

Press Release:

Upper Zakum Field Production Capacity to Increase to 1 Million Barrels Per Day

Joint venture partners agree to pursue further production capacity growth by 2024

Agreement is another milestone in ADNOC'S efforts to strengthen partnerships that bring technology, expertise and market access

Abu Dhabi – November 14, 2017: Abu Dhabi National Oil Company (ADNOC), ExxonMobil Abu Dhabi Offshore Petroleum Company Limited and Japan's INPEX Corporation (INPEX), announced today, on the side lines of the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), an agreement to increase production capacity from the Upper Zakum oil field to 1 million barrels per day by 2024.

The agreement was affirmed at a ceremony attended by H.E. Dr. Sultan Ahmed Al Jaber, UAE Minister of State and Chief Executive Officer of ADNOC Group, Darren W. Woods, Chairman and Chief Executive Officer of Exxon Mobil Corporation, and Toshiaki Kitamura, President and Chief Executive Officer of INPEX. Under the agreement, ExxonMobil and INPEX have been granted a 10-year extension for the concession, which was due to expire on December 31, 2041, until December 31, 2051.

H.E. Dr. Al Jaber said: "ExxonMobil and INPEX, alongside our other partners, have played an important role in the development of our oil and gas assets. This agreement is another milestone in our efforts to forge partnerships that bring technology, expertise and capital aimed at delivering greater economic value and levels of recovery from our resources.

"As we continue our transformation into a more commercially driven and performance led oil and gas company, we are focused on securing partnerships to allow us to unlock and maximize value and secure market access. In the upstream, we are adapting to the evolving market environment by driving down production costs and increasing our crude oil production capacity. We are also focusing on the application of value add and innovative technologies and are leveraging big data to drive efficiencies and optimize production."

The Upper Zakum oil field, located offshore Abu Dhabi, is the second largest offshore oil field and the fourth largest oil field in the world. Oil was first discovered in 1963 and ADNOC took the decision, at its own risk, to develop the field, in 1977. Subsequently, in 1978, JODCO, a wholly-owned INPEX subsidiary, partnered with

ADNOC in developing the field, followed by Exxon, in 2006. In the same year, the Upper Zakum joint venture partners began studying options to increase production capacity from 500,000 barrels per day to 750,000 barrels per day, eventually pursuing the plan to use an innovative artificial island-based development combined with extended-reach drilling technology to increase recovery and minimize infrastructure.

“This agreement represents a new milestone for Abu Dhabi’s oil production and demonstrates ExxonMobil’s long-term commitment and partnership with the UAE,” Woods said. “We look forward to continuing our successful efforts to increase production capacity from Upper Zakum. By leveraging the strengths of the Upper Zakum joint venture partners, we are able to maximize the value of available resources.”

Kitamura said: “This outcome, in part, is a testament to the unwavering long-term partnership that INPEX has built and maintained with Abu Dhabi, as well as INPEX’s commitment to the development of the Upper Zakum oil field since 1978. I am confident this plan will contribute to the energy security of Japan and prove to be beneficial for all stakeholders for many years to come.”

The megaproject involved the construction of four artificial islands in shallow water to create what is effectively an onshore environment in the offshore field. Unlike the initial Upper Zakum development, which comprises around 450 wells and more than 90 platforms, the islands provide a large enough footprint to accommodate drilling rigs and house drilling and production equipment and personnel centrally in offices and living quarters, at lower cost and with enhanced safety and comfort for workers. The ongoing costs associated with platform jacket maintenance and satellites are eliminated.

The development will continue to use extended-reach drilling and completion technologies that have proven effective in increasing offshore production.

Extended-reach drilling is about tapping into reservoirs from a distance, drilling first vertically, then drilling at high angle to access the reservoir target and finally drilling horizontally in the reservoir section to maximize reservoir access and recovery. Through extended-reach drilling, the man-made islands at Upper Zakum avoid the need for additional platforms with costly offshore operations, and instead enable cheaper land-based drilling operations. Extended-reach drilling adds further value to drilling operations by reducing the need for costly subsea equipment and pipelines.

The development will also utilize state-of-the-art reservoir characterization and modelling techniques, as well as modularly expanding existing infrastructure and facilities to maximize capital efficiency and lower costs. ADNOC and its partners have applied uncertainty modelling in the development of the Upper Zakum offshore oil fields, in challenging carbonate geological conditions, to prepare the ground for optimal value creation in the long term.

In recent years, the Upper Zakum development has set several drilling records in the UAE, including the longest well at 35,800 feet measured depth.

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About ADNOC

ADNOC is a major diversified group of energy and petrochemical companies, that produces about 3 million barrels of oil and 9.8 billion cubic feet of raw gas a day. Its integrated upstream, midstream and downstream activities are carried out by 16 specialist subsidiary and joint venture companies. To find out more visit www.adnoc.ae.

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About ExxonMobil

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. ExxonMobil holds an industry-leading inventory of resources and is one of the world's largest integrated refiners, marketers of petroleum products and chemical manufacturers. For more information, visit www.exxonmobil.com or follow us on Twitter www.twitter.com/exxonmobil.

About INPEX

INPEX is Japan's largest oil and gas exploration and production company. INPEX is currently involved in approximately 70 projects across more than 20 countries, including the ADCO, ADMA and Upper Zakum concessions through its wholly-owned subsidiary Japan Oil Development Company Limited (JODCO) and JODCO Onshore Limited. For more information, visit <http://www.inpex.co.jp/english/index.html>.