



Media Release

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PNG LNG Project Gas Agreement Signed & Project Enters FEED

PORT MORESBY – Esso Highlands Limited, an Exxon Mobil Corporation subsidiary, (ExxonMobil) as Operator of the PNG LNG Project, today announced that the joint venture participants and the PNG State have formally signed and executed a Gas Agreement.

The Gas Agreement establishes the fiscal regime and legal framework by which the PNG LNG Project will be regulated throughout its lifetime. It also sets the terms and mechanism for State equity participation in the Project.

The Gas Agreement was signed on behalf of the State of Papua New Guinea by the Governor General, Sir Paulias Matane and the Minister for Petroleum and Energy, the Hon. William Duma and by the Project's joint venture participants. It was formally presented to the Prime Minister, the Rt. Hon. Grand Chief Sir Michael Somare at a ceremony in Parliament House today.

Following the signing of the Agreement, ExxonMobil announced that the joint venture participants have formally taken the decision to enter the next stage of project development, Front End Engineering and Design (FEED).

The FEED team will comprise personnel from ExxonMobil, the joint venturers and the FEED contractors based in PNG, Australia, the United States and Japan.

“ExxonMobil is pleased to have the Gas Agreement executed and to move this Project to the next stage of development. During the FEED stage we will also pursue LNG sales agreements, secure the necessary permits and licenses, and undertake the financial planning necessary for a final investment decision,” said Mr. Peter Graham, Project Executive, ExxonMobil Development Company.

“We look forward to working with the PNG government and our joint venture participants to maximize the value of the resource and provide long term, sustainable benefits to the community,” said Mr. Graham.

The PNG LNG Project is an integrated development which includes all components including the gas processing facilities, pipelines, and LNG plant facilities. Current participating interests are; ExxonMobil (Esso Highlands Limited as Operator) 41.5%, Oil Search 34.0%, Santos 17.7%, AGL 3.6%, Nippon Oil 1.8%, Landowner Interests 1.2%, Eda Oil 0.2%. (Interests will change when the PNG State nominees join as equity participants at a later date).

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