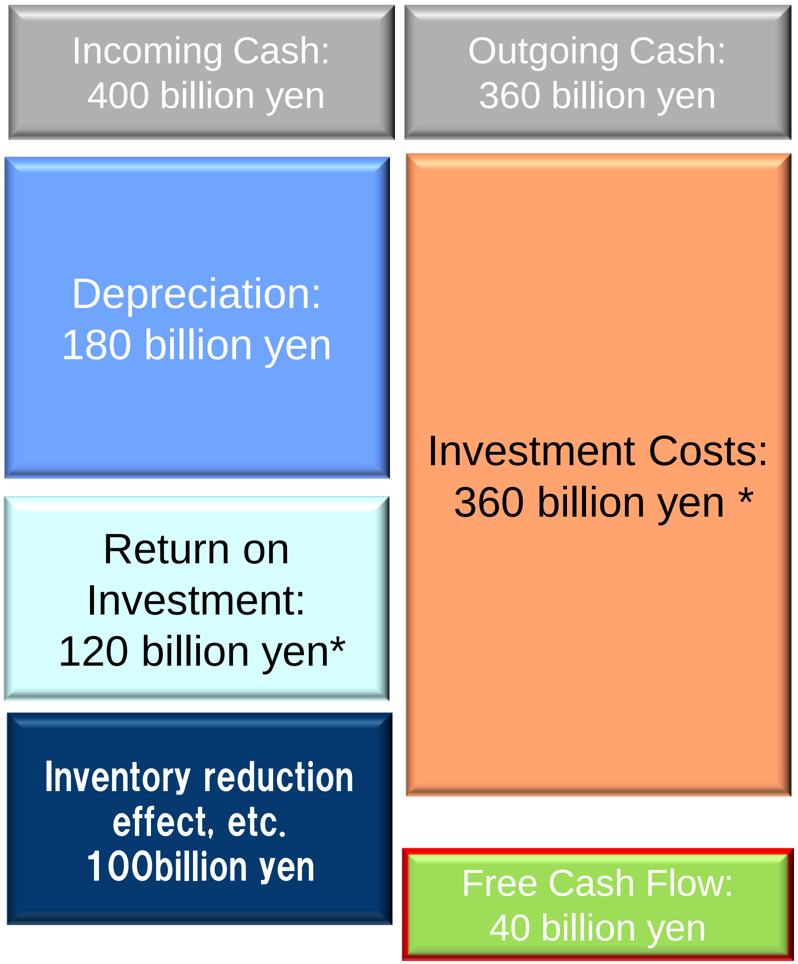
Oil E&P business

- ✓ Affection of foreign exchange by depreciation of JPY

Major strategic investments etc.

- ✓ Construction of incremental pipelines at Chiba Refinery
- ✓ Construction for Building Refinery Resilience

(Image of cash flows in the revised medium-term plan)



*Excluding subsidy

- Cash in
  - Stable Cash-in mainly from business Income will be expected.
  - Study for divestment and to slim down our balance sheet including unload properties.
- Cash out
  - To invest in E&P business as a biggest growth driver and Refinery Business in a strategic way .
- Free cash
  - Stable dividends are anticipated, taking into account improvement in the financial position and the profit level.

- ✓ Substantive recapitalization is implemented in FY2015 by conducting hybrid financing.
- ✓ The net debt-to-equity ratio is anticipated to improve steadily toward the final year of the medium-term plan.

	FY2017 Revised	FY2017 Original	Changes
Net income (billion yen) ※1	75.0	45.0	30.0
Net assets (billion yen)	359.1	415.5	-56.4
Net worth ratio (%)	18.8	21.5	-2.7
Net Debt Equity Ratio (times) (based on the credit rating) ※2	1.9	1.6	0.3
ROE (%)	22.0	13.3	8.7

*1 Net Income indicates "Net Income attributable to shareholder of parent company".

*2 50% of original amount of Hybrid Load regarded as Equity is counted as Equity by the assessment of Japan Credit Agency, Ltd.

(50% of 60 billion yen Hybrid Loan started on 1st April 2015 is included into Equity)

Business Outline

[Oil E&P Business] - Highlights

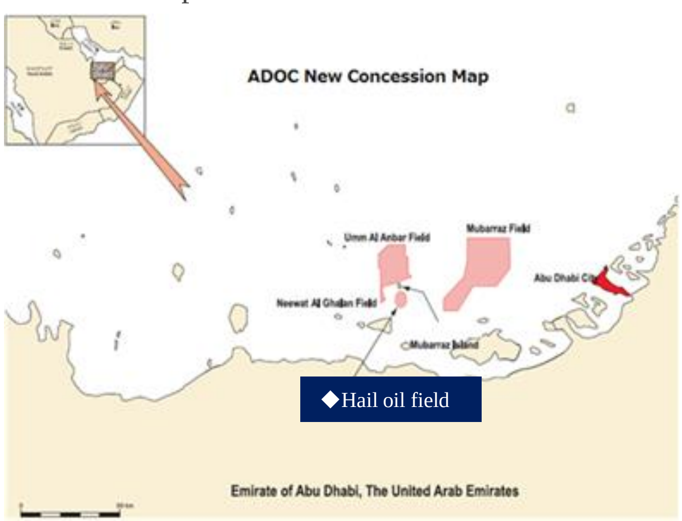
- ✓ Realized low-risk, low-cost development based on a relationship of mutual trust with Middle Eastern oil-producing countries as an operator delivering long-term, stable production
- ✓ Obtained a 30-year extension in concession agreement for three oil fields with Abu Dhabi Oil Company in 2012 and secured the new Hail oil field, which is the same size as the three existing oil fields Steadily executing development plan toward start of production in 1H,FY2017.

Location	Company Name	Investment Ratio	Establish-ment	Crude Production (BD)	Total Proved and Probable Reserves (mil B)	Reserve Production Ratio (year)
Cosmo Energy E&P		100%	2014	39,201	161.4	approx. 24

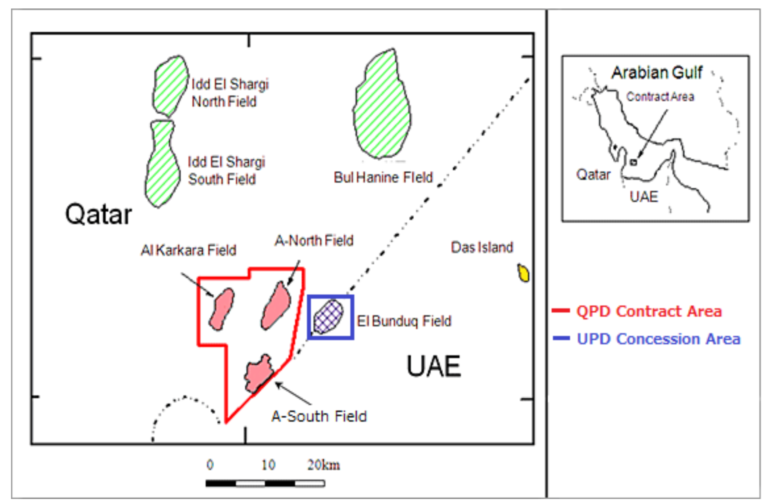
U.A.E	ADOC	51%	1968
	UPD	45%	1970
Qatar	QPD	75%	1997

