

## Results of Sakhalin Appraisal Well

September 28, 2000

Sakhalin Oil and Gas Development Co., Ltd., Chiyoda-ku, Tokyo, (hereinafter referred as SODECO), in which Teikoku Oil has 1.4% share, confirmed that the multinational Sakhalin I consortium has appraised a significant oil accumulation on Sakhalin I, Russia.

The appraisal well, named Chayvo-6, encountered an oil-bearing Miocene reservoir that flowed at a test rate of 6,000 BOPD. A multinational team composed of Japanese, ExxonMobil and Russian geoscientists delineated a large 340 feet (104 meters) oil column on the west flank of the Chayvo discovery. The Chayvo-6 well was drilled in 50 feet (15 meters) of water to a total depth of 10,089 feet (3,075 meters) on the west flank of the Chayvo field (discovered in 1979). Chayvo is located approximately 370 miles (600 kilometers) north of Yuzhno-Sakhalinsk.

Sakhalin I represents a world class oil and gas development opportunity. Development planning activities and discussions on key government assurances shall be necessary to allow the project to go forward continue to progress.

SODECO has 30% working interest of the multinational Sakhalin I consortium. Exxon Neftegas Limited, a subsidiary of ExxonMobil, also holds 30 percent working interest as the operator for the consortium, and other co-venturers include Russian companies Sakhalinmorneftegas-Shelf (23 percent) and Rosneft-Sakhalin (17 percent).

### **Project Summary**

|                 |  |
|-----------------|--|
| (1)Project Name | Sakhalin I Project   |
| (2)Contract     | Production Sharing Agreement(PSA)<br>Agreed on 30th of June, 1995<br>Effective on 10th of June, 1996 |

(3) Consortium

|                           |               |
|---------------------------|---------------|
| SODECO                    | 30%           |
| Exxon Neftegas Ltd.       | 30%(Operator) |
| Sakhalinmorneftegas-Shelf | 23%           |
| Rosneft-Sakhalin          | 17%           |

(4) License Area

3 fields located offshore Sakhalin  
(7-35 kilometers away from the northeast coast):

|              |                       |
|--------------|-----------------------|
| Chayvo Field | 180 square kilometers |
| Odoptu Field | 300 square kilometers |
| Arkutun/Dagi | 660 square kilometers |

(5) Number of Drilling Wells

1 well on 1996  
3 wells on 1997  
2 wells on 1998  
1 well on 2000

(6) Development plan

The discussion with respect to the development of the field shall be made after completion of the study and appraisal for the ongoing resource identification.

Matsurou Manabe  
New Ventures Department  
Teikoku Oil Co., Ltd. TEL: (03) 3466-1234

# サハリン北東部陸棚位置図

