

Industry Initiatives to Ensure Safe, Protective Drilling Practices in the Deepwater Gulf of Mexico:

The Marine Well Containment System

Bureau of Ocean Energy Management, Regulation and Enforcement Forum
September 13, 2010

ExxonMobil

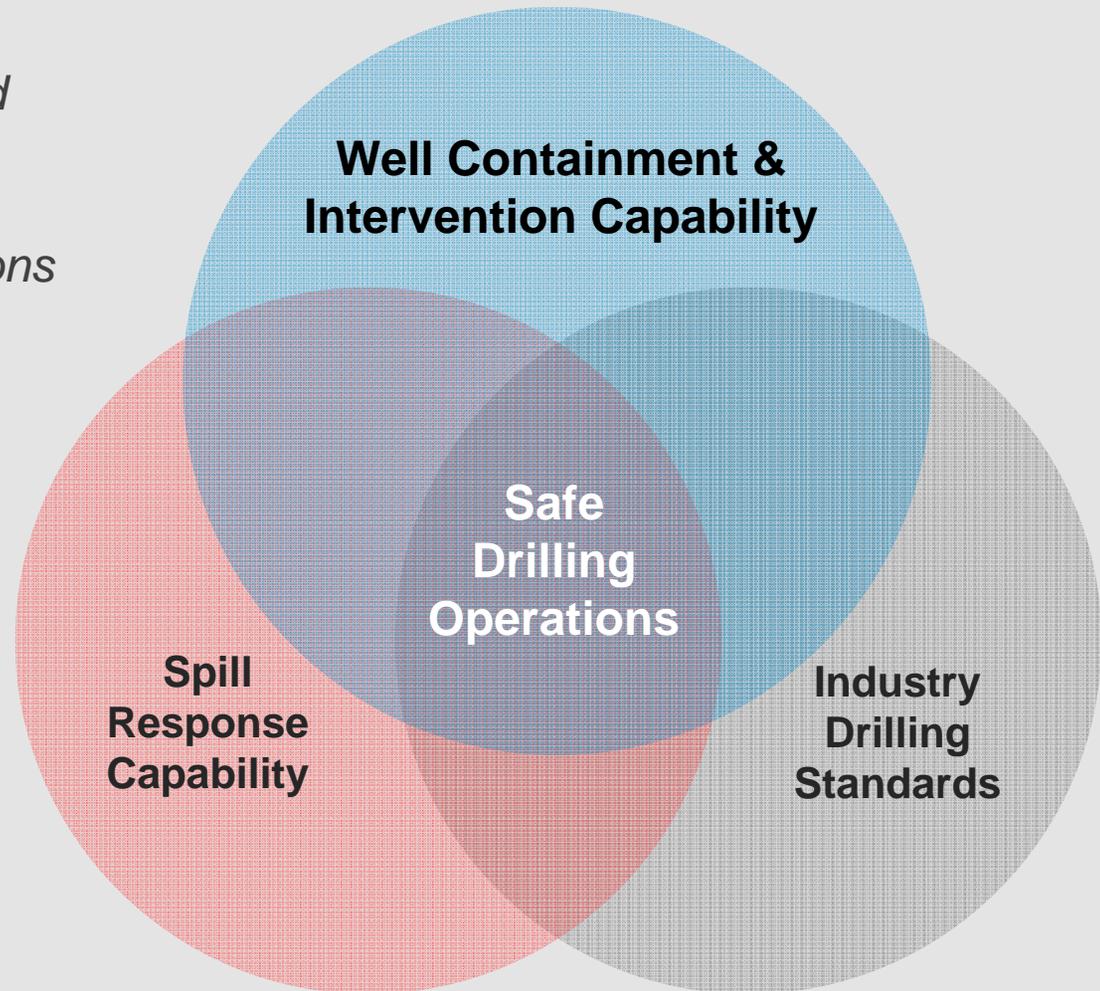


ConocoPhillips



Restoring Confidence in Deepwater Drilling Operations

Our initiatives are aligned with Administration / Congressional expectations of how to resume safe drilling operations in the Gulf of Mexico