※Production of Crude Oil : Result of FY2015
※Crude Reserves Estimate : Total of Proved Reserves and Probable Reserves (As of 31st, Dec 2015)

■Location Map of ADOC Concession Area



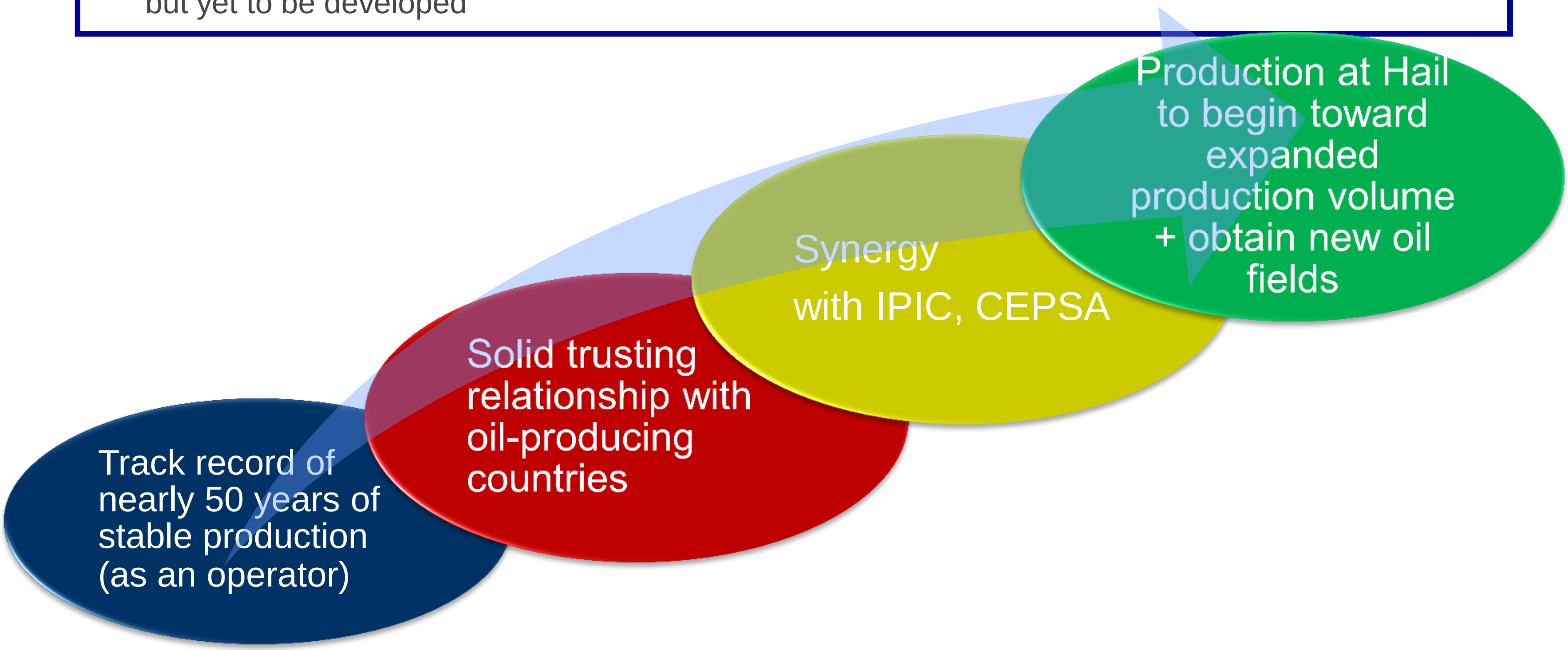
■Location Map of QPD Contract and UPD Concession Area



[Oil E&P Business] - Become the pillar of vertically integrated global energy companies

<Growth strategy>

- Aim at sustained expansion in production volume by exercising synergy with partner companies
- Concentrated investment on low-risk projects, centered on oil fields that have discovered already but yet to be developed

