

## Offshore Iwaki Gas Success

August 4, 1999

Teikoku today announced that it has made a substantial gas discovery at a new structure south of the presently producing Offshore Iwaki Gas Field.

Since June this year, Teikoku had been drilling two exploratory wells (Joban Oki-4 and Joban Oki-5) consecutively at a new P-South structure. Although the Joban Oki-4 was dry, Joban Oki-5 flowed substantial gas during testing and a rate of approximately one million cubic meters per day was recorded.

Offshore Iwaki Petroleum Development Co., Ltd., a wholly owned subsidiary of Teikoku, has been operating gas and condensate production at the Offshore Iwaki Gas Field together with Esso group since the first commercial production in 1984. All produced natural gas and condensate were supplied to the Hirono Power Plant of Tokyo Electric Power Co., Ltd. for the purpose of power generation.

In 1997, Teikoku also made a gas discovery at a P-North structure and, subject to the final assessment of the reserves, Teikoku is slated to conduct a feasibility study of a possible commercial development of these two new structures. Details of the Joban Oki-5 are as follows:

- The drilling location is about 32 km off the Hisanohama coast of Iwaki City, Fukushima Prefecture. The water depth is 144.5 m.
- Spudded on July 7, 1999 and completed drilling on July 20, 1999
- The total vertical depth is 3,100 m.
- Tested zone was between 2,889 m and 2,925 m.
- Flowed rate was about one million cubic meters per day.