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Cameroon Oil Transportation Company

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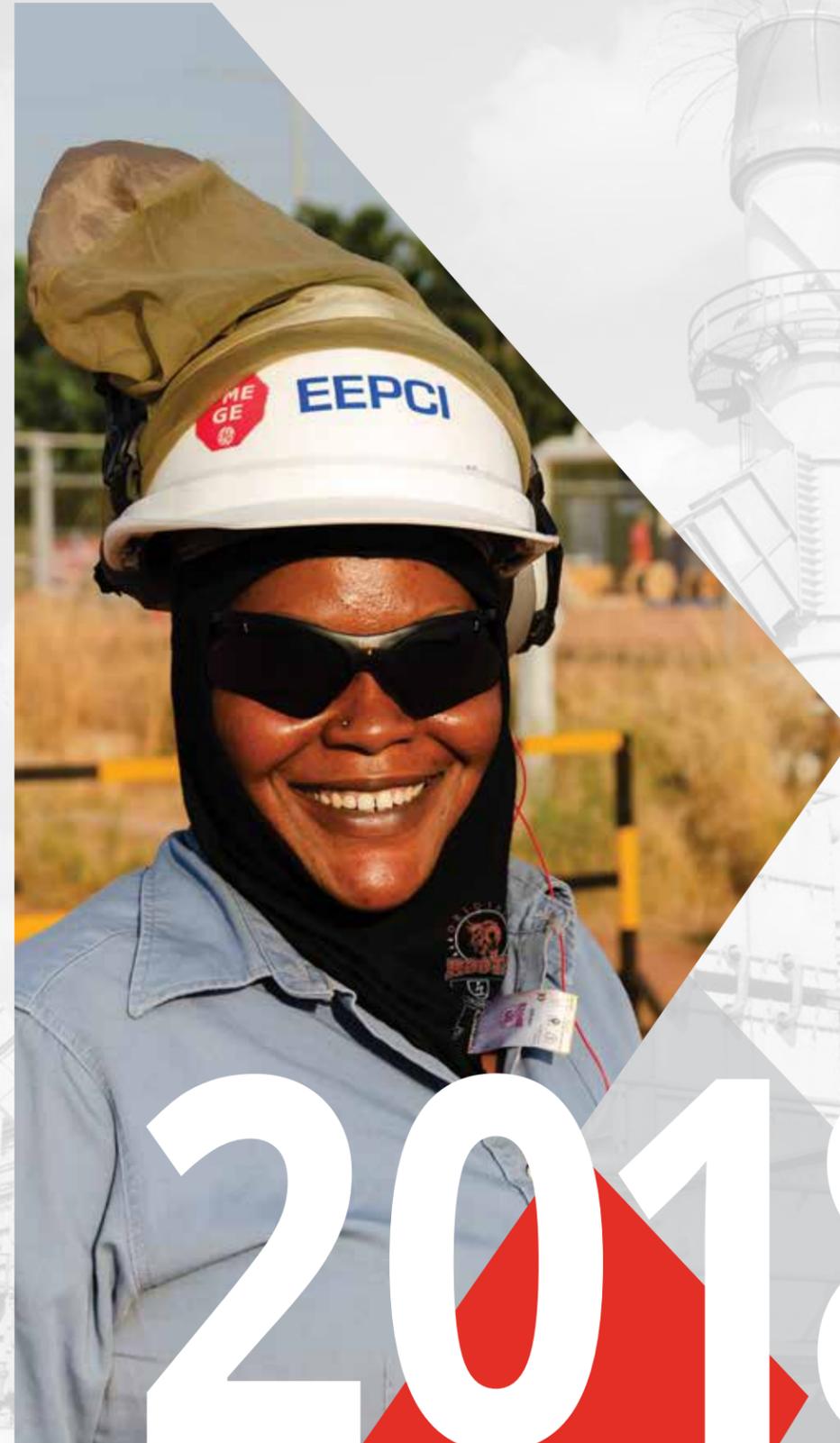
Douala, Cameroon



Tchad Oil Transportation Company

3223 Rue d'Abéché, B.P. 6321

N'Djamena, Chad



2018

YEAR-END REPORT

Project Update No. 39

ExxonMobil.com





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.exxonmobil.com), and printed reports are also distributed in Chad and Cameroon.