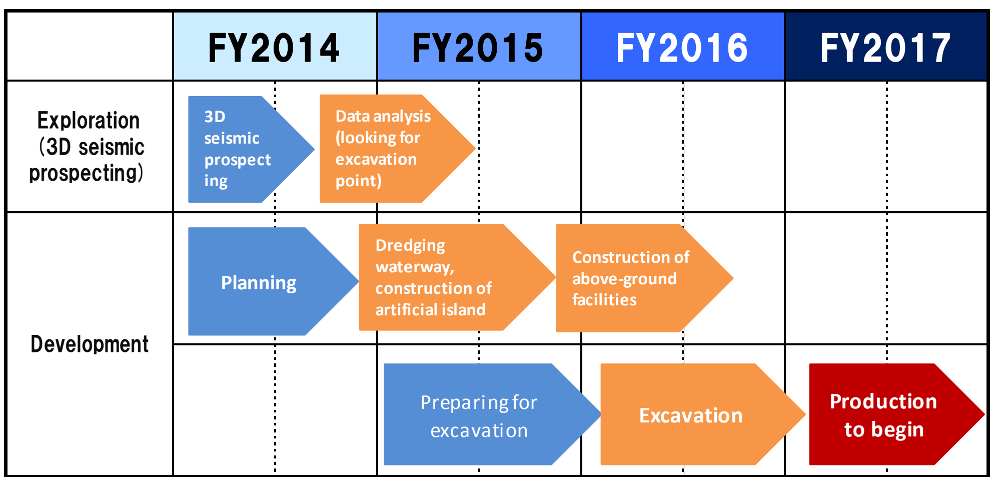


<Risk tolerance>

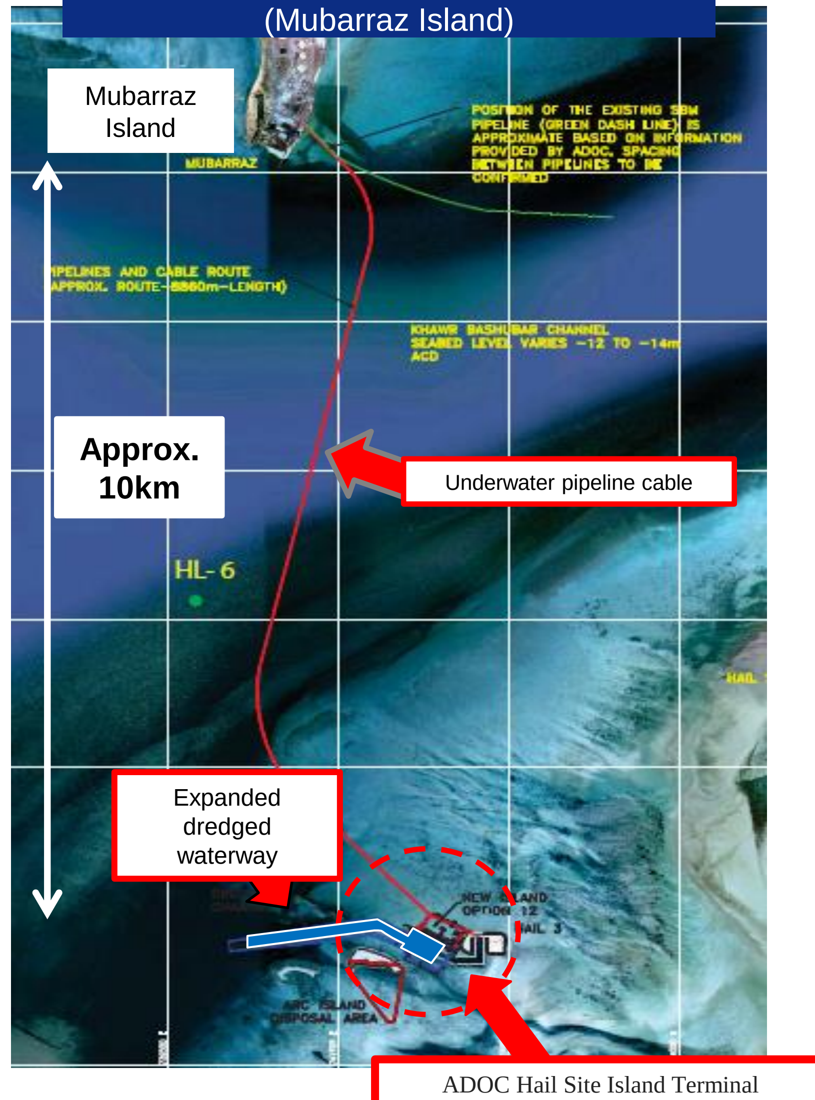
- ✓ Geopolitical risks ⇒ Operations in UAE, Qatar, where political conditions are relatively stable and where strong motivation to utilize foreign investments exists
- ✓ Development risks ⇒ Track record as an operator of stable operations of nearly 50 years and solid trusting relationship with oil-producing countries
- ✓ Financial risks ⇒ Diversifying business portfolio, joint businesses with partners
- ✓ Price fluctuation risks ⇒ Crude oil production in the Middle East, one of the most competitive regions in the world

- ✓ The commencement of production is expected in 1H FY2017
- ✓ The peak production volume is expected to be equivalent to that of the existing three oil fields of Abu Dhabi Oil Company.
- ✓ In FY2015, an artificial island has been creating after dredging a waterway.
- ✓ Excavation will begin in FY2016.

Development schedule toward start of production

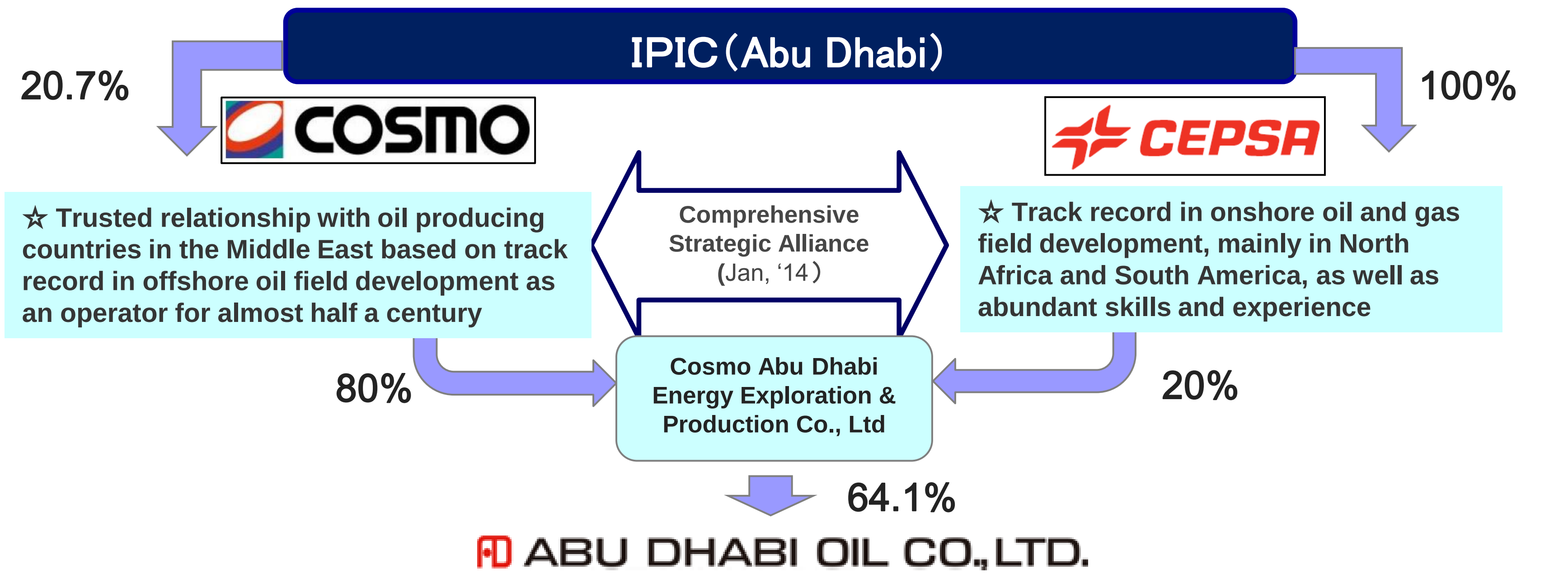


Hail oil field and existing shipping terminal (Mubarraz Island)

