

New Venture in Block 222b, Algeria

March 19, 2001

Teikoku Oil Co., Ltd.'s fully owned subsidiary, TEIKOKU OIL (ALGERIA) CO., LTD. (established on March 8, 2001 in Tokyo and represented by Mr. Akira Isono, President), executed the Farmout Agreement on March 16, 2001 with AGIP Algeria Exploration B.V., an affiliated company of Eni S.p.A., in order to acquire a 20% participating interest in Block 222b, Algeria, subject to an official approval by SONATRACH and the competent Algerian Authorities.

The Block 222b is located in the eastern part of Algeria. The original petroleum contract was executed between AGIP Algeria Exploration B.V. and SONATRACH in May, 1999. The partners to the Block are now AGIP Algeria Exploration B.V. (Operator, 50%), TULLOW ALGERIA LIMITED (30%) and TEIKOKU OIL (ALGERIA) CO., LTD (20%).

The first exploration period is 3 years from May, 2000 until May 2003, during which the first exploration well is slated in July, 2002. The total amount of minimum investment during the said three years corresponds to US\$8 million.

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Location Map

