

Tokyo, 03 April, 2006

Basic agreement on alteration of the existing petroleum agreements

We, INPEX Holdings Inc. and TEIKOKU OIL CO., LTD. ("TEIKOKU"), hereby announce that on 31st of March, 2006, Teikoku Oil de Venezuela, C. A., and Teikoku Oil de Sanvi-Guere C. A., TEIKOKU's 100% subsidiary, executed a Memorandum of Understanding with the national petroleum company and other governmental competent bodies of the Bolivarian Republic of Venezuela (the "Republic"), to alter the currently existing Operating Services Agreements ("OSAs") of both East Guarico Unit and Sanvi-Guere Unit to a joint venture agreement for gas venture and oil venture separately.

Since 1993 to date, TEIKOKU operated the reactivation programs of oil and gas fields in those two (2) Units under the OSAs and will continue to manage those operations by establishing the joint venture for gas and oil respectively with the national petroleum company of the Republic.

TEIKOKU is now in due course of finalization for detailed terms and conditions of the joint venture agreement with the Republic and the joint venture for gas shall be officially authenticated by acquiring the new gas license, while the joint venture for oil shall be officially authenticated by approval at the Diet of the Republic.

The alteration process is to be applied to all the existing OSAs in the Republic based on the requirements of applicable laws and regulations of the Republic.

TEIKOKU understands that this alteration shall preferably affect its ongoing and upcoming ventures and its position in the Republic, as the more stable project management in the long term is expected by having direct participation of the Republic into both gas and oil venture and, as further opportunities to jointly undertake new ventures with the Republic is also expected, due to the fact that the term of the new joint venture agreements is materially prolonged (under the new agreement, 20 years from the effective date, while the OSA terminates in 2012 for East Guarico Unit and 2013 for Sanvi-Guere Unit).

For those reasons, TEIKOKU positively recognizes this alteration process and commit ourselves to further strengthening both relationships of mutual trust with the Republic and its business operating base in the Republic.

* Teikoku Oil Co., Ltd. is 100% subsidiary of INPEX Holdings Inc.