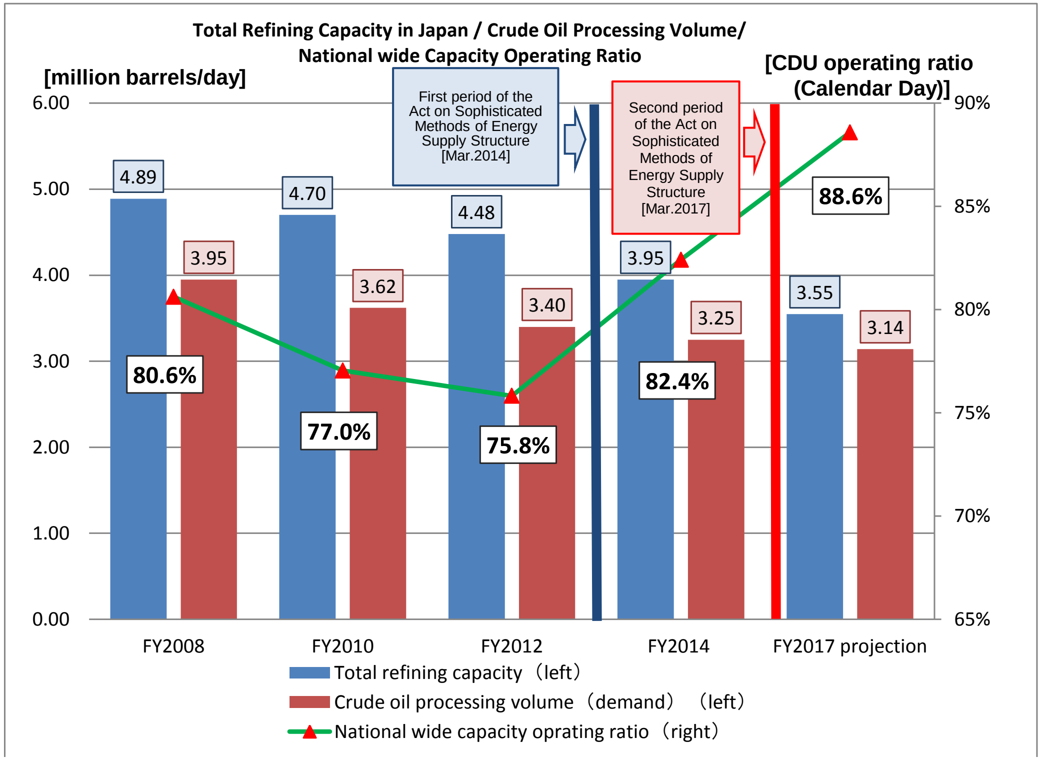


[Oil E&P Business] - Enhancement of alliance with CEPSA

- ✓ Cosmo aims to reinforce and expand the strategic partnership with CEPSA by transferring part of shares of newly established upstream subsidiary “Cosmo Abu Dhabi Energy Exploration & Production” to CEPSA, which is in line with the “Further strengthen alliances with IPIC” policy stipulated as part of the 5th Consolidated Medium-Term Management Plan
- ✓ Cosmo and CEPSA, with support of common shareholder IPIC, have launched an working group together with the Abu Dhabi National Oil Company to identify new E&P business opportunities



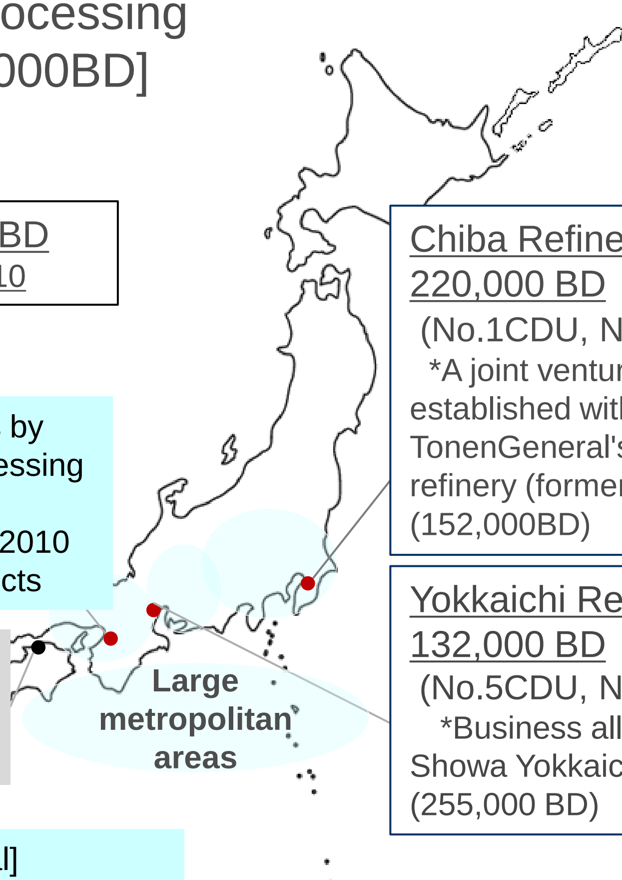
- ✓ With the enforcement of the Act on Sophisticated Methods of Energy Supply Structures (deadline of March 2014), domestic refining capacity decreases and the supply and demand balance becomes reasonable.
- ✓ With the partial amendment to the Act above (deadline of March 2017), a reasonable supply and demand balance is expected to be maintained in the medium term.
- ✓ All the refineries across Japan will be operated at almost full capacity, by taking into consideration suspended operations for regular maintenance.



Source: "Natural Resources and Energy Statistics" of the Ministry of Economy, Trade and Industry, etc.
* Actual results of total refining capacity and crude oil processing volume are the average from January to December.
* Total refining capacity for 2017 is a forecast based on the assumption that all companies reduce CDU capacity according to the amended Act on Sophisticated Methods of Energy Supply Structures (deadline of March 2017).
*Crude oil processing volume for FY2017 is our estimation based on the assumption by the Ministry of Economy, Trade and Industry announced on April 2015.

- ✓ Promoted rationalization and efficiency, including alliances in each region.
- ✓ Acquired certification for Chiba Refinery
  - ➡ Implementation of two-year long run, Ensuring proper operation benefits and maintenance cost
    Expected improvement of about7 billion yen/year
- ✓ Have already determined the policies for complying with the Act of sophisticated methods of energy supply structures.

[Our crude oil processing capacity: 452,000BD]



Sakai Refinery: 100,000 BD
*Coker in operation since 2010

[Greater competitiveness by investing in secondary processing equipment]
- ✓ Coker began operation in 2010
- ✓ Higher value-added products

Formerly of Sakaide Refinery: 140,000 BD
Closed in July 2013

[Conversion to an oil terminal]
Streamlining effect: About ¥10 billion

Chiba Refinery: 220,000 BD
(No.1CDU, No.2CDU)
*A joint venture company established with TonenGeneral's Chiba refinery (formerly of KPI) (152,000BD)

[More competitive through JV]
- ✓ Joint venture started by the established JV
- ✓ Construction of a pipeline started
- ✓ Refinery equipment to be integrated with JV after the pipelines are constructed
- ✓ One CDU will be reduced through JV

[Synergy from two companies: ¥10 billion/year]
- ◆ Higher value-added products
- ◆ Streamlined equipment

Yokkaichi Refinery: 132,000 BD
(No.5CDU, No.6CDU)
*Business alliance with Showa Yokkaichi Sekiyu (255,000 BD)

[More competitive through business alliances]
- ✓ One CDU will stop its operation and streamline equipment
- ✓ Consignment of crude oil refining

[Synergy from two companies]
- ◆ Higher value-added products
- ◆ Streamlined equipment

- ✓ Put both companies' Chiba refineries under integrated management to streamline and increase efficiency of the Refinery Business.
- ✓ Establish a refinery with top-class competitiveness in Asia.
- ✓ Assume that synergies between both companies will be 10 billion yen (1 billion yen before the completion of pipelines).