The following companies share responsibility for implementing the project:

- 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.

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For nearly two decades, the Chad/Cameroon Development Project has made significant investments in Chad. The investments have had many positive impacts on the country and its people. The production and export of the crude from the project have helped transform Chad's economy and resulted in the growth of a new petroleum industry. We are equally proud of other contributions to both Chad and Cameroon that are attributable to ExxonMobil's approach to business integrity, operational skills, safety, community engagement, environmental management, technology transfers and workforce development efforts. These attributes are the foundation on which the project's continued success depend.

As EEPCI's new Lead Country Manager, my role is to continue to build upon the company's record of operating safely and responsibly; maintaining strong positive relationships with local communities, key stakeholders and business partners; and ensuring our business fundamentals remain solid, particularly the programs that help us effectively manage our equipment and facilities. I am pleased to report that in 2018, the company made important progress in each of these areas. Staying the course set by my predecessors also means advancing implementation of a highly promising

enhanced oil recovery program which, through the use of polymer injection, is projected to significantly increase production from the Doba fields (For more information see p. 8).

Safety in everything we do is a primary objective, and EEPCI's record of experiencing no serious injuries in 2018 was a highlight for us.

While I commend our team for embodying our credo of "Nobody Gets Hurt" through the entire year, this is no time to rest on our achievements. Having shown that this performance is possible thanks to years of effort towards developing a rigorous safety culture, it is now more important than ever that each of us maintain vigilance so that we can sustain this momentum.

I have been particularly inspired by the talented and dedicated people that make up this company. Our team, approximately 95% of which is Chadian, is vital to helping EEPCI meet the challenges and capture the opportunities in front of us. As a company, we are dedicated to continuing to build the capacity and expertise of our people. We do this in a number of ways, including providing extensive training in Chad and abroad, and arranging for selected EEPCI staff to contribute their talents to ExxonMobil's global network.

In 2018 EEPCI's engagement with local communities was substantially enhanced by a new initiative, the Integrated Community Outreach Program (ICOP). ICOP is the result of an agreement the company reached in 2017 with the communities in areas near our operations as well as the NGOs representing them. Relying on transparency, respect, two-way communications and collaborative planning, the ICOP places a framework around how to identify community concerns, deliver solutions that have effective impacts and fulfill our commitments to local stakeholders (For more information see p. 24).

At the same time that we maintain our

intensive focus on improving our operations, we are also doing our part to support a healthy business environment in Chad. The Association of Oil Operators of Chad, of which I am currently serving as Chair, works with the Chadian government to develop solutions to some of the most pressing issues that affect the industry's investments in the country. What we know is that when our industry can invest confidently and consistently, a multiplier effect is created which benefits communities, health, education services, the workforce, local businesses and suppliers of all types.

As we look ahead to 2019 and beyond, I am very optimistic. EEPCI is part of a journey that started 15 years ago, and thanks to our responsible operations, strategic growth and the expertise of our employees, the journey will continue for many years to come. With last year's extension of our license to operate the Doba fields until 2050 and the polymer project's potential to increase production, it is truly an exciting time for EEPCI.

Sincerely,

Carole Gall
General Manager and Lead Country Manager
Esso Exploration and Production Chad Inc.

Effective August 1, 2018, ExxonMobil named Christian Lenoble, Production Manager and Chad Lead Country Manager (LCM), Esso Exploration and Production Chad Inc., to become Production Manager, Abu Dhabi and UAE LCM, Exxon (Al-Khalij) Inc. Mr. Lenoble will be located in Abu Dhabi.

Effective the same date ExxonMobil named Carole Gall to replace Mr. Lenoble and become General Manager and Chad Lead Country Manager (LCM), Esso Exploration and Production Chad Inc. Ms. Gall, previously Asset Manager, Netherlands/UK Southern North Sea, Esso Nederland B.V., has been an employee of ExxonMobil for 24 years.

2018 marks the fifteenth year since Chadian oil first began flowing through our pipeline to the Floating Storage and Offloading Vessel (FSO) and on to global markets. In that time, our Export Transportation System (ETS) has transported nearly 700 million barrels of crude from Chad and across Cameroon. We marked this milestone in November by holding modest celebrations in both countries that provided an opportunity to formally thank our key partners and stakeholders for their support for this project.

