

YEAR-END REPORT 2013

CHAD/CAMEROON DEVELOPMENT PROJECT

Project Update No. 34





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Commitment to Transparency

Since its inception in 2000, the Chad/Cameroon Development Project has an unbroken record of publishing periodic reports on its progress in French and English.

By publishing these reports, Esso and its Consortium partners, Chevron and Petronas, keep project stakeholders, including the citizens of the host countries, interested non-governmental organizations (NGOs), the World Bank and others well-informed about the project. These reports are posted on the project's website (essochad.com). Printed reports are also distributed in Chad and Cameroon.

The following entities share responsibility for implementing the project on behalf of the Consortium:

- > Oilfield development and production in Chad: Esso Exploration and Production Chad Inc. (EEPCI).
- > Pipeline activities in Chad: Tchad Oil Transportation Company S. A. (TOTCO).
- > Pipeline activities in Cameroon: Cameroon Oil Transportation Company S. A. (COTCO).

October 2000 is the start date of the project for data compilation purposes. Currency conversions are based on the rate of exchange at the time of the expenditure.

In 2013, the Chad/Cameroon Development Project celebrated a major milestone – the 10th anniversary of oil production in Chad and pipeline operations in both countries. Thanks to the shared vision and close partnership that exists between the project and the host nations, an oil industry in Chad was born and over 500 million barrels of oil were exported to world markets during this period.

Many other noteworthy accomplishments have been achieved since oil first flowed into the pipeline in October 2003.

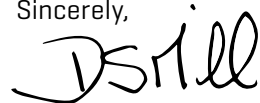
Chadians and Cameroonians now make up 90% of our workforce of over 7,300 people, with 80% of these workers in management, supervisory, skilled or semi-skilled jobs. We are particularly proud that the onshore pipeline transportation system in Cameroon is now operated entirely by Cameroonian nationals. The thousands of Chadian and Cameroonian employees who have gained valuable professional skills through our training programs and work experience are now part of a new generation of managers, skilled workers and entrepreneurs who will contribute to the economic growth in both countries for years to come.

Over the last 10 years the project has built strong relationships with the communities near our operations by maintaining its commitment to fair, honest and transparent socioeconomic practices. This commitment can be seen in the frequency and quality of our contacts with the communities. Since the beginning of the project, we have held many thousands of public consultations during which we not only provide information but also listen and respond to community concerns. In addition to the more than 10 trillion FCFA which has been paid in cash and in-kind compensation to individuals and communities affected by project activities, we have continuously worked to improve the quality of life of our community neighbors through strategic investments addressing critical needs like health and education.

The project has generated billions of dollars in revenues for Chad, which has invested much of its revenue in priority sectors such as education, health care and infrastructure. As a result, in just 10 years, the government has completed hundreds of critical infrastructure projects such as roads, bridges, hospitals, universities, libraries, museums and schools. In addition, hundreds of millions of dollars have been generated for Cameroon through oil transportation fees and tariffs.

We are honored that this project has helped build the foundation for Chad’s growing oil industry – an economic engine that will drive development in both Chad and Cameroon for decades to come. With a new transportation agreement with Cameroon in place, the signing of regional oil development agreements between the governments of Chad, Cameroon and Niger, and crude from new producers in Chad already flowing through the pipeline, the project’s Export Transportation System, operated by TOTCO and COTCO, will continue to be a vital gateway to world markets.

Sincerely,



D. S. Miller
General Manager
Esso Exploration and
Production Chad Inc.




Christian Lenoble
General Manager
Tchad Oil Transportation Company S. A.
Cameroon Oil Transportation Company S. A.



In 2013, the project achieved 10 years of successful production and transportation – an important milestone for the Consortium and the Republics of Chad and Cameroon.

To commemorate the anniversary, affiliates EEPICI, TOTCO and COTCO created photo-based historical exhibits for the Chad International Oil, Mining and Energy Conference (CIOME), which was held in N’Djamena in October. As Chad’s largest oil producer, the project played a leading role in the conference. EEPICI, COTCO and TOTCO had a major sponsorship presence, multiple exhibit booths, technical presentations and participation in panel discussions.

Following the conference, COTCO organized several events throughout Cameroon at which the exhibits were displayed, and EEPICI formally presented its exhibit as a gift to Chad’s National Museum in N’Djamena in December.

Hundreds of employees, contractors, business partners, government officials, community members and leaders attended the various events.





Production & Operations



Investing to Support Production

2013 marked a year of significant investment in production support to extract oil, Chad's most precious natural resource. Spending on production support during 2013 totaled 350 billion FCFA [\$665 million, including \$440 million in capital investments and \$225 million in day-to-day operations directly related to sustaining production]. To date, almost 2 trillion FCFA [\$4 billion] have been invested. This sustained investment has helped the project deliver almost 500 million barrels of oil to world markets in its first 10 years of production.



Fueling Production Operations

In the Doba oilfields, several wells have historically produced most of the gas needed to generate the electric power to operate the project's wells and to export the crude. With hundreds of millions of barrels of recoverable reserves still yet to be extracted, every effort has been made to assure the project has a long-term, reliable fuel supply to power its operations.

However, as the gas wells mature, their pressure decreases, making gas extraction more difficult. To offset this natural phenomenon in the short-term, the project completed a \$100 million gas debottlenecking initiative in 2013. This multifaceted effort was focused on reducing wellhead pressures, separating liquid byproducts, conducting well maintenance and fine tuning artificial lift techniques to help raise the gas from deep underground and allow it to flow more easily to the power plant at the Central Treatment Facility. A longer-term solution to this natural reduction in gas

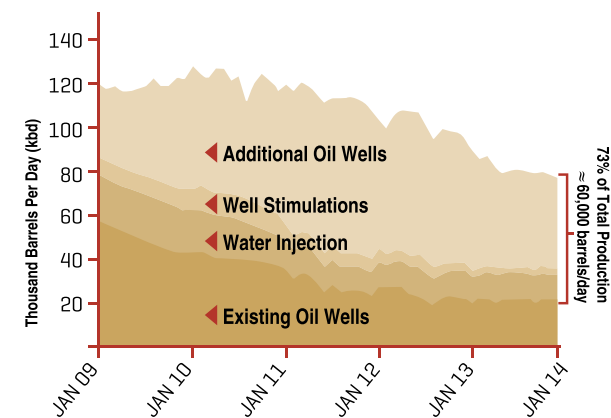
production is the crude firing project, which broke ground in 2013. This project will enable the power plant's turbines to run on a small amount of the crude oil produced each day. After natural gas, this is the most cost effective and reliable fuel supply available. Slated for completion in Q3 2014, the crude firing project will be phased in as necessary to offset the reduction in available gas.



for Chad and for the company." — Dassou Nagassou, Plant Supervisor, Komé

"Crude firing is important, because here in Chad we cannot purchase our electricity from a power grid to run our operations. Crude firing is a very important long-term fuel diversification strategy in case our gas wells run out. Without these modifications, we could find that in the future we are producing less oil, which would mean less revenue

PRODUCTION CHART



PRODUCTION INVESTMENTS

The Consortium continues to invest heavily in wells and facilities to extract existing oil reserves and minimize production decline.

42 New oil wells added in 2013

660 Production wells on line at year end 2013

58 Water injection wells on line at year end 2013

720 Well renovation & enhancement procedures conducted in 2013



The Chad/Cameroon Pipeline: A Gateway to International Markets

New sources of crude oil are flowing through the pipeline export system, the result of collaboration between pipeline owners TOTCO and COTCO, the governments of Chad and Cameroon and Caracal Energy, a Canadian company, currently developing oil reserves in southern Chad. Additional crude is expected soon, as the local affiliate of China's National Petroleum Company (CNPC) develops its reserves and ties into the pipeline.

As the operator of the pipeline system in Chad, TOTCO is a key resource in the country's burgeoning oil industry. The TOTCO-COTCO pipeline will allow Chad to unlock more of its oil resources by providing an increasing number of new developers with access to international markets. Cameroon will benefit from increased revenue streams as additional crude is produced and transported.

