

Cosmo Energy Holdings Co., Ltd. Third Quarter of Fiscal 2021

February 10, 2022

<p>Highlights of 3Q FY2021 Results and FY2021 Forecast Progress in Renewable Energy Business</p>	<p>Pages 2 to 8</p>
<p>3Q FY2021 Results Forecast for FY2021 Performance</p>	<p>Pages 9 to 20</p>

Highlights of 3Q FY2021 Results and FY2021 Forecast

Highlights of 3Q FY2021 Results and FY2021 Forecast

<3Q FY2021 Results>

- ✓ The Company maintained a high refinery utilization rate (rate for first nine months/SD basis: 99.2%,) based on a short position strategy.
- ✓ Profit increased sharply year on year mainly due to an increase in the sales volume of petroleum products and the rise of crude oil prices.
- ✓ Ordinary profit, excluding inventory impact, rose ¥60.9 billion year on year, to ¥102.8 billion. Profit attributable to owners of parent increased ¥63.4 billion year on year, to ¥79.9 billion. Both ordinary profit and profit attributable to owners of parent reached a new record.

< Revision of FY2021 forecast >

- ✓ Due to the rise of crude oil prices, ordinary profit and profit attributable to owners of parent excluding inventory impact are expected to reach 133.0 billion yen and 115.0 billion yen respectively.
- ✓ The Company plans to pay a dividend of 100 yen in line with the previous forecast announced in November, with an eye on achievement of the Medium-term Management Plan financial targets.

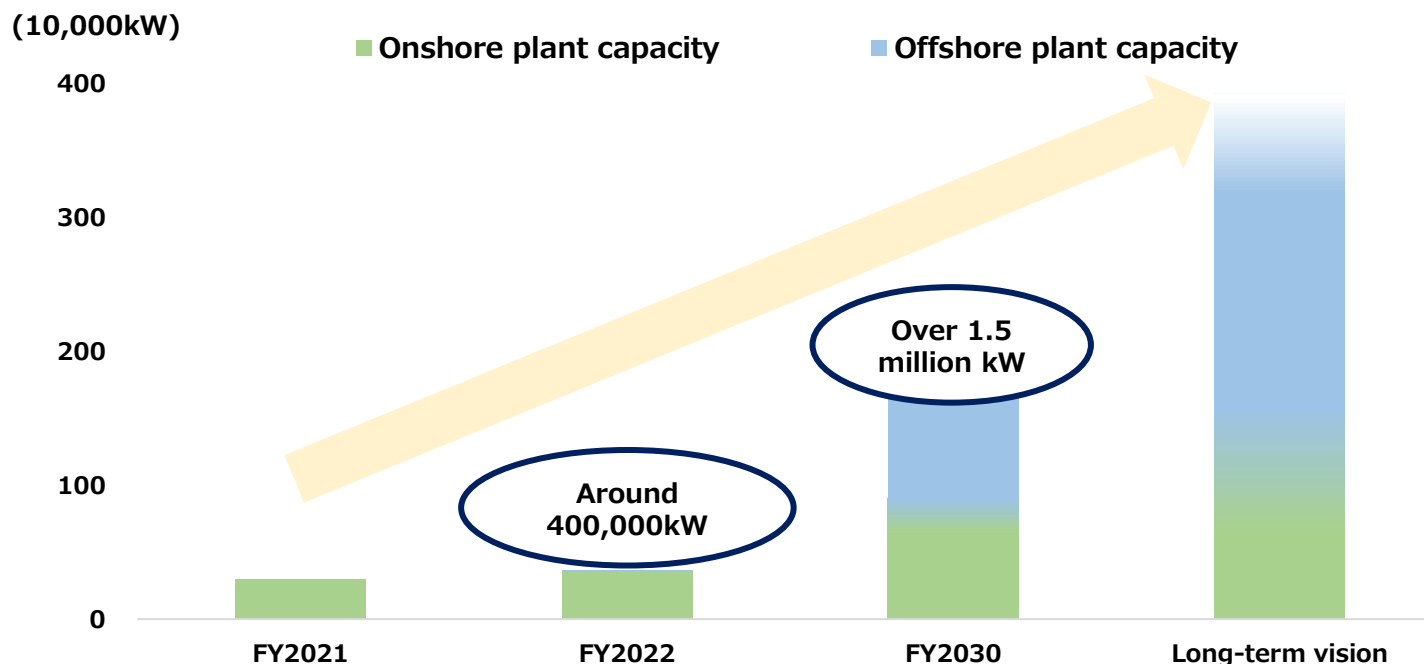
					(billion yen)	
		3Q FY2021	3Q FY2020	Changes	FY2021 Forecast	Changes
1	Ordinary profit	147.0	34.5	112.5	195.0	97.6
2	(Impact of inventory valuation)	44.2	-7.4	51.6	62.0	41.2
3	Ordinary profit excluding the impact of inventory valuation	102.8	41.9	60.9	133.0	56.4
4	Profit attributable to owners of parent	79.9	16.5	63.4	115.0	29.1
5	Dubai crude oil price (USD/B)(Apr.-Dec.)	72	39	33	75	30

		3Q FY2021	FY2020	Changes	FY2021 Forecast	Changes
6	Net worth (billion yen)	397.2	324.9	72.3	433.0	108.1
7	Net worth ratio (%)	20.4%	19.0%	1.4%	24.1%	5.1%
8	Net Debt to Equity Ratio (times)	1.28	1.59	-0.31	1.12	-0.47
9	Return On Equity (ROE)	-	30.4%	-	30.3%	-0.1%
10	Earnings Per Share (EPS) (yen)	-	1,026	-	1,373	348

Progress in Renewable Energy Business

- ✓ We have not any changed FY2030 plan of increasing total capacity of wind power plants to more than 1.5 million kW and Long-term vision.
- ✓ Following the Offshore Yurihonjo-shi Project tender results, We will reassess the entire supply chain, including construction, O&M, and power purchasers, and seek to thoroughly strengthen cost competitiveness.
- ✓ We will continue aiming to implement our current offshore projects and to expand the scale of onshore sites, including non-firm connections.

Changes in wind power generation capacity



* Installed capacity is capacity commensurate with the Company's investment.

Progress in Wind power business

- ✓ Onshore sites: The Company currently has two sites under construction, five sites under development, and multiple sites, including non-firm connections, under examination.
- ✓ Offshore sites: The Company currently has six sites either under construction or in the pipeline. The Offshore Northwest of Aomori Project is expected to be designated a high potential area in the future.

Status	Name	Facility capacity		FY2021	FY2022	To FY2030	After FY2030
In operation	Onshore sites(23 areas in Japan)	300,100 kW					
Under construction	Kamiyuchi	Approx. 49,000 kW			Operations scheduled to start in the second half of FY2022		
Under construction	Oita	Approx. 14,000 kW					
Being developed	Abukuma-minami	Approx. 90,000 kW ¹			Operations scheduled to start in the second half of FY2026		
Being developed	Chuki No.2	Approx. 50,000 kW					
Being developed	Shimamaki	Approx. 94,000 kW			Operations scheduled to start until FY2030		
Being developed	Aizuwakamatsu	Approx. 50,000 kW					
Being developed	Enshu(Kakegawa)	Approx. 6,000 kW					
Onshore sites Total		Approx. 653,100 kW	*1 Installed capacity of the whole				
Status	Name	Facility capacity	Subject to the act on renewable energy sea area utilization				
Under construction	Akita Port & Noshiro Port	Approx. 140,000 kW ¹	Harbor area ³		Operations scheduled to start in the second half of FY2022		
FS	Offshore northwest of Aomori (The Sea of Japan, offshore near Aomori)	Approx. 600,000 kW ¹	High potential area				
FS	Central sea area near Akita (Offshore near Katagami-shi/Akita-shi, Akita)	Up to 500,000 kW ^{1,2}	High potential area				
FS	Offshore near Yuza, Yamagata (Offshore near Yuza, Yamagata)	Up to 500,000 kW ^{1,2}	High potential area				
Assesment	Offshore north of Niigata (Offshore near Murakami-shi/Tainai-shi, Niigata)	Up to 400,000 kW ^{1,2}	High potential area				
Assesment	Offshore in Ishikari Bay, Hokkaido	Up to 1,000,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				

*1 Installed capacity of the whole project

*2 Maximum capacity stated in the environmental impact assessment report

*3 Not subject to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities due to the port zone

Progress of Projects under Construction

- ✓ The sites currently under construction consist of one offshore wind farm project and two onshore wind farm projects.
- ✓ The COVID-19 pandemic has not affected on the progression of the projects.

Projects in Akita Port and Noshiro Port (offshore)



Capacity	Approx. 140,000 kW
Wind turbines	33 x 4,200 kW
FIT unit Price	36 yen/kWh
Start of operations	Second half FY2022(plan)
Joint investment including Marubeni Corporation, Obayashi Corporation, Tohoku Sustainable & Renewable Energy Co., Inc., The Akita Bank, Ltd. and others	

Hokkaido: Kamiyuchi Project (onshore)



Capacity	Approx. 49,000 kW
Wind turbines	12 x 4,300 kW
FIT unit Price	22 yen/kWh
Start of operations	Second half FY2022 (plan)

Oita: Oita Project (onshore)

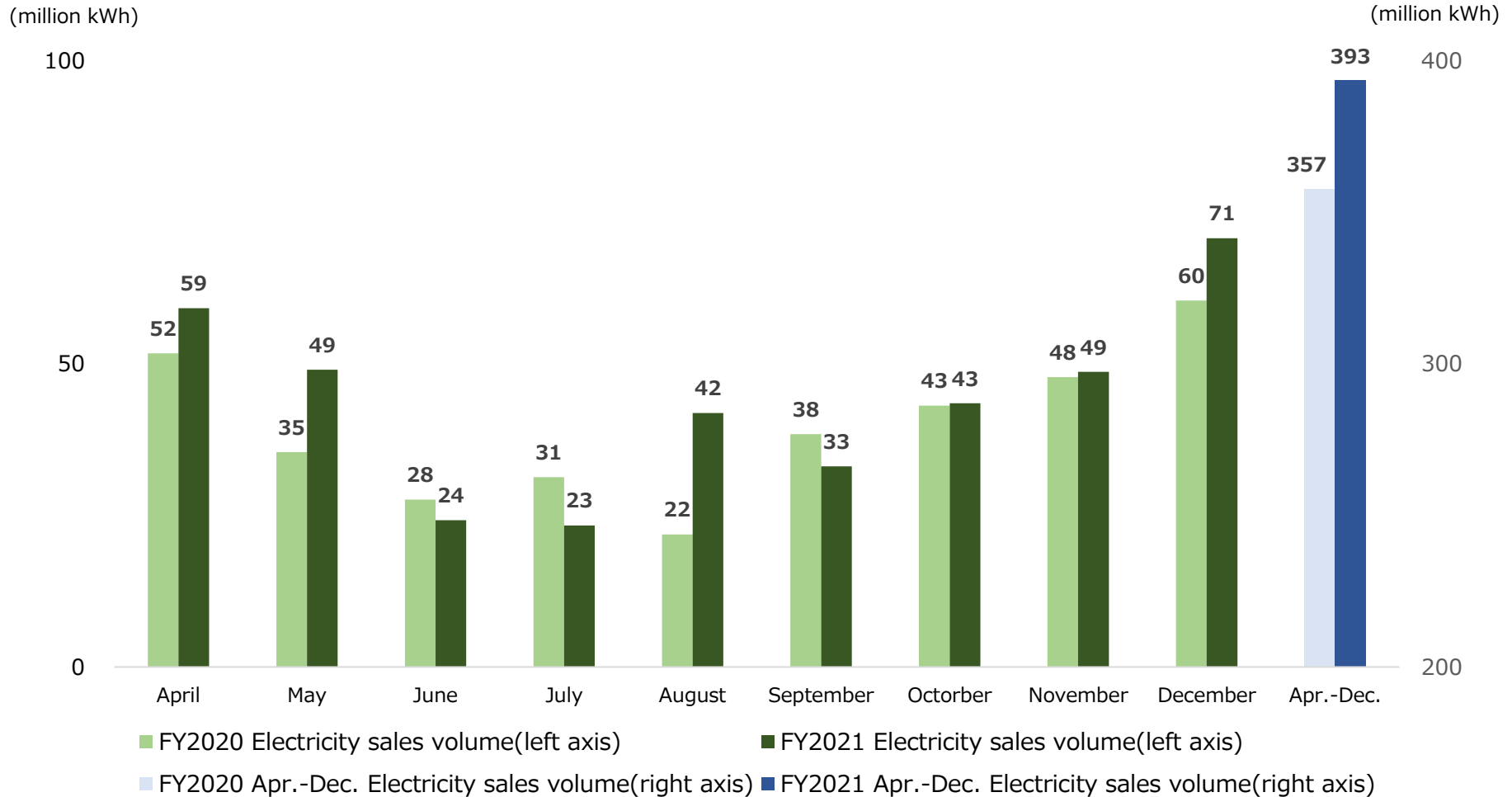


Capacity	Approx. 14,000 kW
Wind turbines	5 x 3,200 kW
FIT unit Price	22 yen/kWh
Start of operations	Second half FY2022 (plan)

* The capacity figure represents the capacity for which the grid has been secured.

Changes in electricity sales volume

✓ In FY2021, the amount of electricity sales volume is above the level of the previous year given the start of operations at the Chuki onshore site.



3Q FY2021 Results

Influence on Business Continuity and Operations

- ✓ As of the resurgence of COVID-19 cases due to the Omicron variant, the Company continue to implement thorough crisis management according to the Group's Crisis Management Regulations.
- ✓ Business continuity, including the operation of refineries, has not been affected.