Industry Committed to Improving Response Capabilities

Industry will continue its focus on prevention, while developing new response capabilities

Chevron, ConocoPhillips, ExxonMobil and Shell have initiated development of a new, rapid containment response system

- Fully contain oil flow in the event of a potential future underwater blowout
- Designed to address a variety of scenarios in the Gulf of Mexico
- New specially designed equipment constructed, tested and available for rapid response
- Can operate in deepwater depths up to 10,000 feet
- Adds containment capability of 100,000 barrels per day (4.2 million gallons per day), exceeding size and scope of the Gulf spill

Initial investment \$1 billion in specially designed equipment

- System can be expanded and adapted for new technologies
- Additional costs for operation, maintenance and contracts for existing equipment / vessels

New Equipment Developed for Multiple Containment Scenarios

The system is designed to achieve a complete seal to contain oil flow either through: 1) connection to the well or 2) connection to the sea floor.

Both connections will prevent hydrate formation and blockage:

1) Subsea containment assembly for connection to well

- Contains multiple production and venting outlets
- Provides a means to re-enter the wellbore
- Contains blowout preventer (BOP) rams on top to allow for possible well shut-in

2) Capture caisson assembly for sea floor connection

- Addresses leaks outside well casing, damaged connector or leak from BOP
- Subsea containment assembly connects to top of caisson

Containing Flow through Connection to Wellbore

Subsea containment assembly will be specially designed for situations where oil is flowing from the wellbore

Assembly will be equipped with a suite of adapters and connectors to interact with any well design and equipment used in the Gulf

This equipment can be mobilized and attached within days

Selected Examples:

Assembly attached to undamaged mandrel profile at wellhead or BOP



Assembly attached to damaged riser



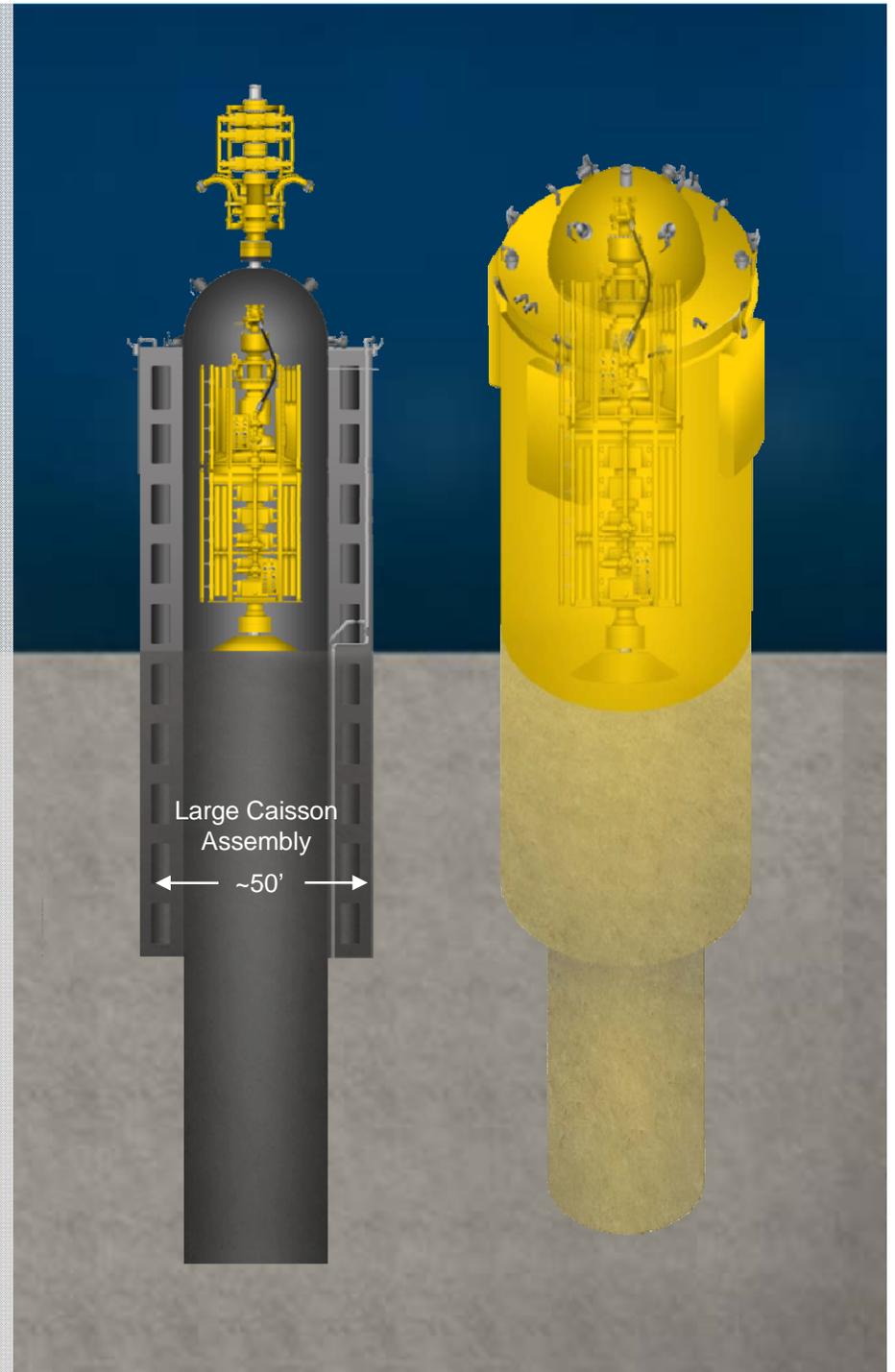
Containing Flow through Connection to Sea Floor