SHIPMENTS FROM MARINE TERMINAL

	2013	PROJECT TO DATE
MILLIONS OF BARRELS	30.3	484
EXPORT TANKER SHIPMENTS	33	534

Safety & Health

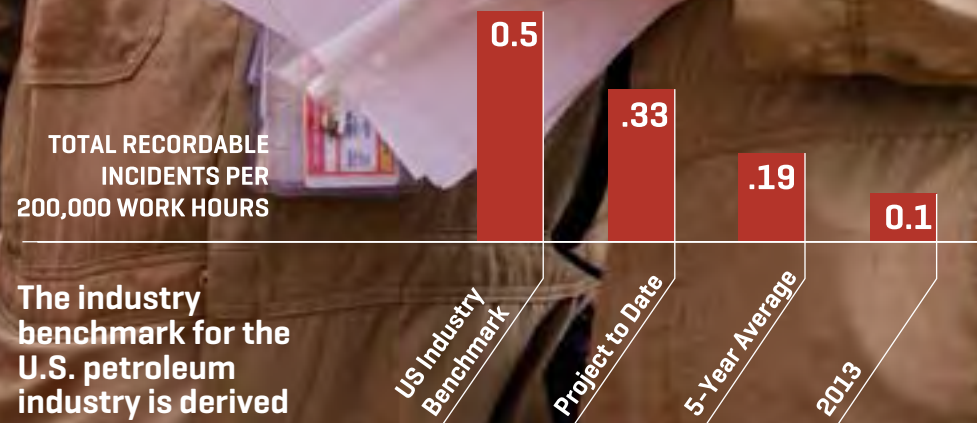


Creating a Culture of Safety

2013 saw the project achieve its best safety record, as determined by a measure of all recordable safety incidents per 200,000 working hours. The project's Recordable Incident Rate has for years been well below the average rate of the U. S. petroleum industry as a whole; the project exceeded this benchmark by a factor of five in 2013.

In addition to continuously refining safety procedures and tools, the project holds regular safety meetings at every level of the organization. Monthly, weekly, daily and project-based meetings help maintain a workplace culture where safety is a top priority.

RECORDABLE INCIDENT RATE



TOTAL RECORDABLE INCIDENTS PER 200,000 WORK HOURS

The industry benchmark for the U.S. petroleum industry is derived from reports to the American Petroleum Institute by participating companies.

"Having team members leading meetings has been very helpful in getting everyone on board. Messages delivered by peers are better received, and the team better understands that safety is not just for management." —Doufina Edjebeye, Safety Advisor



▲ Every two years COTCO's Douala Safety Committee hosts an Employee Safety Day to teach workplace and home safety principles to COTCO employees and their families through a variety of performances, presentations and interactive sessions.

◀ Weekly safety meetings for the construction group in Chad are held in French, English and Filipino - with over 100 workers attending each meeting. Rotating safety delegates are nominated by the group to help lead the meetings. At the end of each meeting, awards for performance are distributed, and the construction superintendent addresses the group.

"We try to instill a culture where everyone thinks of themselves as leaders when it comes to safety." —Tommy Boutwell, Construction Superintendent (on right) ◀

Electronic Work Permits

Recently, the project adopted an electronic work permit system, part of a commitment to continue to improve workplace safety. The work permits outline hazards associated with a particular activity and must be completed and approved by supervisors before production or construction work. Along with the mandatory Job Safety Analysis conducted before work activity in the field, work permits reinforce high safety standards. The electronic format of the work permit system centralizes the records, makes them more accessible and allows safety officials to quickly analyze data and address shortcomings in safety performance or procedures.

Life Saving Actions

Life Saving Actions is a risk awareness tool that is based on an analysis of all incidents and near misses which have occurred. Nine key areas where most serious incidents occur were identified, helping ensure that workers are particularly focused on those activities with high potential for injury.

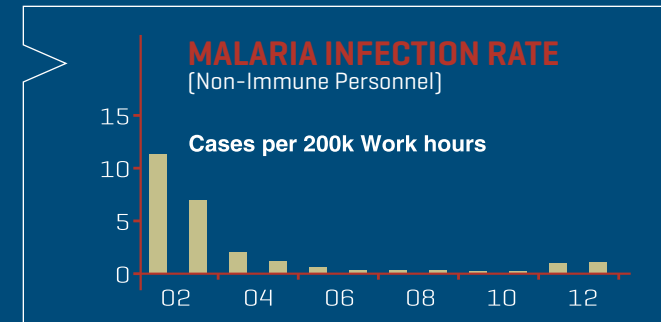
LIFE SAVING ACTIONS

WORK AUTHORIZATION Only do work that is authorized and follow the Permit and JSA	WORKING AT HEIGHT Wear a harness with 100% tie-off and secure tools and materials
ENERGY ISOLATION Lock, verify, and demonstrate zero energy	CONFINED SPACE ENTRY Establish and maintain safe entry conditions
BREAKING CONTAINMENT Manage ignition sources and exposure to hazardous substances	LIFTING AND HOISTING Use certified lifting gear and stay clear of suspended loads
CRITICAL DEVICES Bypass only when authorized -implement alternative controls	CRITICAL PROCEDURES Review and understand them - do not deviate without approval
HOT WORK Remove flammable materials and gas test continuously	

Health

From donating supplies to front line hospitals in the oilfield area, to providing awareness, education and vaccinations to remote villages along the pipeline, providing quality health care to employees and supporting public health efforts remain priorities for the Chad/Cameroon Development Project.

2013 saw a significant increase in occurrences of malaria in Chad and northern Cameroon, primarily due to unusual weather patterns which created ideal conditions for breeding mosquitos. These insects carry the disease which sickens hundreds of thousands and kills thousands of Chadians and Cameroonians every year. As a result, the project's continued involvement in fighting the disease - both in areas near project operations and at the national level in both countries has become even more critical.



The malaria infection rate for non-immune project workers has been dramatically reduced over the years as a result of the project's intensive malaria prevention initiative. As the graph shows, the annual rate has been cut sharply from 11.44 in 2002, the last full year of export pipeline construction. However, corresponding with the increase in malaria occurrences in the areas where the project operates, non-immune project workers experienced a slight increase in the rate of infection in 2013, with a rate of 1.23 cases per 200,000 work hours.

Free health care consultations for workers at project facility clinics are a valued job benefit in Chad and Cameroon where health care can be difficult to obtain, especially in rural areas. The bulk of this care involved illnesses or other health conditions unrelated to the workplace.

2013 HEALTH CARE CONSULTATIONS

21,040

For years, the ExxonMobil Foundation, in collaboration with the host governments and multiple internationally recognized NGOs, has provided funding, expertise and other forms of support for a number of coordinated malaria education and prevention initiatives in Chad and Cameroon.



Intensifying the Battle Against Malaria in Chad

Chad's National Malaria Control Program, PNLP, works on policy development and public education with two NGOs, Jhpiego and Malaria No More. In addition to providing financial support and helping facilitate the NGOs' work with PNLP, EEPCI's Medicine and Occupational Health department provides malaria treatment and prevention expertise in government-held technical meetings.



"With the collaboration between Jhpiego, Malaria No More and EEPCI, we are making much progress in the fight against malaria. This level of integration and collaboration between the public and private sectors is unique here. The model we have built should be followed and expanded elsewhere in Chad to better fight disease."— Dr. Kérah Hinzounbé Clément, Director, PNLP

