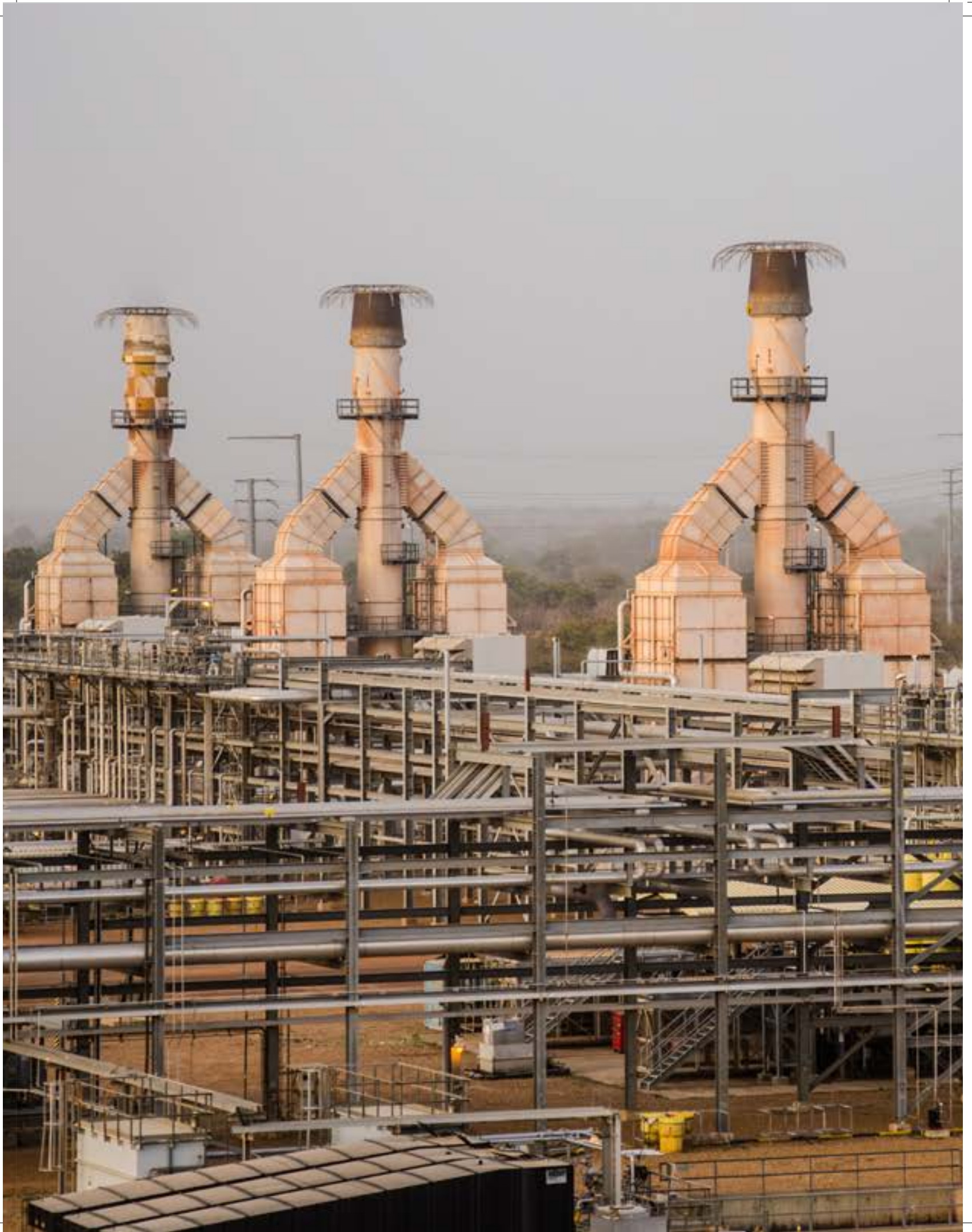
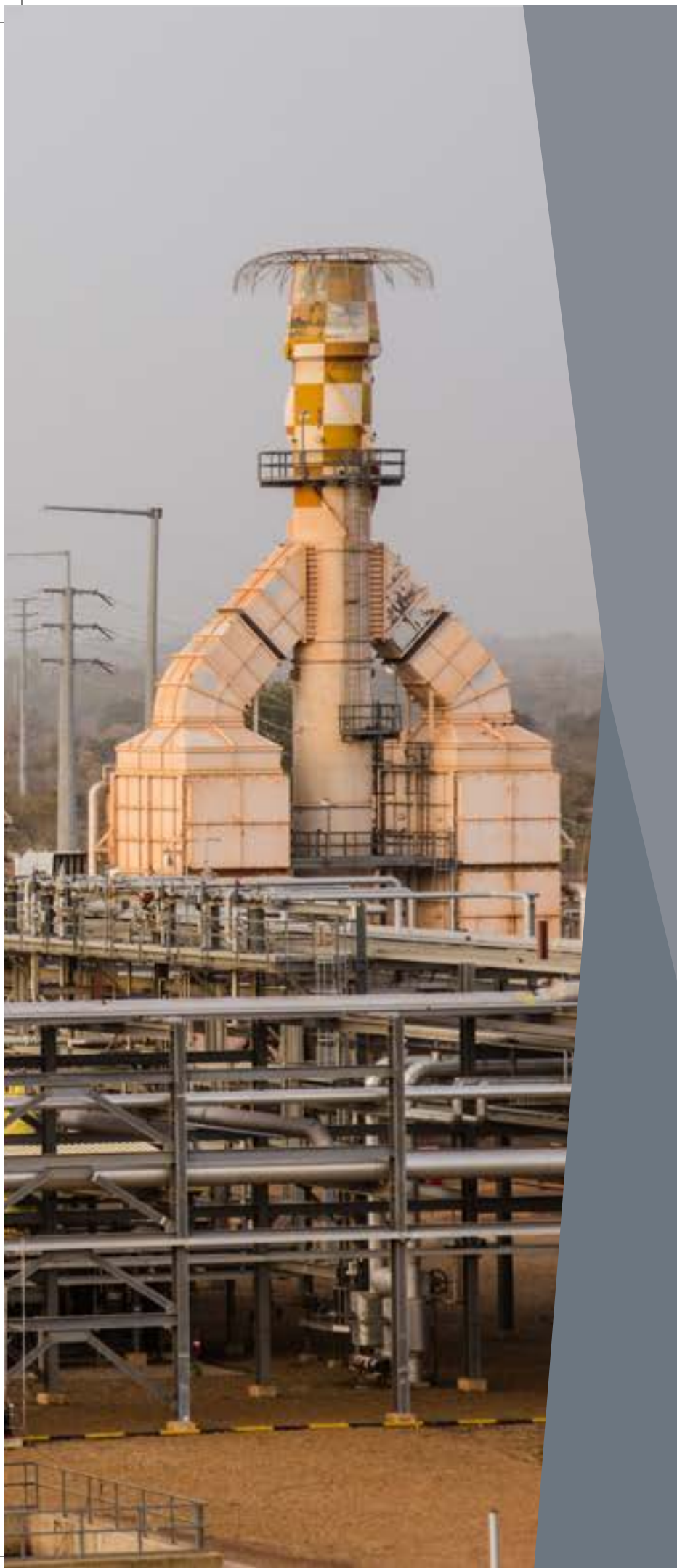


YEAR-END REPORT 2015
CHAD/CAMEROON
DEVELOPMENT
PROJECT

Project Update No. 36







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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 operations in French and English.

By publishing these reports, Esso and its Consortium partners, Petronas and La Société des Hydrocarbures du Tchad (SHT), keep project stakeholders, including the citizens of the host countries, the governments of Chad and Cameroon, interested non-governmental organizations (NGOs), the World Bank and others well-informed about the project. These reports are posted on the ExxonMobil website (www.corporate.exxonmobil.com), and 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.



Despite being a very challenging year for the oil industry, 2015 was a highly successful year for the project's pipeline companies, with important achievements by COTCO and TOTCO in the areas of safety, environmental protection, system reliability, cost management and volume of oil transported.

I am pleased to report our best safety performance in the history of the two companies which operate the project's Export Transportation System (ETS). Our team of over 1 600 employees (including contractors) achieved zero reportable safety incidents over the entire year. This was accomplished despite conducting complex operations in two countries and highly demanding maintenance activities on the Floating Storage and Offloading vessel which is anchored 12 kilometers off the shore of Cameroon. This work, which required normal operations to continue under challenging non-routine conditions, is described on page 10 of this report.

We had another outstanding performance regarding the environment. No oil from any operations related to the ETS was spilled on the ground or into the sea, and COTCO and TOTCO had no reportable incidents of any kind as defined by the project's Environmental Management Plan. This is consistent with an already strong history of safe operations. Since production began in 2003, the FSO has offloaded onto export tankers well over half a billion barrels of oil without a major incident.

Maintaining the reliability of the ETS is of paramount importance in our business. If the ETS is shut down for any significant period of time, our customers may need to halt their production operations. This is why we are proud that in 2015 the pipeline was in operation for all but four hours – a record 99.9% reliability rate. The FSO was in operation 100% of the time.

With our customers seeking to reduce their expenditures in this low oil price environment, we succeeded in achieving a meaningful reduction in the cost of transporting a barrel of oil through the ETS. We believe that we can continue to present a cost effective solution for producers without compromising the environment, safety or system reliability.

All of this has been accomplished while transporting more oil in 2015 than in any of the previous seven years, thanks to crude from PetroChad Mangara and China National Petroleum Company International Chad being added to the output from EEPIC. This achievement, which saw 47 million barrels transported in 2015, was possible thanks to the completion of technical modifications which allow the ETS to accommodate greater volumes of the various qualities of crude produced by the three companies.

COTCO and TOTCO have long histories of supporting communities near the pipeline corridor, with an emphasis on health, education and opportunities for local businesses. That will not change in this new environment, although the way we work with communities is evolving as the project matures. For example, in 2015 we supported a number of community-led projects by providing training, tools and materials to villages – rather than hiring contractors – so that the villagers can complete the job themselves. These initiatives do not change our level of investments in communities, but place the focus on building local capacity, transferring knowledge and reinforcing self-sufficiency.

Going forward, we can't assume that what is happening today is what will happen in the future. Oil prices may change. Companies may ramp up production. Additional shippers may seek to connect to the ETS. We must prepare for the future and develop the pipeline to be ready for these possibilities. With the necessary technical modifications in place, a disciplined approach to operations and our focus firmly on the fundamentals of the business, we will continue to offer our customers a safe, reliable and cost effective way to deliver their crude to the world.

Sincerely,

A handwritten signature in black ink, appearing to be 'Johnny Malec', written over a set of three parallel diagonal lines.

Johnny Malec
General Manager
Tchad Oil Transportation Company S.A.
Cameroon Oil Transportation Company S.A.



2015 was a year of significant transitions for EEPCL. Faced with the abrupt decline of global crude oil prices, the company needed to make a number of difficult decisions in order to maintain the project's long-term viability. Specifically, we adopted a new cost-saving approach to the development of our oil fields and reduced expenditures across all other operations.

The most significant decision was to suspend an activity that has been a constant for the last 12 years – drilling new wells to maintain production as the Doba Basin oil field matures. Instead, we have shifted our focus to maximizing recovery from our large existing asset base of almost 700 active wells. Part of this effort involves implementing rigorous surveillance and maintenance programs to ensure existing assets are functioning optimally, including deploying a well work rig dedicated to maintaining or enhancing well productivity. We are also evaluating technology solutions such as our Polymer Injection pilot program, which has the potential to increase the total amount of oil that can be recovered from our oil fields.

As you will see in this report, our commitment to safety, health and the environment has not changed. We will not reduce our standards because of external economic conditions. Our relationship with key stakeholders has also not changed. Our partnership with the Chadian government is strong, and we remain committed to being a good neighbor to the communities in the areas in which we operate. While the decision to suspend drilling new wells has reduced the number of local workers hired by contractors and the amount of compensation for new land use, we will continue, as we have since the beginning of the project, to make meaningful investments in communities. Going forward, we will have an increased focus on capacity building, particularly in the areas most impacted by the reduced production activity.

Also unchanged is our commitment to maximize the percentage of Chadian nationals working for EEPCL. Despite all the challenges the project faced in 2015, I am pleased to report that at the end of the year, 95% of EEPCL's employees were Chadians, demonstrating the steady progress made since the beginning of the project.