Thanks to expanded development of oilfields in Chad, crude from new shippers has added significantly to the volumes transported for our original producer, EEPCI. Continuing this promising trend of a growing base of production in Chad, COTCO/TOTCO signed multiple Feasibility Study Agreements over the year to evaluate the impacts of three additional fields slated to come online in the near future.

As part of these agreements, COTCO/TOTCO conducted, in collaboration with the shippers, a comprehensive evaluation of how the ETS infrastructure and operations might need to be modified to accommodate crude with differing characteristics in the coming years. The analysis resulted in the creation of a roadmap that helps the pipeline companies and the shippers understand the technical challenges and solutions necessary to ensure the ETS continues to function with the same high degree of operational reliability it has maintained for many years.

For the fifth straight year, no one directly engaged in pipeline or FSO operations was hurt in 2018. I attribute this to the fact that our operations employees maintain a safety-first mindset at all times and at all of our facilities.

Our philosophy is that Nobody Gets Hurt, and this includes people working at a desk or simply walking on company property. This year, we observed some gaps in risk

evaluation practices by employees not directly related to operations, and so we responded with a significant effort to sensitize these people to the importance of safety practices like risk assessment and injury prevention. After 15 years of flawless operations, in 2018 we started a series of major inspection and maintenance programs that will further strengthen our safety and reliability. Significant programs were launched such as weld inspection on the pipeline following a minor leak at a weld; full repainting of the hull, the deck and the Single Point of Mooring on the floating storage 'FSO'; and roads upgraded to facilitate access to the pipeline's isolated valves.

We have been operating alongside communities throughout Chad and Cameroon for years and our multifaceted approach to engaging local communities has helped create and sustain healthy and productive relationships. In recent years we have worked to deepen them by developing new ways to support long-term, sustainable improvements in the local infrastructure and quality of life. The results can be seen along the entire span of the pipeline.

Just as important, our community of dedicated employees give COTCO and TOTCO the means to do the job, and we are committed to providing opportunities for them to develop their careers in different ways. We do that by introducing employees to new roles within the company and nominating Cameroonians and Chadians for overseas positions within the global ExxonMobil network. Not only does this highlight the quality of the team we have in place here, but it further strengthens the team as the individuals can come back to COTCO or TOTCO with an additional depth of experience and strengthened leadership capabilities.

Several years ago, I closed this letter by saying "Looking to the future, I am very excited about the energy potential of the region and what it means for COTCO and TOTCO." As we move into 2019, I feel the same way.