Influence on the Market

Crude oil (DUBAI)

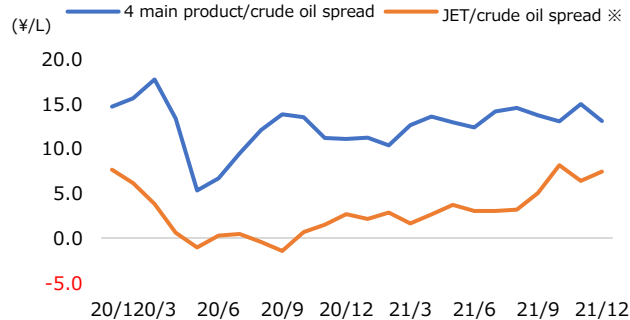
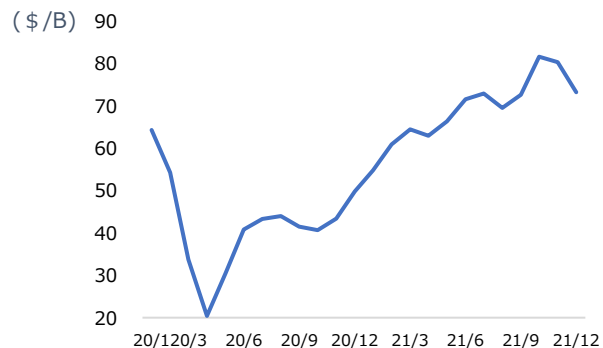
- ✓ The crude oil price rose to a level exceeding pre-COVID levels. Despite falling sharply in December due to the spread of the Omicron variant, the crude price has returned to an upward trend recently.

Petroleum products

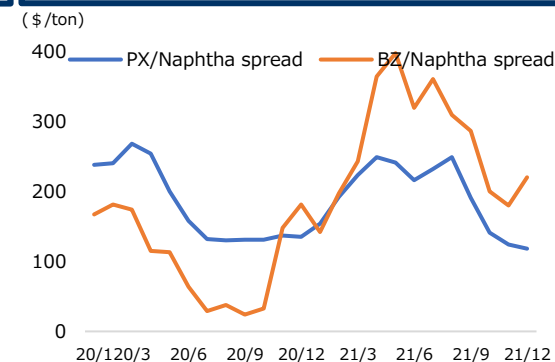
- ✓ The domestic market for the four major products remained strong, and national demand in the third quarter was 99% of the FY2020 level and 93% of the FY2019 level.
- ✓ Although the JET market has recovered to pre-COVID levels, national demand was 141% of the FY2020 level and 55% of the FY2019 level.

Petrochemical products

- ✓ The PX price has recently weakened to levels seen at the peak of the COVID crisis.
- ✓ The BZ price is contracting at present, but is still on par with pre-COVID levels.



※ Singapore market price: Dubai crude futures spread in dollars



Outlook for Future Impact

The impact of the COVID-19 pandemic in Japan is expected to end toward the end of the fiscal year, and the market for the four major products is expected to remain firm. However, JET demand and the petrochemical market need to be monitored carefully.

- ✓ Consolidated ordinary profit excluding inventory impact was ¥102.8 billion (up ¥60.9 billion year on year), and the inventory impact was ¥44.2 billion. Consequently, consolidated ordinary profit stood at ¥147.0 billion (up ¥112.5 billion year on year) and profit attributable to owners of parent totaled ¥79.9 billion (up ¥63.4 billion year on year).
- ✓ The Company recorded an extraordinary loss of around 1.4 billion yen due to the impact of losing the Offshore Yurihonjo-shi Project tender in the third quarter.

Petroleum Business

- ✓ Profit grew mainly because of improvements in the profit margins of the four major products, reflecting the maintenance of a high refinery utilization rate, increased sales volume, and the rising crude oil price.
=> Ordinary profit excluding inventory impact was ¥54.5 billion (up ¥22.6 billion year on year).

Petrochemical Business

- ✓ Profit grew thanks to improvements in the market for benzene, the absence of the impact of regular maintenance at Maruzen Petrochemical and the impact of the postponed receipt of naphtha which existed in the previous fiscal year.
=> Ordinary profit was ¥14.4 billion yen (up ¥21.8 billion year on year).

Oil exploration and production Business

- ✓ While sales volume decreased, the rise of the crude oil price had a positive effect.
=> Ordinary profit was ¥27.2 billion yen (up ¥19.1 billion year on year).

Renewable Energy Business

- ✓ Profit fell due to upfront costs related to the development of offshore wind power generation.
=> Ordinary profit was ¥1.8 billion yen (down ¥0.5 billion year on year).

[3Q FY2021 Results]

Consolidated Income Statements– Changes from 3Q FY2020

COSMO

Unit: billion yen

No.	Item	FY2021 (Apr.-Dec.2021)	FY2020 (Apr.-Dec.2020)	Changes	Forecast FY2021
1	Net sales	1,748.6	1,570.6	178.0	2,460.0
2	Operating profit	146.1	37.4	108.7	194.0
3	Non-operating income/expenses, net	0.9	-2.9	3.8	1.0
4	Ordinary profit	147.0	34.5	112.5	195.0
5	Extraordinary income/losses, net	-3.1	-1.8	-1.3	-10.7
6	Income taxes	57.4	15.2	42.2	60.8
7	Profit attributable to non-controlling interests	6.6	1.1	5.5	8.5
8	Profit attributable to owners of parent	79.9	16.5	63.4	115.0
9	Impact of inventory valuation	44.2	-7.4	51.6	62.0
10	Ordinary profit excluding the impact of inventory valuation	102.8	41.9	60.9	133.0
11	Dubai crude oil price (USD/B) (Apr.-Dec.)	72	39	33	75
12	JPY/USD exchange rate (yen/USD)(Apr.- Dec.)	111	106	5	112
【Reference】					
13	Dubai crude oil price (USD/B) (Jan.-Sep.)	66	41	25	69
14	JPY/USD exchange rate (yen/USD)(Jan.- Sep.)	108	108	0	110
15	CDU operating ratio (Calendar Day basis) ※1	93.9%	80.4%	13.5%	95.3%
16	CDU operating ratio (Streaming Day basis) ※1,2	99.2%	91.7%	7.5%	99.3%

*1: The operating ratio at the Company's three refineries

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

[3Q FY2021 Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from 3Q FY2020



Unit : billion yen

No	FY2021 (Apr.-Dec.2021)		FY2020 (Apr.-Dec.2020)		Changes			
	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation		
1	Total		147.0	102.8	34.5	41.9	112.5	60.9
2	(Each segment)	Petroleum business	98.7	54.5	24.5	31.9	74.2	22.6
3		Petrochemical business	14.4		-7.4		21.8	
4		Oil E&P business (*1)	27.2		8.1		19.1	
5		Renewable energy business	1.8		2.3		-0.5	
6		Other (*2)	4.9		7.0		-2.1	

(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

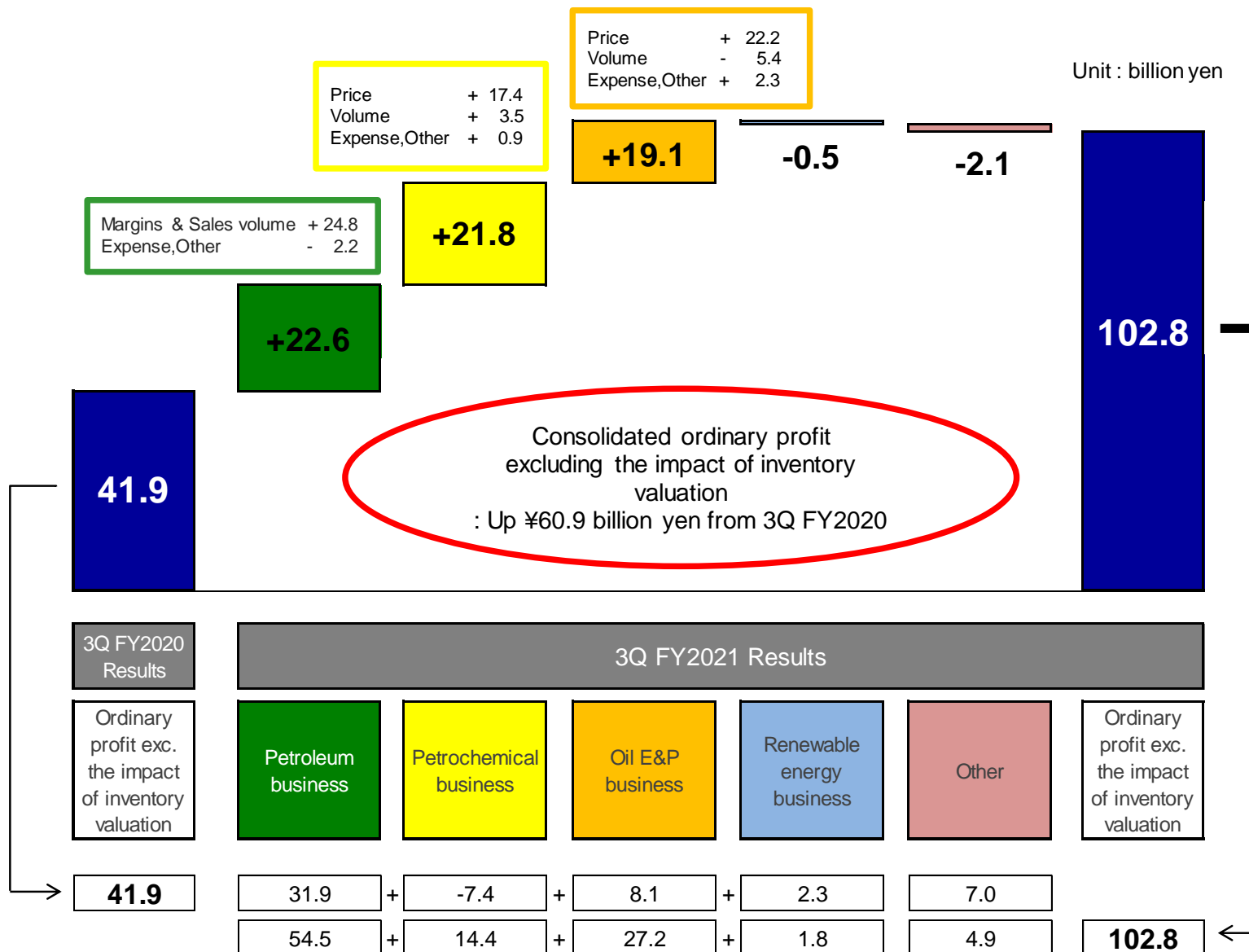
(*2) Including consolidated adjustment

[3Q FY2021 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)

- Analysis of Changes from 3Q FY2020



Unit : billion yen



Consolidated Balance Sheets

Unit: billion yen

No		FY2021 (As of Dec.31, '21)	FY2020 (As of Mar. 31, '21)	Changes
1	Total Assets	1,946.1	1,709.0	237.1
2	Net assets	527.0	449.1	77.9
3	Net worth	397.2	324.9	72.3
4	Net worth ratio	20.4%	19.0%	1.4%
5	Net interest-bearing debt *1	542.7	556.4	-13.7
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	1.28	1.59	Improved 0.31 points

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

*2 Calculated on the basis that 50% of 30 billion yen Hybrid Loan made on 31 March 2020 is included into Equity

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		3Q FY2021 Results	Change from FY2020
1	Capital expenditures	35.1	-24.6
2	Depreciation expense amount, etc	43.3	1.2

Capital Expenditures by Business Segment

Unit: billion yen

No.		3Q FY2021 Results	3Q FY2020 Results	Changes
1	Petroleum	15.7	31.7	-16.0
2	Petrochemical	7.2	18.3	-11.1
3	Oil E&P	8.1	6.3	1.8
4	Renewable energy	5.4	5.7	-0.3
5	Other · Adjustment	-1.3	-2.3	1.0
6	Total	35.1	59.7	-24.6
7	Investment securities, etc*	4.4	5.6	-1.2

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th mid-term plan (from FY2018 to FY2022).

Forecast for FY2021 Performance

Revision of FY2021 forecast

- ✓ Financial results are expected to be significantly higher than the previous forecast, mainly in the petroleum business, chiefly due to the positive effect of time lags associated with rising crude oil prices, improvements in overseas market conditions, and increased inventory impacts.
- ✓ The Company has revised its full-year forecast, and consolidated ordinary profit will stand at ¥195.0 billion yen (up ¥40.0 billion from the previous forecast), consolidated ordinary profit excluding inventory impact will come to ¥133.0 billion yen (up ¥20.0 billion from the previous forecast), and profit attributable to owners of parent will reach ¥115.0 billion (up ¥22.0 billion from the previous forecast).
- ✓ The Company plans to pay a dividend of 100 yen in line with the previous forecast announced in November, with an eye on achievement of the Medium-term Management Plan financial targets.