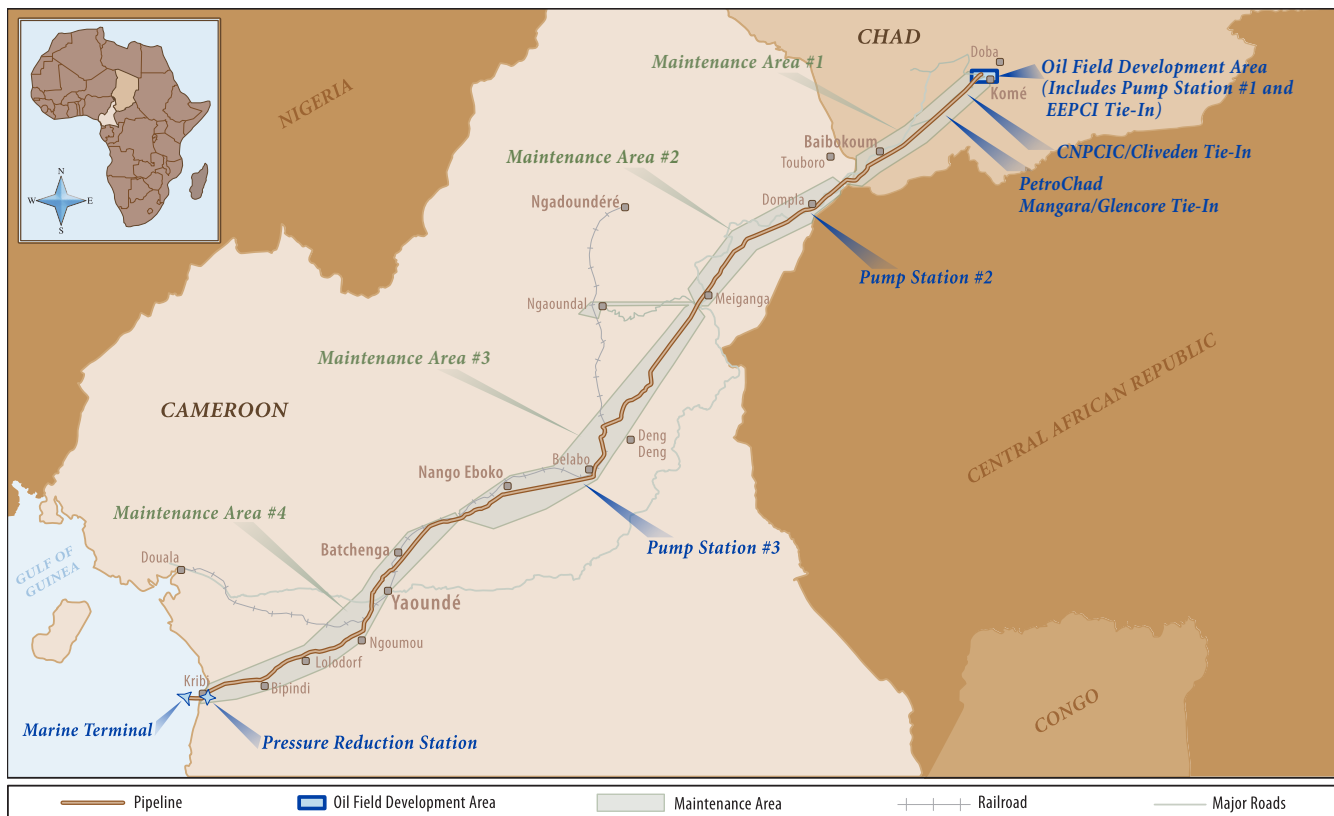
As the oil sector in Chad matures, we have started looking at ways to reduce costs by sharing resources and capacity across the industry. As part of this effort, we helped create the Chad Oil Operators' Association along with Chad's national oil company and consortium partner, La Société des Hydrocarbures du Tchad, and with two other oil companies operating in Chad, Glencore and the China National Petroleum Company's affiliate in Chad. This industry association provides a forum for producers to discuss topics important to development and production in Chad, including significantly reducing operating costs through sharing service resources across the industry. With this in mind EEPCL leased its Kome Base Drilling Camp to the service company Schlumberger so that it can support multiple companies from this one location while reducing our operating costs.

In 2016 we will continue to adapt our activities to the evolving economic environment. We recognize that we have been a key contributor to the Chadian economy for many years, and we will work diligently to continue in that role. While these are difficult times for our industry, we know that oil prices recovered from a steep drop in 2009 and from other declines in the past. In the meantime, we believe EEPCL is well positioned to withstand even a multi-year low price environment. Going forward, we intend to strengthen our position even more by continuing to find new ways to further reduce operating costs while at the same time maximizing production from our oil fields.

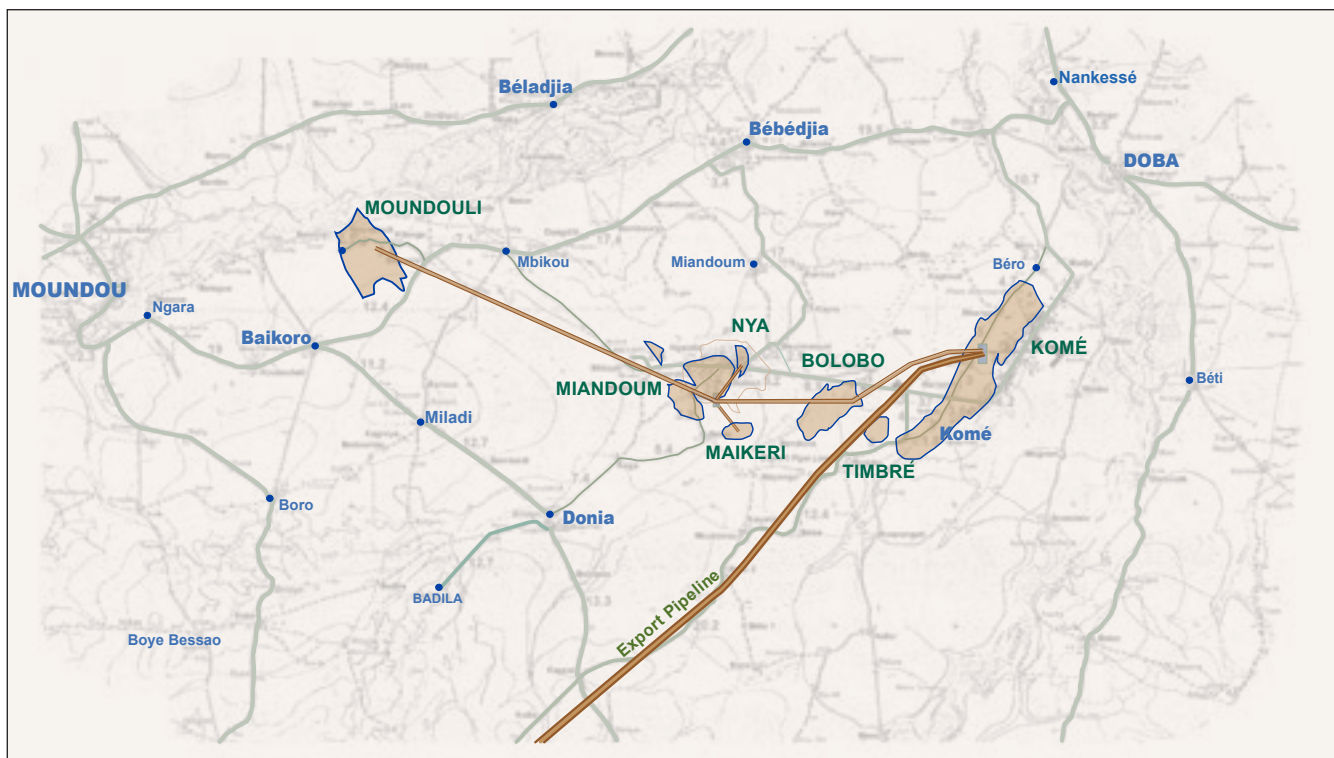
Sincerely,

A handwritten signature in black ink, appearing to read 'Lenoble', written in a cursive style.

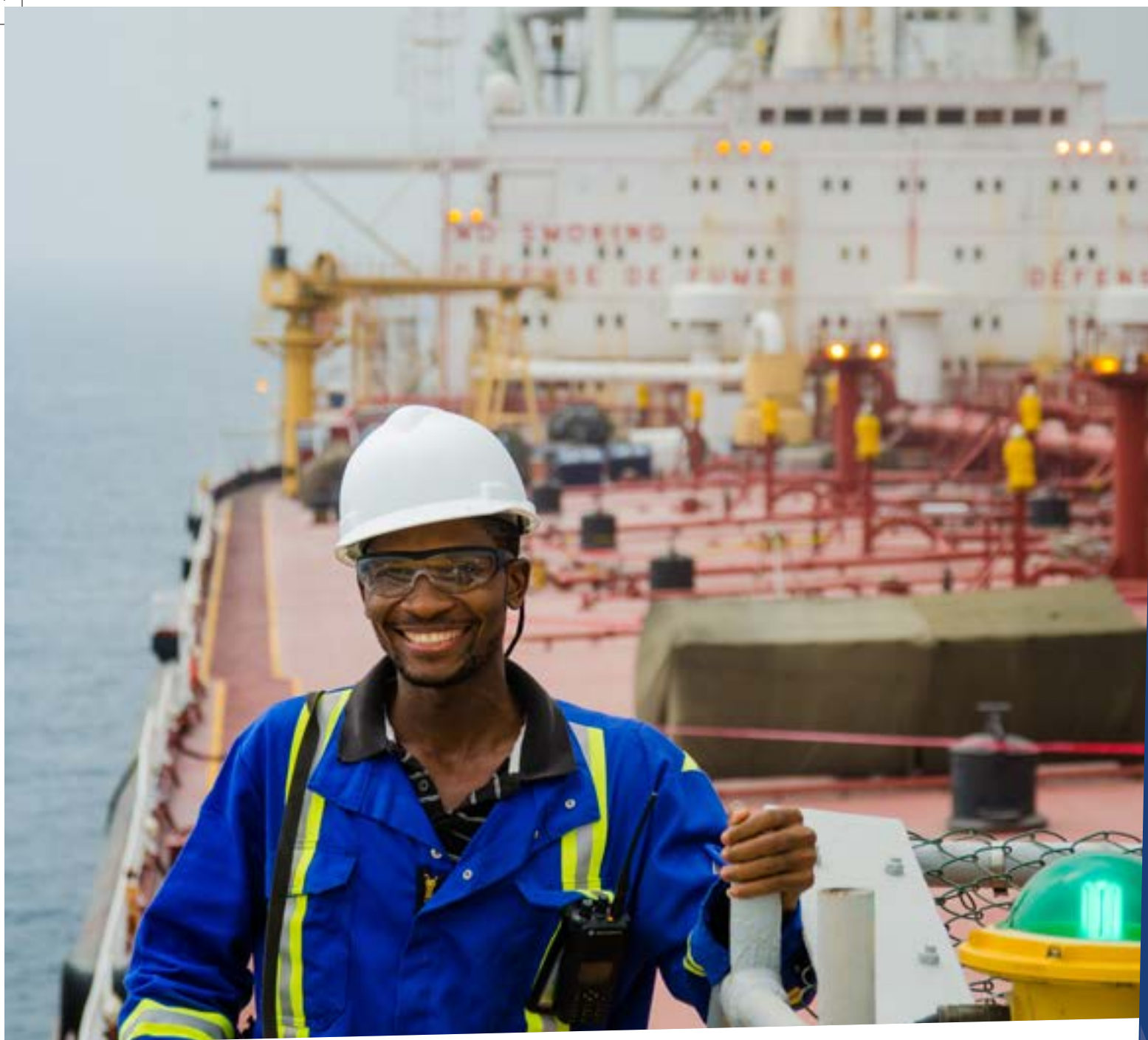
Christian Lenoble
General Manager
Esso Exploration and Production Chad Inc.



Chad/Cameroon Development Project, Project Overview Map



Chad/Cameroon Development Project, Overview of the Oilfield Area



PRODUCTION & OPERATIONS

With crude from new shippers flowing through the pipeline in 2015, the Export Transport System (ETS) delivered the largest amount of Chad's oil to world markets in seven years, while simultaneously reducing the cost shippers pay to transport each barrel. Engineers in Chad, Cameroon and the United States are working to ensure the system continues to have the capability to transport increasing quantities of crude of different qualities from the three international oil companies currently producing in Chad.

At the same time, Esso Exploration and Production Company Inc. took a number of actions to maximize the recovery of oil from its 686 producing wells while minimizing capital and operational expenditures in the face of challenging oil markets across the globe. These actions included suspending the drilling of new wells while at the same time removing technical bottlenecks to production; intensifying maintenance of existing wells; and exploring new techniques to unlock the amount of crude recoverable from these wells.



RESTARTING A RIG DEDICATED TO WELL MAINTENANCE

Along with the decision to reduce operating costs by suspending the drilling of new oil wells, the EEPCI production team refocused its efforts on maximizing the productivity of its existing wells through disciplined maintenance and diagnostic activities called *well work*.

In November 2015 EEPCI decided to restart operations with its well work rig, Toumaï, which had been shut down in October 2014 because the project's focus at that time was on drilling new wells. Despite a new subcontractor and service crew, the rig, which will work on approximately 10 wells every month, had a very safe startup, recording no Lost Time Incidents (LTIs) since it came online. The rig will help maintain and repair wells and their components and will facilitate the study of well dynamics to ensure maximum recovery.