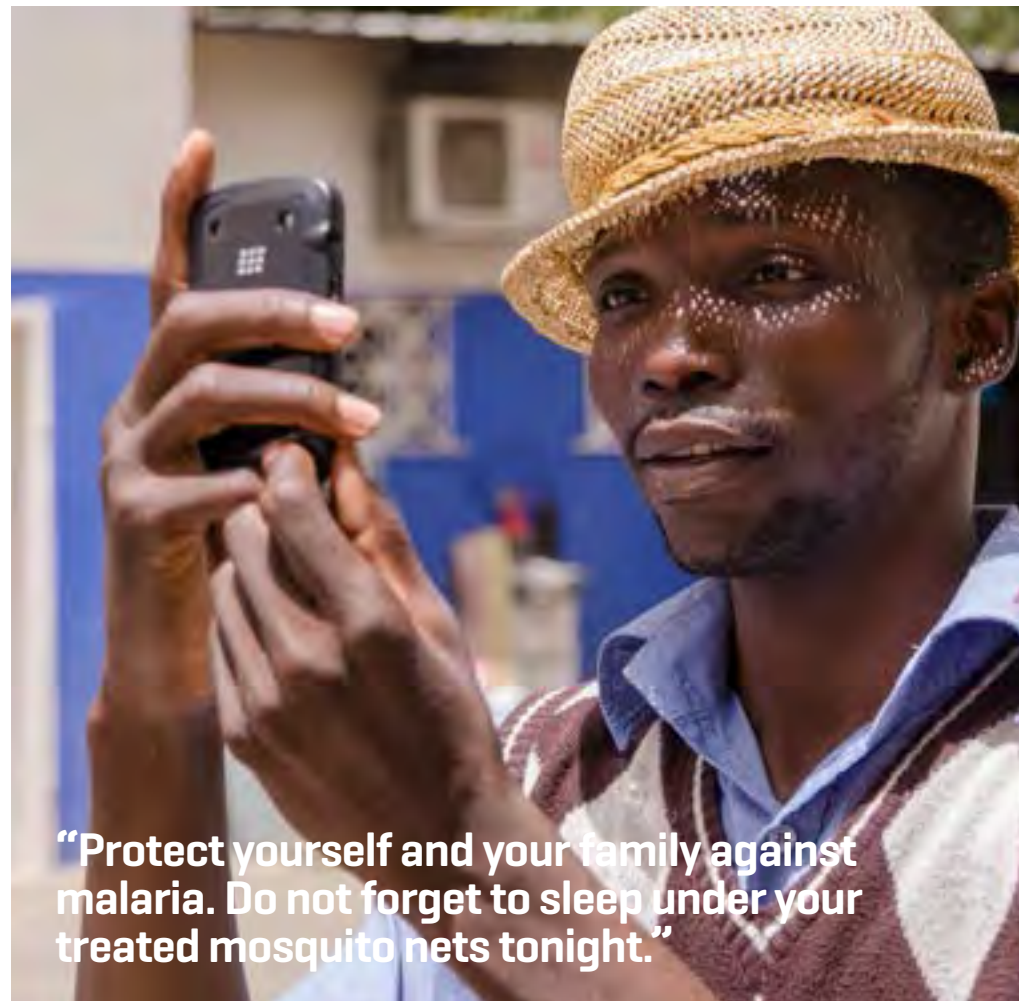
Using SMS Messages to Raise Malaria Awareness

Thanks to a partnership launched last April between EEPCI, Malaria No More and cellular provider Tigo, SMS text messages are sent to two million mobile phone users in Chad every week. In addition, Tigo has designated some of their billboards throughout Chad to post anti-malaria messages, including one from the country president, His Excellency Idriss Déby Itno. With EEPCI's support, Malaria No More also recruits high profile Chadian musicians (e.g., Prince Dee, pictured right) to spread the message as part of the country's "Stop Palu" television and radio campaign.

World Malaria Day

In April 2013, the project marked World Malaria Day by participating in a number of activities. In Chad, the company joined in a nationally broadcast radio discussion about fighting malaria and attended events in N'Djamena, Komé, and Bongor. A forum for EEPCI and TOTCO employees was also held, and mosquito nets were donated at several health centers in the Oilfield Development Area. (facing page)

In Cameroon, COTCO employees at every project site received testing kits and a refresher training course about malaria. COTCO also took part in several activities in Yaoundé and Douala, including a walk conducted with other private sector companies and a concert organized by NGO partner Malaria No More, where the new anti-malaria song, "K.O. Palu" was officially unveiled.



"Protect yourself and your family against malaria. Do not forget to sleep under your treated mosquito nets tonight."





The Environmental Management Plan [EMP] adopted by EEPCL, COTCO and TOTCO requires new operators wishing to connect to the Chad/Cameroon Pipeline to develop an EMP which adheres to the core principles (e.g., consultation, compensation and environmental protection) of the project's EMP.

3rd-party shipper Caracal Energy tie-in to the export pipeline

Environmental Management Plan



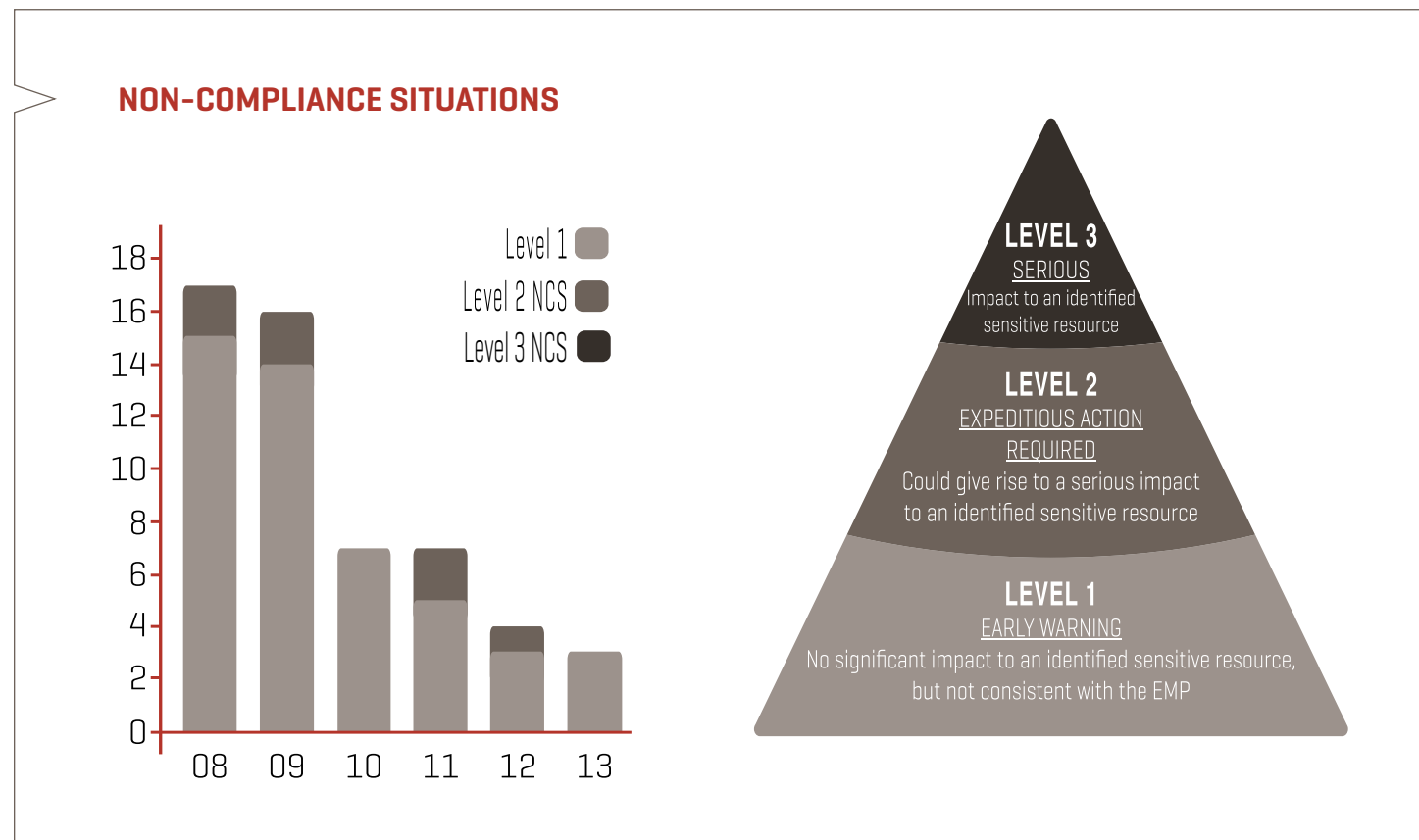
Rigorous Environmental and Socioeconomic Protections

Project activities are guided by one of the most rigorous Environmental Management Plans (EMP) in the history of sub-Saharan Africa. The EMP was developed in consultation with environmental and cultural experts, economists, the governments of Chad and Cameroon, NGOs, the World Bank and local communities. It contains precise and detailed specifications on a wide range of environmental and socioeconomic protections and mitigation measures the project must undertake in the operations areas. For example:

- > Providing fair and transparent compensation to land users and communities for land used by the project
- > Making preferential purchases of goods and services from local and national businesses when possible
- > Providing employment opportunities to local residents and citizens of host countries, with preference being given to communities directly affected by the project
- > Delivering job training opportunities to qualified employees
- > Establishing safety procedures which meet or exceed U.S. and international safety standards
- > Developing and implementing appropriate emergency response plans
- > Identifying and safeguarding cultural artifacts and properties when appropriate
- > Protecting biodiversity by restricting access to sensitive areas along the pipeline right of way
- > Providing medical care to employees and educating communities about relevant health issues
- > Conducting regular consultation sessions with stakeholders
- > Utilizing a well-defined mediation process to resolve ongoing stakeholder disputes
- > Conducting regular monitoring and audits to ensure compliance with the EMP
- > Collaborating with independent international monitoring and oversight agencies

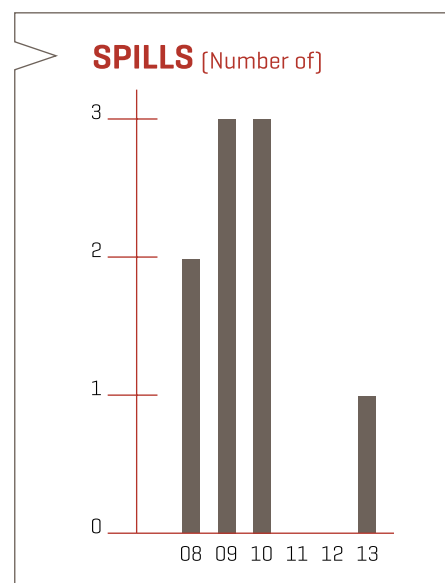
EMP Reportables – Non-Compliance Situations

The EMP includes reporting standards for non-compliance situations (NCS). The three-level ranking system is designed to provide an early warning mechanism to detect issues and help correct non-compliant behaviors and practices well before they become serious enough to cause damage. The project had no level II or Level III NCS' in 2013.