New caisson assemblies will be constructed for situations where the oil is flowing outside the wellbore or over a larger area

Caisson will create a seal with the seabed to prevent seawater from entering

Subsea containment assembly will attach to caisson assembly

Larger equipment and multi-step installation process may take weeks to fully contain oil



Subsea Dispersants Available as a Key Response Tool

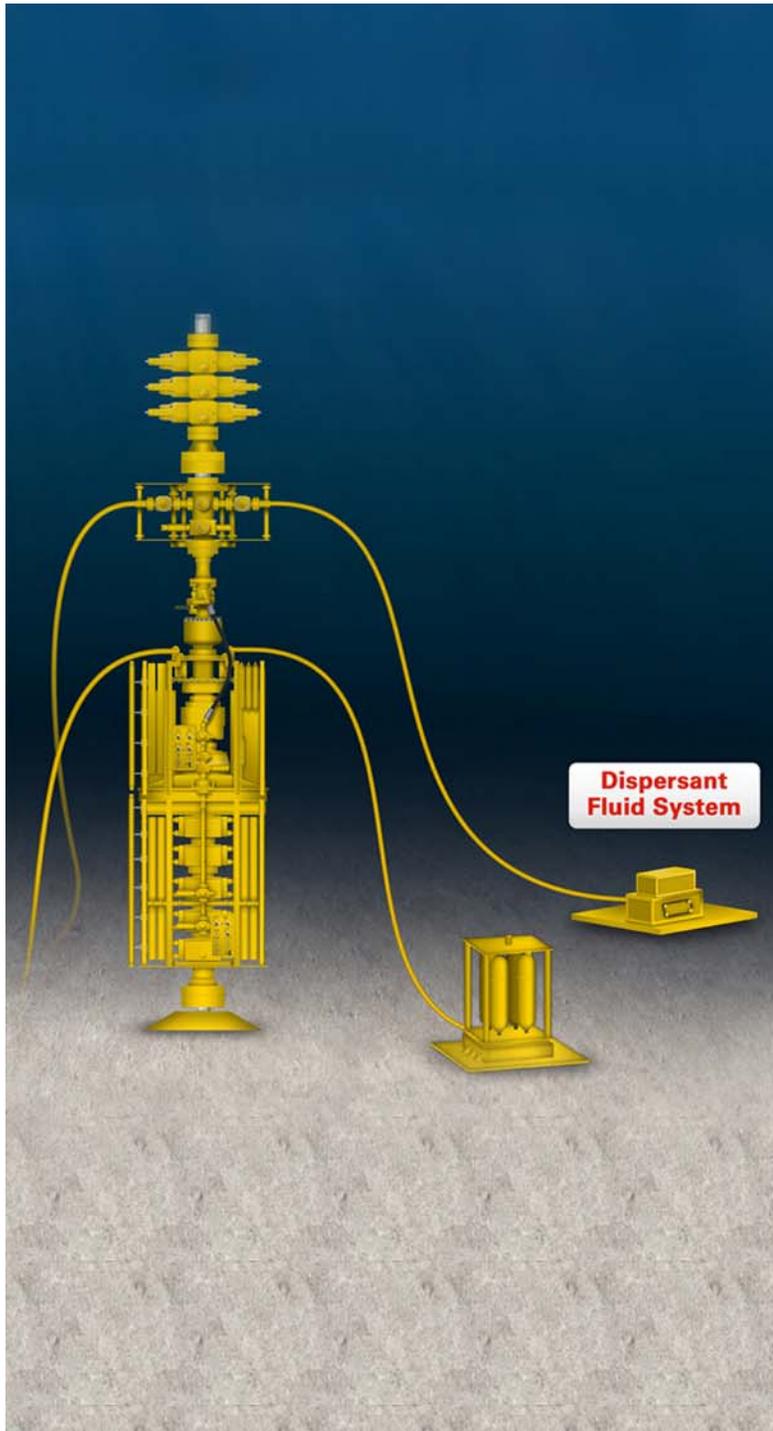
Subsea injection important prior to containment and during a hurricane when surface vessels must disconnect