PUMP RELIABILITY MINIMIZES WELL DOWNTIME

The Toumaï well work rig was reactivated to ensure prompt repair of wells and *downhole equipment* such as the pumps used to lift the oil to the surface. This decision is consistent with the project's long standing priority of minimizing the downtime caused by pump failures. While pump failures are normal throughout the industry, EEPCI's pump reliability rate has been very favorable compared to industry statistics. The production company has achieved this record despite challenges to reliability that are unique to the Doba Basin, such as the high viscosity of the crude and the sandiness of the soil, both of which require the pumps to work harder. In 2015 EEPCI improved on its already strong historical record by achieving 20% fewer failures than forecasted for the year. EEPCI's well work engineers attribute this success to three factors:

- **Surveillance and optimization:** A robust surveillance program allows the team to monitor the entire asset base, identify problem wells and make adjustments on a daily basis. When a pump is operating outside its normal parameters, the team intervenes remotely if computer adjustments are needed or mechanically if a visit to the well site is required.
- **Strong well work planning:** A strategic approach to pump installation and maintenance ensures that conditions in the wells remain optimal for consistent production and smooth pump operations.
- **Rigorous analysis:** When a pump does fail, the team analyzes both the equipment and the conditions surrounding the failure. Learnings from the Root Cause Failure Analysis are utilized to continuously improve performance.



■ "Every well has its own personality. My job is to prepare the well work plan to address any issues with a well and work within each well's limits. Each time a pump fails, it costs money, so keeping them functioning means a lot of savings."
 – PEBAH SOBDIBE, Wellwork Engineer, EEPCI

PILOT PROGRAM TO INCREASE RECOVERABLE OIL SHOWS PROMISE

The Polymer Pilot program, which began in late 2014, has shown promising possibilities for increasing the amount of oil that can be recovered from each well. The technique, often called Polymer Injection, involves the use of non-toxic polymers to increase the viscosity of the produced water that is re-injected into oil reservoirs to maintain pressure, stimulating additional production. This can be especially valuable in enhancing the recovery of heavier oil like that found in the Doba fields.

At EEPCI's polymer pilot test site, a variety of tests are conducted to determine the viscosity and other properties of the polymer solution before it is reinjected, as well as the quantity and properties of the resulting liquids produced by three test wells. The resulting data is sent to a team of reservoir engineers in Komé, N'Djamena and Houston for analysis and determination of next steps.

This multi-phased pilot program has shown positive technical results on initial test wells – a necessary first step. Once a full analysis of the efficacy of this technique across a variety of well structures is complete, the economics of different approaches to the application will be studied before the program will be more broadly implemented.



2015 EEPCI PRODUCTION RESULTS

541 Million barrels of oil produced by EEPCI since October 2003

37 New oil wells added before drilling suspended

686 Production wells on line

60 Water injection wells on line

493 Well renovation and enhancement procedures conducted

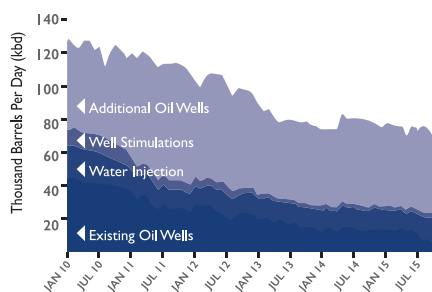
DEBOTTLENECKING EFFORTS PAY OFF

Two initiatives to remove bottlenecks to powering operations in the Oil Field Development Area (OFDA) – LK Liquids and Crude Firing – showed positive results throughout 2015.

Thanks to the LK Liquids project, the production of natural gas from several gas wells in the OFDA was maximized to help run the generating plant at EEPCI's Komé 5 operations center that powers all production operations. These gas wells had been in operation for years, but as with all mature wells, production began to decline, and equipment to help 'lift' and transport the gas became necessary. The reason this initiative was named the LK Liquids project is that the gas comes from the Lower Cretaceous (LK) geologic zone, which requires deeper wells to access it.

In addition to increasing the supply of gas, EEPCI converted one of its four turbines to run on crude rather than gas or diesel to ensure a consistent, cost-effective power supply for the power plant. Together, the two initiatives significantly reduce the risk of oil production interruptions due to shortages of gas or diesel, should one occur. They also allow the production operation to run primarily on inexpensive sources of fuel, namely the gas and crude that is produced by the project's existing wells.

EEPCI PRODUCTION



At year end 2015 production support investments were contributing about 63,000 barrels per day to crude oil output. Without the Consortium's investments, production would have fallen to less than 10,500 barrels per day – 14% of the 2015 average yield of just over 73,000 barrels per day – due to the natural decline in base production.



Vapor Recovery Units were installed in the central treatment facility to collect excess gas from production wells for use at the central power plant.

2015 TOTCO ACCOMPLISHMENTS

- Exporting a record volume of oil through the ETS due to the addition of new shippers, and favorably impacting the per barrel transportation cost.
- Adapting the company's workforce to its evolving business needs (32 employees by year end 2015) and building a strong team in the process.
- Continued nationalization of positions, including specialized areas such as metrology, where six Chadians were hired and trained.
- Transporting clients' volumes reliably, without incidents, demurrage or impacts on production.
- Strengthening security for all operations through investments and improved coordination with all stakeholders.



MAINTAINING THE INTEGRITY OF THE STORAGE TANKS ON THE FSO



During a five-year cycle, the 27 oil storage tanks and the two ballast water storage tanks on the Floating Storage and Offloading vessel (FSO) undergo a thorough up-close internal inspection. A highly trained Rope Access Team is contracted to perform this inspection, which is required by international maritime regulations. To verify sound structural integrity, inspections include a meticulous visual survey and a steel structure thickness gauging test with special focus on the higher stressed areas of each of the tanks.

A structured inspection schedule is created for each of the tanks. Each tank, one at a time, is taken out of service, cleaned and made ready for inspection on a rotational basis. The FSO operations and maintenance teams prepare the tanks for safe entry and work closely with the internationally renowned testing, inspection and certification organization, Bureau Veritas, to ensure the FSO maintains its safe structural integrity and adherence to its class requirements.

UNDER WATER INSPECTION OF THE FSO

At the southwestern end of the 1,070 kilometer oil pipeline is the 357,000 ton Floating Storage and Offloading (FSO) vessel. Keeping the FSO operational is a critical priority for COTCO, since if the FSO is unable to receive and store crude, oil production in Chad has to be shut down.

In 2015 the hull and other parts of the FSO were due to be inspected to assure the vessel remains in good condition. To complete this task, COTCO carried out an Under Water Inspection in Lieu of Dry Docking (UWILD) which avoids the need to dry dock the vessel and cause production to be shut down for an extended period. The UWILD process involves certified SCUBA divers completing a number of different types of under water inspections to ensure the integrity of the hull. In addition, the FSO's seawater valves, suction and overboard lines, were all inspected in 2015.

The inspection was scheduled to take 60 days, but careful planning and management enabled the work to be completed in 32 days, reducing risks and costs.

SHIPMENTS FROM MARINE TERMINAL¹

	2015	PROJECT TO DATE
MILLIONS OF BARRELS	47	566
EXPORT TANKER SHIPMENTS	50	620

¹. Includes crude produced by EEPIC, CNPCIC and Glencore.



ENVIRONMENTAL MANAGEMENT PLAN

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 2015 the project continued its practice of contributing funds, equipment and staff time to one its most important programs, the Foundation for Environment and Development (FEDEC) in Cameroon. For years, FEDEC has been working with NGOs in protecting biodiversity in Cameroonian national parks and in helping indigenous people in several parts of the country.

The project's strong environmental performance continued in 2015 with zero Level Two or Level Three Non-Compliance Situations for the third year in a row.



VOLUNTARY MEDIATION PROCESS RESOLVES DIFFICULT DISPUTES

When creating the Environmental Management Plan (EMP), the project recognized that some issues with local communities and other stakeholders could be difficult to resolve and outlined a voluntary mediation process that might help. Over the years the dispute resolution process has taken different forms. In 2005 COTCO created the Platform for Consultation and Cooperation, which brought together the project, community-focused NGOs and the government of Cameroon. It proved to be an effective tool for resolving issues.

By 2013, when the Platform process ended, only a small number of disputes remained unresolved. While most of the few remaining have been resolved, the last three community cases in Cameroon are currently being handled through the World Bank's Compliance Advisor/Ombudsman's (CAO) mediation process.

■ *"The CAO can play a role when there are two parties who are having trouble resolving issues on their own. As a credible, neutral third party, our job is to facilitate a discussion, which can take a lot of work, not only during direct meetings, but through all the offline and background work necessary to prepare the two parties to meaningfully engage each other."* – ANDREW MARSHALL, Mediator, CAO, World Bank

SUCCESSFUL MEDIATION RESOLVES DAMAGED FARM LAND CASE

One successful mediation case involves a farmer, Paul Nzougo, who claimed that a construction camp located relatively near his farmland negatively impacted the viability of his land. In particular, one complaint suggested that the runoff from the then-closed and reclaimed construction camp was flooding his farmland, making it impossible to farm during the rainy season.

Following a series of meetings and discussions, the CAO helped the parties reach a resolution centered on opening drainage for the runoff water, helping the farmer clear a three-hectare space in a nearby area for a new farm and providing him with tools and starter crops of fruit trees, banana and cocoa (cacao) plants. In addition, the company provided the farmer with funds to hire local workers to assist in clearing the new agricultural land.



■ *"I am pleased with this new plot because of its good location, and people were grateful for the jobs they got to help clear this land for farming. COTCO fulfilled its commitment, and we are really happy that we have this farmable land, a chainsaw to maintain it and the crops to start the farm."* – PAUL NZOUGO, Ndtoua Village

FOUNDATION FOR ENVIRONMENT AND DEVELOPMENT IN CAMEROON

In 2000, COTCO donated \$3.5 million to create a foundation to protect biodiversity in two national parks in Cameroon and administer an Indigenous Peoples Program (IPP) designed to benefit the Bakola/Bagyeli people living in the forest area between Kribi and Lolodorf. The foundation, which was founded to offset any environmental or socioeconomic impacts caused by the the construction and operation of the pipeline, has been fulfilling this mission ever since. In subsequent years, COTCO has made additional donations, bringing the company's total financial support of the Foundation for Environment and Development in Cameroon, also known as FEDEC, to \$6.5 million.

Over the last 15 years, FEDEC has grown and evolved as it worked to develop close collaboration with relevant Cameroonian government ministries, increase the effectiveness of the programs it supports and identify additional sources of funding.



PROTECTING BIODIVERSITY IN CAMPO MA'AN NATIONAL PARK

Funding from FEDEC and a partnership with World Wildlife Foundation (WWF) have supported conservation, anti-poaching and biodiversity protection activities since 2000 in Cameroon's Campo Ma'an National Park. The park, an environmental reserve spanning over 250,000 hectares in the southwest corner of Cameroon, is home to 80 species of mammals, such as forest elephants, leopards and gorillas, as well as hundreds of bird, reptile and fish species. The combined area for the national park and the surrounding buffer zone is approximately 700,000 hectares. FEDEC also works with the Wildlife Conservation Society in a similar fashion to protect biodiversity in Mbam et Djerem National Park in central Cameroon.

FEDEC provides ongoing financial and material support to the WWF, which works with the Cameroonian Ministry of Forests and Wildlife (MINFOF) to manage and protect the park. WWF, which maintains an office inside the park, develops strategies for park management and anti-poaching patrols and conducts scientific research on wildlife inventories and the socioeconomics of people who live near the protected areas.



WWF and the Cameroonian Government have recently undertaken initiatives to better engage with the indigenous people and others living near the forest to help protect the area. As part of this effort, an ecotourism center was recently constructed as a pilot project to promote alternatives to poaching for local populations. The center, located next to an idyllic section of the Ntem River on the edge of the protected rainforest, is intended to help the nearby village of Ebiangmeyong generate income by serving food and refreshments to park visitors. FEDEC is currently evaluating the pilot to determine the efficacy of this approach.

In addition to donating \$100,000 annually to FEDEC to support this work COTCO also financed construction of a guard post and donated multiple vehicles and other equipment to support the park. Above, one of the park's anti-poaching teams, traveling in a truck recently donated by COTCO, investigates a suspicious vehicle inside the park.



■ *“Our principal mission is to welcome tourists here. Hunting has been prohibited now, and the center is important to protect the forest and animals, and it is helping change our own lifestyle. With the help of the ministry and with enough visitors, our association will be successful and grow.”* – NSOM ONDO ANDRE TAYLOR, President, Association for the Valorization of the Waterfall Memvele



■ *“FEDEC’s contributions are very significant to protecting this forest and its biodiversity. It would be good if other companies in Cameroon were also held to the same standard as COTCO is.”* – ENONKU MANASSEH, Campo Ma’an Program Manager, World Wildlife Fund



■ *“When the oil pipeline was under construction, they realized that the Campo Ma’an ecosystem was very similar to some of the land that would be impacted by the pipeline, so supporting Campo Ma’an Park was a good opportunity to ensure preservation of biodiversity. The agreement between COTCO, FEDEC and the government is an important model as it secures funding for efforts in Campo Ma’an for a long time.”* – SOCK BENJAMIN, Conservator, Campo Ma’an, Cameroonian Ministry of Forests and Wildlife

A BOARDING HOME FOR BAKOLA/BAGYELI AND BANTU CHILDREN

The Bakola/Bagyeli, the indigenous people sometimes referred to as pygmies, live in the vicinity of the COTCO pipeline in the rainforest between Kribi and Lolodorf. Their traditional lifestyle can be very nomadic as they often travel deep into the forest for weeks or months at a time to forage and hunt for food. They face many difficulties, including food insecurity, cultural tensions with the majority Bantu population and poor access to health and educational facilities. These problems all contribute to shortened life spans and high infant mortality.