EMP Reportables – Spills

The EMP requires the reporting of all spills equal to or greater than one barrel of oil, 10 barrels of produced water or 100 kilograms of a chemical. On March 15, approximately 2.5 barrels of diesel spilled near the village of Deng Deng in Cameroon from a fuel tanker operated by a subcontractor. The tanker was transporting fuel from Belabo to the work site for the Lom Pangar pipeline modification project. A welded joint on the tanker ruptured, resulting in the leakage. The spilled diesel made contact with about 0.5 cubic meters of soil which was immediately collected and transported to a waste management site for proper disposal. A full investigation was conducted, and several measures were taken to address the contributory factors that were found to have led to the incident.



Successful Resolutions Through Mediation

The EMP outlines a mediation process to settle outstanding disputes with local villagers and other stakeholders. Under this arrangement, the World Bank's Compliance Advisor/Ombudsman (CAO) can initiate mediation upon receiving notification of an unresolved dispute. This process is designed to resolve disputes in a mutually agreeable and flexible way and thus improve actual social and environmental outcomes on the ground. Two such disputes were successfully resolved in 2013:

Case #1

Near the village of Djertou in northern Cameroon, COTCO borrowed soil and returned it after several years. The community and affected individuals were compensated per EMP guidelines. However, the community did not agree that adequate compensation was paid. With representation from a local NGO, the mediation process was triggered. After a series of meetings and negotiations, COTCO, the CAO, local NGOs and representatives from the government's Cameroon Pipeline Steering and Monitoring Committee (CPSP), successfully resolved the issue, with COTCO agreeing to provide agricultural equipment to the village as additional compensation.



"The problem with the borrow pit has been resolved, and we are very happy with the settlement. The whole village has been helped by having these materials to build a successful farm. The negotiations were respectful throughout this process, and of course we will continue to work with COTCO in the future." — Nana Ibrahim, who represented Djertou in the negotiations



"From beginning to the end, this process was a good one, and we are happy that this agreement has been signed. We would try to use a similar process if we had a dispute with another company." — Aboubakar Yaya, Chief, Djertou Village



"We view our role as a facilitator and to make sure everyone is meeting their requirements on the corporate side and on the community side. Through this role, we can help communities. The CAO process was a good one and resulted in a successful outcome." — Saidou Sidiki, CPSP inspector

Case #2

While working as a driver for a COTCO subcontractor in Cameroon, Bang Bang Elie suffered an eye injury which resulted in vision problems and headaches. The original subcontractor had ceased operations in the country after the construction was completed, but Mr. Elie's health problems persisted. After he contacted COTCO for help, the mediation process was initiated. COTCO paid for his medical care and committed to support Mr. Elie by clearing farmland and supplying him with 300 producing palm tree saplings after the land is cleared.



"At the beginning of this process, I had no idea that COTCO could be so helpful. Since the company began to send me to the hospital for treatment and pay for medicine necessary to help my condition and new glasses, I have been better. Also, when the trees that COTCO is providing mature and begin to produce, I will be able to earn enough money to take care of my family and save money for the future." — Bang Bang Elie, Bidjouka



Djertou's farmers cleared new land in anticipation of the growing season. They will use the additional plows, cattle, fertilizer, wheelbarrows, seed and other agricultural materials delivered by COTCO to cultivate this new area.



Environmental Monitoring & Management



Maintaining the Integrity of the Pipeline

The project makes extensive efforts to ensure the integrity of the thousands of kilometers of underground pipelines and protect the surrounding environment and communities. To accomplish this, a number of monitoring, maintenance, repair, stakeholder education and emergency preparedness activities are conducted on a regular basis as part of a single integrated program. The unified program consolidates and coordinates these efforts which are conducted by several project departments.

In addition, with new funding agreements and structural changes in place, COTCO made major progress in 2013 to ensure the long-term viability of The Foundation for Environment and Development in Cameroon, also known as FEDEC, one of its signature environmental and socioeconomic mitigation efforts in Cameroon.

Managing Third-Party Interactions

Construction of new public and private sector projects such as roads, highways and agricultural developments throughout Cameroon has increased the number of interactions between the pipeline and third-party activities, including infrastructure development, to 83 in 2013. As part of COTCO's effort to manage the regulatory and engineering requirements associated with these interactions, more than 1,200 above ground markers were installed in 2013 along the right of way to safeguard the integrity of the pipeline and easement.



▲ Close interval monitoring of the cathodic protection system can be used in conjunction with inline inspections to protect against corrosion - all while oil continues to flow.

Corrosion Control

One of the biggest threats to underground pipelines is corrosion, a naturally-occurring phenomenon when metals are placed in the ground. To protect against this threat along the 1,070 kilometer long pipeline from southern Chad to the coast of Cameroon, inline inspections are regularly conducted, using "smart pigs", electronic diagnostics tools, that travel inside the pipeline to detect any possible corrosion. Preventative repairs can include cleaning, recoating, sandblasting or reinforcing the affected area with additional metal. To date, all site repairs have been strictly precautionary.

A cathodic protection system provides an additional defense against corrosion. The system functions by directing small electrical currents through pieces of metal strategically placed near the pipeline, which is also coated with layers of anti-corrosion protective materials.

"The Esso standard obligates all employees, affiliates and contractors to protect people and the environment to the highest standard. For me, this means working safely every day to maintain the integrity of the pipeline." - Nadji Baniang,

Corrosion Technician

Erosion Remediation at the Big W

Several hundred kilometers south of the Doba oilfields, the pipeline traverses challenging terrain in the highlands of northern Cameroon. With generally arid conditions and poor soil, the area - nicknamed the "Big W" because of its hilly up and down profile - can experience heavy downpours during intense rainy seasons, necessitating extensive erosion control measures. As part of this effort, hundreds of residents were recruited this year from nearby villages to construct gabion baskets out of sandbags, wire and large stones they had previously collected from the surrounding area. The gabion baskets are designed to allow large quantities of water to pass through the right of way while keeping the soil intact.



Monitoring Groundwater

During the construction phase, dozens of water wells called piezometers were strategically placed near project facilities to monitor groundwater for any variations in water levels and makeup. In accordance with EMP guidelines, the environmental team regularly checks groundwater depth and analyzes water samples.

Hosting Environmental and Regulatory Training Sessions

COTCO hosted a multi-day training in Douala on environmental and regulatory compliance in May 2013. The regional training, which was attended by ExxonMobil employees from Chad, Equatorial Guinea, Nigeria and Cameroon, was conducted by ExxonMobil Development Corporation and covered various environmental, regulatory, and socioeconomic aspects in relation to participants' professional activities.

FEDEC: A Strategy for Long-Term Sustainability

The Foundation for Environment and Development in Cameroon, also known as FEDEC, has for 13 years provided support for the protection of biodiversity in Cameroon's Campo-Ma'an and the Mbam and Djerem national parks, and for an Indigenous Peoples Program designed to benefit the Bakola/Bagyeli people.

The foundation was created in 2000 with \$3.5 million in seed funding from COTCO. An additional \$1.5 million was committed in 2009, bringing the project's total support to \$5 million. In collaboration with the World Bank's International Finance Corporation, the project recently helped fund two studies intended to guide FEDEC to long-term sustainability. Based on the results, a new funding agreement between FEDEC and COTCO was signed in March 2013. Structural changes were made to the foundation and its by-laws to allow for additional program areas and to develop a broader funding base.

