

Execution of Joint Venture Agreement in Venezuela

October 2,2006

We, INPEX Holdings Inc. and Teikoku Oil Co., Ltd. ("TEIKOKU"), hereby announce that on 29th of September, 2006, Teikoku Oil de Venezuela, C.A., and Teikoku Oil de Sanvi-Guere C.A., TEIKOKU's 100% subsidiary, executed a Joint Venture Agreement with CORPORACIÓN VENEZOLANA DEL PETRÓLEO, S.A., the subsidiary of Venezuelan national petroleum company PDVSA ("CVP"). Pursuant to this execution, through the basic agreement executed on 31st of March of this year, the parties acknowledge the alteration of operating structure from services agreement basis to joint venture agreement basis. Accordingly, the parties will establish two (2) joint venture companies, i.e. Gas Guarico, S.A. (TEIKOKU 70% - PDVSA Gas 30%) for gas venture and Petroguarico, S.A. (TEIKOKU 30% - CVP 70%) for crude oil venture shortly. This alteration process is to be applied to all the existing services agreements in the Bolivarian Republic of Venezuela ("Republic"), based on the requirements of applicable laws and regulations thereof.

Since 1993 to date, TEIKOKU operated the reactivation programs of oil and gas fields in in the Republic under the operating services agreement and will jointly manage operations in mutually-agreed area continuously.

The joint venture operations for gas shall be officially authenticated by acquiring the new gas license, while the joint venture for crude oil shall be officially authenticated by approval at the Diet 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.