As part of its Indigenous Peoples Program (IPP), which was designed to address some of these problems, FEDEC decided to support efforts by the local community in 2009 to revive the Foyer Ngoyang, a home that provides housing, food and care for Bakola/Bagyeli children while their parents are away. The Foyer, located in the village of Ngoyang, aims to show that the Bakola/Bagyeli and Bantu can live together on an equal basis, and it functions as a stable location from which the children can regularly attend government-run schools in the area alongside Bantu children. There are four full-time caretakers – two Bakola/Bagyeli and two Bantu. At the end of 2015 there were 60 Bakola/Bagyeli students in residence, the highest number since the Foyer opened.

With the help of its implementing partner for the IPP program, the International Support Centre for Sustainable Development (CIAD), FEDEC supported community efforts to create an association to manage the Foyer that is jointly run by Bakola/Bagyeli and Bantu representatives. The two organizations are presently training the community association with the goal of having it ultimately manage the Foyer program.

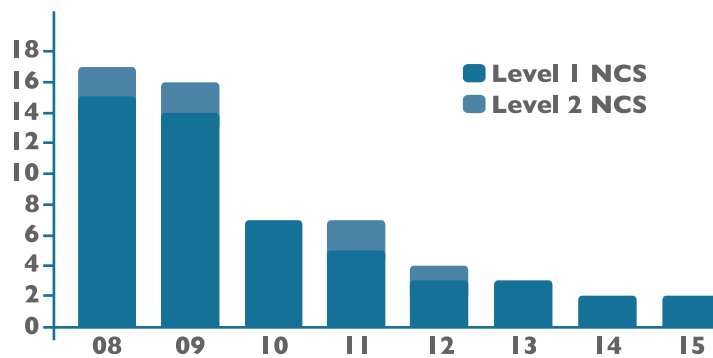
■ *“This is a long term effort, and it will take some time to see the results, because we are trying to instigate a cultural shift within both the Bantu and Bakola/Bagyeli communities. But our aim is that the Bakola/Bagyeli, should they wish, can have the same opportunities as the Bantu and are prepared to take advantage of those opportunities.” – SERGE MBERE, Program Coordinator, FEDEC*



■ *“The pygmies were previously all living in the bush and were facing a lot of problems out there. This is why the village of Ngoyang decided to try to help by giving them some land. And when FEDEC and COTCO stepped in to help us, we’ve really seen a change for the positive. The shared mission of the association is that our children can someday work for the government and private companies. Preparing our Bantu and Bakola/Bagyeli children for success can only be good for our area.” – OWENA GUILLAUME, Vice President, Foyer Ngoyang Management Association*

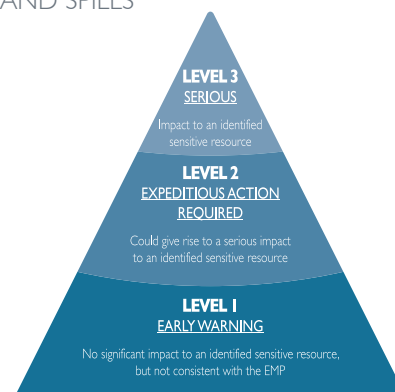


NON-COMPLIANCE SITUATIONS



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. In 2015, EEPCL had two minor spills totaling six barrels of oil. In both cases, all oil and contaminated soil was cleaned up. Several changes were made to equipment systems to prevent similar events from occurring in the future.

EMP REPORTABLES – NON-COMPLIANCE SITUATIONS AND SPILLS



The EMP includes reporting standards for non-compliance situations. 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 zero Level II or Level III NCS in 2015.



ENVIRONMENTAL PROTECTION

One of the many ways the project protects the environment is by maintaining the integrity of the over 1,000 kilometers of underground pipeline that extends from the oil field area in southern Chad to the coast of Cameroon. To do this, the two pipeline companies, COTCO and TOTCO, conduct multiple year round monitoring and maintenance programs that range from aerial surveillance to training and employing local villagers to engage in foot patrols of the pipeline right of way.

Safely disposing of waste is another environmental priority. In 2015 EEPCI launched a program with the NGO Africare to employ local people to use composting technology to turn food waste into high quality fertilizer for local farmers. In the process, knowledge about the composting process has spread to a number of villages in the area.

PROTECTING THE ENVIRONMENT BY KEEPING THE PIPELINE SAFE

To maintain the integrity of the buried pipeline and assure access to its right of way, the pipeline's 10-meter-wide easement in both Chad and Cameroon must be cleared of grasses and deep-rooted shrubs several times a year. In addition to protecting the environment by keeping the pipeline safe, grass cutting creates opportunities to hire local villagers in both countries for part-time work.

To do this work along the 178 kilometer Chadian segment of the pipeline, TOTCO contracts with CLEJOTO, a Chadian business based in Doba. When it is time to cut the grass and remove shrubs, company representatives meet with canton chiefs, who hold a lottery for the work across the 102 villages along the Chadian segment. The EMP requires this process to assure that everyone has a fair chance to earn the income created by these jobs.



A typical TOTCO grass cutting session employs dozens of people, working in teams at different locations along the pipeline. As work on each section approaches completion, hiring begins further down the pipeline and the process continues for about two months.



“Everyone in my village would be happy if they could have this job, and I am happy to be chosen so I can get some money for food and scholarships for my children. This work is important because if we don't maintain this area regularly, it is possible that fire could damage the pipeline and fiber optic cable. When we are cutting the grass, we are also trained to observe and report if there are any problems or suspicious activities.” – MOUSSA VALERY, Dildo Village, Bero Canton

PERIODIC TRAINING KEEPS FOOT PATROLLERS ALERT AND SAFE

In addition to periodic maintenance of the vegetation along the pipeline, COTCO and TOTCO rely on regular foot patrols by trained workers from villages along the right of way (ROW) to help ensure the integrity of the 1070-kilometer-long pipeline. In Chad, foot patrols are carried out along the entire length of the ROW twice every month with the teams reporting any potential problems like erosion, unauthorized activity and exposed infrastructure, such as the pipe or the fiber-optic cable that runs the entire length of the pipeline.

Foot patrol teams are rotated every six months to give more people a chance to have a job. By involving local communities in these foot patrols, the project found that residents typically become more invested in keeping the pipeline secure and maintaining a positive connection with the company. In the course of a year, dozens of villagers are likely to have been employed by the foot patrol program. The patrol coordinators are employed full time and receive classroom training after hiring and periodic refresher training.



“In addition to the classroom lessons, the training work that we are doing here in the field is very important for us to remain current on everything so that we can ensure the foot patrols are effective, despite having new teams.” – DJEKOUNDAGOM SADRAK, Foot Patrol Coordinator (Right)

TURNING FOOD WASTE INTO VALUABLE FARM FERTILIZER

Feeding hundreds of workers in the Oil Field Development Area (OFDA) is the responsibility of EEPCL's General Services Department, as is the disposal of the associated food waste each day. Building on a smaller program started in 2013, General Services entered into a contract in March with the international NGO Africare to use composting technology to turn its food waste and other organic materials into high quality fertilizer for local farmers. The agreement calls for Africare to employ local people to create the fertilizer, so the program has multiple benefits:

- Timely and environmentally responsible disposal of the waste
- A supply of quality fertilizer distributed at no cost to local farmers throughout the year
- Jobs for people living in the OFDA
- No increase in disposal costs compared to other methods
- Giving program employees knowledge about composting technology that they can share with their communities

Under this arrangement, EEPCL supplies organic waste and vegetation from grass and brush cutting on its properties. The company built a dedicated facility for the composting program and donated two vehicles to distribute the fertilizer to farmers in the OFDA. EEPCL's EMP team is also teaching local farmers how to make their own compost from materials easily found in the area. To learn more, please see the Land Use & Compensation chapter of this report.



IN JUST NINE MONTHS, EEPCL CONVERTED ITS FOOD WASTE INTO OVER 200 TONS OF VALUABLE FERTILIZER.

■ *“This is a unique approach in Chad – taking a large source of organic material and creating a large quantity of fertilizer and distributing it to farmers who are impacted by the project in the region.” – NJONG JAMES KONGNYUI, Officer in Charge, Africare, Doba, Logone Oriental Region*



■ *“All of the farmers want this compost because the farmers that have used it say that their yields are much greater. From working here, I also have learned how to make this compost and we hope to create it for ourselves in the future.” – ROSALIE MRAMROMPI, Komé Village*

MANAGING THIRD PARTY INTERACTIONS

Interactions with land development and construction activities near the pipeline corridor continue to increase in number, particularly in the area in and around the seaside town of Kribi, necessitating increased vigilance by COTCO to ensure the integrity of the pipeline. While access to the right of way is allowed along most portions of the pipeline, certain restrictions are necessary to keep the pipeline secure.

While some of these interactions may be illegal and potentially harmful to the pipeline, many of them are positive developments resulting from Cameroon's steadily growing economy. Usually, COTCO is able to work with the Cameroonian government and the developers to reach a viable solution that does not impede safe, responsible construction near the pipeline. In some cases, however, if an activity is unauthorized or could negatively impact the pipeline, COTCO can order the work to stop immediately.



A new municipal water distribution system for Kribi that is under construction will cross COTCO's pipeline at least once, requiring the water company and COTCO to work together to develop a technical solution for the crossing.



■ *“The most important thing here is our relationships. We are always in contact with local communities and different levels of administrative authorities. Because of this continuous communication over the years, all of the communities near the pipeline know what our policies are.” – OSCAR DANDE, Community Relations Officer, COTCO (Kribi area)*

MANAGING RISKS CREATED BY THE LOM PANGAR HYDROPOWER PROJECT

In 2015 COTCO initiated a formal Management of Change process to assure that the company is prepared to deal with potential risks to pipeline operations created by the Cameroon government's Lom Pangar Hydropower Project.

The hydropower project involves Cameroon constructing a hydroelectric dam at the confluence of the Lom and Pangar rivers and a 590 square kilometer reservoir. Because the reservoir is in an area traversed by the oil pipeline, COTCO agreed to modify two 13 kilometer sections of the pipeline, parts of which will be submerged under the newly created reservoir. COTCO completed its two-year pipeline modification effort in 2014. With the reservoir dam expected to be completed in mid-2016, the company has focused on adapting the pipeline's operating procedures to the submerged area, part of which is near the environmentally sensitive Deng Deng National Park.

The Management of Change process calls for a number of operational teams to evaluate whether procedures must be modified to maintain normal pipeline operations and whether to build new scenario response plans for possible operational problems, including even extremely unlikely cases such as an underwater pipeline spill or a dam rupture.



■ *“By going through this change process we are securing the integrity of the pipeline under new conditions, and in doing so, we are protecting people, the environment and the strong reputation we have for being skillful pipeline operators.” – ANDRE BELLE, EMP Regulatory and Land Supervisor, COTCO*

EDUCATING COMMUNITIES ABOUT COTCO'S WASTE MANAGEMENT PRACTICES

As with most industrial projects, different types of waste result from operations. A number of methods are used to responsibly process the various waste streams. For example, non-hazardous organic waste such as food is converted into valuable compost, while materials such as plastic, glass or aluminum can be recycled or reused. The project also produces waste categorized as potentially hazardous, which consists mostly of commonly used goods like aerosol cans, oil filters and fluorescent light bulbs.

Disposal of potentially hazardous waste can be a sensitive and often misunderstood issue. Since 2004, COTCO has processed all of its hazardous waste that qualifies for burial in a landfill at its Belabo Waste Management Facility in central Cameroon, a site designed and operated in accordance to internationally recognized standards. Since relatively modest volumes of this type of waste are produced, COTCO collects the materials in containers for several years and then buries them when the weight collected from various sites reaches 50 tons. Burials were done in 2005, 2007, 2012, and most recently, in December 2015.



While COTCO has explained the safeguards governing the disposal process to the local community in the past, periodically new concerns or rumors arise. For that reason, the company invited local community and political leaders to observe the treatment and burial processes, learn about the facility and verify the company's practices. The observers heard about the design and construction of the 35 square meter landfill. The facility includes a waste treatment area, the landfill with multiple layers of heavy duty composite liners to contain the waste and, as an additional safeguard, strategically placed groundwater monitoring wells to ensure that any leakage is detected and dealt with promptly.



SAFETY & HEALTH

The project maintained a strong safety record in 2015, achieving a recordable incident rate well below the average rate of the U.S. petroleum industry. In a remarkable achievement, COTCO and TOTCO had the best safety performance in the history of the two companies: zero reportable safety incidents over the entire year.

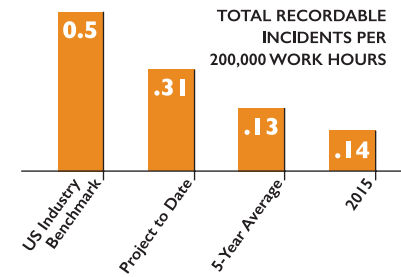
One of the many safety programs that were highlighted in 2015 was an ExxonMobil initiative called "Approaching Others / Actively Caring," which trains workers not to feel intimidated about speaking up if they see something potentially unsafe.

