

New Venture in Block EL OUAR1 & EL OUAR2, Algeria

November 29, 2001

TEIKOKU OIL CO., LTD. (hereinafter referred to as 'TEIKOKU') is pleased to announce that the company executed the Farmout Agreement on November 28, 2001 with ENI to acquire a 10.29% participating interest in Blocks EL OUAR 1 (520.32km<sup>2</sup>) & EL OUAR 2 (3,404.82km<sup>2</sup>) in Algeria, subject to the approval of the Algerian authorities. The partners to the Blocks will be eventually composed of Sonatrach 51%, ENI (Operator through the subsidiary MONUMENT) 22.38%, Asamera (CONOCO's subsidiary) 16.33%, and TEIKOKU 10.29%.

Blocks EL OUAR 1 (520.32km<sup>2</sup>) & EL OUAR 2 (3,404.82km<sup>2</sup>) are situated in the eastern part of Algeria. In Block El Ouar I, the presence of natural gas and condensate was confirmed by the wildcat well drilled in 1997. The petroleum contract covering EL OUAR 2 came into effect in 1999 with the exploration period of 3 years expiring in December 2002. During the exploration period, two wildcat wells are committed.

TEIKOKU plans to establish TEIKOKU OIL ALGERIA (EL OUAR) CO., LTD., a 100% wholly owned subsidiary in December 2001, through which TEIKOKU will participate in the joint venture after transferring all of its 10.29% interest to the subsidiary.

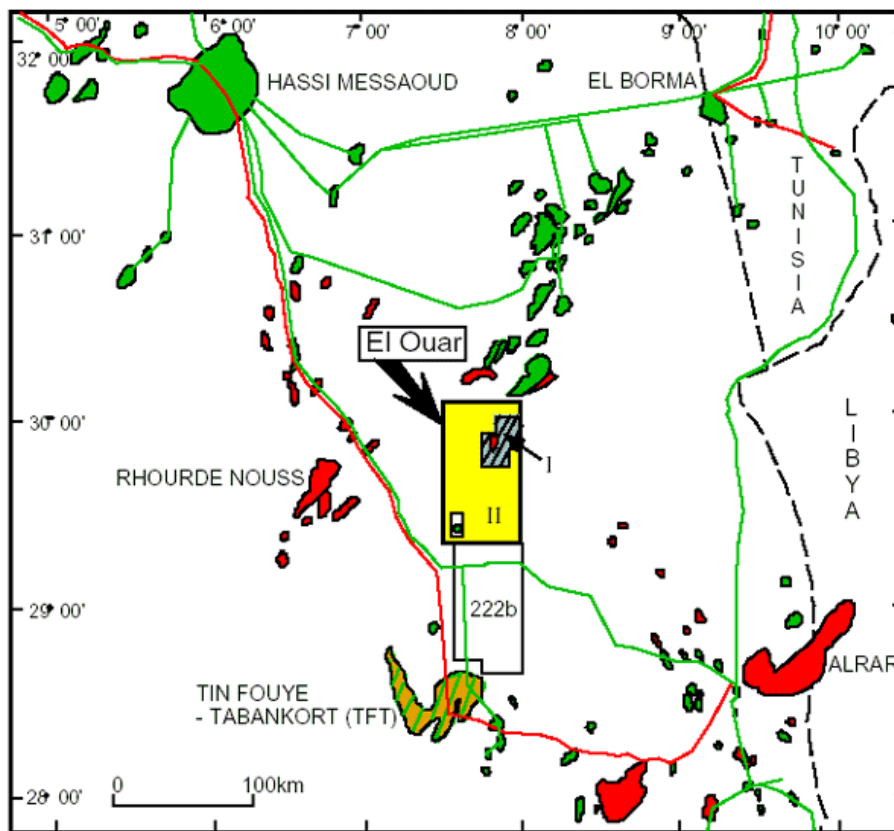
For your information, Algeria is one of the countries on which TEIKOKU is currently focusing its efforts, and these two blocks adjoin Block 222b where TEIKOKU's subsidiary, TEIKOKU OIL (ALGERIA) CO., LTD. acquired a 20 % interest in March 2001, whereby TEIKOKU expects further development of its business experience and synergy effect with other projects around the area.

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### Algeria El Ouar (I & II) Location Map



-  El Ouar I
-  El Ouar II