

Status Report of Total Contingency Plan against the Y2K Problem

As of January 1, 2000.

January 7,2000

Since the establishment of a special committee in January 1999 to address the possible Year 2000 (Y2K) Issue, Teikoku completed studies of conceivable problems and their countermeasures, by preparing a "Total Contingency Plan" and trial examinations thereto, as a whole-scale basis including all related affiliates/subsidiaries, customers and contractors by the end of 1999. We hereby inform all the readers that we confirmed no operational troubles of both control and administration systems in the group had been reported as of January 4, 2000, including mainly:

1. All operational systems of production of crude oil and natural gas
2. All operational systems of transportation of natural gas
3. All operational systems of refinery system
4. All the other administration systems

Thank you for your attention to our contingency plan and we will keep on watching and report any further phenomena of unexpected millennium bug continuously.