

Media Release

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PNG LNG Project Joint Operating Agreement Signed & Economic Impact Study Released

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

The PNG LNG Project proposes to commercialize the Hides, Angore and Juha fields and the associated gas resources in the currently operating oil fields of Kutubu, Agogo, Gobe and Moran in the Southern Highlands and Western Provinces of PNG. The gas will be treated at a gas conditioning plant at Hides then transported via pipeline to a 6.3 million tonne per annum LNG liquefaction and storage facility proposed to be located 20km north-west of Port Moresby on the Gulf of Papua.

The LNG will be jointly marketed with operator, ExxonMobil leading the marketing activity as the Marketing Representative on behalf of the joint venture.

The Project has been set up as an integrated venture. The JOA provides formal governance for the venture and incorporates all components including upstream, gas transportation pipeline, and liquefaction. It also sets out the unitization principles with current participating interests of:

ExxonMobil (Esso Highlands Limited as Operator)	41.6%
Oil Search	34.1%
Santos	17.7%
AGL	3.6%
Nippon Oil	1.8%
Landowner Interests	1.2%

**Note: Interests will change when the PNG State nominees join as equity participants at a later date.*

“ExxonMobil is pleased to have the JOA executed as it is an important step in the progression of the Project. Our focus now turns to resolving the fiscal terms and related matters with the PNG State which are critical for the Project to enter the FEED phase,” said Mr. Al Hirshberg, Vice President, ExxonMobil Development Company.



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The PNG LNG Project also today released the ACIL Tasman “*PNG LNG Economic Impact Study*”. The study was commissioned from independent economic consultants, ACIL Tasman, to assist the Project and the PNG Government to understand and plan for the significant economic impact on PNG, should the Project proceed.

The ACIL Tasman study predicts potential economic benefits for PNG including a doubling of Gross Domestic Product (GDP) and direct employment (local and expatriate) during the initial construction phase of more than 7,500 jobs, with approximately 850 maintained during production operations.

“We have provided the ACIL Tasman report to the Government of PNG and will be working with Government and the community to ensure that PNG gains long term, sustainable benefits from the Project. The use of local content including the training and development of a local workforce & suppliers will be a strong focus for the project,” said Mr. Hirshberg.

The ACIL Tasman “*PNG LNG Economic Impact Study*” is available online at www.exxonmobil.com.au. Hard copies are available from Esso Highlands (contact details below).

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