ExxonMobil Ahead Of Schedule At PNG LNG Project

ExxonMobil

IRVING, Texas - Exxon Mobil Corporation (NYSE:XOM) announced the $19 billion PNG LNG project has started producing liquefied natural gas (LNG) in Papua New Guinea ahead of schedule.

Production from the first LNG train will increase over the coming weeks and the first cargo is expected to be shipped to Asia markets before midyear.

Work on the second train is progressing and LNG production from this unit is expected to start in the next several weeks.

The project, which is operated by ExxonMobil affiliate ExxonMobil PNG Limited, is expected to produce more than 9 trillion cubic feet of gas over an estimated 30 years of operations.

“The PNG LNG project exemplifies ExxonMobil’s leadership in project execution, advanced technologies and marketing capabilities,” said Neil W. Duffin, president of ExxonMobil Development Company. “Project revenue and profitability are underpinned by long-term LNG sales contracts covering more than 95 percent of the plant’s capacity.”

The project is an integrated development that includes gas production and processing facilities in the Southern Highlands, Hela, Western, Gulf and Central provinces of Papua New Guinea. Approximately 435 miles of pipeline connect the facilities, which include a gas conditioning plant and liquefaction and storage facilities with capacity of 6.9 million tonnes of LNG per year.

Flooding, minimal pre-existing infrastructure and extremely steep slopes were among obstacles that were overcome in constructing the project. Pipe had to be airlifted in some areas because the soil could not support heavy machinery and lack of infrastructure required construction of supplemental roads, communication lines and a new airfield.

“The project is optimally located to serve growing Asia markets where LNG demand is expected to rise by approximately 165 percent between 2010 and 2025, to 370 million tonnes per year,” said Duffin.

In addition to ExxonMobil PNG Limited, co-venturers include Oil Search Ltd., National Petroleum Company of PNG, Santos Ltd., JX Nippon Oil & Gas Exploration Corporation, Mineral Resources Development Company (representing landowners) and Petromin PNG Holdings Limited.

ExxonMobil continues to assess and advance new expansion and development opportunities in Papua New Guinea.

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