Dispersants break down oil into tiny droplets that are a concentrated food source for marine bacteria

- Dispersants also biodegraded by marine bacteria

Subsea injection of dispersants is a step-change advancement in spill response

- Treats full oil stream
- Significantly less dispersant than when used at the surface
- Improves personnel safety on surface vessels
- Subsea dispersants effectively used in recent spill



Riser System Provides Maximum Flexibility

Self standing risers (2) will be used in design based on industry-proven deepwater technologies

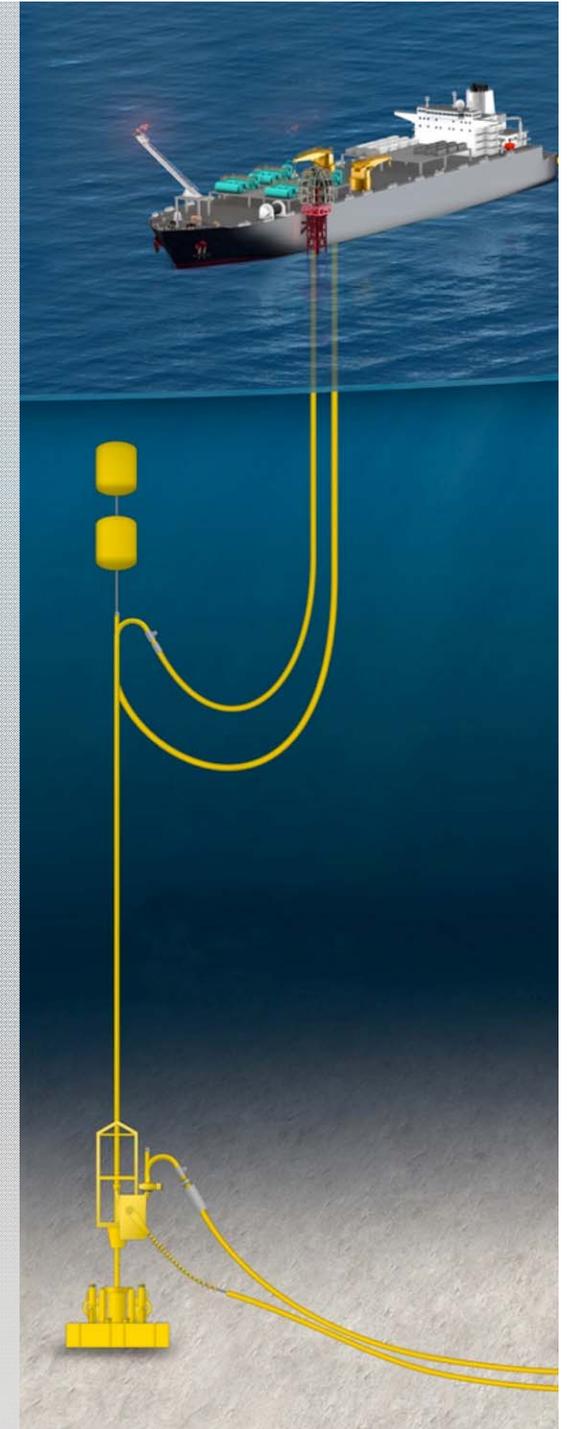
Manifold will distribute the oil from the subsea containment assembly to multiple riser assemblies if needed