The Indigenous Peoples Program is administrated by RAPID, an NGO dedicated to improving the lives of the Bakola/Bagyeli people who live in the forest area between Kribi and Lolodorf. The program, which is intended to help address

some of the cultural, health and economic challenges faced by this population, includes ongoing support of Foyer Ngoyang, a boarding school for both Bakola/Bagyeli and Bantou children.

COTCO conducted several field missions in November and December of 2013 to evaluate the performance of programs provided by its NGO partners, including:

- Biodiversity protection measures by the Wildlife Conservation Society in Mbam and Djerem National Park.
- Conservation efforts by the World Wildlife Fund in Campo-Ma'an National Park.





Community Engagement



Preserving Strong Bonds with Local Communities

Since the Chad/Cameroon Development Project began, it has maintained strong bonds with communities in the operations areas in both countries. Hundreds of consultation sessions every year keep community stakeholders updated on current issues and ensure steady contact, open two-way communication and a constructive relationship between the project and its neighbors.

The project also works with communities to identify ways it can help improve the quality of life in the neighboring areas. Investing in schools, water wells, health care facilities, agricultural tools and supplies, community buildings, school competitions and road improvements are examples of recent community improvement activities.

Consultation and Communication

A routine consultation was held for the villages of Daboloï and Tamboura in mid-2013, part of COTCO’s commitment to visit every village along the length of the pipeline in Cameroon at least three times per year. During the meeting, the participants discussed what to do if they notice something out of place along the right of way. The meetings are also an opportunity for locals to receive information about project activities and to raise any questions, concerns or requests they may have.

Project staff also visited in June with villagers from Ndoumba-Kanga, near Pump Station 3 in Belabo, Cameroon. The village received a general update on operations, and the staff heard thoughts from the community. This public information campaign is a key component of maintaining the integrity of the right of way by creating strong relationships with nearby communities who often function as eyes and ears along the pipeline.



2013 CONSULTATION MEETINGS

CHAD

SESSIONS	267
ATTENDEES	13,970

CAMEROON

SESSIONS	908
ATTENDEES	9,517



because unlike other companies, COTCO comes to visit us on a regular basis.”
—Abba Mbélé, Chief, Daboloï

“I asked people to come here today to talk to the COTCO people. This was a useful meeting, and everyone gathered to listen. We understood everything



done a lot of things for this community – from providing us with the community meeting house to improving the road to our village. And it has created jobs, which have brought a lot of income here.”
—François Mekadi, Chief, Ndoumba – Kanga

“We’ve known COTCO since 1998, and I’m sure they’ve visited us close to 100 times. It’s useful to have meetings like these because everyone can be up to date if there are any changes. COTCO has

Donated Compost Helps Support Agricultural Training Program

The waste composting program – the first of its kind in Chad – converts organic waste into tons of valuable compost used to increase farm productivity during land reclamation activities. In 2013, the project donated compost to help improve the productivity of several hectares of farmland that support a community learning center near the village of Bendone in Chad. Every year the center, run by the NGO, CEDIFOP, teaches up to 30 families from surrounding areas agriculture theory, farming practices, literacy and other valuable skills.



“We are here to get training and develop our skills so we can bring the knowledge back to our village. We thank EEPCI for what they have brought, and especially because it helps us with our yield.”
— Husband and wife, Henri Mbainadoum and Isabelle Medjimbeye, Farmers from Bitanda



Students prepare fields for planting maize by distributing the donated compost just before the beginning of the rainy season. The students learn agricultural theory in the dry season and put their knowledge into practice during the rainy season.

Project Facilities Converted into a Local Clinic

In 2013, a health clinic in Moundouli began operating in modular buildings recently donated by the project. The clinic provides medical services to 11 villages up to 30 kilometers away. Villagers make financial contributions to pay for supplies and a modest stipend for the clinic director. Patients are also expected to make a small contribution for treatment. In the first month alone, the clinic treated nearly 200 patients.



Having access to this resource is a big improvement. The patients feel that they are getting quality health care here.”
— Belemgoto Ndoumdo Jaurus, Health Director, Moundouli Health Center

“The old health center was in my house in Nya Moundouli Village. This wasn’t practical, because like many homes it only had one room for both my family to live and patients to be treated. The new space allows us to have overnight patients and also quarantine for infectious conditions.

Donating Medical Supplies in Bébédjia

Hundreds of syringes and other medical supplies were donated in June 2013 to St. Joseph’s Hospital of Bébédjia, which is near the oilfields in Chad. The presentation ceremony included several Bébédjia officials and staff from the hospital, which also has a contract to provide medical care to local project employees.

The hospital was chosen based on several factors, such as need, proximity to the Oilfield Development Area and a strong preexisting relationship. With 170 beds, a modest budget, one doctor and patients who travel from as far away as the Central African Republic, the need for supplies is great.



“It is not common that we get corporate donations here. Thankfully, Esso helped us with these donations.”
— Dr. Elizabeth Reule, St. Joseph’s Hospital of Bébédjia

Hundreds of Computers Donated to N’Djamena Schools

In June 2013 the project donated 300 computers to Chad’s Ministry of Education during a ceremony at Center School in N’Djamena. Equipped with the user-friendly, open-source operating system, Linux, they will be used to equip new computer labs at 15 schools across the city.

The ceremony was attended by the Minister of Education, several heads of N’Djamena secondary schools, the mayor and governor of N’Djamena. The schools receiving the computers are selected by the Ministry of Education, based on a survey conducted to determine need and ability to deliver effective training. The curriculum will be set by the Ministry as part of the country’s national education program.



“Computer training is very important now. In most schools in Chad, students receive theoretical training, but are not able to practice because of the lack of available computers. This type of collaboration is good because the Consortium is a major entity here that has an interest in education in this country.” — Tchobsala Lessam, Sacred Heart High School

“There are only a few schools with computer labs in N’Djamena. This donation can help more students be introduced to technology and the basics of computers. Even though these computers are no longer powerful enough to run some of the programs that we require at EEPCI, they are fully functioning computers that will benefit many students.” — Bob Pugh, IT Manager, EEPCI

Prize Giveaway for the Ngoumou School District

For the third straight year, COTCO held an academic competition, delivering prizes to high-achieving students attending three schools near the pipeline close to Yaoundé, Cameroon. The top three students in each class received financial assistance to cover the next year’s tuition and vouchers which can be exchanged for books and other educational materials. Over 180 students received prizes in this competition.

COTCO has conducted similar school competitions since 2007, changing the focus area each year to cover the entire pipeline corridor in Cameroon. To date, more than 50 million FCFA have been invested into these competitions.



“Books and other school materials are in short supply for our students. So the prize distribution was a very good opportunity for students and parents. The students were very glad to receive the prizes and were highly motivated by the competition.”
— Essomba Enyegue, Subdivisional Delegate for Mefou and Akono, Ministry of Secondary School Education

Evangelical High School Wins EEPCI’s Annual School Competition in N’Djamena

For the last four years, EEPCI has sponsored an annual competition between N’Djamena’s secondary schools to help inspire students in the areas of math, physics and other sciences.

Each of the 20 participating schools holds an internal competition to determine the best student in each subject, based upon a specially developed curriculum. The winning students are entered in the city-wide competition. In addition to recognition from their schools and their peers, winning students receive books, schoolbags, tuition and a laptop computer.



“This competition is a motivational tool for so many of the students, and the prizes that are given to the winning students are very helpful to them as well. Our students like getting the chance to test themselves against their peers.” — Salet Samuel, Director, Evangelical High School, N’Djamena



Evaluating Donations and Requests for Assistance

A committee made up of representatives of EEPCI’s departments evaluates requests and proposals for assistance. The committee determines whether the requests fall into the project’s primary areas of focus – environment, health and education. Once a request qualifies for consideration, due diligence is conducted to ensure that any assistance from EEPCI is directed to a legitimate organization and will be used as efficiently and beneficially as possible.



Land Use & Compensation



Decreasing the Total Land Use Footprint

Reducing the project footprint and returning unused land to farmers remained a project priority in 2013. Although the continuing program of drilling to fully develop Chad's oil resource has required acquisition of additional land, the project has worked to reclaim and return unneeded land to farmers to outpace the new land requirements. Using an array of land reclamation techniques, the project has decreased its total land use in the Oilfield Development Area by over 200 hectares to its lowest level, since well before the Land Use Management Action Plan [LUMAP] began in 2007.

The plan is intended to ensure that area farmers can sustain their long-term livelihoods while at the same time making it possible to meet the land requirements associated with fully developing Chad's Doba basin crude oil resources.

“When the trees mature, we will sell the fruit at market late in the dry season to buy other necessities. In this way these will be even more useful than my other trees.”