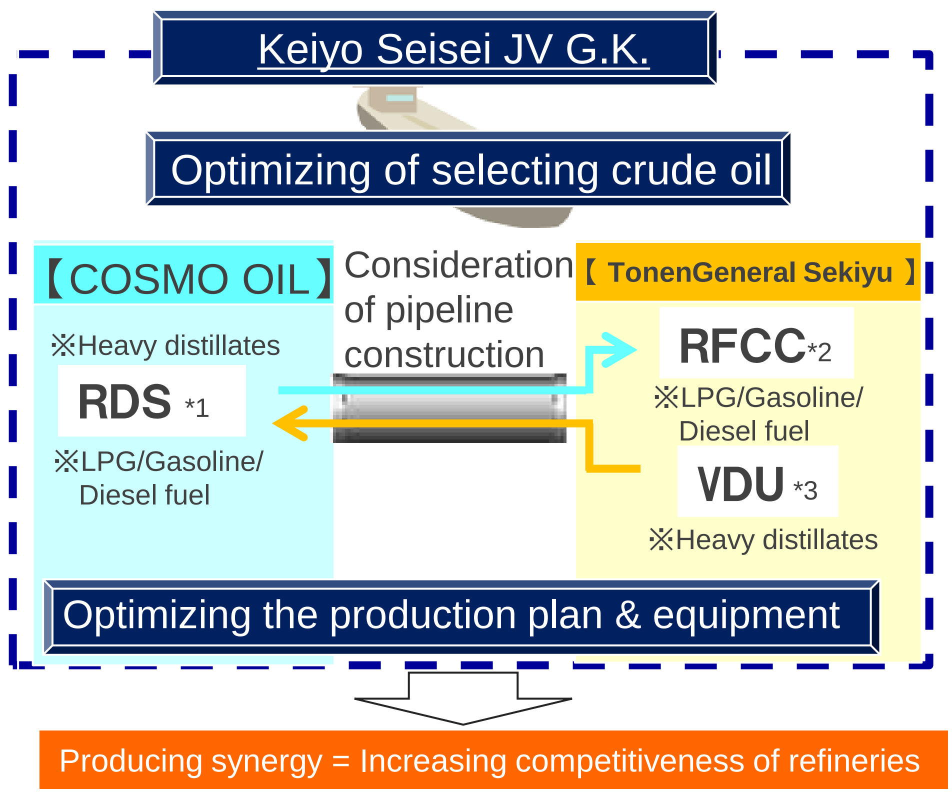
Basic contract, decisions

■Establishment of Keiyo Seisei JV G.K. (January 2015)
- Investment ratio: each company to take a 50% stake
- Business: development of a production plan for both refineries

■Formal agreement on the construction of pipelines
- Construction work to started in June 2015
- Nine pipelines to be laid
- Each of the two companies to provide half of the construction costs (each assumed to pay ¥15 billion)
- The project has been chosen as a project to be subsidized by the Ministry of Economy, Trade and Industry.

■Integration of the two refineries
- Upon the completion of the pipelines and after integration of refining equipment, the No.1 CDU that Cosmo Oil currently holds will be disposed of for the optimization of the refinery equipment after the integration of the equipment with JV.

<An example of Synergy>

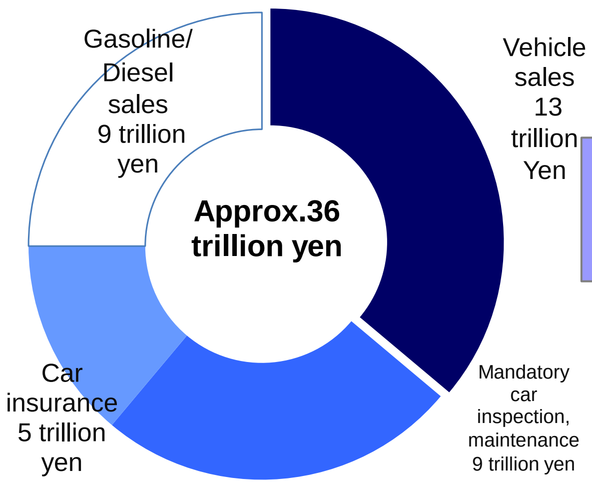


＊1)RDS＝Residue Hydro desulfurization unit
＊2)RFCC＝Residue Fluid Catalytic Cracker
＊3)VDU＝ Vacuum Distillation Unit

[Petroleum business] – Strengthen the Retail Business

- ✓ Utilize the infrastructure for retaining existing customers and gaining new customers as a platform.
- ✓ Aim at strengthening SS profitability by converting to “car life value proposition” by positioning the individual leasing business at the core.

Market size of car-related business



Source: SEIBIKOHOSYA

[Cosmo Energy Group measures to strengthen its retail operations]

<Strategy>

Capitalize on the higher frequency at which SSs serve customers (500,000 vehicles a day*) over competitors engaged in car related business.

Place a focus on the car life market with a scale of 27 trillion yen in addition to gasoline and diesel oil sales

<Tactics>

Capturing and retaining customers in the individual vehicle leasing business

Contract type: Centered on five-year contracts with monthly fixed-rate payments

Contract coverage: Vehicle lease, vehicle inspection and maintenance, insurance and tax

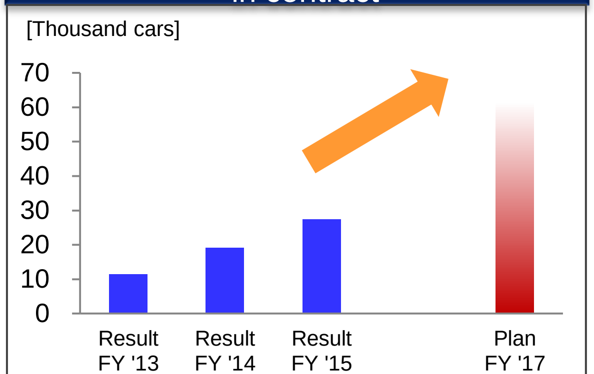
Privilege: A reduced price for fuel oil at Cosmo Energy Group SSs only

Business model patent acquired

Utilize infrastructure

* The number of vehicles visiting Cosmo Oil SSs estimated by the company

Target for cumulative vehicles in contract



Retaining existing customers

- Cosmo the Card (credit card)
  - Number of active card holders: 4.39 million (as of the end of Mar. 2016)
- Vehicle Life (two-way communication)

  Guiding customers from online to SSs

Gaining new customers

- Mutually introducing customers with large shopping malls (e.g. AEON) and other operators running different types of business
- Launching electronic money payment services at SSs
- Launching SSs at large shopping malls

[Petroleum business] Car Lease Business for Individuals (Cosmo Smart B-cle)

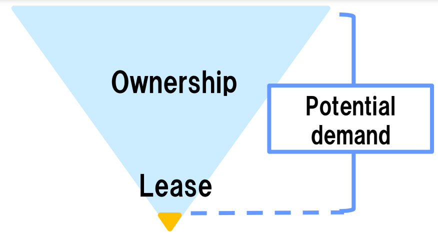
- ✓ Entry into the car lease market for individuals, which is expected to continue to grow in the future
- ✓ Low-risk business model with the lease company taking charge of credit administration, and of inventory vehicles
- ✓ Ultimate merchandise for total car life support for customers

What is "Cosmo Smart B-cle"?

