

Flare down

If you have driven by a petroleum refinery, you may have seen a flame burning on top of a tall stack. That is a flare, which helps to safely regulate processing operations.

Although flares are essential safety devices, they burn gas that could be used in processing or sold, and they also generate air emissions.

So the petroleum and petrochemical industries have for many years worked to reduce flaring. In these operations, flaring has been greatly reduced through a variety of methods.

For example, we have installed equipment that increases our ability to handle unplanned increases in gases that may be generated during processing. This allows us to minimize flaring. And by using special flow meters and procedures, we are able to pinpoint pressure increases and reverse the trend before we need to flare.

Today only about 15 percent of our flaring is associated with refining and petrochemicals manufacturing. The rest comes from our oil and gas production. And while the total amount of gas flared from our production operations has averaged only about 3 percent of the total oil and gas we produce, we are taking steps to reduce it significantly.

Production of crude and natural gas uses similar techniques to reduce flaring as are used in refining, but production faces more difficult challenges in remote locations such as offshore

Africa. Gas produced in association with crude oil exceeds fuel requirements for processing, and markets to sell the excess gas do not yet exist. The challenge is to develop ways to conserve the gas until attractive sales outlets develop, thereby reducing flaring.

The chart shows how we are responding to that challenge. We expect our own flaring to decline dramatically as our current gas projects come onstream.

We are also working with a new worldwide partnership that is committed to developing commercial opportunities for excess gas and reducing flaring. The Global Gas Flaring Reduction Public-Private Partnership was formed in 2002. This partnership is comprised of the governments of oil-producing

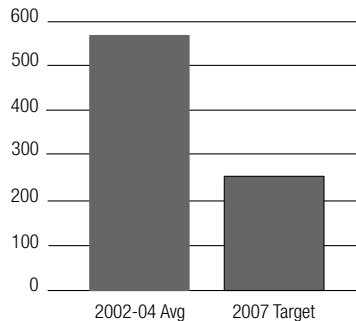
countries, international and state-owned oil companies, and the World Bank.

The Partnership is working constructively and cooperatively on a variety of efforts that will encourage the development of gas markets and provide incentives for economic projects. As a result, flaring should be reduced significantly within five to ten years.

Utilizing flared gas will provide a full array of benefits. This resource will find a commercial market, energy will be conserved, air quality will be enhanced, and consumers will have access to a clean fuel. A voluntary and collaborative process will be used to ensure broad participation, so that many can work together to the benefit of everyone.

ExxonMobil worldwide oil and gas production flaring

(Millions of standard cubic feet per day)



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