

SAKHALIN-1 PROJECT CONTINUES RECORD SETTING DRILLING Completes first two extended-reach wells at Odoptu

Yuzhno-Sakhalinsk, Russia, January 20, 2010 -- The Sakhalin-1 Consortium, operated by Exxon Neftegas Limited (ENL), today announced the successful completion of the first two extended-reach wells in the Odoptu field.

The Yastreb, which is one of the world's most powerful land-based rigs, drilled horizontally under the sea floor of the Sea of Okhotsk to a target area in the oil reservoir located over nine kilometers offshore. The extended-reach wells are the first two of seven wells which will tap the reservoir at Odoptu. The field is anticipated to begin producing oil in the second half of 2010.

The reservoir target at Odoptu is about 30 percent shallower than the reservoir successfully drilled by the Yastreb at Chayvo in the first phase of the Sakhalin-1 Project. As a result, drilling at Odoptu required further well design optimization and the use of new technologies including an upgrade to the Yastreb rig to increase torque output by 50 percent. In preparation for the Odoptu drilling program, ENL successfully moved the Yastreb rig 80 kilometers north as part of a seven-month project involving 400 workers and more than 1,500 truck-loads of equipment.

The world-class execution of the initial Odoptu wells effectively leveraged learnings from the successful Chayvo Phase 1 project. Continued application of ExxonMobil's leading-edge Fast Drill technology resulted in record performance at Odoptu, paving the way for lower development costs. A second important breakthrough was achieved at Odoptu with the application of proprietary software modeling and the use of key technology to successfully deploy very long completion assemblies. These accomplishments significantly improve ExxonMobil's capability to optimize field development at the Odoptu and Arkutun-Dagi fields.

Additional ongoing activities at Odoptu include the construction of the new Odoptu onshore oil and gas treatment facility and flowline to the existing Chayvo onshore processing facility. ENL is executing all development activities safely, efficiently, and with the objective of continuing to effectively utilize Russian businesses throughout the life of the project.

"As our project continues so does its notable industry-leading safety performance," James Taylor, ENL President, said. Through November 2009, the workforce on the Odoptu field development had worked over eight million hours without a work-related lost-time safety incident.

"We also take pride in the fact that the success of the Sakhalin-1 Project's future phases is directly linked to the creation of new jobs and business opportunities for the local populations of Sakhalin," Taylor said.

The Sakhalin-1 Project includes the phased development of three fields with an estimated total resource of 2.3 billion barrels (307 million tons) of oil and 17 trillion cubic feet (485 billion cubic meters) of natural gas. The Chayvo field, which was the initial phase of the Sakhalin-1 Project, began production in 2005.

Since startup, the Sakhalin-1 Project has produced over 243 million barrels (over 32 million tons) of oil. It has also supplied over 5 billion cubic meters (178 billion cubic feet) of associated natural gas to customers in Khabarovsk Krai, in Far Eastern Russia. As a result,

over US\$2.6 billion in royalties and the state's share of oil and gas has been provided to the Russian Federation, including over US\$ 646 million provided to the Sakhalin Oblast.

The Sakhalin-1 Consortium includes ExxonMobil subsidiary Exxon Neftegas Limited (30 percent interest) as operator of the Sakhalin-1 Project; the Japanese company Sakhalin Oil and Gas Development Co. Ltd., (30 percent); affiliates of Rosneft, the Russian state-owned oil company, RN-Astra (8.5 percent), Sakhalinmorneftegas-Shelf (11.5 percent); and the Indian state-owned oil company ONGC Videsh Ltd. (20 percent).

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

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