◆Characteristics◆

- Handy : Monthly fixed payment
- Convenient : All-inclusive maintenance (mandatory vehicle inspection, tax, insurance, etc.)
- Economy : Fuel oil discount service

Domestic car lease market for individuals



- Extremely small ratio of ownership of private vehicles by lease
- High potential demand

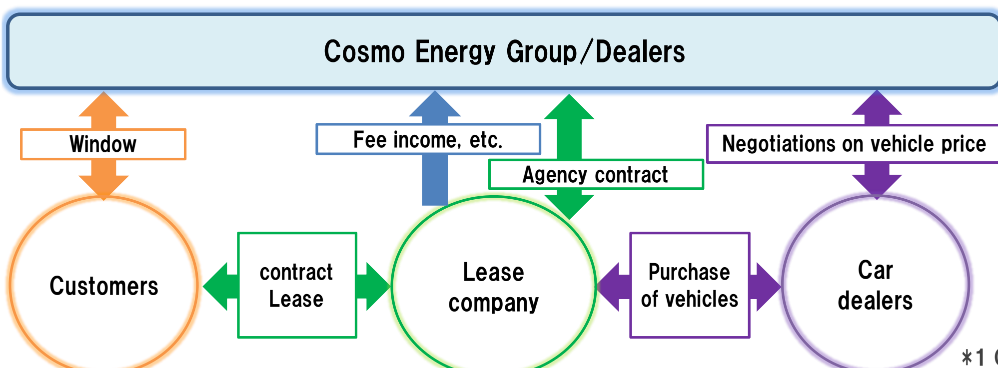
Features of contracted auto lease

◆Strengths

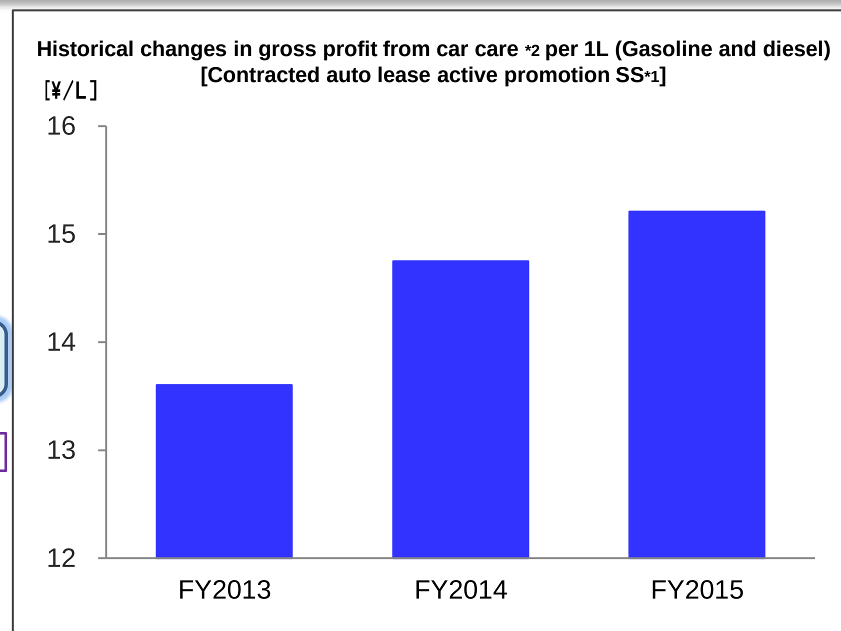
- The Company group : Possible to make a proposal utilizing the contacts of SS with customers
- Existing lease companies: Fewer contacts with individual customers

◆Low risk

- Low risk without inventory and credit risk owing to agency contract with lease companies



Attractiveness of contracted auto lease



*1 Contracted auto lease active promotion SS: SS promoting private car leasing and vehicle sales
*2 Car care: income other than fuel oil (mandatory car inspection, maintenance, insurance, etc.)

Press release :as of August 5 ,2014

✓ Purpose of business integration :

The LP gas import and wholesale operations (LP gas import/procurement, shipping terminal operation, logistics, and domestic wholesaling) and overseas trading operations of the four corporate groups(*) will be consolidated into an integrated structure to create one of Japan's top-class LP gas import and wholesale companies.

✓ Business integration method :

The four corporate groups will carry out absorption-type spin-offs of their LP gas import and wholesale operations and integrate these operations, with Cosmo Petroleum Gas Co., Ltd. (a wholly-owned subsidiary of Cosmo) as the receiving company. Cosmo, Showa Shell, Sumitomo Corporation, and Tonen General will each acquire a 25% stake in the integrated import and wholesale company.

✓ Integration deadline : April 1, 2015

*) Cosmo Oil Company, Limited/Showa Shell Sekiyu K.K. / Sumitomo Corporation, / Tonen General Sekiyu K.K.

	Profile of integrated import and wholesale company	
Description of business	Manufacture,storage,transport,sale and import/export of LP gas	
Capital	11.0 billion yen	
Settlement period	December	
Shareholders and ownership	Cosmo Oil Co., Ltd. (25%), Showa Shell Sekiyu K.K. (25%), Sumitomo Corporation (25%), TonenGeneral Sekiyu K.K. (25%)	
Sales revenue	Approx.450 billion yen	
Domestic sales volume	Approx.3.7 million tons (excluding LPG used as electric power and raw materials)	
Import volume	Approx.2.8 million tons	
Overseas trading volume	Approx.1.0 million tons	
Principal offices	Seven LP gas import terminals	
		Kashima,Chiba,Kawasaki, Hekinan (in Aichi Prefecture) ,Yokkaichi,Sakai,Oita
	Four LP gas secondary terminals	
		Shimizu,Sakaide,Matsuyama,Hiroshima
Principal subsidiaries and affiliates	Yokkaichi LPG Terminal Co., Ltd. Kashima LPG Joint Stockpiling Co., Ltd. Oita LPG Joint Stockpiling Co., Ltd. Hiroshima LPG Terminal Co., Ltd.	

[Petrochemical business] - Overview

Break into the MX and PX businesses as measures in response to declining demand for gasoline in Japan, accelerating a shift toward the petrochemical business; a shift "from fuel to raw materials" will improve added values to increase earnings at the business.