— Raymond Nadjingar, Farmer, Mbanga II

Replacing Each Mango Tree with Two More

In addition to financially compensating farmers for land use, the project maintains a policy in the Oilfield Development Area of replacing each damaged or removed mango tree with at least two new ones. The new trees being planted here were specially bred with a variety developed in the United States so that they mature later in the season, when food is scarce. Extending the harvest season is advantageous to Chadian farmers by giving them valuable mangoes to sell when markets are not saturated. Training classes are provided to the farmers to show how to care for the trees.



Compensation Audits Serve a Dual Purpose

Ten percent of individuals receiving financial compensation are selected to participate in audits by representatives from the socioeconomic team. The audits ensure that the correct amount has been paid for impacted trees, crops and land, and they give the project an opportunity to educate recipients about money management.



“One woman that we audited recently wanted to thank me, because after she signed an agreement for the compensation, there were people lined up at her home asking her to borrow the money. So I asked her what her goals were for the money and I advised her that if she loaned out her money to all the people who were asking for it, she would definitely not achieve her goals.” — Ousmane Abakar, EMP Supervisor



“What I got out of this meeting was advice on how to manage my money. I am going to buy livestock and with the profit I make, I am going to invest in my education. They also asked me questions to validate the information in my file to make sure it is accurate. This helps me understand the process of compensation better.” — Mbaimangon Sakado, Pouteguem village

History of EMP Compensation Programs

All land users and villages are compensated according to the Environmental Management Plan.

Since construction began in 2000, the project has compensated over 15,000 individual land users for more than 7,454 hectares of land in 480 villages from the oilfields in Komé, Chad, to the terminus of the export pipeline at Kribi, Cameroon.

The project has utilized at one time or another about 4.4% of the 100,000 hectares of land in the Oilfield Development Area. When all temporary construction use land has been returned, the percentage of use will be just 1.6% of the 100,000 hectares.

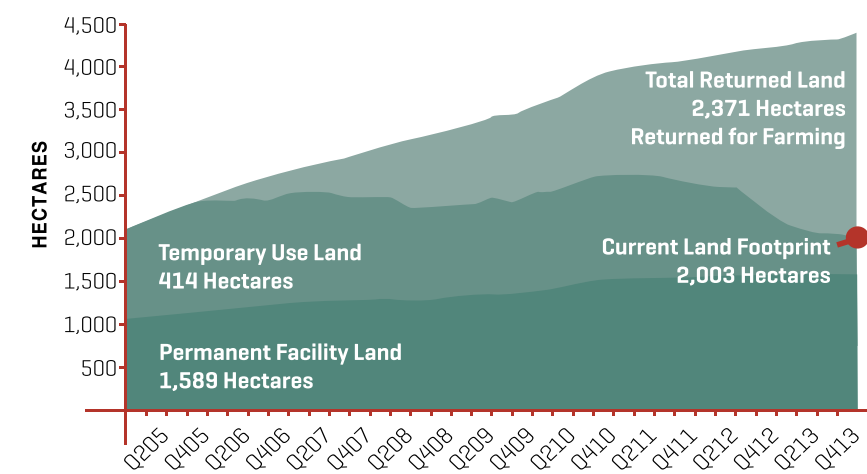
A set of principles set out in the EMP has guided the compensation effort, including:

- A transparent compensation procedure so that all village residents can see that no one resident is gaining an advantage over others.
- Sensitivity to cultural practices and local legal requirements. Most land is controlled by the village and allocated

by the local chief. In Chad and Cameroon, nearly all land is legally owned by the state. So farmers, rather than owning land as is commonly the case in Europe and North America, are entitled only to use the land for crops. The project therefore does not buy land but compensates the farmer for labor and lost crop opportunities, as provided in the EMP.

- The recording of all compensation transactions. Each payment is archived with a photo of the transaction and the recipient's thumb print.
- Avoiding or minimizing resettlement of households through redesign of the project's land needs and by offering two resettlement alternatives: improved agriculture training and off-farm employment training.

LAND USE FOOTPRINT IN THE OILFIELD DEVELOPMENT AREA



Compensation

Compensation paid to individuals for land use in 2013 totaled over 560 million FCFA (over \$1.1 million) in cash and/or in-kind payments. Over 16 billion FCFA (\$32 million) in individual compensation for land use has been disbursed since the project began. Compensation commitments in general have been stable for years at levels well below those from 2000 to 2003, when construction was underway for the central oilfield facilities, the initial oilfield development and the export pipeline system.

INDIVIDUAL COMPENSATION (Millions of FCFA)		2013	PROJECT TO DATE
		CHAD	547
CAMEROON		16	5,751



Rice Fields Unlock a New Source of Income for Bero III

A new rice field for the village of Bero III near the oilfield area was one of the infrastructure projects made possible in 2013 through the supplemental community compensation program. Working with the NGO, APROFODEL, EEPCI used its heavy equipment to clear and plow the 15 hectare field. The farmers were provided with compost, fertilizer, pesticides and the requisite training to use them properly through the Improved Agriculture program.



"We come from agriculture – all we have known is working the land. Rice will help us earn money because when people from the outside want to buy something from us, it is rice. We could not have done this on this scale – perhaps one hectare, but 15 hectares would have been very hard. So this rice is not to be eaten. We will sell the rice to buy more equipment and expand."
— Larebeye Yvonne, Member of Management Committee

Supplemental Community Compensation Program

The supplemental community compensation program is intended to offset land use impacts on communities from production activities which can be harder to quantify than impacts on individuals.

Having received a water well and a grain mill from previous community compensations, the village of Ndoheuri recently received a new classroom as supplemental compensation.

The classroom was completed in time to serve almost 150 registered students, aged 6-13, for the 2013-14 school year. The permanent structure is strong enough to function all year, an improvement over the traditional thatch

classrooms that were often destroyed during the harsh rainy seasons, interrupting studies and costing time and money to rebuild.

As with many community compensation projects, EEPCI helped the village form and train a management committee to ensure sustainable stewardship of the classroom.



"Our canton has made significant progress in housing, transportation and lifestyle. Much of this progress started with Esso, which was the sparkplug that got things going. There have been several schools built in this canton, and these are a basis for continued development."
— Djasro Pierre, Chief, Miandoum



Providing Skills Training to Farmers

In addition to the infrastructure improvements, many Ndoheuri villagers in Chad are receiving skills training through a nearby training center. The classes offered are part of the project's resettlement program, which provides training, materials and equipment to villagers impacted by production operations. The training, conducted by the NGO, CEDIFOP, focuses on every aspect of the person, including basic business principles, literacy, life skills, health and hygiene practices. Four individuals are eligible for the classes at this one center (above), which occur three times per week for five months. However, 35 additional participants, mostly women who never had the opportunity to go to school, attend the sessions as auditors – a common occurrence wherever this training is provided. Currently, the project funds eight such centers which have delivered training to over 1300 villagers residing in the Oilfield Development Area.



"This training was very important. Now that this year's class is almost over, we are already hoping we can have this class next year as well."
— Ndouba Daniel, Chief, Ndoheuri



"People heard about the literacy classes and decided to come themselves. Because the content can be applied to everyday lives, it is highly relevant and that is why we have so many participants. Many of the students, especially the women, didn't go to school, and realize this gives them a chance to catch up academically."
— Dingamadjji Rodrigue, Supervising Trainer, CEDIFOP



"I was illiterate when I began these classes, so the simple fact that I am able to read and write basic gambai [a local language] makes a big difference. We used to have food shortages and had to dip into emergency food supplies, but now we understand proper food management so we don't have to go hungry. I didn't have the chance to go to school when I was younger, so when I heard about this chance, I couldn't pass it up, so I seized it. But now that this [program] has opened up the door to education, I am hungry for more!"
— Larebéye Rodé, Auditing Student

Economic Development



Contributing to the Economic Growth of Chad and Cameroon

The project continues to positively impact the economies of Chad and Cameroon in a number of ways. Royalties, fees and taxes paid to the governments of Chad and Cameroon represent an important stream of income for both host countries. In Chad, much of this income is spent on infrastructure improvements in key high-needs sectors such as education, health care and transportation. The project has employed a workforce of thousands of Chadian and Cameroonian workers for over a decade, many of them receiving jobs skills and technical training during their employment. In addition, the other contributors to the economic development of Chad and Cameroon include:

- > The project's role in helping build an oil industry in Chad, which is having a major impact on the economy
- > The more than 1.5 trillion FCFA spent so far on goods and services purchased from local suppliers
- > The billions of FCFA the project has committed to its role in Cameroon's Lom Pangar Hydroelectric Project
- > The billions of FCFA spent so far on individual and community compensation and project investments in local communities



Local Employment

Having achieved 100% nationalization of the onshore export system workforce in Cameroon in 2012, the project continues to work towards its nationalization goals in both countries, with Chadian and Cameroonian workers filling increasingly senior roles in EEPCI, COTCO and TOTCO. Skilled jobs include positions such as control room operators, technicians for oilfields, construction, machinery, electrical and instrumentation, EMP monitors and welders. Examples of semi-skilled jobs include food service assistants, security guards and welder helpers.