Unit : billion yen

No		FY2021 Forecast		FY2021 Previous Announcement		Changes		
		Ordinary profit	Ordinary profit exc. the impact of inventory valuation	Ordinary profit	Ordinary profit exc. the impact of inventory valuation	Ordinary profit	Ordinary profit exc. the impact of inventory valuation	
1	Total	195.0	133.0	155.0	113.0	40.0	20.0	
2	(Each segment)	Petroleum business	127.5	65.5	94.0	52.0	33.5	13.5
3		Petrochemical business	11.0		9.0		2.0	
4		Oil E&P business (*1)	45.5		41.0		4.5	
5		Renewable energy	3.5		3.5		0.0	
6		Other (*2)	7.5		7.5		0.0	
7	The impact of inventory valuation	62.0		42.0		20.0		
8	Profit attributable to owners of parent	115.0		93.0		22.0		

(*1) The Accounting period of three operators (Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

9	Dividend per Share(Plan) (yen)	¥100	¥100	-
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■ Precondition

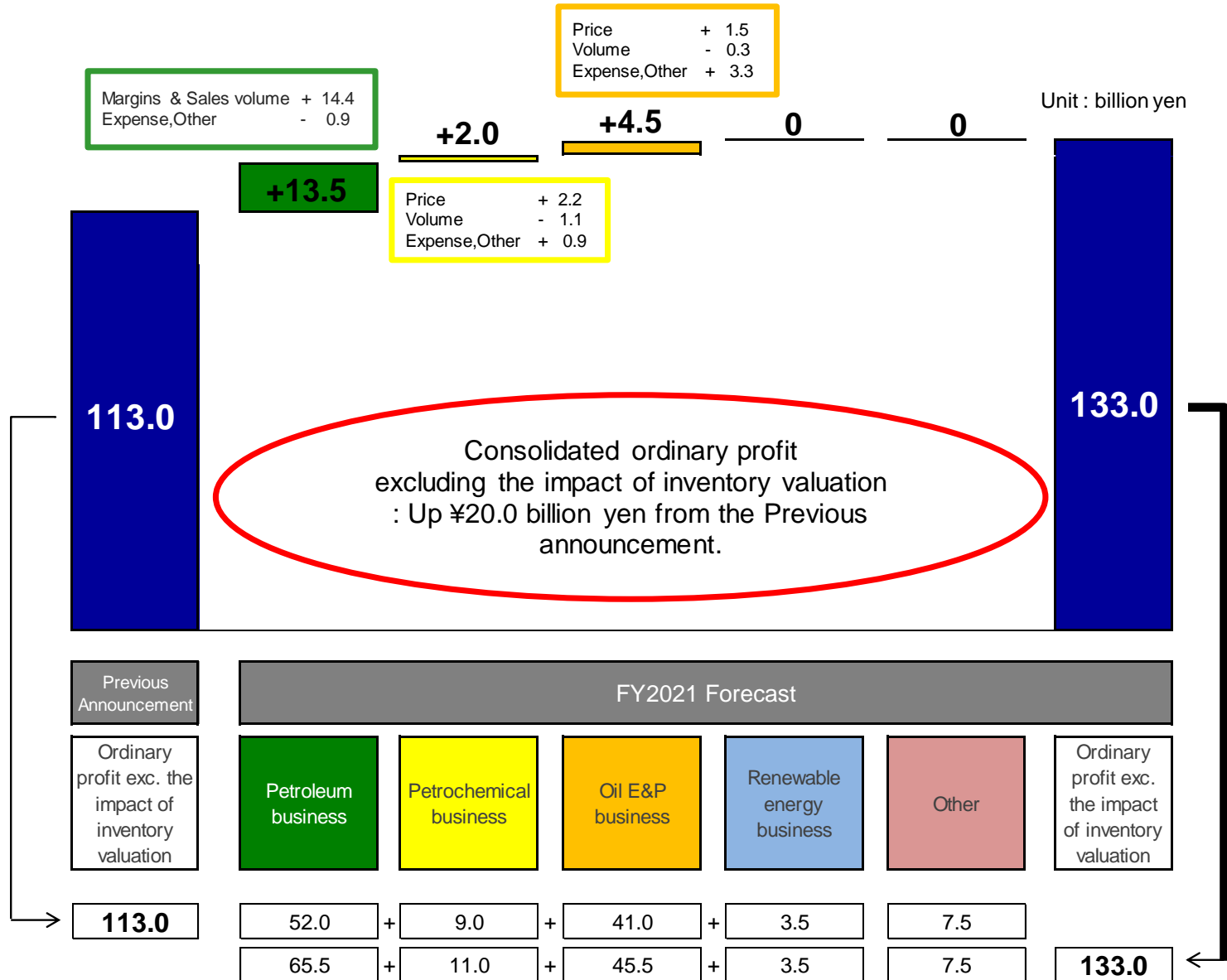
No.		FY2021 Forecast	FY2021 Previous Announcement	Changes
10	Dubai crude oil price (USD/B)(Apr.-Mar.)	75	72	3
11	JPY/USD exchange rate (Apr.-Mar.)	112	110	2
12	Dubai crude oil price (USD/B)(Jan.-Dec.)	69	68	1
13	JPY/USD exchange rate (Jan.-Dec.)	110	109	1
14	Dubai crude oil price (USD/B)(Jan.-Mar.)	84	75	9
15	JPY/USD exchange rate (Jan.-Mar.)	115	110	5

■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
16	Petroleum Business	Inventory Impact	+2.1 billion yen	+1.3 billion yen
17		Refinery fuel cost etc.	- 0.2 billion yen	- 0.1 billion yen
18		Total	+1.9 billion yen	+1.2 billion yen

* Figures above refer to impacts by crude oil price(USD 1/bbl) and yen-dollar exchange rate (¥1/USD)
Sensitivity is calculated based on the assumption that crude oil prices and foreign exchange rates remain constant throughout the period.

[FY2021 Forecast] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)
 Analysis of Changes from the Previous Announcement



[FY2021 Forecast] Outline of Consolidated Capital Expenditures of Changes from the Previous Announcement



Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2021 Forecast	Changes
1	Capital expenditures	64.0	-2.4
2	Depreciation expense amount, etc	58.8	-1.1

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2021 Forecast	FY2021 Previous Announcement	Changes
1	Petroleum	27.5	29.3	-1.8
2	Petrochemical	12.1	12.4	-0.3
3	Oil E&P	17.2	17.8	-0.6
4	Renewable Energy	7.7	7.5	0.2
5	Other · Adjustment	-0.5	-0.6	0.1
6	Total	64.0	66.4	-2.4
7	Investment securities, etc*	5.5	13.3	-7.8

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th mid-term plan (from FY2018 to FY2022).

Supplementary Information

P.23-31 [3Q FY2021 Results] Supplementary Information

- Sales Volume, CDU Operating Ratios
- Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)
- Results by Business Segment - Changes from 3Q FY2020
- Main data of each business
- Historical Changes in Dubai Crude Oil Price
- Gasoline Export and Margin Environment
- Diesel Fuel Export and Margin Environment
- Market Condition of Benzene Products and Aromatic Products

P.33-36 Forecast for FY2021 Performance(Change from FY2020)

- Highlights of Consolidated Business Outlook (Changes from FY2020), Precondition and Business Sensitivity
- Consolidated Ordinary profit (Excluding the impact of inventory valuation)- Analysis of Changes from FY2020
- Outline of Consolidated Capital Expenditures
- Outlook by Business Segment, Changes from FY2020

P.38-47 Overview of the Cosmo Energy Group (Business Outline)

- Oil E&P Business , Petroleum Business, Petrochemical Business, Renewable energy Business

P.48 Subordinated loan (Announced on March 31,2020)

P.49-51 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of
3Q FY2021 Results

[3Q FY2021 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.		3Q FY2021 Results	3Q FY2020 Results	Changes	FY2021 Forecast	FY2021 forecast changes from FY2020	
1	Selling volume in Japan	Gasoline	5,324	5,026	105.9%	7,038	105.5%
2		Kerosene	1,176	1,227	95.9%	2,138	99.1%
3		Diesel fuel	4,203	3,931	106.9%	5,567	105.8%
4		Heavy fuel oil A	1,212	1,186	102.2%	1,692	100.7%
5		Sub-Total	11,915	11,369	104.8%	16,434	104.2%
6		Naphtha	4,638	4,360	106.4%	5,732	97.7%
7		Jet fuel	273	195	140.3%	403	150.2%
8		Heavy fuel oil C	530	540	98.0%	703	94.2%
9		Total	17,356	16,465	105.4%	23,273	102.7%
10	Export volume	Middle distillates Export	-	93	-	150	161.7%
11		Bonded products and other	1,880	1,609	116.8%	2,558	112.3%
12		inc. Jet fuel	1,119	847	132.1%	1,509	129.1%
13		inc. Low-sulfur C fuel oil	456	479	95.2%	639	94.3%
14		Sub-Total	1,880	1,702	110.4%	2,708	114.2%
15	Total	19,236	18,167	105.9%	25,981	103.8%	

No.		3Q FY2021 Results	3Q FY2020 Results	Changes	
16	CDU operating ratio	(Calendar Day basis) *1	93.9%	80.4%	13.5%
17		(Streaming Day basis) *1,2	99.2%	91.7%	7.5%

*1: The operating ratio at the Company's three refineries

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

[3Q FY2021 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	3Q FY2021 Results	3Q FY2020 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	45,197	49,792	-4,595	90.8%

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

*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 51.5% stake in Abu Dhabi Oil Co., Ltd., a 75.0% stake in Qatar Petroleum Development Co., Ltd. and a 50.0% stake in United Petroleum Development Co., Ltd.

(As of Dec 31, 2020)

[2] Crude Reserves Estimate (working interest base) (*1)	
	mmbbls
Total Proved(*2) and Probable Reserves (*3)	151.8
(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 17 years

Note: The daily average crude production based on working interest reached 25 thousands bpd for FY2020(Jan-Dec).

(*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)

[3Q FY2021 Results] Results by Business Segment – Changes from 3Q FY2020

COSMO

3Q FY2021 Results – Changes from 3Q FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 3Q FY2020		Changes from 3Q FY2020		Changes from 3Q FY2020		Changes from 3Q FY2020
1	Petroleum business	1,529.9	85.0	96.9	73.3	98.7	74.2	54.5	22.6
2	Petrochemical business	280.5	76.1	14.7	20.6	14.4	21.8	14.4	21.8
3	Oil E&P business	58.0	14.4	27.4	17.7	27.2	19.1	27.2	19.1
4	Renewable energy business	8.7	0.9	1.8	-0.4	1.8	-0.5	1.8	-0.5
5	Other · Adjustment	-128.5	1.6	5.3	-2.5	4.9	-2.1	4.9	-2.1
6	Total	1,748.6	178.0	146.1	108.7	147.0	112.5	102.8	60.9

Cosmo Energy Group (by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing Co., Ltd., Cosmo Oil Sales Corp, Cosmo Oil Lubricants Co., Ltd., Cosmo Energy Solutions Co., Ltd.,Gyxis Corporation (owned by the Cosmo Energy Group on the equity method),Kygnus Sekiyu K.K.(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., 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.
Renewable energy business	Cosmo Eco Power Co.,Ltd , etc.
Other	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., etc.

1. Petroleum business

(1) Refinery Operating Ratio

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 3Q
CDU operating ratio(Calendar Day basis)*1	88.3%	94.1%	86.1%	87.9%	84.3%	93.9%

(2) Number of SSs by Operator Type

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 3Q
Subsidiary*2	928	917	888	876	877	871
Dealers	2,029	1,941	1,903	1,879	1,852	1,835
Total *3	2,957	2,858	2,791	2,755	2,729	2,706
Number of Self-Service SSs *3	1,038	1,034	1,048	1,072	1,099	1,112

(3) "Cosmo The Card" – Number of credit cards in force & Accumulative number of contracted my car lease & "Carlife Square" –Number of App members

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 3Q
Cosmo The Card (million cards)*3	4.44	4.44	4.33	4.21	4.12	4.05
My car lease(Units) *3	37,077	47,602	60,579	73,634	85,126	93,044
Carlife Square(million downloads) *3				1.92	3.17	4.03

2. Oil E&P business

Crude oil production volume

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 3Q
Cosmo Energy E&P Co., Ltd. (B/D)*4	39,032	38,826	52,303	50,773	49,208	45,197

3. Renewable energy business

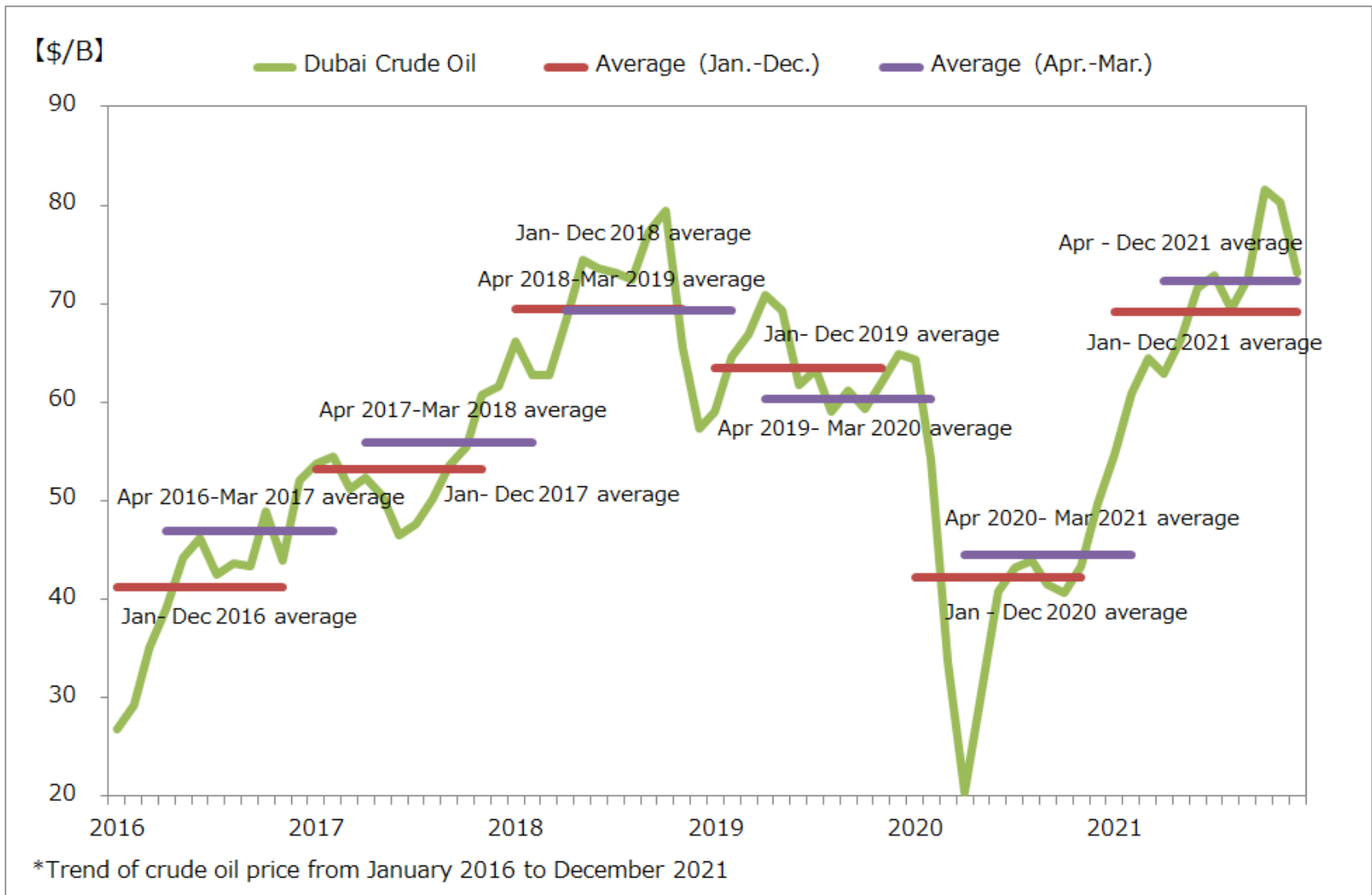
Wind power plant capacity(ten thousand kW)