The project's health staff was active on many fronts in 2015, including malaria prevention, TB testing, meningitis vaccinations, donations of medical equipment and supplies and assisting government health planners. EEPCL's Medicine and Occupational Health Department received formal recognition and appreciation from Chad's Ministry of Health for the medical expertise and technical assistance it provides on a regular basis to the Ministry regarding malaria, Ebola, HIV and other diseases.

RECORDABLE INCIDENT RATE

For years, the project's Recordable Incident Rate has been well below the average rate of the U. S. petroleum industry as a whole, and in 2015 it outperformed this benchmark by over 70%. The industry benchmark for the U.S. petroleum industry is derived from reports to the American Petroleum Institute by participating companies. The project achieves these results through setting long-term goals, strict adherence to operational integrity protocol and maintaining an employee culture that is highly focused on safety at work and at home.

RECORDABLE INCIDENT RATE



STOPPING WORK IN THE NAME OF SAFETY

The project's pursuit of safety in all of its operations takes many forms. One of the most important ways is through encouraging every employee to look for risk factors and empowering them to stop any work if they feel it might be unsafe. The goal is to ensure that all workers, not just managers, are involved in protecting the safety of the entire team. To that end a global ExxonMobil Production Company initiative called "Approaching Others / Actively Caring" trains workers not to feel intimidated about speaking up if they see something with the potential to be unsafe.

The initiative is built around the following principles:

- We are one family
- It is better to approach someone than to regret not doing so
- Looking out for each other is a moral imperative
- Look for the support of each team member around you
- Encourage personnel to commit to use best practices
- If you see something, say something
- We must intervene to stop a job when done unsafely
- Our actions must show that we really care about people and we don't want anybody to get hurt
- Approaching Others and intervening takes Care, Commitment and Courage



“Even if our workers stop a job and there is no problem found, we still reward this behavior by recognizing these Safety Champions at our safety meetings, where we thank them for being safety leaders and taking care of others.” – HASSANE KARA, OIMS - Safety Superintendent, EEPCI



COTCO MANAGERS CONDUCT FIRST EMFOS TRAINING IN CAMEROON

For the first time, COTCO conducted the ExxonMobil Fundamentals of Safety for Leaders Training (EMFOS) program in-country and used its own resources rather than sending trainees to other countries as was done before. An important result was that a greater number of COTCO supervisors could participate, and the content could be tailored even more to COTCO and its Cameroonian staff. Moreover, for the first time, top management from several major contractors were invited to attend.

The three-day program held in Douala in September is a training course that every ExxonMobil affiliate worldwide is required to run for its safety leaders. The program aims to ensure that supervisors and leaders maintain the skills, knowledge, and desire to lead their workforces in achieving an injury and incident free environment.

The EMFOS training program consists of 17 modules that cover all aspects of safety, including workforce motivation, pre-job safety planning, incident management, contractor safety performance, short service workers, facility walkthrough, risk management, proactive reporting and off the job safety. The 10 COTCO managers who delivered the modules included as much local content and personal experience as possible.



“Doing this for the first time with all COTCO staff was really a good thing – the more people that are trained, the more opportunity we have to achieve zero safety incidents. This is an example of how we are always looking to improve and strengthen our safety programs. And with 2015 being our best safety record ever, we have our work cut out for us in the future.” – NICOLE LIPEM, Operational Integrity Safety Manager

SPECIALIZED TRAINING TO RESPOND TO EMERGENCIES AT HEIGHTS

The emergency response team (ERT) in the Oil Field Development Area is made up of EEPCL employees who have jobs with different areas of expertise. Every week, the team gathers to practice different scenarios for emergency response and rescue operations.

During a training session at the Komé 5 Training Center workshop the ERT team practiced “working at heights” and “confined space” rescues, both of which can require ascending and descending using ropes and other climbing equipment. A rescue at heights is assumed to involve open infrastructure like scaffolding or the top of a storage tank where someone needs to be lowered to safety. In a confined space rescue, a person may be inside a confined area and needs to be lifted up to safety. Because the ERT team must balance the need to make the rescue as quickly as possible with the necessity of staying safe themselves, they must become experts at climbing, tying different knots and using several types of climbing gear.

The core members of the ERT team are essentially the first responders to any potential accident or incident which might require an emergency response. They are supported by a wider ERTs support team that is made up of about 100 employees specially trained to be able to step in effectively if a core team member is not available. This means at any given time there are many employees throughout the organization who are specially trained in emergency response.



■ *“I’ve been on the ER support team for 14 years and have probably participated in more than 500 drills, including firefighting, confined space, working at heights, oil spill response and others. Because of all the trainings we have received, this project is very well-prepared in case there is an emergency.” – ADOLPHE BOULET, ERT Support Team Lead*

WORKING WITH THE MINISTRY OF HEALTH TO IMPROVE CARE IN CHAD

Supporting public health in Chad has been a priority since the beginning of construction in 2000. Working closely with the government and multiple NGOs, both the project and the ExxonMobil Foundation have been engaged in the fight against malaria, HIV/AIDS and other diseases for many years.

Another contribution EEPCL makes to better health for the Chadian people is by providing medical expertise and technical assistance to the Ministry of Health and multiple NGOs active in the country. As members of the National Technical Committee for Epidemic Surveillance (SSEI), representatives of EEPCL’s Medicine and Occupational Health Department participate in a weekly meeting with the Ministry and NGOs to identify disease trends across the country and mobilize rapid responses if needed.

In 2014 and 2015 EEPCL’s medical staff, drawing on the experiences of their counterparts in Nigeria, made major contributions to the development of Chad’s preventative and responsive measures for addressing the Ebola threat.



■ *“EEPCL’s core contribution is primarily technical expertise. It made a huge contribution regarding Ebola, which was very valuable to our national efforts to ensure that we were protected against this deadly disease. Knowing that our government does not have enough resources to fight these diseases on our own, the support is hugely valuable, and we look forward to continuing this close collaboration.” – DR. MAHAMAT ALI ACYL, National Coordinator, National Technical Committee for Epidemic Surveillance*

EEPCI DONATION HELPS HOSPITAL TO OPEN

Under Chadian law, five percent of the government's oil revenues generated by EEPCI are reserved for infrastructure improvements and poverty reduction in the region surrounding the Oil Field Development Area. In 2014 the government completed construction of a 70 bed hospital in Bébédjia with funding from the five percent allocation. However, there was no funding to provide supplies for the hospital, so it could not open, leaving St. Joseph Hospital, a Catholic missionary hospital that has served the community for many years, as the only option for hospital care in the town and nearby region.

However, after receiving essential medical supplies from EEPCI and the Ministry of Health, the District of Bébédjia Hospital opened on June 15, 2015. EEPCI's donation consisted of beds and mattresses, pregnancy and surgical kits, lab equipment and reagents which allow testing for common diseases. Now the District of Bébédjia Hospital works with St. Joseph Hospital, which has also received many donations from EEPCI over the years, to diagnose and treat patients from the area.



■ “This facility plays a big role in curative and preventative care in Bébédjia and without the materials we received from EEPCI, this hospital it would not be open.” – DR. VANDEO ABBA TCHANG-BAYE, Chief of Medicine, District of Bébédjia Hospital

2015 HEALTH CARE CONSULTATIONS

11,564

Free health care consultations for workers at project clinics are a valued job benefit in Chad and Cameroon, where health care can be difficult to obtain, especially in rural areas. The majority of this care involves illnesses or other health conditions unrelated to the workplace. For full time direct employees of the company, this benefit extends to immediate family as well.

HEALTH CARE UPDATE

In addition to providing workers with free health care consultations, the Medicine and Occupational Health (MOH) Departments in Chad and Cameroon conduct multiple programs to help keep employees healthy. Some examples include:

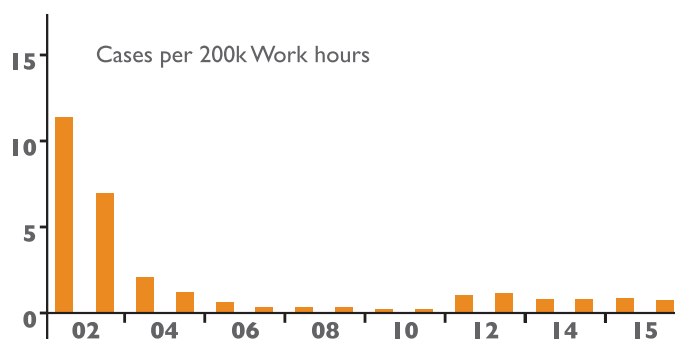
TB Testing. A tuberculosis screening program that started at the end of 2014 made great progress in 2015. By year end many employees in Chad and Cameroon had been screened for both active and latent TB, and the program was expanded to include contractors. Latent TB means that an individual had prior contact with the disease agent (Bacillus) but is showing no symptoms and is not contagious. For employees with latent TB, the test results create an opportunity for doctors to provide counseling, HIV testing and follow up monitoring, as a small percentage of those cases can progress to active TB due to a weakened immune system.

Meningitis Vaccinations. As part of the project's health care plan, employees and their dependents in Chad were offered voluntary meningitis vaccinations. Several thousand people are expected to accept the offer. These vaccinations are offered every three years to protect its employees from outbreaks of the rapidly moving infection which can sicken thousands and kill hundreds of people.

Electronic Files. The MOH department in Chad is currently migrating from paper to electronic files to better track patient health and streamline healthcare delivery.

Malaria. The project saw just eight recordable malaria cases in Chad and zero in Cameroon during 2015. MOH doctors said the reduction might be due to increased communication with employees about malaria prevention and a program the department initiated to make sure all malaria prevention drugs are effective. The malaria infection rate for non-immune project workers has been dramatically reduced over the years as a result of intensive malaria prevention initiatives. As the graph shows, the annual rate has been cut sharply from 11.44 in 2002, the last full year of export pipeline construction.

MALARIA INFECTION RATE (NON-IMMUNE PERSONNEL)





COMMUNITY ENGAGEMENT

While the project requires less land each year with major construction and new drilling completed, the production and pipeline companies continue to maintain a close, positive relationship with the communities along the pipeline and in the Oil Field Development Area (OFDA). The reduced need for land can impact some individuals and communities, since they won't be receiving the associated compensation, which many people see as an important benefit. Recognizing this impact, the project has developed strategies to continue to provide benefits to communities, but in different ways than it has done in the past. This primarily involves regular meetings with individuals and communities regarding pending issues; targeted social investments in support of community priorities; and equipment donations and technical guidance on ways villagers can resolve some of the issues they face.

TRAINING VILLAGERS TO MAINTAIN AND REPAIR THEIR WATER WELLS

Unclean water has long been a major source of illness and mortality in rural Chadian villages. Starting in 2000, when construction began, EEPIC placed a priority on building water wells in villages in the Oil Field Development Area (OFDA). However, manually operated wells in rural areas can often break down after a few years of constant operation, and most villages lack the experience, tools or parts to repair the pumping equipment. As a result, the project has repaired these wells multiple times, and in the meantime villagers were forced to go back to drinking from rivers or traditional water wells, both of which rarely provide potable water.

To address this problem, EEPIC has hired a Doba-based NGO, AFADE, to repair broken water wells in the OFDA which were installed as part of the community compensation program and to train community members to maintain and repair the wells themselves in the future. In the last few months of 2015, the organization fixed 42 broken wells and provided free training and low cost tools to each village. In addition to fixing the wells installed by EEPIC, AFADE has also been directed to fix broken wells installed by NGOs. After receiving the training, communities can fix the wells quickly on their own without waiting for a specialist. For more on the community compensation program, please see the Land Use & Compensation chapter.



■ *“This pump was not functioning and when it broke, people made a traditional well. We are all very happy now that it is fixed, as water is life. We now look forward to receiving the necessary training because we need to maintain this for our future.” – MAUDONGAR NGARWOUL MICHEL, Chief, Mbanga (third from left)*

COTCO EXPANDS ANNUAL ACADEMIC COMPETITION

Every year since 2007 COTCO has conducted an award program for students in schools along the pipeline corridor. The goal of this highly popular competition is to encourage excellence by all students and to recognize the achievement of top performers. In 2015 the competition and the award ceremony were held in the town of Nanga-Eboko in the Centre Province of Cameroon.

The number of students awarded prizes – 885 from 20 primary and 12 secondary schools – was more than double the size of previous competition. The top three students in each class received vouchers which they can exchange for books and other educational materials for the next year. The value of the 2015 awards was 21,570,000 FCFA bringing the total amount COTCO has invested in these competitions to 65,663,000 FCFA.



■ *“Today is a day of satisfaction for the parents, students and teachers...we want to take this opportunity to say thank you to COTCO for the school supplies offered for the department of Haute-Sanaga.” – ALBERT NANGA DANG, Senior Divisional Officer Haute-Sanaa Division*



■ *“Nearly 23 million francs for the students of our schools and high schools is an example of a commitment to society, and a priority for excellence and merit. Through this act and many others COTCO has performed in the past, COTCO is giving us an example of a capitalist society with a human face.” – ROMAIN ROLLAND, ETO, Mayor of Nanga-Eboko Council*



Over 1,500 students, family members, community leaders and government officials attended the ceremony.