■ Capacity

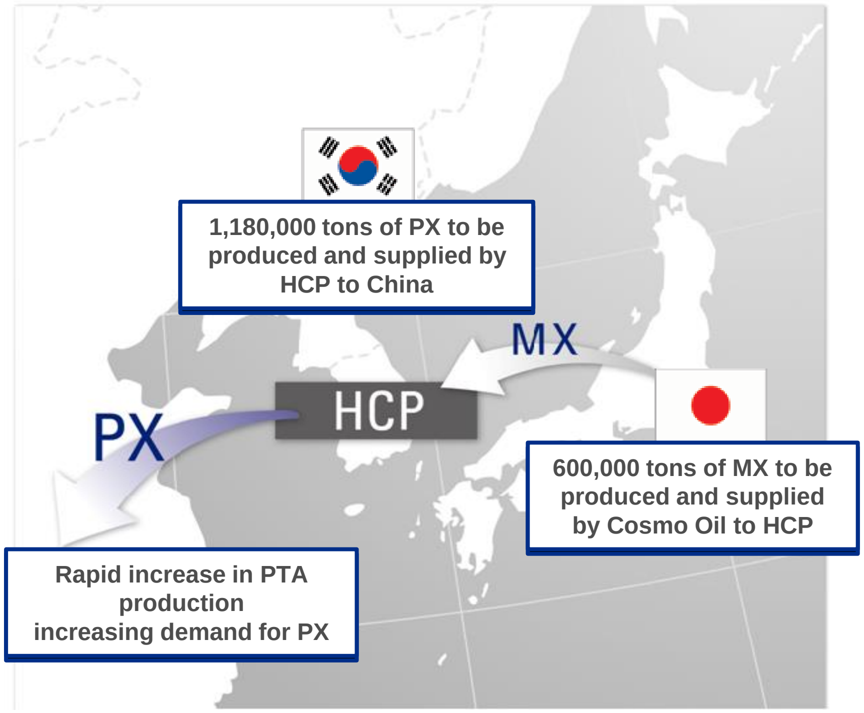
k ton/year

Company	Ethylene	PX	BZ	MX
HCP	-	1,180	250	-
Maruzen Petrochemical (*1,*2)	1,293	-	598	72
CM Aromatics (*3)	-	-	-	270
Cosmo Matsuyama	-	-	91	30
Yokkaichi Refinery (*4)	-	-	-	300

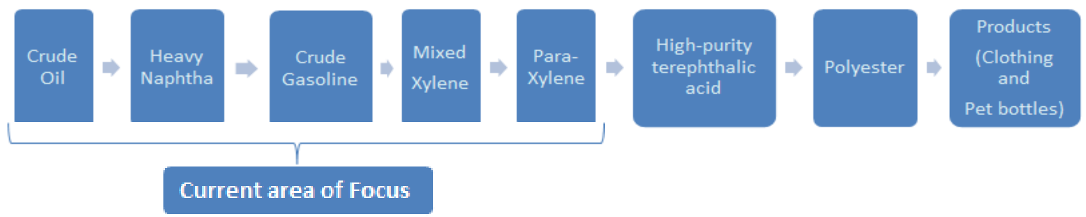
HCP : 50.0% (equity-method affiliate)
Maruzen Petrochemical : 52.7% (consolidated subsidiary)
CM Aromatics : 65.0% (consolidated subsidiary)
Cosmo Matsuyama Oil : 100.0% (consolidated subsidiary)

*1) The ethylene production capacity of the Maruzen Petrochemical Co., Ltd. Group includes the capacity of Keiyo Ethylene Co., Ltd. (768,000 tons/year) in Maruzen Petrochemical Co., Ltd. Has a 55% of equity interest.
*2) The ethylene production capacity shown in the table is that of non-shut down maintenance year.
*3)CM Aromatics: Cosmo oil 65%, Maruzen Petrochemical 35%.
*4) Earnings from the MX production unit at the Yokkaichi Refinery are included in the petroleum business segment..

■ HCP's East Asia Trans-Border Business Model



■ Para Xylene Refining Process



- ✓ Completed making Maruzen Petrochemical a subsidiary in March 2016
- ✓ Strengthen competitiveness by running the oil refinery business and the petrochemical business in a unified manner.

■ Overview of Maruzen Petrochemical Co., Ltd.

Business	Manufacture and sale of basic petrochemical products such as ethylene, propylene and benzene, solvents such as methyl ethyl ketone, and other functional chemicals	
Established	October 10, 1959	
Capital	10 billion yen	
Shareholders	Company	Ratio of voting rights
	Cosmo Energy Group ※	52.7%
	Ube Industries, Ltd.	13.2%
	Denka Co., Ltd.	13.2%
	JNC Corporation	13.2%
	Other	7.7%

※Cosmo Energy Holdings Co., Ltd., Cosmo Matsuyama Oil Co., Ltd.

■ Maruzen Petrochemical Co., Ltd.; Consolidated operating results and financial position

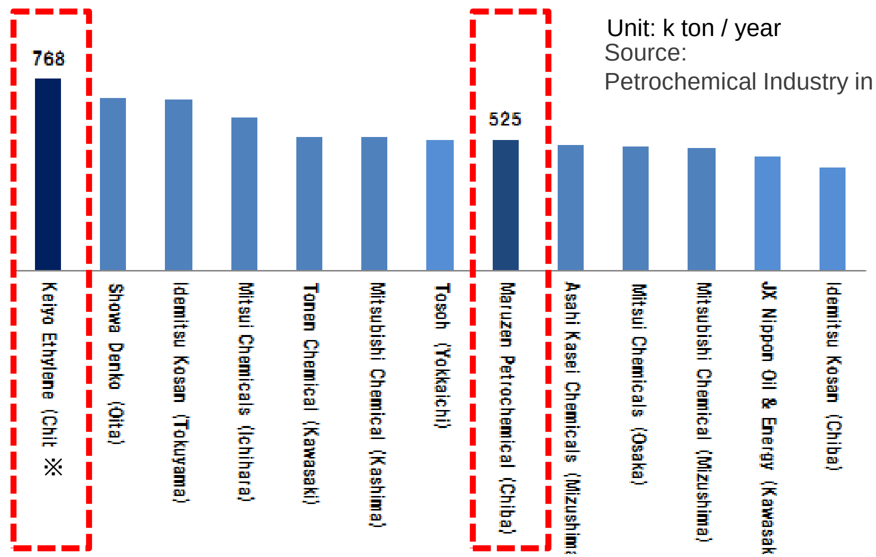
Unit：billion yen

	FY2012	FY2013	FY2014
Net income	421.6	568.4	549.5
Ordinary income	1.3	11.0	6.3
Profit attributable to owners of parent	1.0	7.1	4.2
Net assets	91.7	98.6	103.2