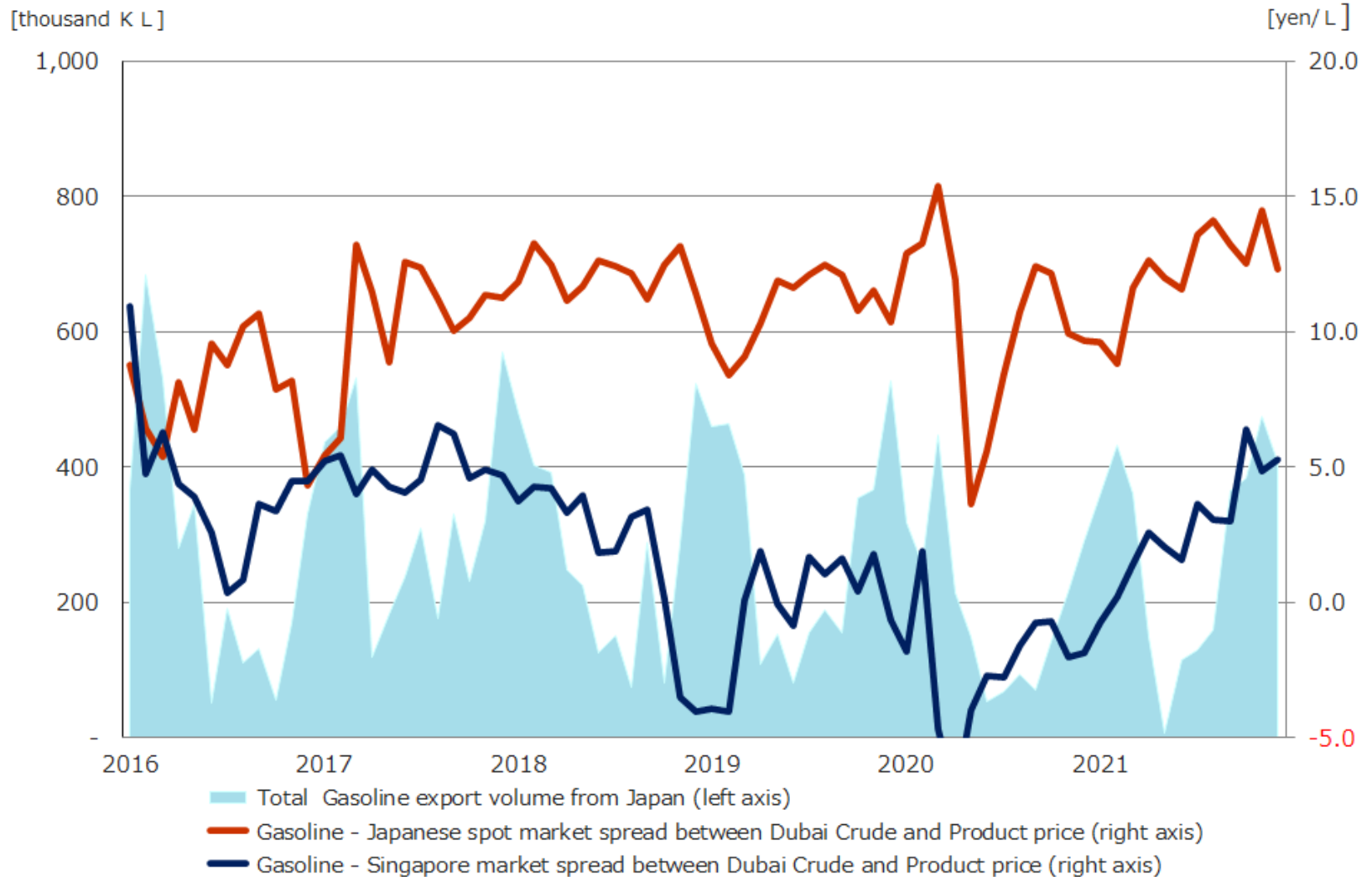
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 3Q
Plant Capacity (ten thousand kW)*3	21.1	22.69	22.7	26.6	26.1	30.0
Electricity sales volume (million kWh)	380	431	468	550	532	393

*1) April-March results for each fiscal year *2)Directly operated SS and our wholly owned subsidiaries' dealer SS

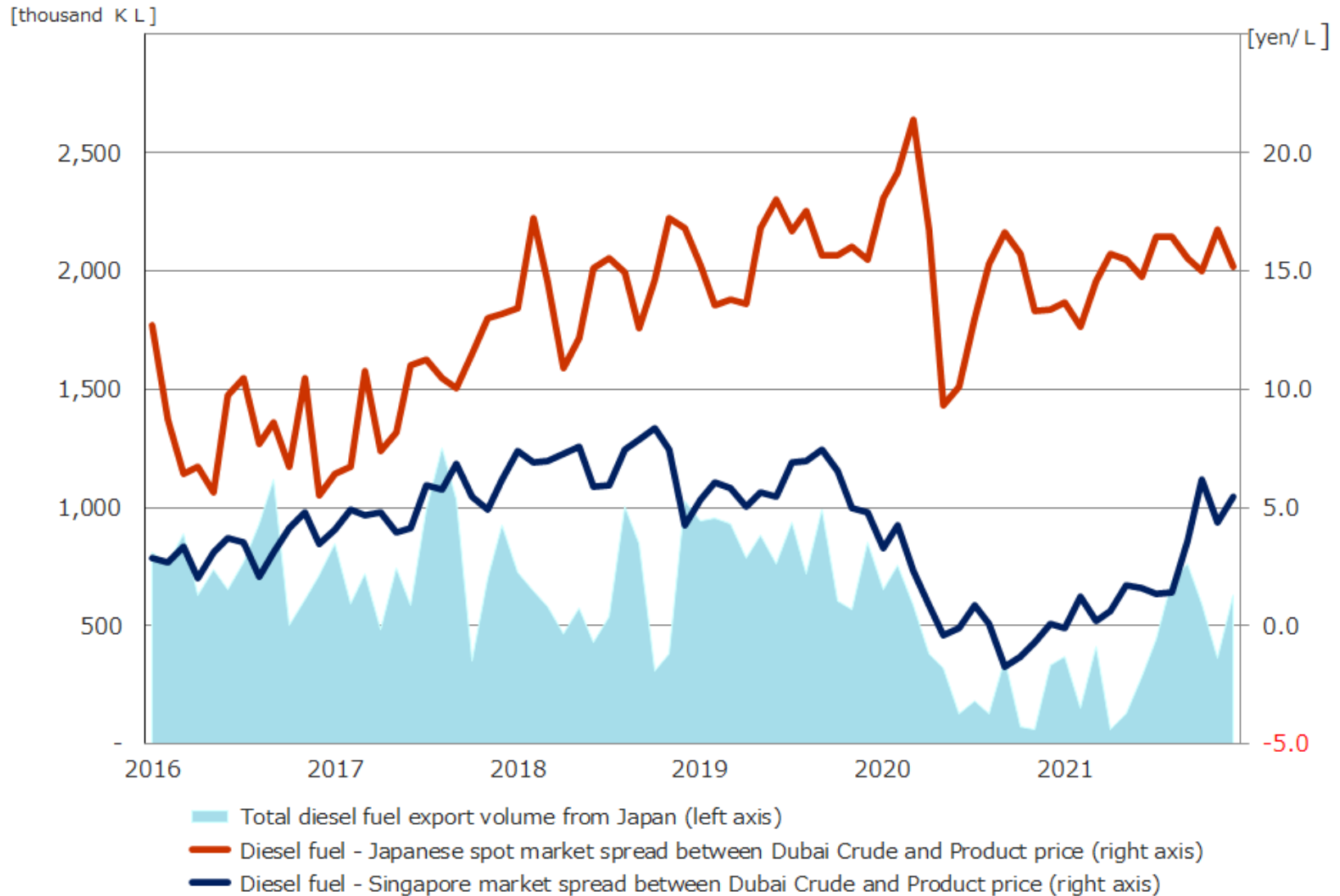
*3) At the end of March of each fiscal year *4) January-December results for each fiscal year

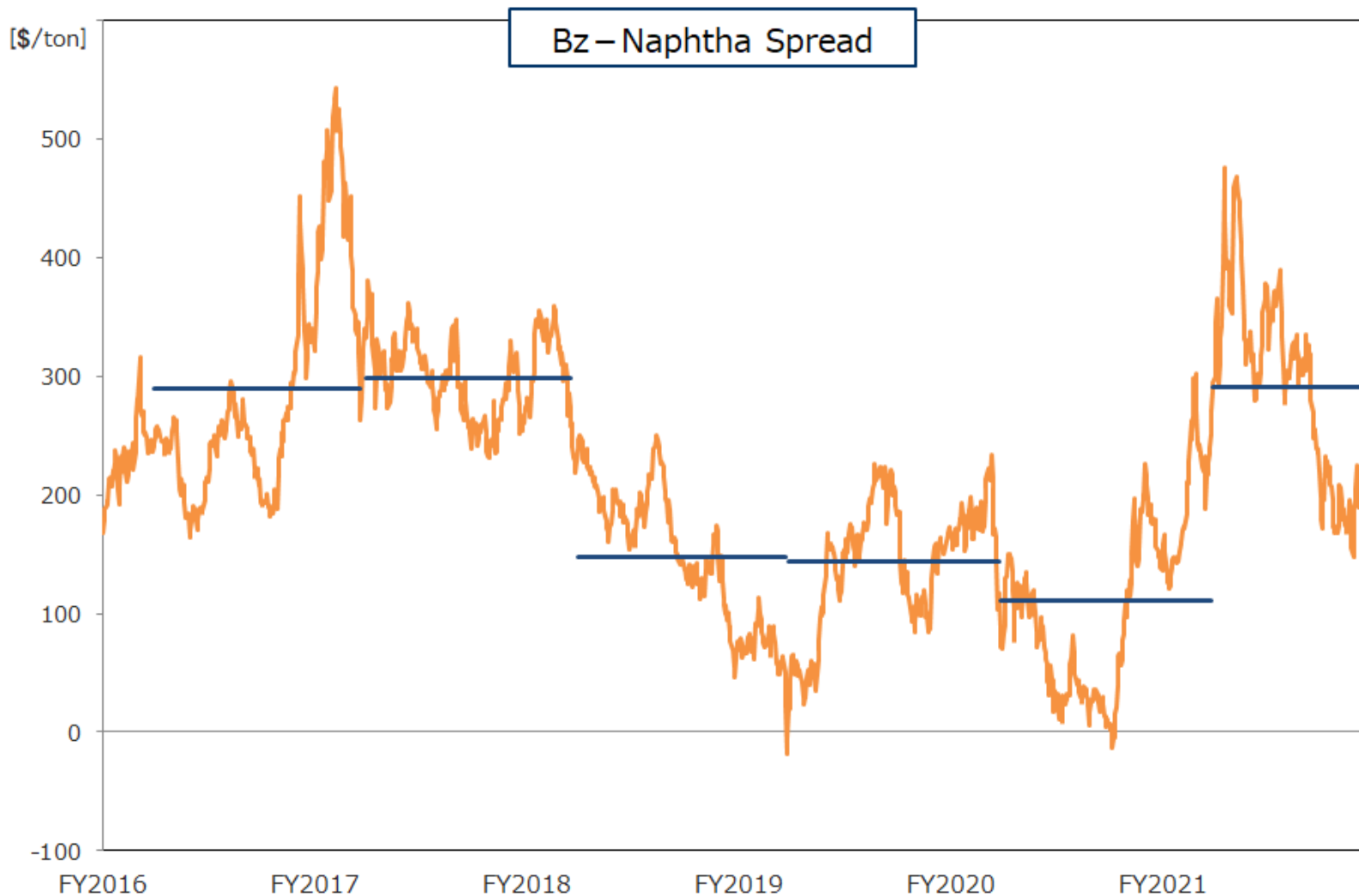
Historical Changes in Dubai Crude Oil Price



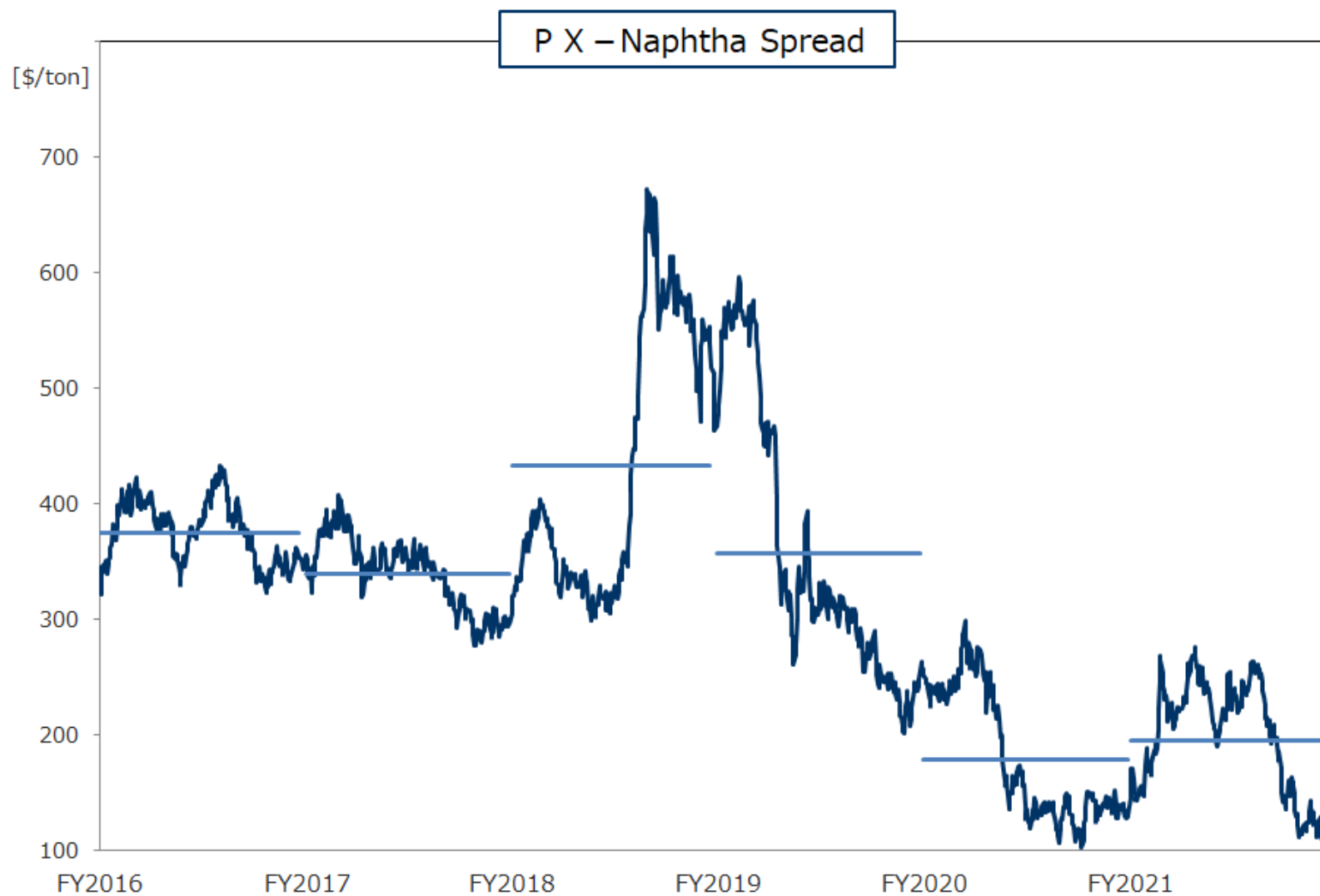


Diesel Fuel Export and Margin Environment (Domestic /Overseas)





(*) Horizontal line indicates the average of each calendar year(Apr.-Mar.)



