

New Ventures in the South October and North Qarun Blocks, Egypt

Tokyo, June 27, 2005

TEIKOKU OIL CO., LTD. (“TEIKOKU”) is pleased to announce that the company has been awarded two exploration blocks in the Arab Republic of Egypt (“Republic”) under the following conditions:

1. South October Block (446km²)

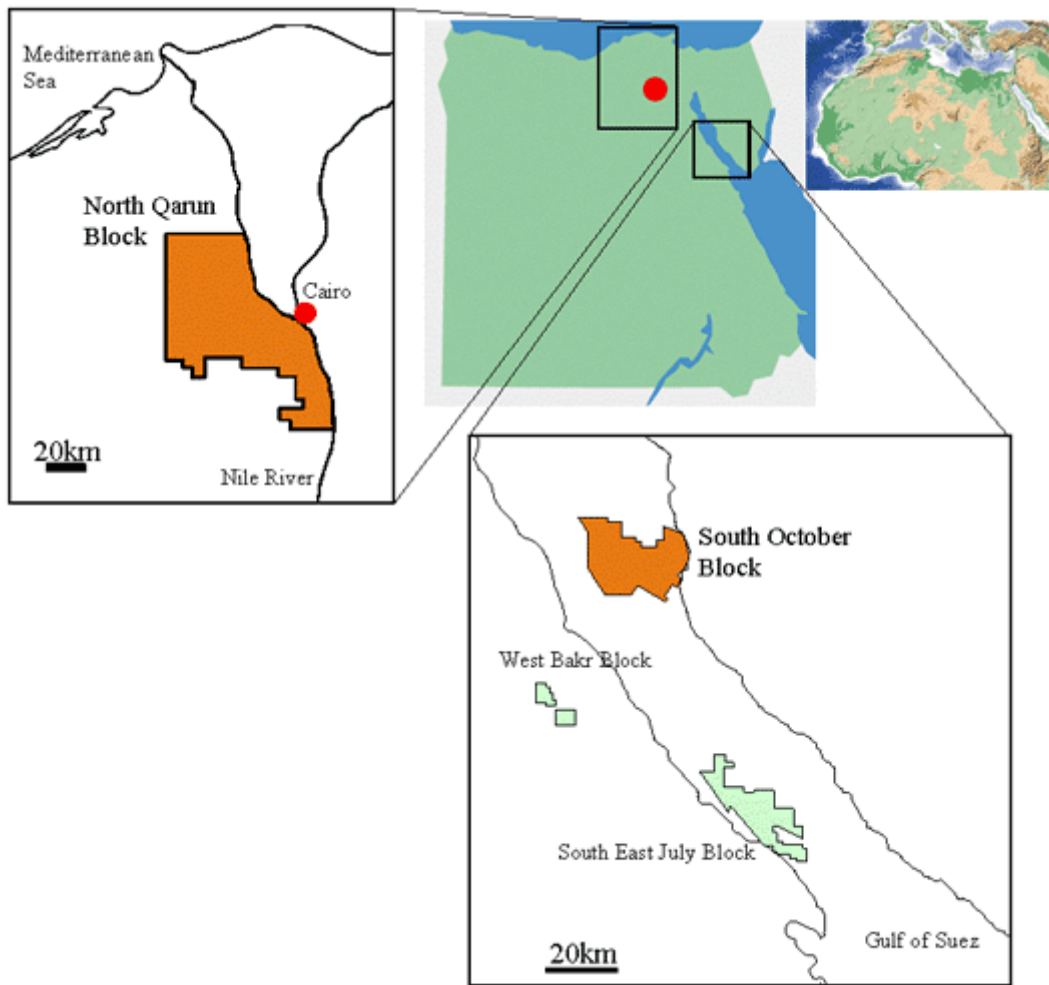
- (1)Location: Middle part of Gulf of Suez (approx. 250km southeast of Cairo)
- (2)Participating Interest: Devon Energy Corporation (“Devon”) (65%) and TEIKOKU (35%)
- (3)Obligatory works: Two (2) exploratory wells and acquisition of 3D seismic data (270km²) with investment of US\$17MM in the initial 3-year exploration period

2. North Qarun Block (4,901km²)

- (1)Location: Western Desert (western part of Cairo)
- (2)Participating Interest: Devon (50%), Santos Limited (“Santos”) (25%) and TEIKOKU (25%)
- (3)Obligatory works: Two (2) exploratory wells and acquisition of 2D seismic data (550km) with investment of US\$5MM in the initial 3.5-year exploration period

TEIKOKU plans to establish two wholly owned subsidiaries and transfer all of its Participating Interest to such companies.

TEIKOKU has been conducting production operations in West Bakr Block (45.2km²) as Operator since 1975 through its affiliate, The Egyptian Petroleum Development Co., Ltd. and exploratory operation with Devon and Santos in the South East July Block locating southeast of the West Bakr Block, trying to bring greater synergies effect in the Republic. In addition, the company is consistently pursuing further successful operations in the priority regions of North Africa, by activating operations in the Republic, the forefront of its business development.



Kenji Kawano
New Ventures Department, Teikoku Oil Co., Ltd.
Phone : 81-3-3466-1234