

Sakhalin-1 announces production startup at Odoptu field

Field to produce up to 1.5 million tons of oil in 2011

Yuzhno-Sakhalinsk, Russia, September 29, 2010 – Sakhalin-1 Project operator Exxon Neftegas Limited, on behalf of the Sakhalin-1 Consortium, today announced the commencement of production at the Odoptu field.

Odoptu will add up to 1.5 million tons (11 million barrels) of oil to Sakhalin-1 oil production in 2011. A new flowline will transport Odoptu oil and gas to the existing Chayvo Onshore Processing Facility.

Successfully developing the field's resources has required a combination of advanced technological solutions and superior project management skills. "This is a proud achievement for Sakhalin-1," says Steve Terni, president of ExxonMobil Russia and chairman of the board of Exxon Neftegas Limited. "ExxonMobil's technological and project management expertise ensures priority is placed on safety of our people and protection of the environment while providing the most efficient field development. It resulted in the startup at Odoptu on schedule and within development cost expectations. This development extends ExxonMobil's industry-leading experience in one of the most challenging sub-arctic environments in the world."

The production startup at Odoptu highlights the next development phase of the Sakhalin-1 Project, following five years of initial production at the Chayvo field. Future project phases call for the development of the Arkutun-Dagi field, as well as expanded gas production and sales from the Chayvo field. These project developments are expected to sustain production well into the future.

Development of the Odoptu field has included world-class performance in the drilling and completion of seven extended-reach wells. The Sakhalin-1 Project employs one of the world's most powerful land-based rigs which drilled horizontally under the Sea of Okhotsk to the Odoptu oil reservoir over nine kilometers (five miles) offshore.

Along with previous successful drilling and production operations at Chayvo, the Odoptu startup is yet another significant milestone for the international consortium consisting of Russian state company Rosneft, Japanese Sakhalin Oil and Gas Development Co. Ltd. (SODECO), Indian Oil and Natural Gas Corporation (ONGC) Videsh Ltd. and ExxonMobil. Sakhalin-1 is one of the largest foreign direct investment projects in Russia.

The multi-billion dollar Sakhalin-1 project has achieved exemplary safety, environmental, and operational performance and has provided multi-faceted benefits to Russia and its citizens. Since project startup, approximately US\$3.8 billion in royalties, including the state's share of oil, gas and taxes, has been provided to the Russian Federation, which includes more than US\$1.3 billion provided to the Sakhalin Oblast. Seventy percent of total Sakhalin-1 contracts, valued at approximately US\$7.8 billion, have been awarded to Russian companies or joint ventures.

Since startup, the Sakhalin-1 project has produced over 35.4 million tons (270 million barrels) of oil for export to world markets. It also has been a key supplier of over 6 billion cubic meters (210 billion cubic feet) of associated natural gas to customers in Khabarovsk Krai, in far eastern Russia, to heat homes and meet growing energy needs. The project will continue to help meet future natural gas demand in this region.

The Odoptu startup brings more job opportunities for Russian nationals and increases the volume of the state's share of oil and gas produced from Sakhalin-1.

Information for editors: Exxon Neftegas Limited, an affiliate of ExxonMobil, is the Sakhalin-1 Project Operator. Other project co-ventures are: the Japanese consortium SODECO (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).

Sakhalin-1 includes three oil and gas fields--Chayvo, Odoptu, and Arkutun Dagi located off the northeast coast of Sakhalin Island in the Russian Far East. Potential recoverable resources are 307 million tons (2.3 billion barrels) of oil and 485 billion cubic meters (17.1 trillion cubic feet) of gas of natural gas.

More detailed information on the Sakhalin-1 Project can be found on <http://www.sakhalin1.com> or www.sakhalin1.ru

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