(*) Horizontal line indicates the average of each calendar year(Jan.-Dec.).

Forecast for FY2021 Performance
(Change from FY2020)

[FY2021 Forecast] Highlights of Consolidated Business Outlook (Changes from FY2020) Precondition

Unit : billion yen

No.		FY2021 Forecast		FY2020 Results		Changes	
		Ordinary profit	Ordinary profit exc. the Impact of Inventory	Ordinary profit	Ordinary profit exc. the Impact of Inventory	Ordinary profit	Ordinary profit exc. the Impact of Inventory
1	Total	195.0	133.0	97.4	76.6	97.6	56.4
2	Petroleum business	127.5	65.5	74.1	53.3	53.4	12.2
3	(Each segment) Petrochemical business	11.0		-3.3		14.3	
4	Oil E&P business (*1)	45.5		13.9		31.6	
5	Renewable energy business	3.5		4.1		-0.6	
6	Other (*2)	7.5		8.6		-1.1	
7	The impact of inventory valuation	62.0		20.8		41.2	
8	Profit attributable to owners of parent	115.0		85.9		29.1	

(*1) The Accounting period of three operators (Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is Dec

(*2) Including consolidated adjustment

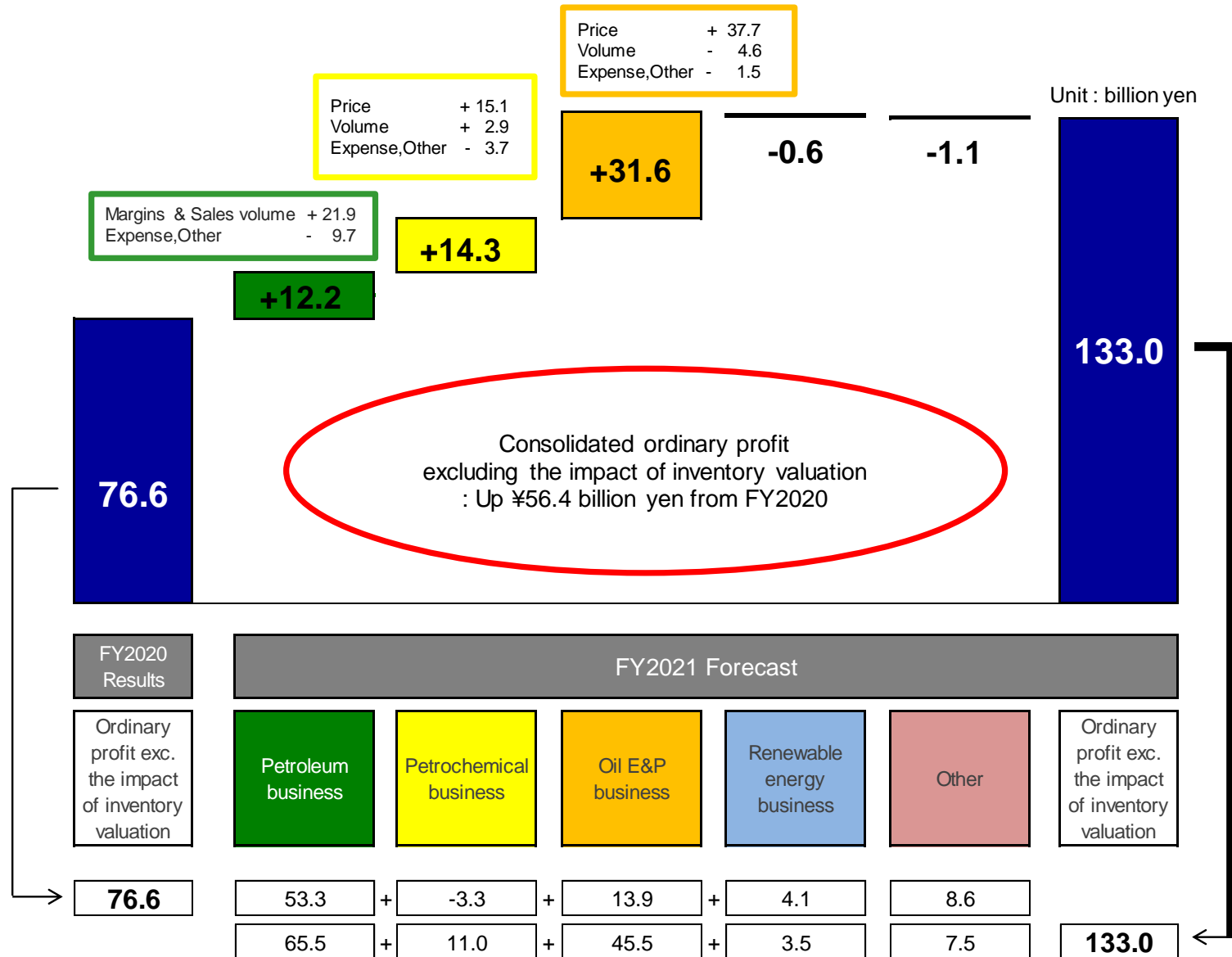
No.		FY2021 Forecast	FY2020 Results	Changes
9	Dividend per Share(Plan)	¥100	¥80	¥20

[Reference] Precondition

No.		FY2021 Forecast	FY2020 Results	Changes
10	Crude oil price(Dubai)(\$/B)(Apr.-Mar.)	75	45	30
11	JPY/USD exchange rate(Apr.-Mar.)	112	106	6
12	Crude oil price(Dubai)(\$/B)(Jan.-Dec.)	69	42	27
13	JPY/USD exchange rate(Jan.-Dec.)	110	107	3

[FY2021 Forecast] Consolidated Ordinary Profit (Inventory Effects Excluded)

– Analysis of Changes from FY2020



Capital Expenditures. Depreciation, etc.

Unit: billion yen

No.		FY2021 Forecast	Changes from FY2020
1	Capital expenditures	64.0	-15.6
2	Depreciation expense amount, etc	58.8	1.3

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2021 Forecast	FY2020 Results	Changes
1	Petroleum	27.5	42.5	-15.0
2	Petrochemical	12.1	19.7	-7.6
3	Oil E&P	17.2	10.3	6.9
4	Renewable energy	7.7	10.0	-2.3
5	Other · Adjustment	-0.5	-2.9	2.4
6	Total	64.0	79.6	-15.6
7	Investment securities, etc*	5.5	5.6	-0.1

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th mid-term plan (from FY2018 to FY2022).

FY2021 Forecast – Changes from FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from FY2020		Changes from FY2020		Changes from FY2020		Changes from FY2020
1	Petroleum business	2,136.0	80.2	125.5	51.2	127.5	53.4	65.5	12.2
2	Petrochemical business	375.0	70.5	12.5	13.9	11.0	14.3	11.0	14.3
3	Oil E&P business	91.0	30.6	45.0	30.3	45.5	31.6	45.5	31.6
4	Renewable energy business	13.0	1.3	3.5	-0.4	3.5	-0.6	3.5	-0.6
5	Other · Adjustment	-155.0	44.1	7.5	-2.3	7.5	-1.1	7.5	-1.1
6	Total	2,460.0	226.7	194.0	92.7	195.0	97.6	133.0	56.4

Cosmo Energy Group (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) , Kygnus Sekiyu K.K. (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., 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., Cosmo Eco Power Co.,Ltd , etc.

Business Outline

Cosmo Energy Group Business Overview

Each segment	Oil E&P business	Petroleum business	Petrochemical business	Renewable energy business	Other * Including consolidated adjustment	Total * 2
Net sales * 1	91.0billion yen	2,136.0billion yen	375.0billion yen	13.0billion yen	-155.0billion yen	2,460.0billion yen
Ordinary profit * 1	45.5billion yen	127.5billion yen	11.0billion yen	3.5billion yen	7.5billion yen	195.0billion yen
Ordinary profit excluding * 1 impact of inventory valuation	45.5billion yen	65.5billion yen	11.0billion yen	3.5billion yen	7.5billion yen	133.0billion yen

Major assets	<ul style="list-style-type: none"> Partnerships Solid relationship of trust with oil producing countries for about 50 years 	<ul style="list-style-type: none"> CDU capacity * 5, * 7 400,000 BD (Domestic market share: Approx. 11.6%) 	<ul style="list-style-type: none"> Olefinic production capacity * 5 Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%) 	<ul style="list-style-type: none"> Wind power plant capacity * 6 300,100 kW (No. 3 in Japan and a 7% domestic share) 	<ul style="list-style-type: none"> Corporate brand awareness 98.4% ※Survey of 1,239 customers (men and women, 18-64 years old) who used a service station in the past one month(as of October 30, 2017)
	<ul style="list-style-type: none"> Operatorship (self-operation) We produces the largest volume of crude oil in the Middle East region for a Japanese operator. 	<ul style="list-style-type: none"> Domestic Sales Volume * 3 22,653thousand KL 	<ul style="list-style-type: none"> Aromatic production capacity * 5 Para-xylene 1.360 mil tons/year Benzene 0.735 mil tons/year Mixed-xylene 0.618 mil tons/year 	<ul style="list-style-type: none"> Solar power generation * 5 capacity 24,000 kw 	
	<ul style="list-style-type: none"> Crude Oil Production * 3 Approx. 49 thousand B/D (Comparison with refining capacity: Approx. 12%) 	<ul style="list-style-type: none"> Number of Service station * 5 2,729 			
	<ul style="list-style-type: none"> Crude Oil Reserves (Proved and Probable) * 4 151.8 million barrels (Equivalent to approx. 17 years of supply) 	<ul style="list-style-type: none"> Number of the "Cosmo the Card" Holders * 5 4.12million cards 	<ul style="list-style-type: none"> Car leasing business for * 5 individuals Cumulative total 85,126cars 		

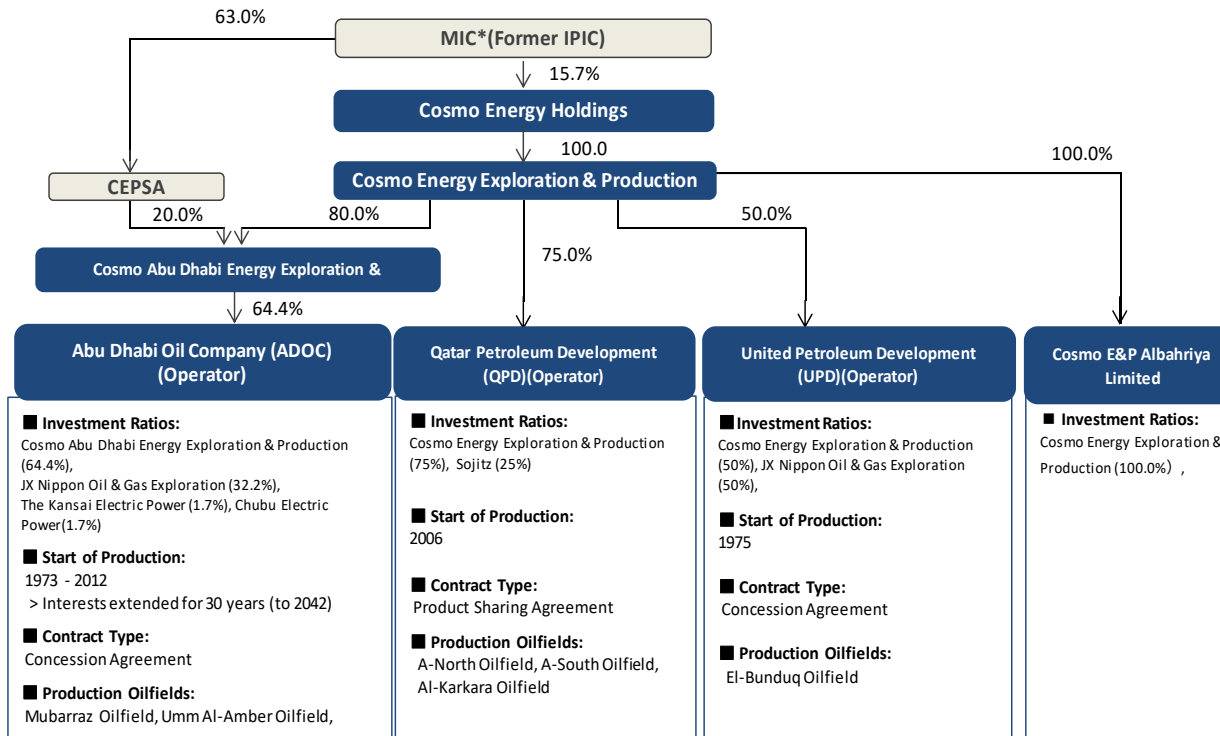
Major business companies related companies	<ul style="list-style-type: none"> Cosmo Energy Exploration & Production Abu Dhabi Oil (UAE) Qatar Petroleum Development (Qatar) United Petroleum Development(UAE/Qatar) (UAE/Qatar) Cosmo E&P Albahriya (UAE) 	<ul style="list-style-type: none"> Cosmo Oil Cosmo Oil Lubricants Gyxis(LPG) Cosmo Oil Marketing Cosmo Oil Sales Cosmo Energy Solutions 	<ul style="list-style-type: none"> Maruzen Petrochemical (Chiba/Yokkaichi) Cosmo Matsuyama Oil CM Aromatics (Chiba) Hyundai Cosmo Petrochemical (Korea) 	<ul style="list-style-type: none"> Cosmo Eco Power (Wind power generation) CSD solar (Solar power generation) 	<ul style="list-style-type: none"> Cosmo Engineering Cosmo Trade and Service 	—
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(*1) FY2021 Forecast, (*2) Including consolidated adjustment, (*3)FY2020 Results, (*4)As of Dec. 31, 2020, (*5)As of Mar. 31, 2021, (*6)As of Dec. 31, 2021,

