

## Acquisition of New Exploration Venture in Venezuela

Tokyo, 16 Nov, 2005

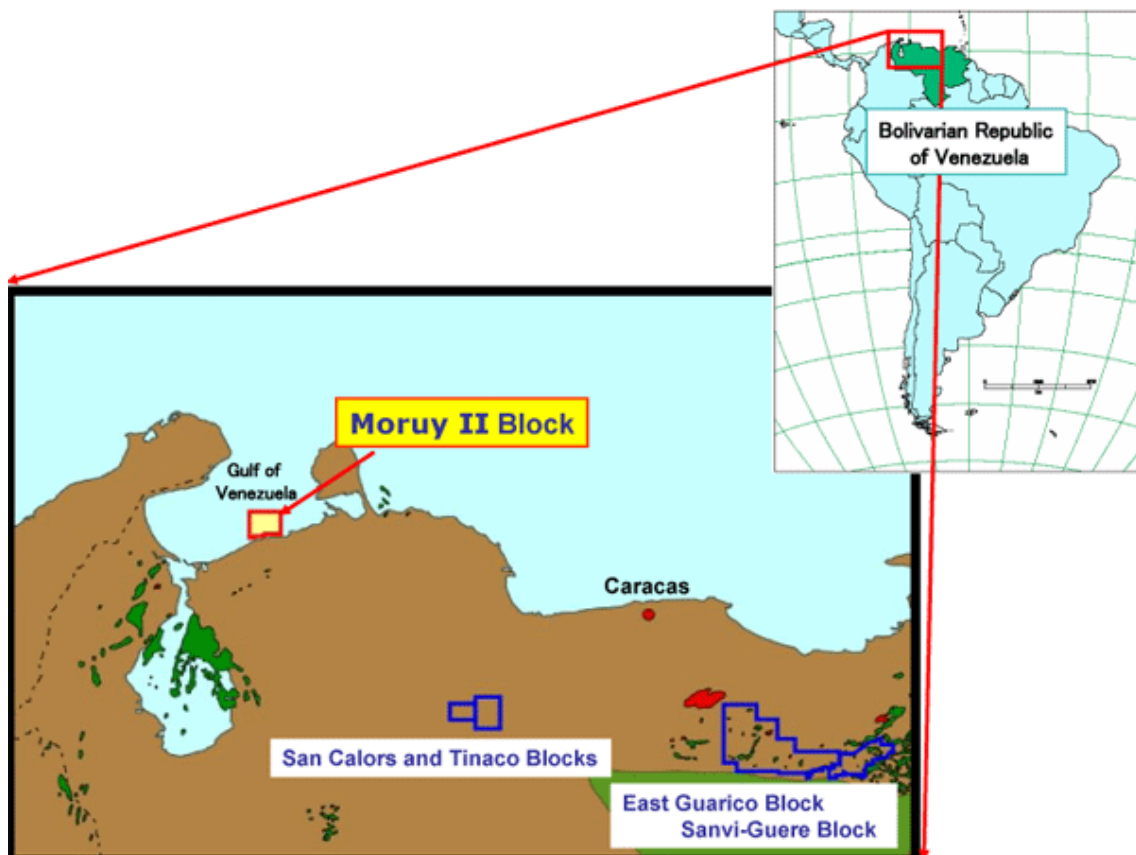
TEIKOKU OIL CO., LTD. (“TEIKOKU”) is pleased to announce that we today confirmed the successful bid of the Moruy II Block (“Block”), in the second (2nd) offshore exploration bidding round in the Bolivarian Republic of Venezuela (“Republic”), namely “Rafael Urdaneta Project - Phase B”, jointly with Petrobras International Braspetro B.V. (100% subsidiary of Brazilian state oil company Petróleo Brasileiro S.A. “PETROBRAS”). The Exploration License is expected to be awarded at the end of November, 2005, thorough the approval process in the Republic.

The Block, 874km<sup>2</sup> in extent, is located in the south eastern part of the Gulf of Venezuela, which is adjacent to the north of oil prolific Maracaibo Lake and approx. 450km to the west of Caracas. The working interest of the Block is to be owned 50% by PETROBRAS (Operator) and 50% by TEIKOKU. The term of the license, including 3-year initial exploration period with 1-year extension at its option is 30 years and we expect to invest approx US\$20 million in the initial exploration period.

TEIKOKU has been focusing upon the Latin American and North African countries as its international business core areas. In the past two (2) years, we added its business career in Mexico, Ecuador (subject to government approval) and, among others, the Republic is the business hub for TEIKOKU as the first country in Latin American region since early 1990s. To date, in the Republic, we are operating two (2) oil and gas reactivation projects in the East Guarico and the Sanvi-Guere Blocks, while participating in the gas exploration project in the San Carlos and Tinaco Blocks (subject to government approval) jointly with Operator PETROBRAS.

Being encouraged by the successful bid of this time, we TEIKOKU commit ourselves to enrich the intellectual basis for business development, with further continuity, and bring this project greater synergies in this important region, by tightening up on the business links with PETROBRAS, one of the most active and leading oil companies in Latin America.

[Location Map]



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