

Sakhalin-1 workshop develops Russian businesses

Yuzhno-Sakhalinsk, Russia, August 11, 2009 -- Exxon Neftegas Limited (ENL), operator of the Sakhalin-1 Project, hosted a Contractors Development Workshop August 10-11 in Yuzhno-Sakhalinsk for Russian-owned and operated businesses and companies interested in becoming contractors for the project.

A total of 83 companies registered for the workshop, 95% of which are based in Sakhalin Oblast. They represented a wide range of industries, including: construction, transportation, catering, electrical, medical and various other oil and gas oriented businesses. Representatives of the Sakhalin Oblast administration were also in attendance- including members of the Joint Committee of Russian Content.

“Increasing national content is a primary goal for Exxon Neftegas Limited and the entire Sakhalin-1 Consortium,” says ENL President James Taylor. “We believe that active support for economic growth is one of the most important contributions we can make to a community.”

As a direct result of the company's efforts to maximize Russian content within the Sakhalin-1 Project, the value of contracts awarded to Russian companies during the implementation of the Sakhalin-1 Project has totaled about US\$ 6 billion, which is , nearly 70 percent of the contracts awarded to date. Additionally, the project has generated revenues to the Russia Federation and Sakhalin Oblast budgets in excess of US\$ 2.3 billion.

In addition to workshops such as this one, Exxon Neftegas Limited also sponsors many other initiatives in the name of increasing national content within the Sakhalin-1 Project. For example, the North Sakhalin Credit Program which was launched in 2004 helped create or sustain about 100 small businesses that generated more than 500 local jobs in the Nogliki and Okha Districts of northern Sakhalin where Exxon Neftegas Limited facilities are located. In May of 2009 the program was extended to the mainland with a micro-credit program designed to foster the development of small businesses in the Ulchi District of Khabarovsk Krai.

Information for editors: Exxon Neftegas Limited is the Sakhalin-1 Project Operator. Other project co-ventures are: the Japanese consortium Sakhalin Oil and Gas Development Co. Ltd. (30 percent); affiliates of the Russian state company Rosneft – RN-Astra (8.5 percent) and Sakhalinmorneftegas-Shelf (11.5 percent); and the Indian state oil company ONGC Videsh Ltd, (20 percent). Total estimated reserves of the fields are 307 million tons (2.3 billion barrels) of oil and 485 billion cubic meters (17.1 trillion cubic feet) of natural gas. Fields to be developed during the implementation of the project are Chayvo, Odoptu and Arkutun-Dagi.

More information about the Sakhalin-1 Project is available at <http://www.sakhalin1.com>

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