

QP acquires 30% stake in 2 ExxonMobil affiliates



Qatar Petroleum (QP) has signed an agreement with ExxonMobil to become a 30% equity holder in two ExxonMobil affiliates in Argentina that hold different interests in hydrocarbon licences for seven blocks in the world-class Vaca Muerta play in the onshore Neuquén basin.

QP president and CEO Saad Sherida al-Kaabi and ExxonMobil Corporation senior vice president and principal financial officer Andrew P Swiger signed agreements on Sunday in Doha.

The agreements will give QP a 30% shareholding in ExxonMobil Exploration Argentina SRL and Mobil Argentina SA, which hold rights with other partners for seven blocks under unconventional exploration licenses with active drilling plans, as well as exploitation licences with pilot drilling and production.

Al-Kaabi said: "We are pleased to enter into an agreement with our longtime partner ExxonMobil, and to participate in the

further development of the Vaca Muerta unconventional resource in Argentina.

“This is an important milestone as it marks Qatar Petroleum’s first investment in Argentina, as well as its first significant international investment in unconventional oil and gas resources. We look forward to working with ExxonMobil to leverage our combined world-class capabilities to unlock the potential of these assets for the benefit of all stakeholders.”

Swiger said the agreement builds on ExxonMobil’s “longstanding and successful” partnership with QP, “and underscores our commitment to develop Argentina’s resources to further support domestic production of oil and natural gas.”

The Vaca Muerta shale in the Neuquén province in western Argentina is considered among the most prospective unconventional shale oil/gas plays outside North America. Activity in the basin has picked up recently, mainly due to governmental incentives and rising domestic energy demand. A number of international operators have established presence in the basin and announced ambitious investment plans.

ExxonMobil’s wholly-owned subsidiary, XTO Energy, which is among the world leaders in unconventional oil and gas operations, is providing operational support to the two ExxonMobil affiliates concerned in Argentina, including developing detailed appraisal and development plans for these assets based on recently-drilled wells and pilot production testing.

In addition, the implementation of leading technologies will be a priority for the partners in order to maximise the value to all stakeholders, while preserving the highest safety standards and reducing operating costs. Page 2

QP eyes oil production growth in next 10 years

Qatar Petroleum is planning to expand its production capacity from its current 4.8mn barrels per day equivalent of oil to 6.5mbpd in the next eight to 10 years, said president and CEO Saad Sherida al-Kaabi.

Al-Kaabi, who made the announcement during a signing ceremony with ExxonMobil in Doha yesterday, said the planned growth in production capacity is part of QP's long-term strategy.

Similarly, al-Kaabi said the agreement signed between QP and ExxonMobil yesterday "is an important milestone on the road to expanding our international footprint, which is an important part of Qatar Petroleum's growth strategy."

He added: "It goes hand-in-hand with the planned expansion of our local production from the North Field, which will further boost Qatar's leading global position by raising its LNG production from 77mn to 100mn tonnes per year; and with the recently announced Petrochemicals Complex project, which includes the largest ethane cracker in the Middle East, and one of the largest in the world."