■ Domestic production capacity of ethylene

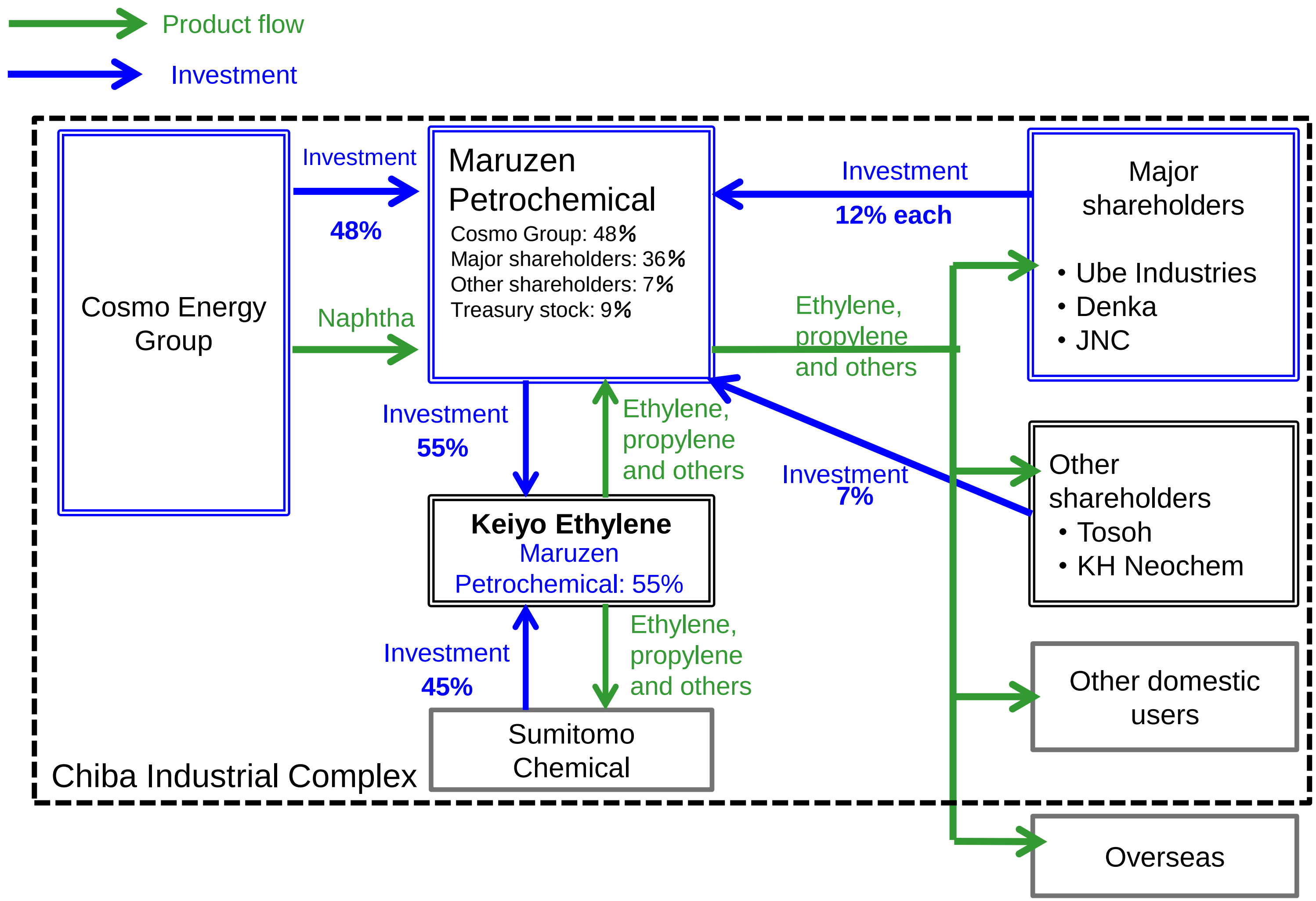
Maruzen Petrochemical uses its two plants, including Japan's largest and newest plant for naphtha cracker, to remain competitive in Japan.

Unit: k ton / year
Source:
Petrochemical Industry in Japan 2016



※Keiyo Ethylene Co., Ltd. is a consolidated subsidiary of Maruzen Petrochemical with a 55% stake.

✓ Maruzen Petrochemical received investments from both the Cosmo Energy Group, which supplies raw materials, and users, who receive the supply of raw materials.



- ✓ Major improvement in the profitability of the wind power generation business as a result of the introduction of the Japan's feed-in tariff (FIT) scheme
- ✓ Profitability of the renewable energy business expands by pushing forward with development of new sites

Wind power generation business begins (2010)

Purchased a wind power business at residual value (1 yen) from Ebara Corporation in March 2010. Turned into a profitable business by strengthening maintenance of existing sites.

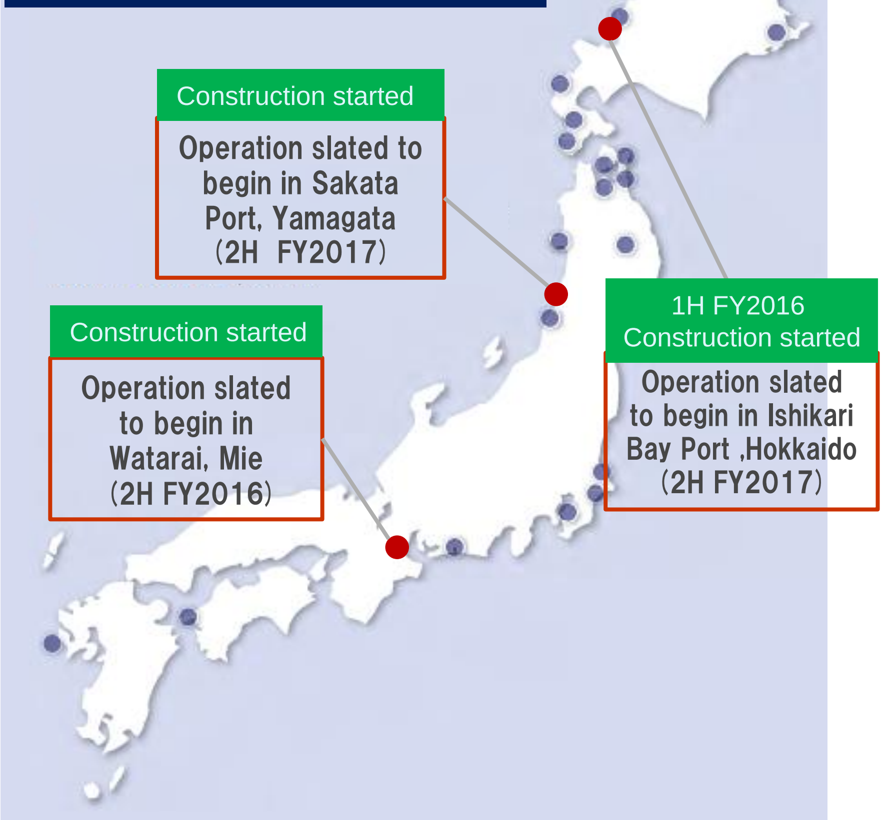
Introduction of the feed-in tariff (FIT) scheme

Business profitability improves with the implementation of an all-quantity buyback program program in July 2012. Profits stabilize as acquisition price for wind power generation at 22 yen/kwh (excluding taxes).

Medium-Term Management Plan (FY2013 - 2017)

In view of changes seen in the environment, aim to expand profitability of the wind power generation business and begin development of new sites.
Aim to expand business to <u>a total of about 230,000 kw</u> by the end of the 5th Medium-Term Management Plan.

■Overview of Eco Power Co., Ltd.
Capital: 7.1 billion yen
Number of wind turbines: 145 (22 sites)
Power generation capacity: 184,000 kW
Industry share: around 6%（ranked 4th）
*As of March,2016



Disclaimer
FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Japanese securities legislation). Such statements and information (together,"forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.
All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek","anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential","targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.