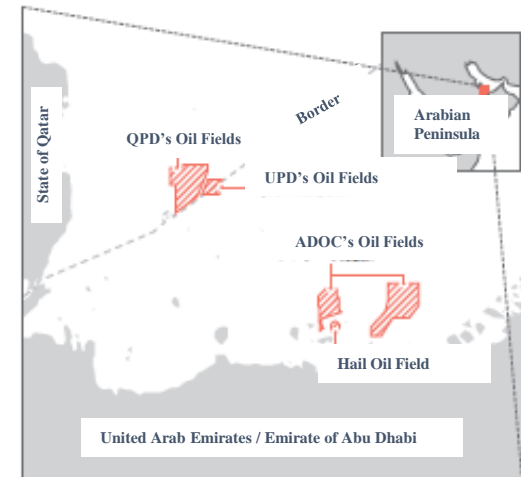
(*7)Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group with the business alliance.

- ✓ Based on a strong relationship of trust with Emirate of Abu Dhabi in the Middle East developed almost five decades, we have achieved low-risk, low-cost development.
- ✓ Abu Dhabi Oil Company extended concessions (30 years) in 2012 and obtained new concessions area, the Hail Oil Field is projected to the same production volume as its three existing oilfields.
- ✓ Started production from the Hail Oil Field in FY 2017 with production ramping up to full-scale in January 2018.

■ Cosmo Energy Group Oil E&P Division



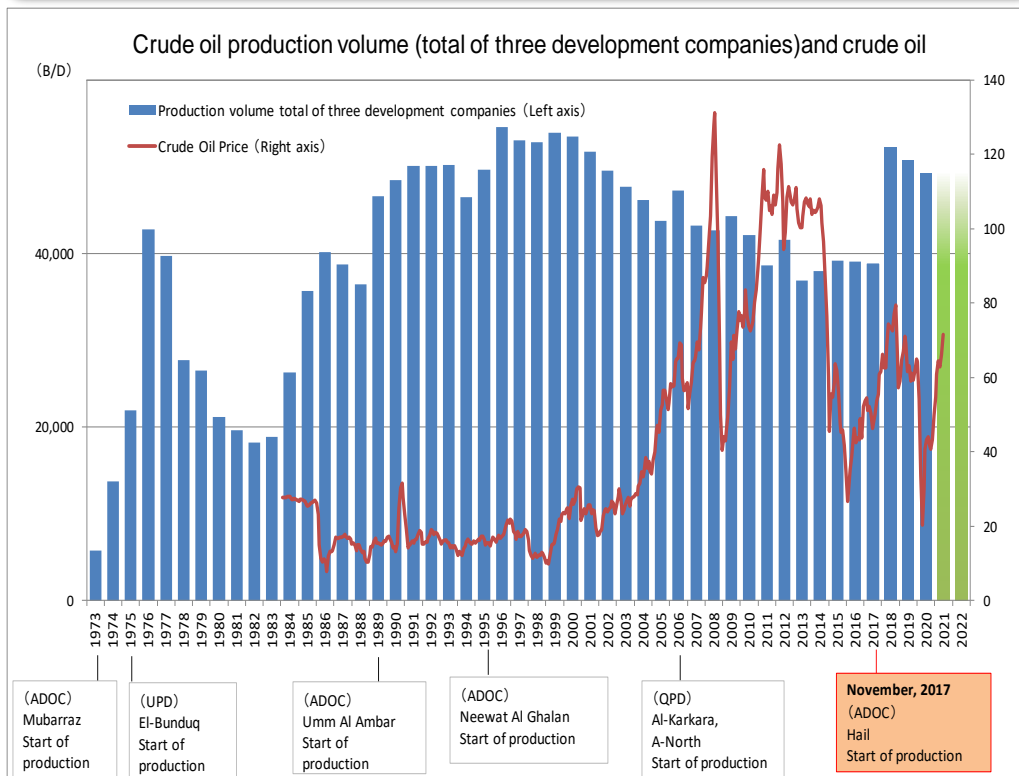
■ Cosmo Energy Group’s oil fields



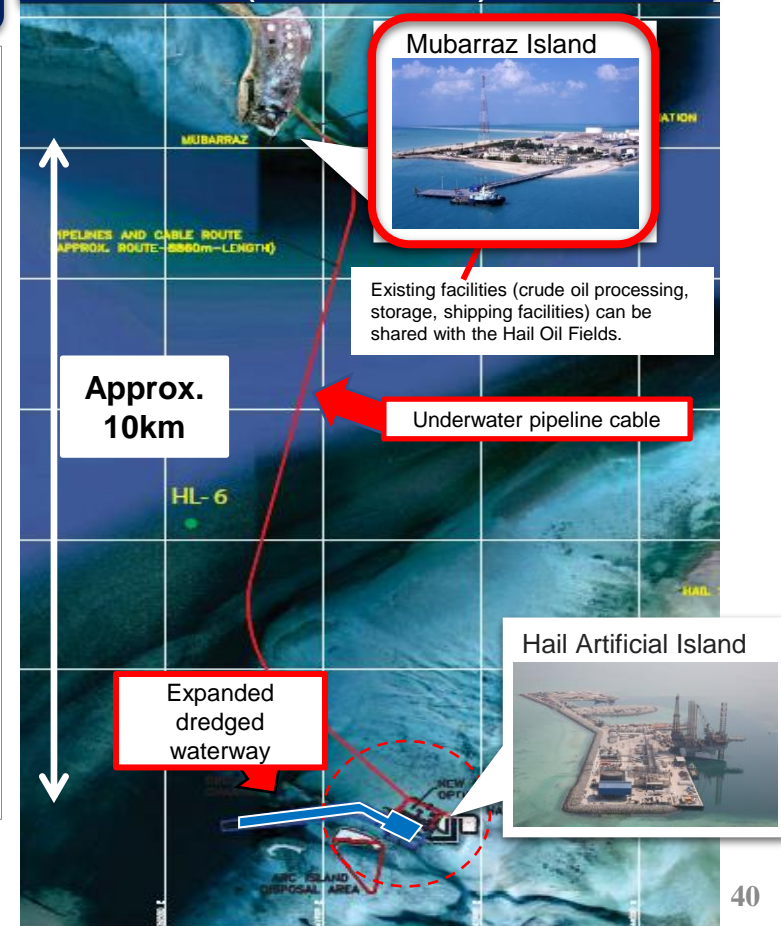
(*) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake ,has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).

- ✓ The Hail Oil Field started production in November 2017. (interest period – through year 2042)
- ✓ The Hail Oil Filed investment has been curbed with the shared use of existing oil processing, storage and shipping facilities (Estimated savings of 300-400 million dollars), and after the start of production, per unit operating costs are expected to decline for the increment of production volume.

Prolonged stable oil production



Hail Oil Field and existing shipping terminal (Mubarraz Island)

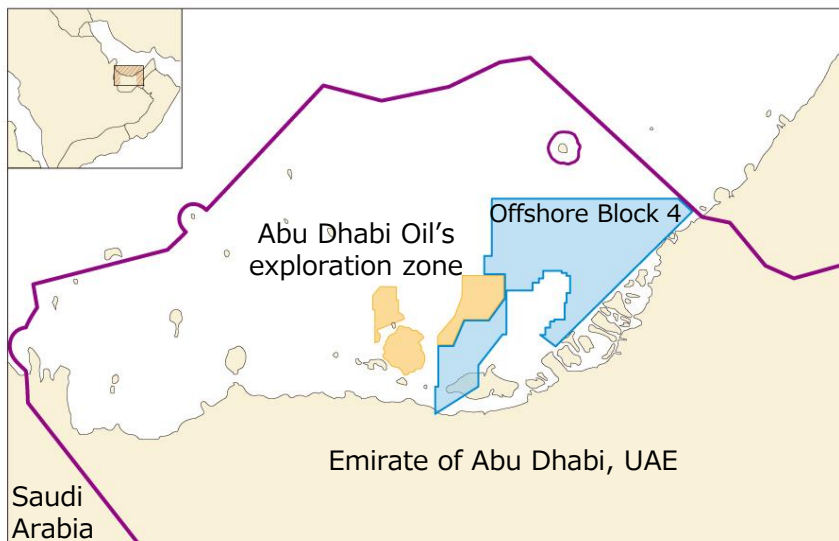


*1) ADOC : Abu Dhabi Oil Company, UPD : United Petroleum Development, QPD : Qatar Petroleum Development
 *2) Production volume of three development companies are per year (annual average of January to December each year)
 *3) Crude oil prices (Platt's Dubai crude) are average monthly
 *4) The production volume of three development companies after fiscal 2021 is prospective volume.

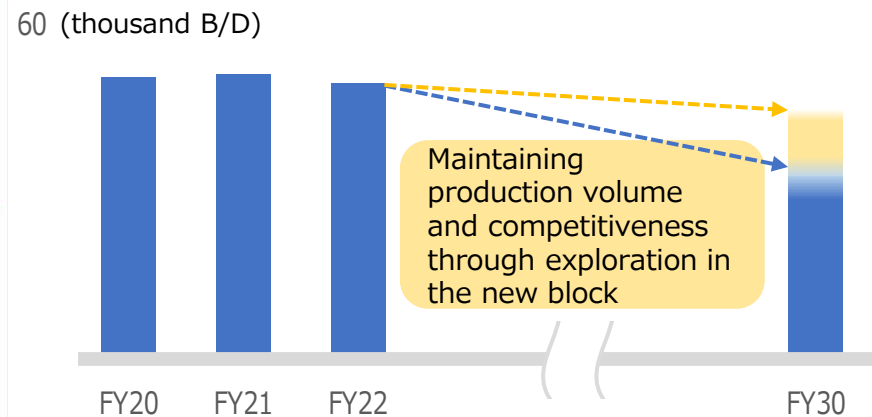
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- Oil indications have been confirmed in part of the Block.
- The Block is adjacent to the exploration zone of Abu Dhabi Oil Co., Ltd., a Cosmo Energy Group company. Integration with processing, storage and shipping facilities will reduce the two companies’ capital investment and operating expenses and maximize synergy.
- With production in this Block, the Company will build a robust business portfolio that makes a profit even in a low oil price environment while maintaining the Group’s crude oil production level.
- With a view toward the creation of a sustainable society, the Group will positively study the development and application of CCS, CCUS and other technologies required for a decarbonized society.

Location of Offshore Block 4



Schematic of trend in the Group's crude oil production

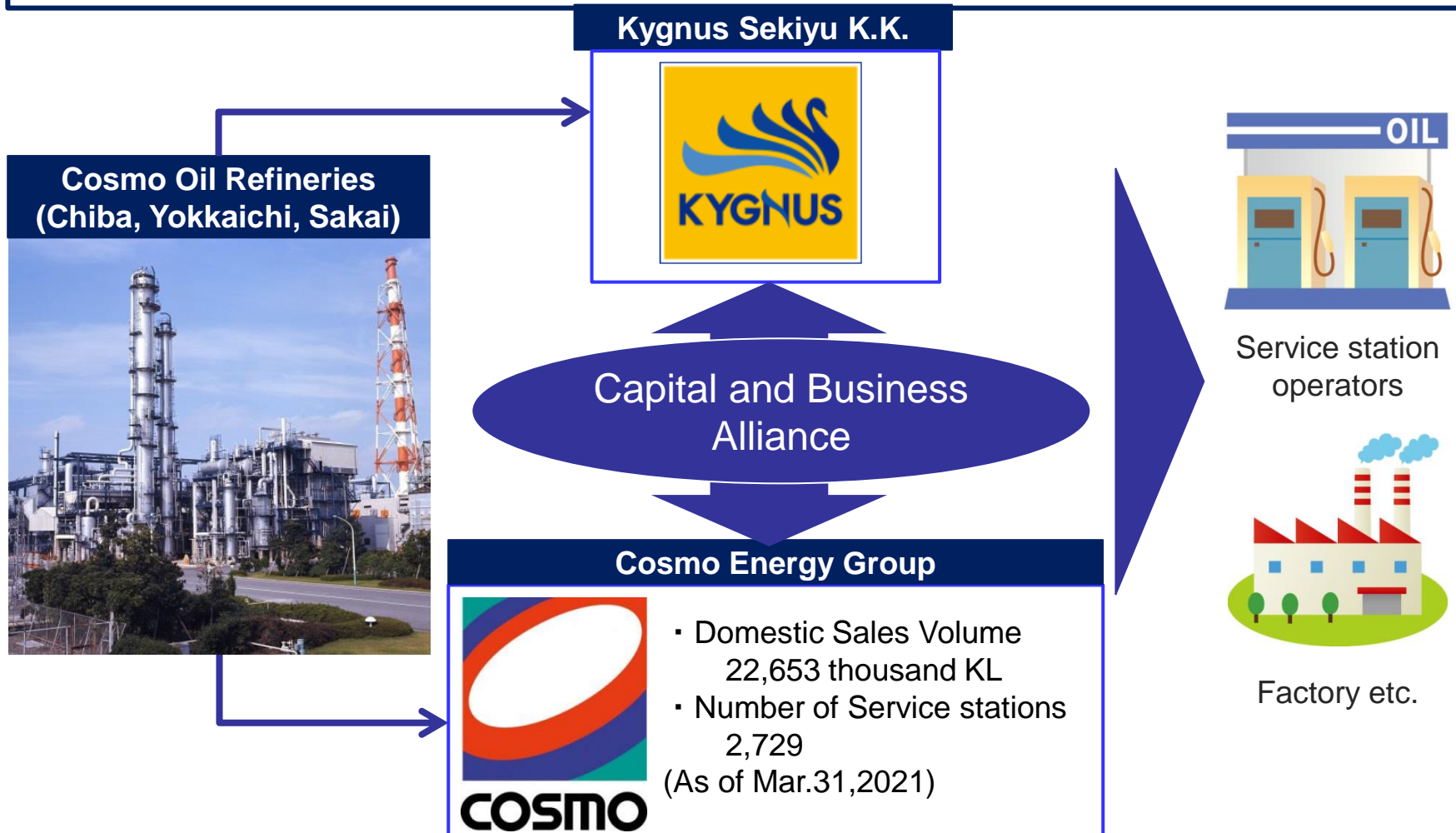


[Petroleum Business]

- Strengthening competitiveness through an alliance with Kygnus Sekiyu K.K.

