

Contract extension in the West Bakr Block, Egypt

Tokyo, 27 July, 2005

Teikoku Oil Co., Ltd. (“TEIKOKU”) is pleased to announce that, The Egyptian Petroleum Development Co., Ltd. (“EPEDECO”), one of TEIKOKU’s consolidated international subsidiaries, reached this day an agreement and executed the “Extension Contract” with the competent body of the Arab Republic of Egypt (“Republic”) to extend the currently existing Production Sharing Contract for ten (10) years from April 2010, the original expiration date. The Extension Contract shall therefore be until April 2020, with the optional five (5) years’ reextension, subject to the approval of the Republic.

Since its production commencement in 1980, EPEDECO has been engaged in the project as the Operator and produced about 40 million barrel of oil by the end of last year, with the daily production level of at about 5,400 barrel of oil per day in the onshore West Bakr Area..

TEIKOKU has been highlighting the North Africa region as one of the Core Areas for TEIKOKU’s long-term business portofolio and the Republic has been presiding such strategy to date. Besides the aforementioned production activities, TEIKOKU has also been engaged in exploratory operations in South East July and South October Blocks locating offshore Gulf of Sues and in North Qarun Block locating Western Desert.

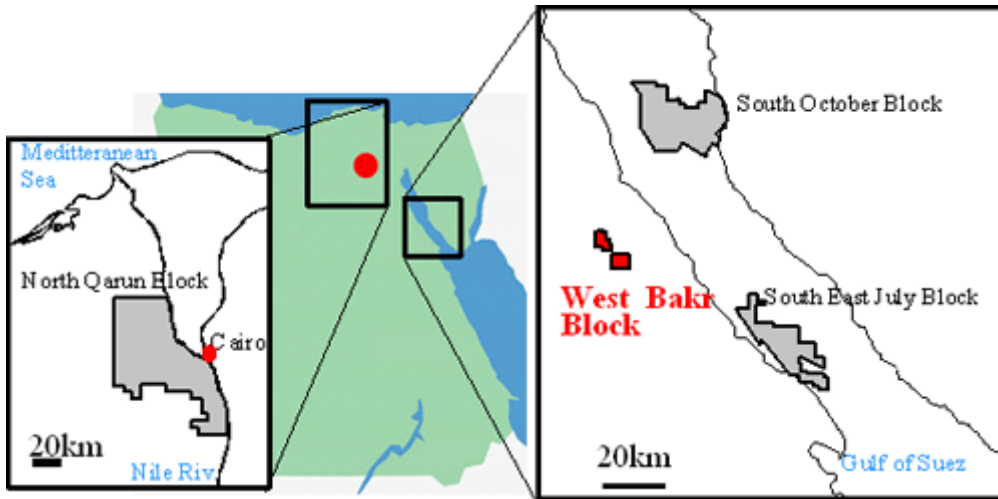
Including the vigorous operations in the North African region, we TEIKOKU commit ourselves to further expanding international activities, by generating exploratory projects and by asset purchase mainly in the Core Areas, to reach the ultimate goal to make our international business as one of our operating base.

General Information of EPEDECO

(1) President	Hiroaki Tsuburaya
(2) Share Holders	TEIKOKU (45.68%), Mitsui Oil Exploration Co., Ltd (32.10%) and others (26 companies, 22.22%)
(3) Capital Fund	¥10,722 million
(4) Foundation	17 July 1970
(5) Holding Block	West Bakr Block, Onshore Eastern Desert(45.2km2)
(6) Interest	EPEDECO 100%

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