

New Venture in the Khaligue El Zeit and South East July Blocks, Egypt

November 17, 2003

TEIKOKU OIL CO., LTD. ("TEIKOKU") is pleased to announce that the company successfully executed a Farm-Out Agreement covering the Khaligue El Zeit (40.8km²) and South East July (245.28km²) Blocks in the Arab Republic of Egypt on November 14, 2003 among two wholly owned affiliates of Devon Energy Corporation ("Devon"). TEIKOKU will acquire a 30% participating interest in each Block subject to the approval of Egyptian authorities. The working interest partners for each block are Devon (70%) and TEIKOKU (30%)

The Khaligue El Zeit and South East July Blocks are located in the west of Gulf of Suez, Egypt. The governing Contracts with the Egyptian National Oil Company, EGPC came into effect in June 2003 for both Blocks. The first exploratory well drilling in the Khaligue El Zeit Block is scheduled to start soon, and the same in the South East July Block next year.

TEIKOKU plans to establish two wholly owned subsidiaries, TEIKOKU OIL SUEZ KEZ CO., LTD. and TEIKOKU OIL SUEZ SEJ CO., LTD., and transfer all of its interest to such companies.

For your information, North Africa is one of the important areas of TEIKOKU's international operations. TEIKOKU has been operating West Bakr Block (45.2km²) as Operator since 1975 through its affiliate, The Egyptian Petroleum Development Co., Ltd. The Khaligue El Zeit and South East July Blocks are located to the southeast of such Block, whereby TEIKOKU expects this project to bring greater synergies and further expansion of its business in Egypt.

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