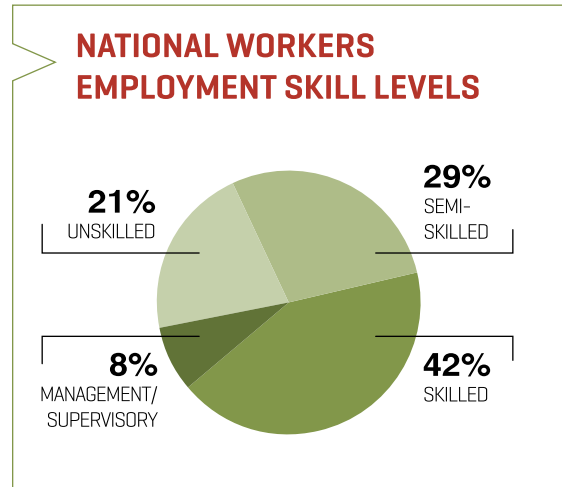
PROJECT WORKFORCE BY YE 2013

- 7,365** Chadian and Cameroonian nationals employed by EEPCI, COTCO, TOTCO and their contractors
- 90%** Percentage of total workforce that are Cameroonian and Chadian
- 80%** Percentage of Chadians and Cameroonians employed in management/supervisory, skilled and semi-skilled jobs
- 60** Billion FCFA Wage Payments to Chadian Workers [\$122 million]
- 9.4** Billion FCFA Wage Payments to Cameroonian Workers [\$19 million]

Context: Reporting Local Employment

The project reports statistics on local employment on the basis of Full Time Equivalents or FTEs. Reporting by FTEs makes it possible to account for the wide diversity of work shifts and rotations of the project's workforce, as well as the seasonal variations in the types of jobs available with the project.

- > Many of the project's workers are on rotator schedules, for example working in tandem with another "back to back" worker. Rotators typically work 28 days on and 28 days off or some similar pattern, but when on duty they work seven days a week, 12 hours per day.
- > Other workers have day-to-day jobs where they work Monday through Friday shifts for shorter days but are on duty for most of the year with no rotation breaks.
- > Another category of workers, often hired from villages near project facilities, have temporary contracts and work only a few weeks at a time in order to complete special projects such as maintenance of the pipeline right of way.



New Labor Agreement Successfully Negotiated in Chad

In Chad, the existing Collective Labor Agreement (CLA) between EEPCI and its employees was successfully renegotiated in 2013. The agreement, which will be valid for the next four years, includes performance-based incentives, an improved retirement package, streamlined medical plan and resolution of outstanding compensation issues.



"The negotiations were high-level, respectful and professional, with management taking our concerns very seriously. We employees feel that this company respects and values us. This should be a model for labor negotiations because we all trusted each other to work in good faith."
 — Masra Tamadoum, Lead Employee Representative

"This project is the top revenue generator for the country, and it makes me proud to know that I am part of Chad's development."
 — Zeudjurbe Tchimiakbe, Komé Field Operations Supervisor

Employee Snapshot

Bob de Nguendeng was promoted in 2011 to Process and Control Manager in EEPCI's headquarters in N'Djamena. The department is responsible for internal policies governing activities such as financial transactions, training employees and preparing for new situations and emergencies. Like many senior employees, Bob has been an employee at EEPCI for over a decade, holding various roles within the organization, receiving professional training around the world and benefitting from the project's mentoring policy. In addition to its office in N'Djamena, the department has a presence at COTCO headquarters in Douala, Cameroon.



"After safety, controls are the project's top priority. Our business is very complicated. To succeed, you have to understand all aspects of the business. In the beginning, the project brought in expatriates who already understood the global business and paired them with promising national candidates."
 — Bob de Nguendeng, Process and Control Manager

Local NGO Flourishes with Project Support

Local NGO, APROFODEL, has helped the project with its socioeconomic activities in the Oilfield Development Area since its founding in 2009. With EEPCI as its first and largest partner, the organization has been able to expand its client base and scope of work and is currently working with the European Union on development.



"Without Esso, it would not have been possible to achieve what we have. We had one client when we started; now we have teams to handle the various clients so that we never have a conflict of resources." — Djelasse Ngon-Dingamian, Founder/President, APROFODEL

Local Business Development

Since the project began, its purchases of goods and services from local suppliers have totaled over 1.6 trillion FCFA [\$3.3 billion]. These purchases reflect the project's commitment to support local businesses. Additionally, COTCO has almost completed its multimillion dollar investment in the Lom Pangar Hydropower Project – a key component of Cameroon's current economic development efforts.

250
 Average number of Cameroonian companies contracted with by COTCO in 2013

SPENDING WITH LOCAL BUSINESSES

	Chad		Cameroon
2013	63 billion FCFA [\$128 million]	2013	24 billion FCFA [\$49 million]
TOTAL SPENDING	1 trillion FCFA [\$ 2.1 billion]	TOTAL SPENDING	565 billion FCFA [\$ 1.1 billion]

Lom Pangar: Supporting Major Infrastructure for Long-Term Growth in Cameroon

By the end of 2013, a team of over 200 COTCO employees and contractor workers had almost completed modifications on two sections of the oil pipeline to accommodate one of Cameroon’s largest economic development efforts to date: the Lom Pangar Hydropower Project. This project of Cameroon’s government involves constructing a hydroelectric dam at the confluence of the

Lom and Pangar rivers in eastern Cameroon, creating a 590 square kilometer reservoir in an area traversed by the pipeline.

Working closely with the government, COTCO is investing tens of millions of dollars in building two new, 13 kilometer sections of the pipeline, parts of which will be submerged under the newly created reservoir. The work is being conducted in a restricted access area adjacent to the protected Deng Deng National Park. As such, the COTCO team members will work to minimize any trace of their presence after they finish.



The Lom Pangar dam is expected to increase Cameroon’s electric generation capacity five-to-ten-fold over the next 20 years and support the country’s burgeoning industrial growth. Additionally, a new power plant will be constructed to provide electricity for eastern Cameroon.

“When we decide to build a road, it has many benefits. In Chad it’s becoming easier for people to transport their goods to new markets, leading to development of their areas.”

— Francois Ndoubahidi, General Secretary, College of Control and Supervision of Petroleum Resources

Host Country Revenue

Chad’s oil revenue comes from royalties on oil sales, corporate taxes, income related to pipeline ownership and other permits, duties and taxes. By the end of 2013, the project had generated more than \$11.6 billion in revenues for Chad, far exceeding initial expectations.

The College of Control and Supervision of Petroleum Resources, a Chadian government watchdog committee, carefully monitors the appropriation of oil revenues. Hundreds of major infrastructure developments have been completed as part of the country’s commitment to investing oil revenues in its future.

One such investment is the new 10.2 billion FCFA, 370 meter long bridge in Moundou, which has replaced the deteriorating, single-lane bridge built in 1960. Moundou, the second largest city in Chad, is accessed from the south by this bridge alone, which crosses the Logone River. The existing bridge handled human, livestock and all vehicle traffic, often simultaneously. Traffic was often snarled for hours during rush hour or when a vehicle broke down, and motorists were often left to their own devices to determine who crosses next.

Built by a Chadian workforce of 250, the new Pont du Moundou’s multiple lanes improve capacity, unlocking this major commercial and transportation hub for increased economic activity.