CONSULTATION AND COMMUNICATION

In 2015, the project held consultations in communities near operations areas across Chad and Cameroon. The sessions, part of the project’s commitment to ensure regular contact and open communication with its neighbors, covered a wide range of topics, from updating villagers about the latest developments to providing education sessions around public health and safety issues.

2015 CONSULTATION MEETINGS

CHAD	
Sessions	481
Attendees	26,135
CAMEROON	
Sessions	1,326
Attendees	16,614

COTCO PARTNERS WITH COMMUNITY TO BUILD HOUSE FOR SCHOOL HEADMASTER

Communities in the pipeline corridor in Cameroon frequently ask COTCO for help in meeting their needs. While these requests mostly fall outside of the company’s commitments to provide compensation for project impacts, COTCO is open to them and follows a process to evaluate them. The company increasingly looks to work with communities which want to become partners with COTCO by participating in improvement projects rather than being just recipients of aid. In 2015 COTCO assisted villages that made partial progress on their own new construction projects but were unable to continue for various reasons. COTCO chose these projects because if they could be completed, they would likely have significant lasting benefits in each community.

One such project was undertaken in the village of Mboumyebel, which badly needed a house for the headmaster of the village school.



■ *“Using this model, COTCO does the design of the infrastructure, purchases the materials and trains local skilled workers to ensure they can complete the job safely. Then members of the community are the ones who really manage the project. This has been a good model not just to maximize the benefit to the community but to enroll them in the solution.” – BERNADETTE KWEDI, COTCO EMP Supervisor*



■ *“We all live in one room in the home of a family which has a child in the school. The village decided to build a house for me and future headmasters of the school. But we were having trouble completing the house, so the chief and I wrote a letter to COTCO in September. The company responded very quickly and we will be very happy to live in this new house.” – FOULA MIMBIANG, School Headmaster, Mboumyebel*

PROVIDING SOLAR ENERGY FOR MEDICAL LABORATORY SERVING THE POOR

EEPCI’s donation of nine million FCFA (\$18,000) funded the purchase and installation of eight solar panels for the Walia Health Center, located on the outskirts of N’Djamena. The panels will power a new laboratory which was built in partnership with the Ministry of Health and will expand the clinic’s capability to conduct medical tests for diagnosing patients. The donation also funded a bank of 12 batteries which will store energy generated by the panels.

The clinic, one of two that are run by the Sovereign Order of Malta, whose members volunteer to serve the poor and the sick, treats people from the entire area and does not turn anyone away regardless of their ability to pay. In recent years the company has made four donations to the organization, one of which funded a badly needed eye examination and surgical room at the Order of Malta’s Amtoukouï clinic, located in the Chadian capital.



■ *“We have a duty to make sure that no patient is turned away or left untreated. This means that since we are not funded by patient fees, donations like this one are critical to our ability to serve the community.” – SISTER HELENE HABIB, Sovereign Order of Malta*

MEDICAL SUPPLIES DONATED TO DANGDILI VILLAGE HEALTH CENTER

Dangdili is a village located just west of the town of Bébédjia and near the Oil Field Development Area (OFDA). Its health center, built by missionaries in 1976, has 10 rooms and can serve only 11 or 12 patients at a time. Its very basic laboratory allows the staff to detect and treat malaria and several other common afflictions. The center serves not only the local population but also people from distant villages with no health care options.

Because the center's funding comes from modest payments by patients, resources to buy needed supplies are severely limited. After the center made EEPCL aware of the facility's limitations, the company donated medical equipment, including patient beds, maternity tables, blood pressure machines, scales and surgical supplies.



■ *"The observation bed and maternity tables that were donated by EEPCL are very helpful to us. We are very thankful for the donations."*
– MBAYAMDINGAM DIMANCHE, Chief Medical Representative

DONATIONS OF HEAVY EQUIPMENT HELP DOBA AND BÉBÉDJIA MANAGE WASTE

EEPCL's donation of five heavy trucks will help the OFDA towns of Doba and Bébédjia manage a number of municipal functions, including solid waste removal. Due to the severely limited resources of the city governments, the buildup of waste along the roadside and in public areas has been a major and unresolved public health issue. Donations of heavy equipment like this are made in conjunction with the Chadian government, which helps ensure the materials are allocated and processed in accordance with government policy. In addition to the two dump trucks donated to each town, Doba received a water truck which is being used to control roadway dust around town.



■ *"This company has done many things for us. When I became a mayor of Doba in June of 2015, many people came to me to discuss the issue of waste in our town. We committed ourselves to help the community manage this problem in order to help reduce disease and strengthen public health. But before we received these trucks from Esso, our existing trucks were from the 1960s and 1970s and mostly broken down."* – BRAHIM NGARTOÏDÉ, 2nd Adjoint Mayor, Doba



■ *"I want to express our profound gratitude to Esso for the donations of the dump trucks. We are using them for road maintenance and waste management, as well renting them out to generate revenue. We have never had trucks before. We have always had a good relationship with Esso."* – ERIC DOKAGMBAYE, Mayor of Bébédjia

WOMEN'S ASSOCIATIONS PROVIDE GRAIN TO WORLD FOOD PROGRAM

Six years after it was founded with a \$1.7 million grant from the ExxonMobil Foundation, the Initiative for Economic Empowerment of Women Entrepreneurs continues to grow and achieve impressive results in building the skills and raising the incomes of hundreds of women's cooperatives near the oil field area. One of the program's biggest successes in 2015 was reaching an agreement to sell grain produced by the cooperatives in Bébédjia to the United Nations World Food Program (WFP). The agreement generates income for the women, who produce grain that the WFP distributes to children in Chad facing severe hunger.

The international NGO Africare, which is responsible for implementing the initiative, is working with 1024 women members of 69 cooperatives organized into two "platforms;" one in Doba and one in Bébédjia. The cooperatives received training in skills such as agricultural production, marketing, governance and financial management. The project also provided the cooperatives with agricultural processing equipment and capital in the form of micro credits that totaled 15 million FCFA in 2015.

■ *"The agreement the WFP has reached with the women's platforms will make it possible for them to plant, harvest and sell enough high-quality crops to boost their income and contribute to increasing food security in Chad. It offers them access not only to quality seeds and but also insurance, financing and a predictable market."*
– NJONG JAMES KONGNYUI, Officer in Charge, Africare Chad

The Doba and Bébédjia platforms collect a small commission for helping administer the program. The rest of the funds from the sales to the WFP will go directly to each cooperative, which will in turn determine how to distribute the funds amongst its members.





LAND USE & COMPENSATION

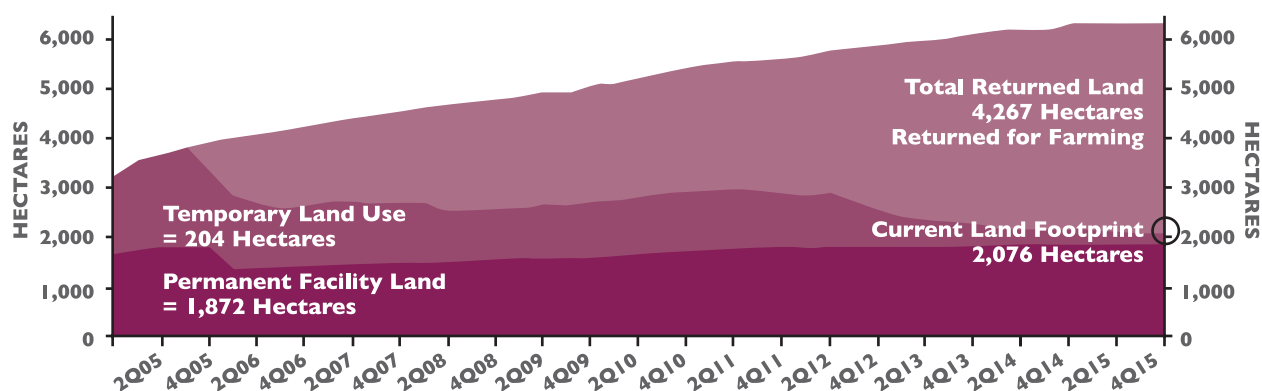
With very little additional land needed for drilling and other activities, the project continued its multi-year trend of reducing its footprint. By year end, 4,267 hectares of land in the Oil Field Development Area (OFDA) had been returned to local communities for farming, an increase of 2,831 hectares in the last four years.

As a result, the payment of both individual and community compensation was greatly diminished. However, the project made clear in 2015 that it will continue to make meaningful investments in local communities. In addition to restoring and returning unneeded land to local communities, the project's new focus is on initiatives that support capacity building, sustainability, community development, self-sufficiency and technology transfer in villages in the OFDA and along the pipeline route. Several examples are described in this chapter.

RESTORED “BORROW PITS” RETURN QUALITY FARMLAND TO COMMUNITIES

As EEPCL continues to reduce its land use footprint, some of its borrow pits are being restored and made available to communities as potential farmland. Borrow pits are excavations usually created to provide laterite for roads, well pads and other facilities. Once a borrow pit, which can be up to several hectares in size, has been created, it is gradually refilled over months or years with non-toxic and inert material like drilling mud, cement, wood and laterite from well pads that are no longer in use. When the pit is about to be reclaimed, the original topsoil, which is generally stored in piles next to the pit, is distributed evenly on the surface. The result is multiple hectares of quality farming land from which all impediments to farming and plowing, such as rocks, shrubs, tree roots and stumps, have been removed. The area is returned to the original farmers in what is called in French a *quitus* ceremony. Farmers sometimes will begin planting even before the official ceremony because of its attractiveness as a farm site.

LAND USE FOOTPRINT IN THE OILFIELD DEVELOPMENT AREA



Compensation paid to individuals for land use in 2015 totaled approximately 173 million FCFA (\$350,000) in cash and/or in-kind payments. Over 17 billion FCFA (almost \$35 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 oil field facilities, the initial oil field development and the export pipeline system.

INDIVIDUAL COMPENSATION

The EMP delineates how all compensation programs should be conducted. The plan describes how rates should be set and outlines payment procedures, which were carefully designed with the input of NGOs and the World Bank to be fair and transparent. The project compensates individual farmers for land use in several ways, including cash, in-kind goods and training.

Additional compensation, often called “resettlement,” is provided to the most significantly impacted land users, as measured by a set of socioeconomic indicators, such as the ratio of arable land to the number of dependents in the family. In most cases, this compensation consists of equipment, livestock and agricultural training. Recipients of this type of compensation are tracked over time to make sure the program is effective.

These compensation programs are usually sufficient to maintain or enhance the livelihoods of most farmers impacted by the project, but in rare cases additional reinforcement, through more equipment or training, may be necessary. In these instances, the socioeconomic team works with the individual to develop a successful solution. Eligible recipients are required to participate actively in the process. This has been shown to be a significant factor in an individual's success. For example, in order to receive additional equipment, livestock or goods, a farmer may be required to build a shelter to ensure the materials or animals remain in good condition so that they provide value over the long run.

USING COMPOST TRAINING TO PROMOTE SUSTAINABILITY IN LOCAL VILLAGES

In 2015 EEPCI launched several initiatives that support sustainability, community development and technology transfer in local communities in the Oil Field Development Area (OFDA). One such initiative – maintenance of community water wells previously installed by the project – is described on p. 24 in the Community Engagement chapter. Another program with similar objectives targets farmers significantly impacted by the project's use of their farmland and who made good use of the resources and training they received as part of their compensation. IHL, an NGO retained by EEPCI, is teaching some of them how to make and use their own compost from materials easily found in the area. The goal is to help these farmers produce higher yields as a result of the composting and enable them to teach other farmers in their communities about the method.

Composting is a simple way to create nutrient-rich humus which fuels plant growth and restores vitality to the poor soil that is often found throughout the OFDA. These farmers create their compost over the course of three months by creating alternating layers of vegetable matter, cow manure and ash which are kept moist and covered to maintain the conditions necessary for the bio-organic process. The resulting humus is a sustainable, low cost natural alternative to chemical fertilizers. See p. 17 for another example of how EEPCI is using composting to improve agricultural productivity, create jobs and dispose of waste food in an environmentally responsible way.



■ *“The soil in this area is poor, and the kind of compost these farmers are making now will increase the soil’s nutritional content for three years. Chemical fertilizers that you can find locally tend to be of poor quality and will only work for about one year if they work at all. Many farmers around here cannot read, but they can learn this practical method, which requires no technology, from those who have been trained, and then they can improve the quality of their soil.” – DJIMTETA EVARISTE, Trainer, IHL (pictured center)*

■ *“It’s the first time that I’ve done this, but I expect that I will have a stronger yield of crops because we saw this result during the training. I appreciate that Esso is helping me. The cow and in-kind materials that I received from the project were important, but this knowledge is also helping, so I will not need to ask for anything again.” – NGARMBETE FIDEL, Farmer, Madjo Bero (pictured right)*

COMMUNITY COMPENSATION

In addition to the various types of individual compensation, the project’s community compensation program offsets land use impacts on towns and villages from production activities that can be harder to quantify than impacts on individuals. The program strengthens these communities and improves quality of life by installing needed infrastructure such as water wells, granaries and schools. With the oil well drilling program suspended as a result of the low price for oil, total individual and community compensation for impacts such as land use were much lower in 2015.

