

Multiple Service Contract for gas development, Mexico

November 20, 2003

TEIKOKU OIL CO.,LTD – TEIKOKU (Tokyo,Japan) communicates that, following the strategy of expansion of its international operations, it was awarded a Services Contract for development and exploitation of the Fronterizo block in the Burgos basin in the North East of México.

The contract was awarded to the consortium where Petrobras participates, as operator, with 45 %, Teikoku from Japan, with 40%, and Diavaz from México with 15% on November 19, 2003.

The Multiple Services Contracts are being offered by Pemex Exploración y Producción through an international Biding Round for development and production of natural gas reserves. The contract awarded allows expenditures up to US\$265 million in fifteen years.

The Fronterizo block, located in the central part of the Burgos basin, South West from Reynosa city, has an area of 231 km² where 6 fields have already being discovered and the main production comes from Cuervito, Fronterizo and Topo fields.

TEIKOKU is one of the leading E&P companies in Japan, established in 1941. The business activities in Japan are E&P of oil and natural gas, extending to refining and gas transportation. The international activities are focused on E&P business development in Latin America and North Africa. TEIKOKU has been growing through its business experience and applying the state-of-the-art technology to develop the oil and gas fields.

Petroleo Brasileiro S. A. – Petrobras is one of the world's largest integrated oil & gas companies, with business in a wide range of activities, including exploration, production and transport of oil & gas, oil refining, distribution and marketing of gas, oil and its derived products, and energy generation. Petrobras is based in the city of Rio de Janeiro and has operations in Brazil and the rest of Latin America. It also has operations in the Gulf of Mexico and West Africa. According to the consolidated financial statements for year 2002, Petrobras is the largest company in Brazil and the third largest industrial

group of Latin America.

Grupo DIAVAZ is a Mexican organization of companies and strategic Associations with more than 30 years experience providing and commercializing services inside the national and international energetic sector. The services include: inspection, maintenance, construction and repairing of oil facilities, as well the preparation of high technology studies related to the hydrocarbon exploration and production. The personnel of Grupo DIAVAZ is committed to offering services with quality and professionalism based on a deep knowledge of the sector, respecting safety and the environmental rules.

Kenji Kawano

New Ventures Department, Teikoku Oil Co., Ltd.

Phone : 81-3-3466-1234

Fig. Block Location

