

New Venture in Blocks 05-1(b) and 05-1(c), offshore southern Vietnam

October 29, 2004

TEIKOKU OIL CO., LTD. (TEIKOKU) is pleased to announce that the company jointly with Idemitsu Oil & Gas Co., Ltd. (Idemitsu) and Nippon Oil Exploration Limited (Nippon), signed a Production Sharing Contract with Petrovietnam, a state oil enterprise of Vietnam, for Blocks 05-1(b) and 05-1(c) offshore southern Vietnam on October 28, 2004. The Blocks are located approx. 300 km south-east of Ho Chi Minh City. Producing fields such as the Dai Hung oil field and Hai Thach gas field are located nearby.

The working interest of both Blocks is owned 35% by Idemitsu, 35% by Nippon and 30% by TEIKOKU.

The Blocks are approx. 1,570 km<sup>2</sup> at the depth of 100m to 200m. In the first 3 year exploration period through October 2007, the seismic survey and drilling of one exploration well is scheduled. Exploration drilling is planned to be in 2006.

TEIKOKU now plans to establish a wholly owned subsidiary, TEIKOKU OIL (Con Son) CO., LTD. and promote this project.

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Offshore Southern Vietnam Blocks 05-1(b) and 05-1(c).