COSMO

- ✓ Conclude a capital and business alliance with Kygnus Sekiyu K.K. and acquired 20% of common shares.
- ✓ Begin supplying petroleum products to Kygnus Sekiyu K.K. around CY2020.
- ✓ Advance discussion and consideration with a view to a business alliance, in addition to the supply of petroleum products.

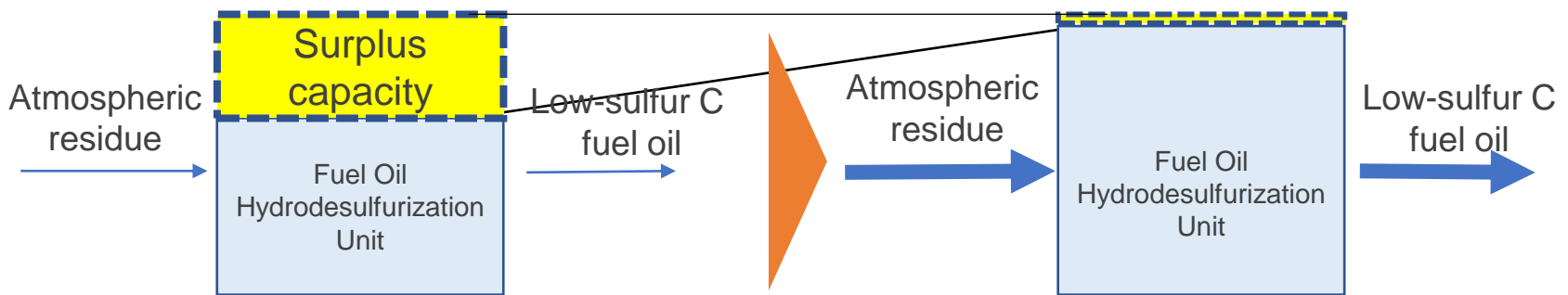


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5 and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

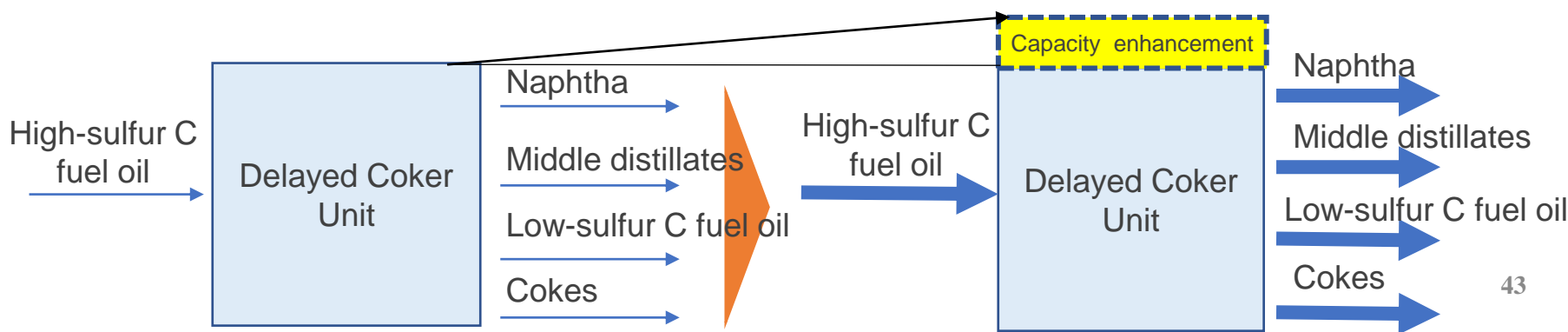
Chiba Refinery

To increase production of low sulfur C heavy oil by utilizing Chiba Refinery's DDS(direct desulfurization)



Sakai Refinery

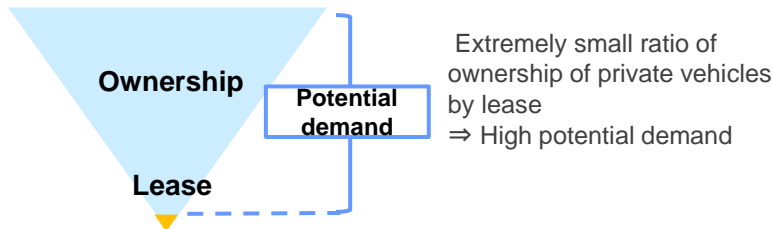
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ Market : Enter the niche market of auto-leases for individuals that leasing companies could not serve
- ✓ Strategy : Acquire customers using the strengths of SS (frequent contacts of individual customers, etc.)
- ✓ Risk : Low risk due to the absence of car inventory and credit risk
- ✓ Business model: All parties, including customers, leasing companies, Cosmo, and dealerships, win.

Characteristics

■ Entry to the market with high potential demand



■ Using the strengths of SS

- Frequent contact with individual Customers
 (500,000 units/day) (*1)
(*1) The number of cars of customers visiting Cosmo SS (estimated by Cosmo)
- Acquire customers using membership cards
 ("Cosmo The Card": effective number of members
 4.12 mil cards) (*2) (*2) As of March 31, 2021
- Fuel oil discount system (patented business model)

■ Low risk

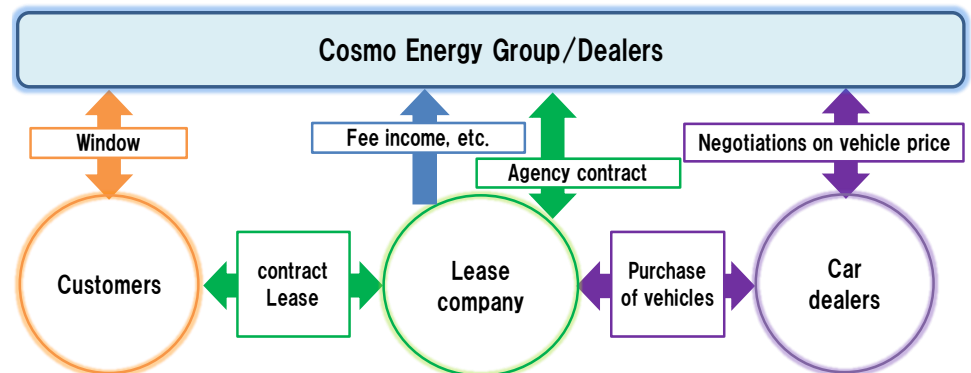
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

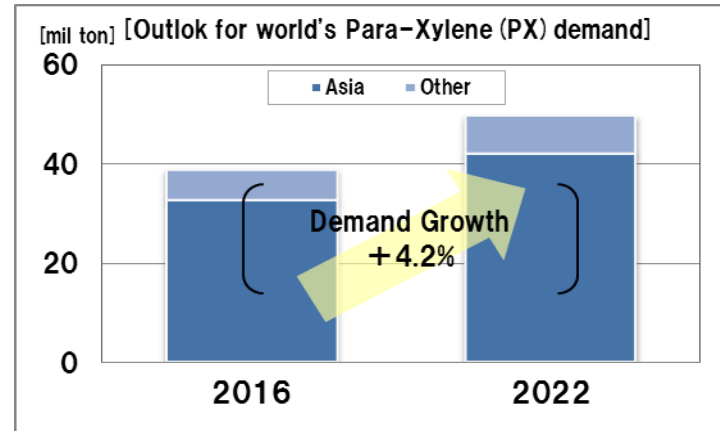
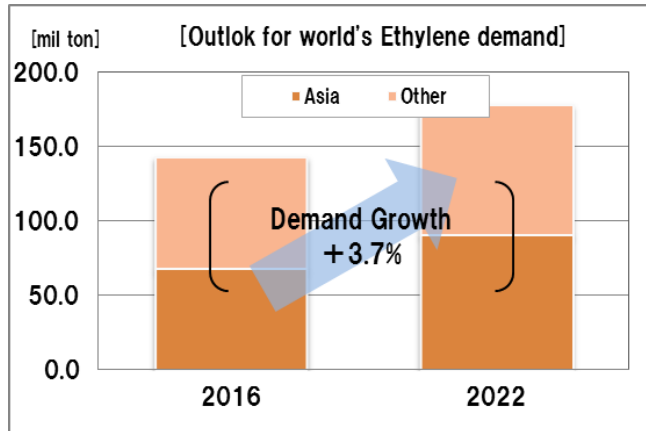
Customers : - Being able to drive new cars of any maker and model for a price lower than purchasing
 - No complicated procedures
 e.g. Simplified expenses for using a car (monthly flat rate that includes safety inspections, taxes, insurance, etc.)

Lease companies : Capture new customers

Cosmo, dealerships : Secure revenue sources that are not solely dependent on fuel oil

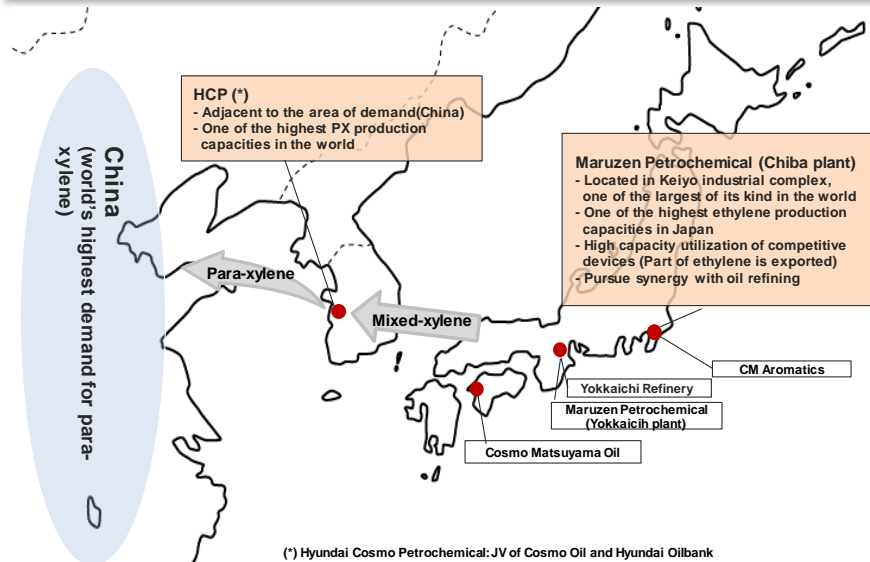


Expected global demand for petrochemical products



Source: Global Demand Trends for Petrochemical Products of the Ministry of Economy, Trade and Industry (2016-2022)

Strengths of Cosmo Energy Group



(*) Hyundai Cosmo Petrochemical: JV of Cosmo Oil and Hyundai Oilbank

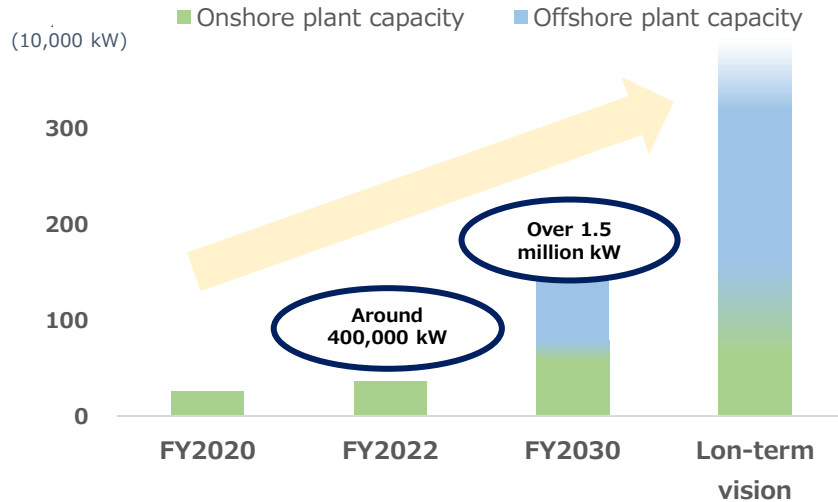
Production capacity

Product		Manufacture	Production capacity
Olefin-based	Ethylene	Maruzen Petrochemical	*1.290 mil t/year
Aroma-based	Para-xylene	Hyundai Cosmo PetroChemical	1.360 mil t/year
		Maruzen Petrochemical	0.395 mil t/year
	Benzene	Hyundai Cosmo PetroChemical	0.250 mil t/year
		Cosmo Matsuyama Oil	0.090 mil t/year
		Total	0.735 mil t/year
Mixed-xylene	Cosmo Oil (Yokkaichi Refinery)	CM Aromatics	0.270 mil t/year
		Cosmo Matsuyama Oil	0.048 mil t/year
		Total	0.618 mil t/year
	Aroma-based, total	2.713 mil t/year	