CHAD’S OIL REVENUE (Millions of Dollars¹)

	2013	PROJECT TO DATE
Royalties on Crude Oil Sales ²	0	2,708
Royalty in Kind - Chad (Millions of Barrels) ²	3.72	6.79
Royalty in Kind - Chad (Millions of \$) ²	365	637
Income Related to Pipeline Ownership	5	84
Corporate Income Tax ³	1,000	7,643
Fees, Permits, Duties, Etc. ⁴	49	549
Advanced Royalty	0	39
PROJECT TOTAL	1,419	11,660

1. Rounded to nearest whole number. 2. Historically, this reflects cash payment royalties paid by all Consortium members. However, the Government of Chad informed ESSO of their willingness to take royalty in kind on December 22, 2009. Royalty in cash ceased as of May 1, 2012 and the Government of Chad’s first lifting took place on July 11, 2012. As a result, effective May 1, 2012 Government of Chad revenue is no longer reflected in ‘royalties on crude oil sales’. Government Revenue from royalties in kind is estimated based on the prevailing oil price at the date of sale. Government Revenue from royalties in kind is estimated based on the prevailing oil price at the date of sale. 3. Corporate income tax amount includes payments made by Consortium members and TOTCO. 4. Project to date has been restated to exclude amounts previously reported for services provided by government-run entities, such as utilities, hospitals, and telecommunication services.

CAMEROON’S OIL REVENUE (Millions of Dollars¹)

	2013	PROJECT TO DATE
Transit Fees	17	203
Income Tax	8	50
Custom Duties & Other Taxes	9	42
Income Related to Pipeline Ownership	7	115
PROJECT TOTAL	41	410

1. Rounded to nearest whole number.

	2013	PROJECT TO DATE
PRODUCTION & OPERATIONS		
Production Support Spending (Billions of FCFA)	350	1,980
Production Support Spending (Millions of \$)	665	4,000
Net Volume of Shipments from Marine Terminal (Millions of Barrels)	30.3	484.3
Number of Export Tankers	33	534
Average Total Barrels of Oil Produced per Day (bpd)	81,570	N/A
Barrels of Oil per Day Resulting from Production Support (bpd)	59,890	N/A
Barrels of Oil per Day Without Production Support (bpd)	21,680	N/A
Number of New Oil Wells Added in Current Year	42	N/A
Number of Total Oil Wells Currently Online	660	N/A
Number of Renovation & Enhancement Procedures	720	N/A
SAFETY¹		
Total Recordable Incident Rate ² (TRIR)	0.10	0.33
Lost Time Incident Rate ² (LTIR)	0	0.02
Fatalities (Number of)	0	6
Lost Time Incidents (Number of)	0	31
Restricted Work Incidents (Number of)	1	147
Medical Treatment Cases (Number of)	7	323
First Aid Cases (Number of)	28	2,921
Worker Hours (Thousands)	16,566	307,611
Traffic Accidents ³	17	959
COMPENSATION		
Individual Compensation - Chad (Millions of FCFA)	547	10,271
Individual Compensation - Chad (Millions of \$)	1	21
Individual Compensation - Cameroon (Millions of FCFA)	16	5,751
Individual Compensation - Cameroon (Millions of \$)	0	12
LOCAL BUSINESS DEVELOPMENT¹		
Spending on Goods and Services from Local Suppliers - Chad (Billions of FCFA)	63.00	1,048.10
Spending on Goods and Services from Local Suppliers - Chad (Millions of \$)	128.10	2,131.96
Spending on Goods and Services from Local Suppliers - Cameroon (Billions of FCFA)	24.40	565.61
Spending on Goods and Services from Local Suppliers - Cameroon (Millions of \$)	49.00	1,150.52
HOST COUNTRY REVENUE¹		
Royalties on Crude Oil Sales - Chad (Millions of \$) ²	0	2,708
Royalty in Kind - Chad (Millions of Barrels) ²	3.72	6.79
Royalty in Kind - Chad (Millions of \$) ²	365	637
Income Related to Pipeline Ownership - Chad (Millions of \$)	5	84
Corporate Income Tax - Chad (Millions of \$) ³	1,000	7,643
Fees, Permits, Duties, etc. - Chad (Millions of \$)	49	549
Chad Total Revenue - Chad (Millions of \$)	1,419	11,660
Transit Fees - Cameroon (Incl. New Shippers Payment) (Millions of \$)	17	203
Income Tax - Cameroon (Millions of \$)	8	50
Customs, Duties and Other Taxes - Cameroon (Millions of \$)	9	42
Income Related to Pipeline Ownership - Cameroon (Millions of \$)	7	115
Cameroon Total Revenue (Millions of \$)	41	410

¹ Rounded to nearest whole number. ² Historically, this reflects cash payment royalties paid by all Consortium members. However, the Government of Chad informed ESSO of their willingness to take royalties in kind on December 22, 2009. Royalties in cash ceased as of May 1, 2012 and the Government of Chad's first lifting took place on July 11, 2012. As a result, effective May 1, 2012 Government of Chad revenue is no longer reflected in "Royalties on Crude Oil Sales". Royalties in kind are estimated on an annual basis. Government Revenue from royalties in kind is estimated based on the prevailing oil price at the date of sale. ³ Corporate income tax amount includes payments made by Consortium members and TOTCO. Project to date has been restated to exclude amounts previously reported for services provided by government-run entities, such as utilities, hospitals, and telecommunication services.

	2013
LAND USE SNAPSHOT	
Current Project Land Footprint (Hectares)	2,003
Total Returned Land - Project to Date (Hectares)	2,371
Current Temporary Use Land (Hectares)	414
Permanent Facility Land (Hectares)	1,589
Total Individual Land Users Compensated by Project - Project to Date	15,016
Total Amount of Land Taken by Project (Hectares)	7,454
Number of Villages (Containing Land Users Compensated by Project)	480
Total Individual Land Users Compensated by Project in OFDA - Project to Date	7,447
Total Amount of Land Taken by Project in OFDA (Hectares)	4,374
LOCAL EMPLOYMENT¹	
Wage Payments to Chadian Workers (Billions of FCFA)	60.0
Wage Payments to Chadian Workers (Millions of \$)	121.90
Wage Payments to Cameroonian Workers (Billions of FCFA)	9.4
Wage Payments to Cameroonian Workers (Millions of \$)	18.90
Project Workforce - Chad (Nationals) ²	4,886
Project Workforce - Chad (Expatriates) ²	856
Project Workforce - Cameroon (Nationals) ²	1,576
Project Workforce - Cameroon (Expatriates) ²	47
National Worker Employment Skill Levels in Both Countries - Unskilled (%)	0.21
National Worker Employment Skill Levels in Both Countries - Semi-skilled (%)	0.29
National Worker Employment Skill Levels in Both Countries - Skilled (%)	0.42
National Worker Employment Skill Levels in Both Countries - Management/Supervisory (%)	0.08
ENVIRONMENTAL MONITORING & MANAGEMENT	
Number of Non-Compliance Situations	3
Number of Spills	1
Domestic Garbage Incinerated on Site (Tonnes)	2,674
Innocuous Solid Waste Buried (Landfill) (Tonnes)	853
Non-Hazardous Waste Recycled to Local Communities (Tonnes)	1,301
Non-Hazardous Waste Sent to Approved Third Party Facilities for Recycling or Disposal (Tonnes)	2,000
Accumulated Hazardous Waste (Tonnes)	1,958
HEALTH	
Malaria Infection Rate - Chad and Cameroon (Per 200k Work Hours)	1.23
Number of Consultations at Project Clinics - Chad	18,538
Number of Consultations at Project Clinics - Cameroon	2,502
STDs - Chad ¹	189
STDs - Cameroon ¹	16
SSS Events (excluding Malaria & STDs) - Chad ²	508
SSS Events (excluding Malaria & STDs) - Cameroon ²	0
Hospitalizations/Observations - Chad ³	31
Hospitalizations/Observations - Cameroon	14
Medevacs - Chad	11
Medevacs - Cameroon	1
CONSULTATION & COMMUNICATION	
Consultation Sessions in Chad	273
Consultation Attendees in Chad	13,970
Consultation Sessions in Cameroon	908
Consultation Attendees in Cameroon	9,517

¹ STDs: Sexually Transmitted Diseases. ² SSS: Sentinel Surveillance System, an epidemiological early warning system. Some examples of diseases tracked by the SSS include tuberculosis, dust exposure, meningitis, skin rashes and flu. The SSS focuses on additional diseases outside the two that have been priority targeted - malaria and sexually transmitted diseases. Trends in disease rates can help alert project health experts to a health problem before it reaches epidemic level. ³ Chad hospitalization data is from Komé 5 and Komé Base clinics only. NDjamena clinic data not included.



EEPCI

Esso Exploration and Production Chad Inc.
1206, Rue de Bordeaux,
B.P. 694
N'Djamena, Chad



Cameroon Oil Transportation Company
164, rue Toyota [Bonapriso]
P.O. Box 3738
Douala, Cameroon



Tchad Oil Transportation Company
Rue d'Abéché 3223
B.P. 6321
N'Djamena, Tchad

essochad.com