EEPCI HAS COMPLETED

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COMMUNITY COMPENSATION
PROJECTS, REPRESENTING AN
INVESTMENT OF OVER 3.2 BILLION
FCFA (OVER \$6.3 MILLION) IN
COMMUNITIES IN CHAD.

A NEW COMMUNITY FLOUR MILL

Construction of a new flour mill for the village of Danamadja – an EEPCL community compensation project – was completed in July. Due to the extent of project impacts on this village, which is located near the Oil Field Development Area, Danamadja received previous compensation projects, including a structure for a community marketplace.

Mills like this save women hours of hard physical labor pounding grains by hand to prepare food every day. The flour mill provides an important source of income for the village, not only because its own residents use the facility, but also because people from other villages pay to use it. The mill, run by three operators and managed by a community association, is open from 8 a.m. to 6 p.m., serving about 50 people per day.



Maoudonodji Laurentine Kayra from a neighboring village grinds grain in Danamadja on her way home after a day in the fields.

■ *“We have earned and saved 120,000 CFA in three months from operating the mill, as well as three bags of milled grain, since people who do not have money can donate a portion of their grain. If we save enough money, we hope to build a health center or school in the area. So this is a very important part of our village’s future.” – DJESSANDJIM JOSUÉ, mill operator, Danamadja (pictured center)*

■ *“This mill and our marketplace are very helpful for the community. Esso is the only partner that we have here.” – SAMADINGAR SIMÓN and DJIMRABAYE EMMANUEL, Chiefs, Danamadja (pictured on page 27)*

EMP COMPENSATION UPDATE

All land users and villages are compensated according to the EMP. Since construction began in 2000, the project has compensated almost 18,000 individual land users for more than 7,695 hectares of land in 480 villages from the oilfields in Chad, to the terminus of the export pipeline in Cameroon. The project has utilized at one time or another about 4.6% of the 100,000 hectares of land in the OFDA. When all land temporarily used for construction has been returned, the percentage of use will be just 1.9% of the 100,000 hectares.

Compliance with the EMP compensation requirements has been documented in these Project Update Reports and by the World Bank’s External Compliance Monitoring group and International Advisory Group. A set of principles set out in the EMP have 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. In Chad and Cameroon, nearly all land is legally owned by the state. Most land upon which people have settled is controlled by each village and allocated by its local chief. Rather than owning land as is common in Europe and North America, people here are entitled only to land usage rights. The project therefore does not buy land but compensates farmers and others for project impacts such as lost crop opportunities.
- 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.



ECONOMIC DEVELOPMENT

While the low oil price environment has necessitated changes in some operations, the project remains fully committed to continuing to nationalize its workforce and support local businesses. At year end, 95% of EEPCI and TOTCO employees were Chadian and 97% of COTCO employees were Cameroonian. Many of the senior positions in all three companies are now filled by national employees.

In addition to jobs and the purchase of goods and services, the project is contributing to the growth of the economies in both countries through the transfer of business and technical knowledge to local entrepreneurs. For example, EEPCI is providing ongoing support to the Chadian national oil company, La Société des Hydrocarbures du Tchad (SHT), as it establishes the nation's first industrial waste management company.

PREPARING COTCO'S CAMEROONIAN EMPLOYEES TO TAKE ON MORE RESPONSIBILITIES

With Cameroonians making up 98% of COTCO's 1600-person workforce (including contractors) and 100% of the company's land-based operations, the company's human resources focus in 2015 was primarily on creating opportunities for national employees to take on greater responsibilities whenever possible. In some situations, this meant continuing to provide on-the-job and other forms of training or challenging special assignments that offer opportunities for personal growth or skills diversification. In previous years, specialized efforts like the *Subsea Flow Assurance* and *Crude Oil Topping Plant Modification*, both of which involve modifying the Export Transportation System to accommodate crude from new shippers in Chad, would have been led by expatriates. However, the depth of experience that COTCO's Cameroonians workforce now possesses led to these major engineering and construction projects being successfully managed by a completely Cameroonians team.



COTCO's technical workforce averages eight to ten years of experience with some employees having more than 15 years. Since it is also a very stable workforce, with minimal turnover rates, the company strives to create growth opportunities by filling any vacancies through internal moves.



■ *"We have in place the team that is necessary to operate the pipeline efficiently, and we leverage our internal competency to fill any gaps that occur." – AISSATOU SEYDI, Human Resources Advisor*

EEPCI SUPPORTS THE STARTUP OF CHAD'S FIRST INDUSTRIAL WASTE TREATMENT COMPANY



In 2011, faced with growing industrial activity in Chad, the government recognized that the country needed a facility to treat industrial waste rather than contracting with foreign companies. The Chadian national hydrocarbon oil company, La Société des Hydrocarbures du Tchad (SHT), was tasked with establishing a company to take on this environmentally sensitive responsibility. The result was a new enterprise called SOTRADA. It currently has 45 employees, with offices in Moundou and a treatment facility with two incinerators, a waste storage area, a diesel storage area to power the incinerators and a guardhouse, all about five kilometers outside the city.



In need of technical advice as it began operations, SOTRADA turned to EEPCI. Because EEPCI needed a solution for its industrial waste, and also because of its commitment to support local business development in Chad, EEPCI General Manager Christian Lenoble directed his environmental and safety teams to train SOTRADA's employees and help the company and its facility get up and running.



■ *"If we work with Esso, we have to respect their policies. And having previously acquired much of my knowledge from working at EEPCI, I know*

these policies are very important for developing a strong business." – MICHEL BOUKAR, Acting General Manager, SOTRADA; Secretary General, Ministry of Mines and Industry, Chad

Between May and June, EEPCI met with SOTRADA employees to educate them about the company's environmental and safety requirements and waste management policies; trained the SOTRADA employees on sampling and measurement practices; and helped them identify a suitable laboratory for additional testing. Since five of SOTRADA's senior staff, including the founder and acting General Manager, are former EEPCI contractors, they were highly familiar with the EEPCI culture and said they intended to take a similar approach towards safety. Once EEPCI was satisfied that the company had sufficient capability to meet internationally recognized standards for responsibly managing waste, EEPCI agreed to become SOTRADA's first client, and the first shipment of waste was delivered. By the end of 2015, SOTRADA had treated almost 600 tons of waste, such as contaminated soil, ceramics, chemicals and paint. EEPCI also committed to doing a quality check at SOTRADA at least once every quarter.



CAMEROONIAN ENGINEER PROMOTED TO MANAGER OF COTCO'S VITALLY IMPORTANT OFF-SHORE OPERATIONS

In July 2015, COTCO took another step in advancing its objective of moving more Cameroonians into management positions when it selected a Cameroonian engineer, Arnaud Tchatchouang, to fill the critical role of managing the offshore portion of the Export Transportation System (ETS). Previously the position of Offshore Installation Manager (OIM) had been filled by expats.

As one of the two OIMs who rotate on a monthly schedule, Arnaud is responsible for the portion of the pipeline that is submerged beneath the waters off the coast of Cameroon and for the Floating Storage and Offloading vessel, known as the FSO. The FSO, which is permanently anchored 12 kilometers off the coast of Kribi, can hold up to approximately 2.4 million barrels of crude before offloading its payload onto export tankers. It is a critical asset that requires highly trained staff, well maintained equipment and rigorous adherence to safety and environmental procedures. In 2015, the FSO offloaded 47 million barrels of oil. Offloading oil to a tanker is a complex operation that requires crews to orchestrate the positions of three vessels. The FSO pivots

around its fixed Single Point Mooring to allow for the forces of wind and sea; the waiting export tanker connects to the FSO through special floating hose equipped with failsafe valves to guard against any spillage; and a powerful service vessel maintains constant tension on a cable to keep the FSO and the tanker aligned.

To make sure all activities are executed safely and correctly, the team follows a rigorous work management process, which includes daily meetings where current and future activities are reviewed in detail. Some of these activities can include complex operations simultaneously involving multiple vessels. During these planning meetings, appropriate tools and procedures are selected for both routine and critical, non-routine activities.

"OUR GOAL REMAINS ZERO INJURIES, ZERO CLOSE CALLS, ZERO INTEGRITY ISSUES AND ZERO SHUTDOWN OF OPERATIONS."



Transporting oil and operating vessels and machinery in an environmentally sensitive marine environment is a heavy responsibility that is subject to numerous Cameroonian and international regulations. In describing his approach to being OIM, Arnaud said, *"We constantly need to have our eyes open and our brains turned on to be sure we don't have any potential problem that could lead to a serious consequence. Even when we are sleeping, we have to be ready because this is a 24-hour operation. We are constantly improving in terms of how we operate and that is the only way we can achieve our company objectives."* – Arnaud Tchatchouang, Offshore Installation Manager, COTCO

PROJECT WORKFORCE BY YEAR END 2015

Chadian and Cameroonian nationals employed by EEPICI, COTCO, TOTCO and their contractors: **5,498**

Percentage of total workforce that are Cameroonian and Chadian: **90%**

Percentage of Chadians and Cameroonians employed in supervisory, skilled and semi-skilled jobs: **84%**

Wage Payments to Chadian Workers in 2015: **51 billion FCFA (\$85 million)**

Wage Payments to Cameroonian Workers in 2015: **10 billion FCFA (\$17 million)**

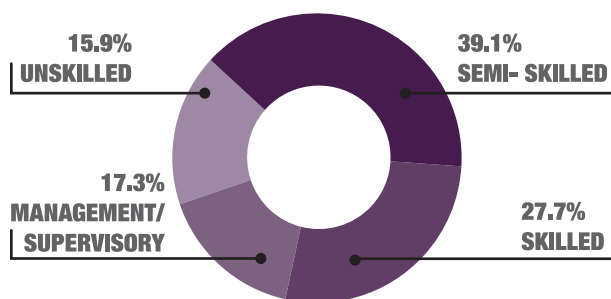
REPORTING LOCAL EMPLOYMENT

The Project Update Report provides 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 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, which often include working in tandem with another "back to back" worker. Rotators typically work 28 days on and 28 days off, or a 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.

Converting all these employee work patterns into standard Full Time Equivalents based on actual hours worked yields a consistent and more accurate picture of the project's local employment.

NATIONAL WORKERS EMPLOYMENT SKILL LEVELS



Skilled jobs include positions such as control room operators, oilfield technicians, construction workers, machinery, electrical and instrumentation operators, EMP monitors and welders. Examples of semi-skilled jobs include food service assistants, security guards and welder helpers.



A HISTORY OF SUPPORTING LOCAL BUSINESSES

Even as low oil prices affected project spending in 2015, one of the most important impacts the project has on Chad and Cameroon continues to be its practice of purchasing goods and services from local suppliers as much as possible. EEPCI, COTCO and TOTCO work with dozens of international and national vendors that support their operations. All vendors across the supply chain must meet a high standard of operational integrity before they are eligible to become a supplier. The project invested significantly in supporting its Chadian and Cameroonian vendors to fortify their business practices over the years. This effort has contributed to strengthening Chad's services and supply industry, and with the emergence of Chad's petroleum industry, these national vendors are now well positioned to support additional oil producers.

At the start of the construction phase in 2000, EEPCI, TOTCO and COTCO were forced to rely significantly on foreign vendors until Chadian and Cameroonian businesses could build up their capabilities to meet the project's needs. To accelerate this process, the project reached out to existing businesses and new entrepreneurs and launched programs to help them improve their chances of winning contracts. In just 12 months, by the end of 2001, spending on local and national companies totaled \$161.8 million (105.4 billion FCFA at the 2001 exchange rate). That was just the beginning. By the end of 2015 cumulative spending on hundreds of Chadian and Cameroonian companies totaled over \$3.6 billion (1.8 trillion FCFA).

To achieve this record, the project implemented new business outreach and education activities. In 2008, for example, EEPCI launched the Business Excellence Training Program in partnership with the N'Djamena Chamber of Commerce and the International Finance Corporation, an arm of the World Bank. The goal of the program was to strengthen the ability of Chadian businesses to meet Esso's high standards of operational performance and integrity by providing training in topics such as management, human relations, safety, quality control and accounting. Many graduates are now successful suppliers to EEPCI. Others have taken what they learned and formed non-oil businesses that have helped the Chadian economy diversify and grow.



■ *“When I look back on how the level of professionalism has changed – for example, seeing vendors beginning their conversations now talking about safety, it’s very satisfying. Safety was not normally part of the business culture here before the project. But anyone who works with us now has all the sound business principles firmly in mind.” – MIYAL NGARIANOUBA, Procurement Associate, EEPCI*

SOCIETE ROZI EQUIPEMENT GENERAL

This N'Djamena-based company has supplied EEPCI with office materials and equipment since the company was founded in 2002. Back then, Moustapha Rozi was the only employee, and since he didn't have an office, he worked out of his car.

To become a vendor for EEPCI, entrepreneurs like Rozi needed to organize their businesses to meet Esso's safety standards and other requirements. Rozi did not have the capital and management skills to do this. But with help from the company and the N'Djamena Chamber of Commerce, Rozi gained the skills he needed and took the necessary steps leading to his first contract with the project, which was followed by years of growth. Rozi and his team credit EEPCI with giving them the spark to get started and to expand.

