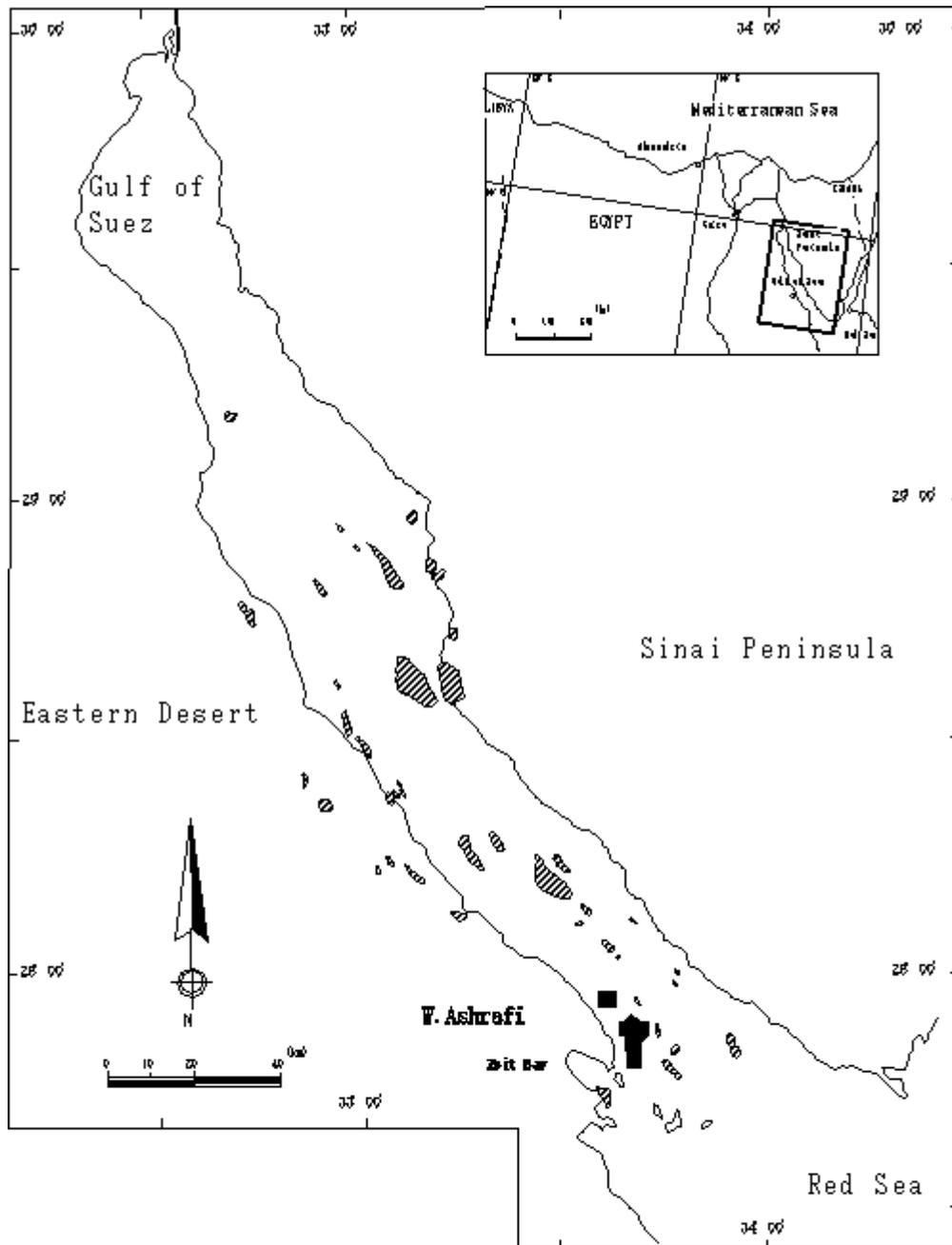


Teikoku Discovers Oil in Gulf of Suez

May 10,1999

EPEDECO Suez Ltd. (Teikoku Oil's subsidiary company in Tokyo and represented by Mr. T. Hozumi, President) has discovered oil and gas in the West Ashrafi Block in Gulf of Suez. EPEDECO Suez participated in this project in 1997. The project is operated by IEOC (the operating company of Agip, in Egypt). The joint venture started the first exploration well (West Ashrafi-1X) last year and conducted a DST end April this year. The company confirmed 3,114 b/d of oil and 9.38MMcfd of natural gas. The joint venture is now reviewing the test data and further assessment is expected.

The working interests of the West Ashrafi Block are owned 60% by IEOC and 40% by EPEDECO Suez. EPEDECO Suez's shareholders are Teikoku oil(50%) and JNOC(50%).



AREA MAP