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Large-Scale LNG Projects Needed to Meet Global Natural Gas Demand

Commercialization and Execution of Complex Projects Key Determinants of Success

DOHA, Qatar--(BUSINESS WIRE)-- Large-scale liquefied natural gas (LNG) projects will be necessary to meet increasing global demand for natural gas, Tom Walters, president of ExxonMobil Gas and Power Marketing Company, said today at a panel presentation at the International Petroleum Technology Conference (IPTC) in Doha.

Walters joined a group of industry leaders in a panel entitled: "The Global Gas Outlook: New Gas Chains." Presenting information from ExxonMobil's 2009 Energy Outlook, Walters noted that despite the current economic environment, economic progress will be a key driver of energy demand over the long term. "We expect global energy demand to grow from about 230 million barrels a day of oil equivalent (MBDOE) in 2005 to over 300 MBDOE by 2030 - an increase of almost 35 percent," he said.

"The world's growing demand for gas will challenge our industry to deliver projects on a scale that was barely considered even a decade ago," said Walters. "The ability to conceptualize, commercialize and execute large-scale, multi-billion dollar projects has become an increasingly important differentiator, which will remain over the coming decades."

With gas demand expected to experience strong growth over the next 20 years, resource holders must find ways of developing supplies to meet this growth. LNG offers one flexible solution, but Walters noted that the economics of LNG projects require execution on a much larger scale than traditional local supplies. "As we have seen with the new trains that we have been starting up with our partners in Qatar, the development of LNG requires large-scale projects. This creates challenges for our industry because with scale comes complexity. Maximizing the return of large-scale projects requires selecting the right design concept, developing effective marketing plans and executing the project to deliver it at the lowest cost," he said.

Over the next 20 years, natural gas will play an increasingly important role in the global energy mix, particularly due to its abundance, versatility, and economic advantages as a fuel offering lower carbon emissions and improved efficiency for power generation.

Recognizing that all types of energy are required to meet demand, Walters said: "Not only will energy demand be much larger in 2030 than it is today, the mix of fuels used to meet that demand will change as well. Gas in particular will play an increasingly important role in meeting the world's future energy needs, growing at 1.8 percent over the 2005 to 2030 period."

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