Allows expansion to capture more oil and transfer to more than one vessel if necessary

Modular design to address various deepwater depths

During hurricanes, riser and umbilical to emergency disconnect from vessel; dispersant fluid system activated

Vessels can quickly reconnect to risers once hurricane passes



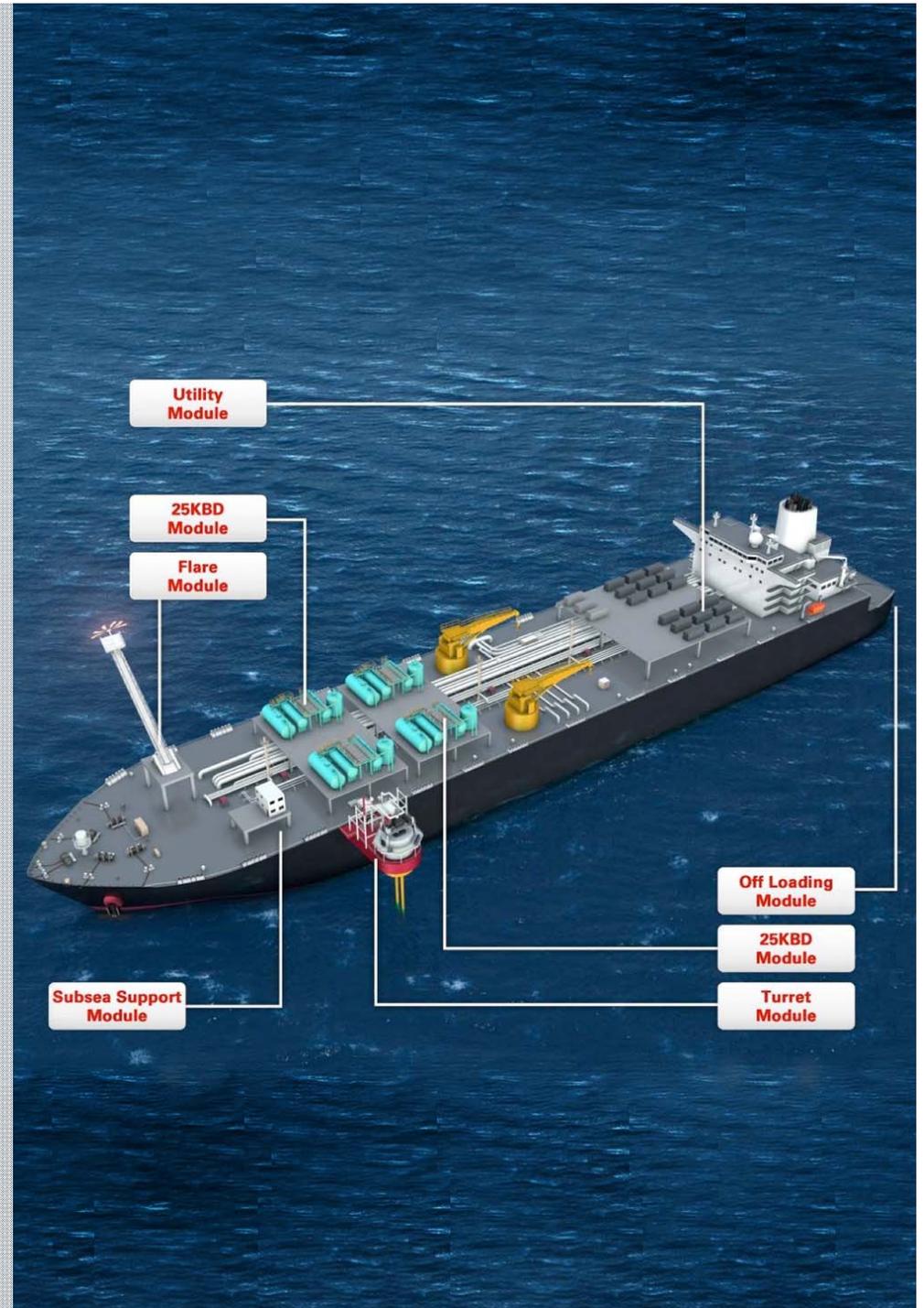
Modular Equipment Allows Rapid Capacity Expansion