* Includes production capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

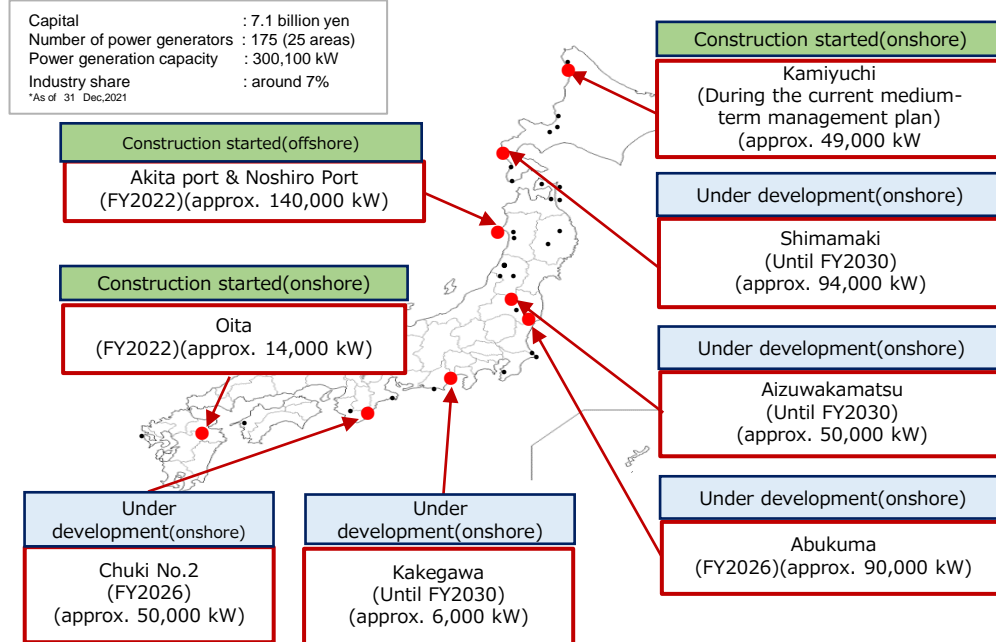
[Renewable energy business] Achieving Stable Earnings in a Market Where Demand Is Expected to Expand, Using the FIT Scheme

Changes in wind power generation capacity



* Installed capacity is capacity commensurate with the Company's investment.

Overview of Cosmo Eco Power



Characteristics (strengths) of the Group

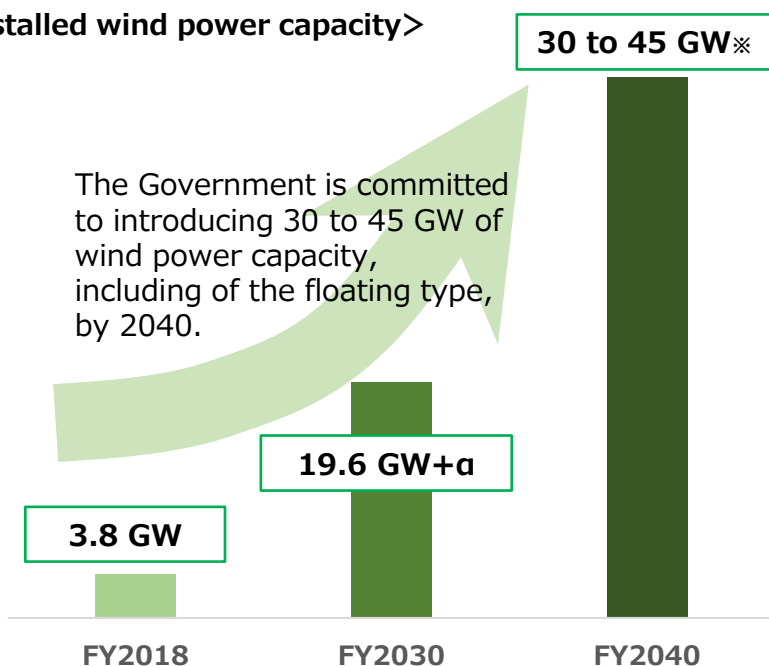
- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions in each region and securing stable profit by placing wind power plants across the nation.
- ✓ Aiming to expand the business in the long term by expanding sites on land and participating in an offshore wind farm project.

[Renewable energy business] Circumstances Surrounding the Wind Power Generation Business

- ✓ The Japanese government formulated a Green Growth Strategy towards Carbon Neutrality in 2050. Offshore wind power generation is defined as a main power source from renewable energy.
- ✓ The Green Growth Strategy is outlined as follows.
 - The government sets introduction targets of 30 to 45 gigawatts (GW) by 2040.
 - A government-led proactive project formation scheme (a Japanese version of the central method) is under consideration
 - Infrastructure development: Grid operation rules prioritizing renewable energy, grid construction linking locations suited to wind power generation and power demand locations and the construction of base ports
- ✓ Under the Sixth Strategic Energy Plan (draft) announced in July 2021, the target for the capacity of wind power generation facilities by 2030 increased substantially from 10 million kW to 19.6 million kW or more due to the additional introduction of renewable energy.

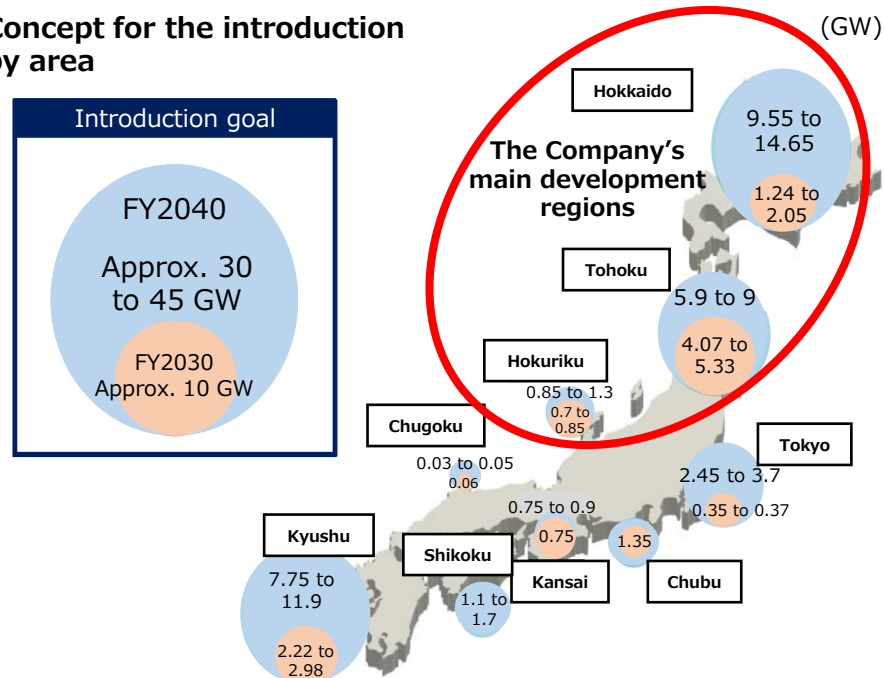
Concept for the Introduction of Offshore Wind Power Generation

<Installed wind power capacity>



* Target value for offshore wind power generation only

Concept for the introduction by area



* From the summary of the Vision for the Offshore Wind Power Industry (Primary) (draft)

Overview of Subordinated Loan(Announced on March 31,2020)

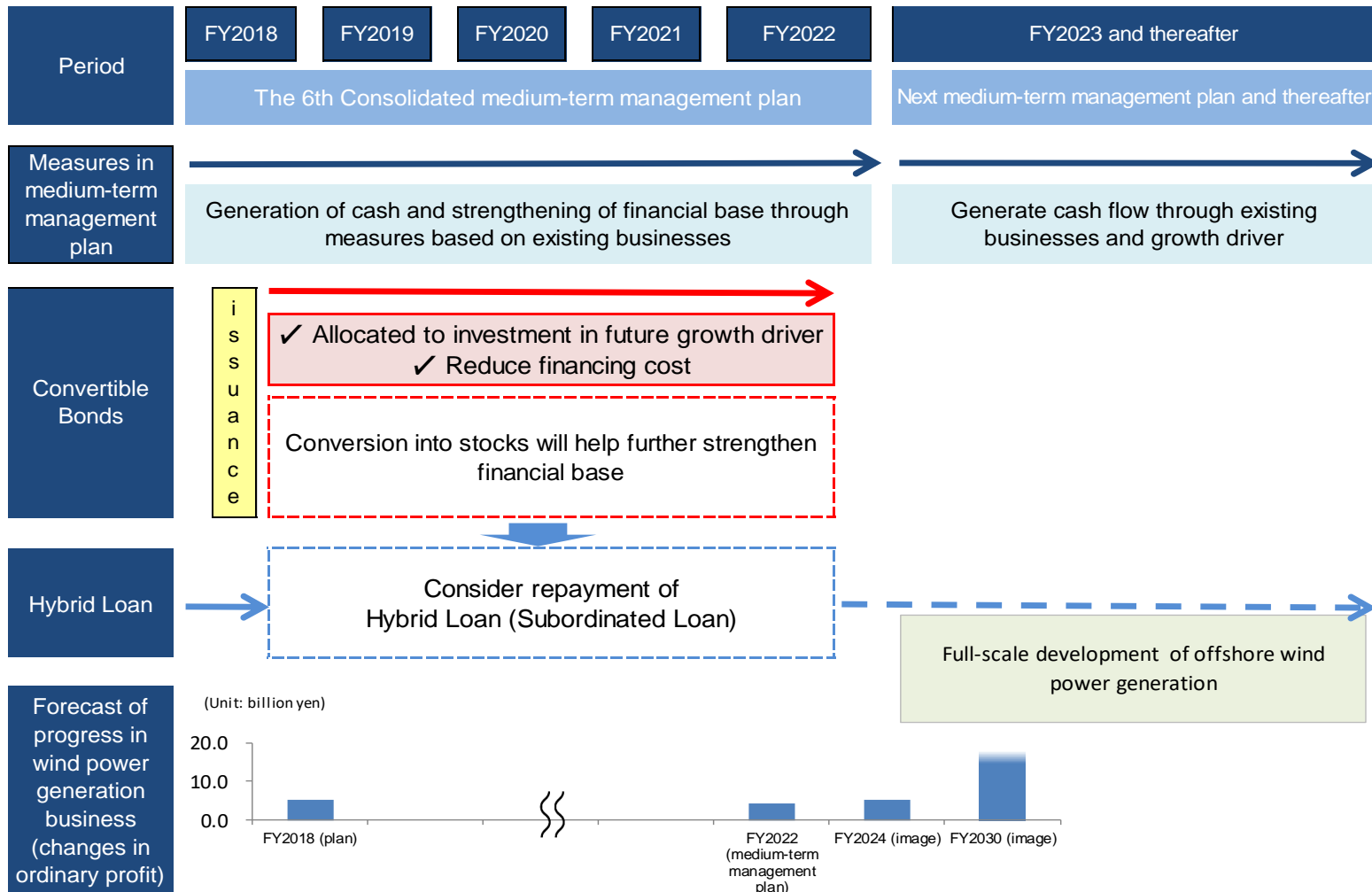
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement provisions	<ul style="list-style-type: none"> • In the event of early repayment, refinancing will be performed with a product with equity credit equivalent to or higher than the Subordinated Loan. • Provided, however, that the above refinancing may be postponed is the following conditions are satisfied. <ul style="list-style-type: none"> (i) If consolidated net worth increases by ¥30 billion or more from September 30, 2019 (ii) If the consolidated debt/equity ratio does not worsen from September 30, 2019
Interest rate	Variable interest rate based on 3-month Yen TIBOR + Spread
Interest rate step-up	-
Equity credit rating assigned by rating agency	Japan Credit Rating Agency, Limited: Medium / 50%.

Overview of Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Item	Overview
Title	The ¥60,000,000,000 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)
Total amount of bonds	¥60,000,000,000
Bond interest rate	Interest will not be attached to these bonds.
Date of payment and issuance	December 5,2018
Maturity date	December 5,2022
Benefits	<ol style="list-style-type: none"> 1 Financing cost can be reduced by issuing bonds without attaching interest (zero coupon). 2 The bonds will be offered primarily to investors in overseas markets, which, therefore, will contribute to the diversification of financing methods and can be expected to increase the flexibility of the company's future financing strategies. 3 A rider will be attached to promote the conversion into stocks, and converted stocks will contribute to further strengthening and improvement of the company's financial base in the future. 4 Since the conversion price will be set to exceed the bonds' market value, the bonds are expected to be converted into stoks mainly when shareholder value grows, such as a future increase in stock price, which will help control the dilution of per-share value resulting from the conversion.
Uses of funds	<ol style="list-style-type: none"> 1 Allocate approx. 11 billion yen by March 2021 as funds for investment and loans for a subsidiary in petrochemical business in order to increase competitiveness through means such as reduction of maintenance costs, and expansion of high-value-added products. 2 Allocate approx. 49 billion yen by March 2021 as funds for investment and loans for a subsidiary in the wind power generation business in order to construct onshore and offshore wind power plants.

Through financing by issuing convertible bonds, planning to further strengthen the company's financial base for the Next Medium-Term Management Plan and thereafter

- ✓ Secure funds for investment and loans to strengthen the “New” part of the growth driver, “Oil & New,” for the future.
- ✓ For the time being, increase capital by accumulating profit through the execution of the current medium-term management plan.



1. The conventional policy will not change for the cash balance for the entire period of medium-term management plan.
2. Therefore, the issuing of convertible bonds this time means a change in financing method within cash flow from financing activities.
3. The company does not intend to increase interest-bearing debt from the conventional plan.

Cash balance and use of funds (FY2018 - FY2022)

(Unit: billion yen)

(1) Cash flow from operating activities	535.0
(2) Cash flow from investing activities	-360.0
(3) Free cash flow (1) + (2)	175.0
(4) Cash flow from financing activities	-175.0
(Breakdown of cash flow from financing activities)	
Repayment of debts	-XXX.X
Borrowing	+XXX.X
Convertible bonds	+60.0
Dividends	-XX.X

✓ No change from medium-term management plan

✓ Of the investment made in FY2019 and FY2020, 60 billion yen financed through CB is allocated to petrochemicals and wind power generation businesses as a major change in the business portfolio.

Partial change

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.