

## The First Production from Serai Gas Field in Malaysia

Jun 21, 2004

Teikoku Oil Co., Ltd. ("TEIKOKU") is pleased to announce that the first production started from Serai Gas Field in Block SK-8 in Malaysia in which Nippon Oil Exploration (Sarawak), Limited ("NOSA") holds 37.5% working interests.

NOSA is a joint venture company owned by Nippon Oil Exploration Limited, TEIKOKU, Mitsubishi Corporation and Japan National Oil Corporation, and was established in 1991. As a result of exploration activities, several gas fields were discovered from 1992 to 1994 and NOSA has been conducting the construction of gas production facilities for the commercial production from Serai and Jintan Gas Fields.

The approximate daily production rate of the Serai Gas Field will peak at 280mmcf for the gas and 8,000bbl/day for the condensate. The gas and the condensate produced from the Serai field will be transported through the sub-sea pipeline to Bintulu, Sarawak to be separated and liquefied at the MLNG Tiga Plant. In addition, Commercial production from Jintan Gas Field in Block SK-8 is also planned from end of July, 2004.

Meanwhile, another group company, Nippon Oil Exploration (Malaysia), Limited, started commercial production from Helang Gas Field in Block SK-10 located adjacent to Block SK-8. The aggregate gross production from Helang, Serai and Jintan Gas Fields is expected to reach 1000mmscf for the gas and 42,000bbl/day for the condensate.

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