■ *“Esso helped entrepreneurs first by providing a business opportunity and then by working with them to develop their capabilities. Now our company provides services to all of the large companies in Chad thanks to the stamp of credibility that working with Esso has given us.” – ABAKAR ALI ABBA, Commercial Director, Societe Rozi Equipement General*



LOCAL BUSINESS SPENDING

- 2015 spending in Chad: 60 billion FCFA (\$ 101 million)
- Total spending in Chad: 1.1 trillion FCFA (\$ 2.3 billion)
- 2015 spending in Cameroon: 45 billion FCFA (\$ 76 million)
- Total spending in Cameroon: 658 billion FCFA (\$ 1.3 billion)

NUMBER OF CAMEROONIAN COMPANIES CONTRACTED WITH COTCO IN 2015:

104

NUMBER OF CHADIAN COMPANIES CONTRACTED WITH EEPCI IN 2015:

73

HOST COUNTRY REVENUE

Chad's oil revenues come from royalties on oil sales, corporate taxes, income related to pipeline ownership and other permits, duties and taxes. By the end of 2015, the project had generated nearly \$12 billion in revenues and royalties-in-kind totaling 13.7 million barrels of oil for Chad, far exceeding initial expectations. Revenues are affected by many factors, including the price of crude oil.

OIL REVENUES IMPROVE HEALTH & EDUCATION IN DOBA

Doba, the capital of the Logone Oriental region of southern Chad, is only a few kilometers from the Oil Field Development Area (OFDA). Because the Chadian government committed to investing five percent of its oil revenues in priority development sectors in the oil producing region, Doba is now the home to a modern hospital and a major university.



The Doba Regional Hospital opened on February 5, 2014. A new hospital was badly needed to serve the nearly 100,000 people who live in Doba and the surrounding communities. The hospital features 150 beds and is a teaching and research facility as well as a treatment center. Its staff includes five doctors, thirteen nurses, technical attendants and support staff.



■ *“This hospital is the main hospital for the entire region. Students come here from across Chad to study, practice and do research. All of the health centers in the region refer patients here.” – ALI ABDERRAMANE HAGGAR, Director, Doba Regional Hospital*

The University of Doba is the only institution of higher learning in the region. The campus, with multiple buildings, opened in 2011. Now, the university has almost 2000 students studying subjects such as law, economics, and science and literature. It employs 35 teachers and 83 part-time instructors. New construction is underway in response to the rapid growth in the number of students seeking admission.



■ *“This is one of the best universities in Chad because we have more high level professors than in most places in Chad, which increases the quality of the education we can deliver here. In addition, we have new buildings which are very effective for teaching as well. We had over 5,000 applicants last year because students know this is one of the best academic programs in the country. We plan to start a master’s program soon so that we can help guide our students all the way through their post-secondary education.” – DR. MAHAMAT SEID ALI, Rector, University of Doba*

CHAD'S OIL REVENUE (Millions of Dollars)

	2015	PROJECT TO DATE
Royalty on Crude Oil Sales ¹	N/A	2,747
Income Related to Pipeline Ownership	N/A	84
Corporate Income Tax ²	73	8,249
Fees, Permits, Duties, Etc. ³	25	627
PROJECT TOTAL	98	11,707

CHAD'S ROYALTY-IN-KIND (Millions of Barrels)

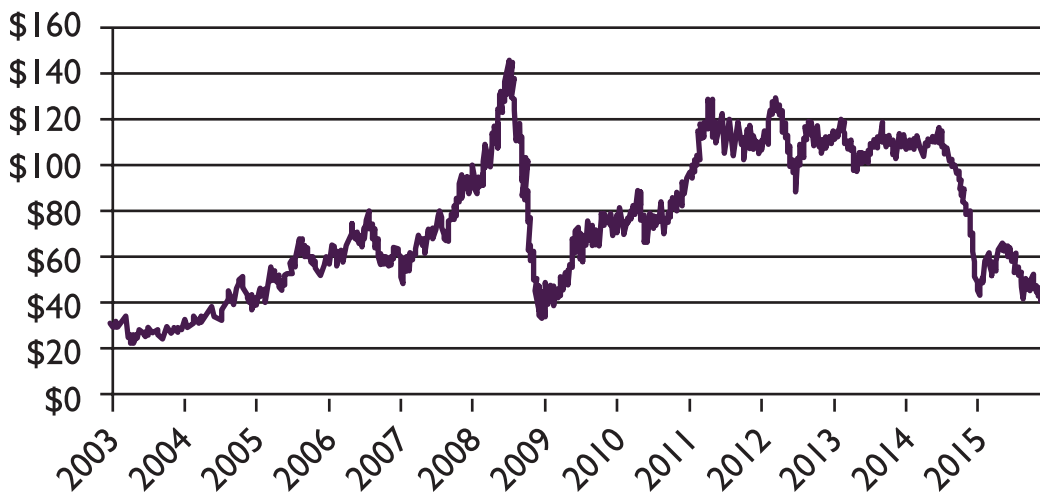
	2015	PROJECT TO DATE
Royalty-in-Kind ¹	3.3	13.7

1. Royalty paid in cash for the period 2003 to April 2012. Effective from May 2012, royalty is being paid in kind. Royalty-in-Kind paid in accordance with the 1988 and 2004 Convention and the amendments. 2. Effective 2Q14, corporate income taxes do not include La Société des Hydrocarbures du Tchad payments 3. 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.



The recently completed Moundou Bridge allows traffic to flow to and from the city simultaneously, removing an important bottleneck to commercial activity in the city. Oil revenues were the source of the 10.2 billion FCFA the Chadian government invested in building this 370-meter-long bridge.

BRENT CRUDE OIL PRICE (Dollars per Barrel)



Brent Crude is a major benchmark price for sweet light crude oil worldwide. This chart shows the volatility of oil prices since 2003 when production began in Chad, including the recovery from a major drop in 2008. While Doba oil is priced somewhat lower than Brent Crude, Doba generally tracks the movement of Brent. For many of the years since 2003 the price of Doba has exceeded expectations, significantly increasing revenue to Chad.



CAMEROON'S OIL REVENUE (Millions of Dollars)

	2015	PROJECT TO DATE
Transit Fees	61	308
Income Tax	1.2	57
Customs Duties and Other taxes	11.5	71
Income Related to Pipeline Ownership	2.2	166
PROJECT TOTAL	75.9	602

	2015	PROJECT TO DATE
PRODUCTION & OPERATIONS		
Production Support Spending (Billions of FCFA)	266	3,041
Production Support Spending (Millions of \$)	450	5,900
Net Volume of Shipments from Marine Terminal (Millions of Barrels) ¹	47	566
Number of Export Tankers ¹	50	620
Total Barrels of Oil Produced (Millions of Barrels)	26.5	541
Average Total Barrels of Oil Produced per Day (bpd)	73,226	N/A
Barrels of Oil per Day Resulting from Production Support (bpd)	62,730	N/A
Barrels of Oil per Day Without Production Support (bpd)	10,497	N/A
Number of New Oil Wells Added in Current Year	37	N/A
Number of Total Oil Wells Currently Online	686	N/A
Number of Renovation & Enhancement Procedures	493	N/A
¹ Includes crude produced by EEPCL, CNPCIC and Glencore		
SAFETY¹		
Total Recordable Incident Rate ² (TRIR)	0.14	0.31
Lost Time Incident Rate ² (LTIR)	.02	.02
Fatalities (Number of)	0	6
Lost Time Incidents (Number of)	1	33
Restricted Work Incidents (Number of)	5	158
Medical Treatment Cases (Number of)	4	330
First Aid Cases (Number of)	20	2,978
Worker Hours (Thousands)	12,573	336,859
Traffic Accidents ³	4	978
¹ Safety statistics include incidents involving a location, property or activities owned, controlled or supervised by EEPCL, TOTCO, COTCO, other affiliates working for the project and their respective contractors. ² Average TRIR & LTIR for last 12 months and project to date. ³ Includes all project vehicle traffic incidents, including those not recordable under OSHA guidelines.		
COMPENSATION		
Individual Compensation - Chad (Millions of FCFA)	168	11,267
Individual Compensation - Chad (Millions of \$)	0.34	23
Individual Compensation - Cameroon (Millions of FCFA)	5	5,780
Individual Compensation - Cameroon (Millions of \$)	0.01	12
LOCAL BUSINESS DEVELOPMENT¹		
Spending on Goods and Services from Local Suppliers - Chad (Billions of FCFA)	60	1,142
Spending on Goods and Services from Local Suppliers - Chad (Millions of \$)	101	2,305
Spending on Goods and Services from Local Suppliers - Cameroon (Billions of FCFA)	45	658
Spending on Goods and Services from Local Suppliers - Cameroon (Millions of \$)	76	1,327
¹ Prepared using the latest available data. Data for previous quarters has been updated to include late reported data.		
HOST COUNTRY REVENUE		
Royalties on Crude Oil Sales - Chad (Millions of \$) ¹	N/A	2,747
Income Related to Pipeline Ownership - Chad (Millions of \$)	N/A	84
Corporate Income Tax - Chad (Millions of \$) ²	73	8,249
Fees, Permits, Duties, etc. - Chad (Millions of \$)	25	627
Royalty-in-Kind - Chad (Millions of Barrels) ¹	3.3	13.7
Chad Total Revenue - Chad (Millions of \$) ³	98	11,707
Transit Fees - Cameroon (Incl. New Shippers Payment) (Millions of \$)	61	308
Income Tax - Cameroon (Millions of \$)	1.2	57
Customs, Duties and Other Taxes - Cameroon (Millions of \$)	11.5	71
Income Related to Pipeline Ownership - Cameroon (Millions of \$)	2.2	166
Cameroon Total Revenue (Millions of \$)	76	602
¹ Royalty paid in cash for the period 2003 to April 2012. Effective from May 2012, royalty is being paid in kind. Royalty-in-Kind paid in accordance with the 1988 and 2004 Convention and the amendments. ² Effective 2014, corporate income taxes do not include La Société des Hydrocarbures du Tchad payments. ³ 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.		

LAND USE	
Current Project Land Footprint (Hectares)	2,076
Total Returned Land - Project to Date (Hectares)	4,267
Current Temporary Use Land (Hectares)	204
Permanent Facility Land (Hectares)	1,872
Total Individual Land Users Compensated by Project - Project to Date	17,937
Total Amount of Land Taken by Project (Hectares)	7,695
Number of Villages (Containing Land Users Compensated by Project)	480
Total Individual Land Users Compensated by Project in OFDA - Project to Date	8,131
Total Amount of Land Taken by Project in OFDA (Hectares)	4,607

LOCAL EMPLOYMENT ¹	
Wage Payments to Chadian Workers (Billions of FCFA)	51
Wage Payments to Chadian Workers (Millions of \$)	85
Wage Payments to Cameroonian Workers (Billions of FCFA)	10
Wage Payments to Cameroonian Workers (Millions of \$)	17
Project Workforce - Chad (Nationals) ²	3,866
Project Workforce - Chad (Expatriates) ²	553
Project Workforce - Cameroon (Nationals) ²	1,632
Project Workforce - Cameroon (Expatriates) ²	30
National Worker Employment Skill Levels in Both Countries - Unskilled (%)	15.9%
National Worker Employment Skill Levels in Both Countries - Semi-skilled (%)	39.1%
National Worker Employment Skill Levels in Both Countries - Skilled (%)	27.7%
National Worker Employment Skill Levels in Both Countries - Management/Supervisory (%)	17.3%

¹ Estimates of wages and project workforce have been based on the latest available information and may be adjusted in future reports. ² Measured in Full Time Equivalents, also called FTEs. For more on reporting employment statistics using FTEs, see the context section at the end of the local employment section.

ENVIRONMENTAL MONITORING & MANAGEMENT	
Number of Non-Compliance Situations	2
Number of Spills	2
Domestic Garbage Incinerated on Site (Tonnes)	1,340
Innocuous Solid Waste Buried (Landfill) (Tonnes)	1,688
Non-Hazardous Waste Recycled to Local Communities (Tonnes)	1,061
Non-Hazardous Waste Sent to Approved Third Party Facilities for Recycling or Disposal (Tonnes)	1,190
Accumulated Hazardous Waste (Tonnes)	3,455

HEALTH	
Malaria Infection Rate - Chad and Cameroon (Per 200k Work Hours)	1.26
Number of Consultations at Project Clinics - Chad	8,792
Number of Consultations at Project Clinics - Cameroon	2,772
STDs - Chad ¹	155
STDs - Cameroon ¹	16
SSS Events (excluding Malaria & STDs) - Chad ²	219
SSS Events (excluding Malaria & STDs) - Cameroon ²	0
Hospitalizations/Observations - Chad ³	29
Hospitalizations/Observations - Cameroon	8
Medevacs - Chad	5
Medevacs - Cameroon	3

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. N'Djamena clinic data not included.

CONSULTATION & COMMUNICATION	
Consultation Sessions in Chad	481
Consultation Attendees in Chad	26,135
Consultation Sessions in Cameroon	1,326
Consultation Attendees in Cameroon	16,614

EEPCI

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N'Djamena, Chad



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Tchad Oil Transportation Company
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ExxonMobil.com