New modular process equipment will be built to increase amount of oil that can be captured

Modules will connect to riser(s), separate oil from gas, flare gas, safely store and offload oil to shuttle tankers

Modules can be installed on many different types of capture vessels

During hurricanes, capture vessels will disconnect and move away for crew safety; return when hurricane passes



System Significantly Enhances Current Gulf Response Capabilities

Improves safety and environmental protection

- Fully contain oil flow and operate until the well is under control
- Enhances safe operations by reducing congestion (e.g. fewer vessels, risers / flowlines)

Pre-designed, constructed and maintained in the Gulf

- Utilizes existing technology and proven components specifically configured for well containment
- Capable of a rapid response; begin mobilization to the field within 24 hours and fully operational within days to weeks
- System components will be fully tested and maintained in a state of continuous readiness

Designed to be flexible and adaptable for multiple potential future scenarios

- New equipment will connect to well or sea floor and is responsive to a multitude of scenarios in the Gulf of Mexico
- Will operate in a wide range of depths, weather conditions and oil flow rates
- Scalable to allow for expansion

System Capabilities in Place as Early as Six Months

Industry will continue its focus on prevention, while developing new response capabilities

Over the next six months:

- Project organization, led by ExxonMobil, to secure existing capture equipment and vessels and to begin construction of new system
- Establish a non-profit organization, the Marine Well Containment Company (MWCC), to operate and maintain the system

Over the next 18 months:

- Utilize existing vessel fleet and capture equipment until new components added
- Complete construction of new system components
- Test new equipment as it becomes available

Beyond 18 months:

- Pursue system enhancements and development of new technologies

Project Progress – The First 50 Days

Established project organization

- ExxonMobil Senior Project Manager in place
- Key project leadership positions staffed
- Project team of 100

Engineering and design work on new system is underway

- Completed conceptual engineering
- Screening and identifying contractors for subsea, topsides and marine work
- Commenced discussions with ship owners for permanent conversion of tankers to modular capture vessels
- Expect to award engineering contracts in September

Designed to be flexible and adaptable for multiple potential future scenarios

- Executed agreement with BP for applicable pieces of existing equipment
- Procuring other available vessels and equipment to increase capture capability
- Building on lessons learned

Engaging with government agencies to review system and provide updates

Marine Well Containment Company Improves Industry Capabilities

Marine Well Containment Company (MWCC), a non-profit organization, will:

- Provide fully trained crews to operate equipment
- Ensure the equipment is operational and ready for rapid response
- Conduct research on new containment technologies

Participation

- Open to all companies that operate in the Gulf of Mexico
- All Members will have equal ownership and voting rights
- All Members responsible for pro rata share of development and operating costs

MWCC equipment and services accessible to Members and Non-Members

- Member fees will reflect user contribution to system development
- Separate fee structure for Non-Members

Information sessions for US GOM oil & gas operators on Sep 29 & Oct 14 in Houston

- Interested companies can send e-mail to mwccs@exxonmobil.com to receive information

Industry Committed to Identifying Solutions

Concurrent industry efforts are underway to improve prevention, well intervention and spill response to ensure continued safe drilling operations

We are committed to develop, build and deploy a rapid response system that will be able to capture and contain oil from a potential underwater blowout in the Gulf

This new system will significantly exceed current Gulf response capabilities

Our goal is that this system is never used