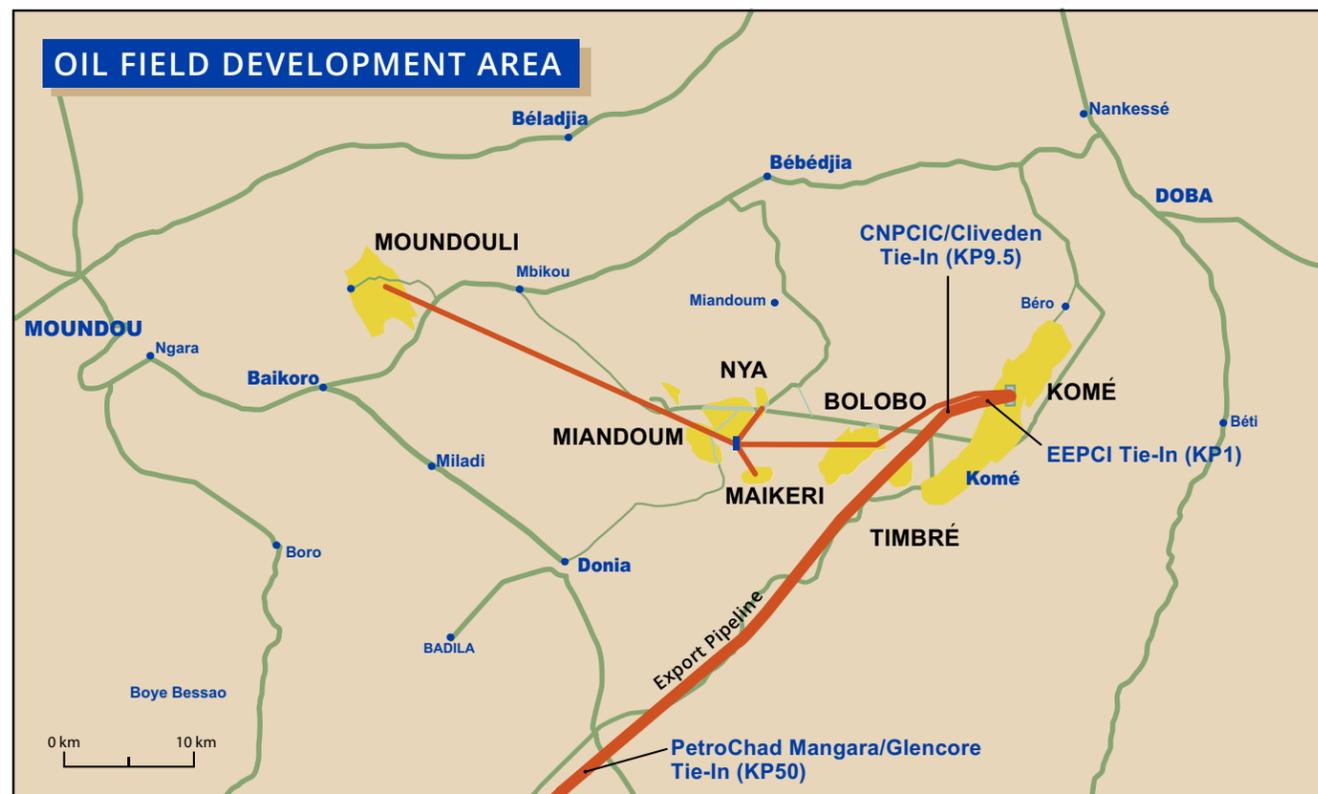


As discussed in this report, the oil industry in Chad continues to expand and every year the pipeline companies have invested time and resources making the necessary adjustments to meet the current and future needs of our shippers. With the support of our key partners in both of our host countries, this is a challenge that we can meet and one that we relish.

Sincerely,

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

Chad/Cameroon Development Project



Production & Operations



The three companies that make up the Chad/Cameroon Development Project made progress on several important operational fronts in 2018. EEPCI's polymer oil recovery program, predicted to significantly increase production in the coming months and years, moved into the implementation phase. To support an expanded scope of work, the company decided to double its well work rig schedule from part time to 24/7; and COTCO and TOTCO addressed multiple technical issues so that their pipeline can accommodate increased volumes of crude from new shippers.



POLYMER WATERFLOODING: From pilot to phased implementation

Dozens of kilometers of new pipeline were laid, and several new facilities were installed in the Doba Basin, as EEP CI launched the first implementation phases of its polymer waterflooding program in 2018. Along with Chad's recent extension of EEP CI's production license to 2050, the polymer program has significantly enhanced the long-term outlook of this highly successful oil development project.

Polymer waterflooding involves mixing organic molecules called polymers with produced water to create a viscous solution that, when injected into a petroleum reservoir, can be more effective in driving oil towards production wells than using water alone.

Based on the results of a three-year pilot test, EEP CI believes implementation of the polymer program will result in the company being able to recover more oil, operate profitably for a longer time and generate more revenue for its shareholders and host country.

Implementation in 2018 involved installing specialized facilities in locations that were carefully selected for maximum recovery

potential based on the specific properties of the area and nearby wells. Additional phases will be planned based on the results of the initial phases.

In addition to creating the potential to recover more oil than originally anticipated when the project began over 15 years ago, the license extension and the polymer technology together will have a number of benefits for the project:

- **Recruiting** – EEP CI will be recruiting Chadian engineers in 2019 to strengthen its operations, maintenance and engineering teams for the future.
- **Wellwork** – The scope of the well work team will now include servicing the polymer-related operations. Partly as a result of this increased workload/activity level, the well work team recently increased its activity back to full time.
- **Workforce Competency** – Efforts to increase the capabilities of the Chadian workforce to meet EEP CI's emerging business needs will be intensified. This involves identifying competency goals and building technical and soft skills through an ongoing training program.



Well work program ramps up to 24/7

The goal of EEP CI's well work team is to maximize the recovery of oil from its existing wells through a well maintenance and repair program. Well work is necessary because an oil and gas well can at any time experience issues that diminish or obstruct the production process.

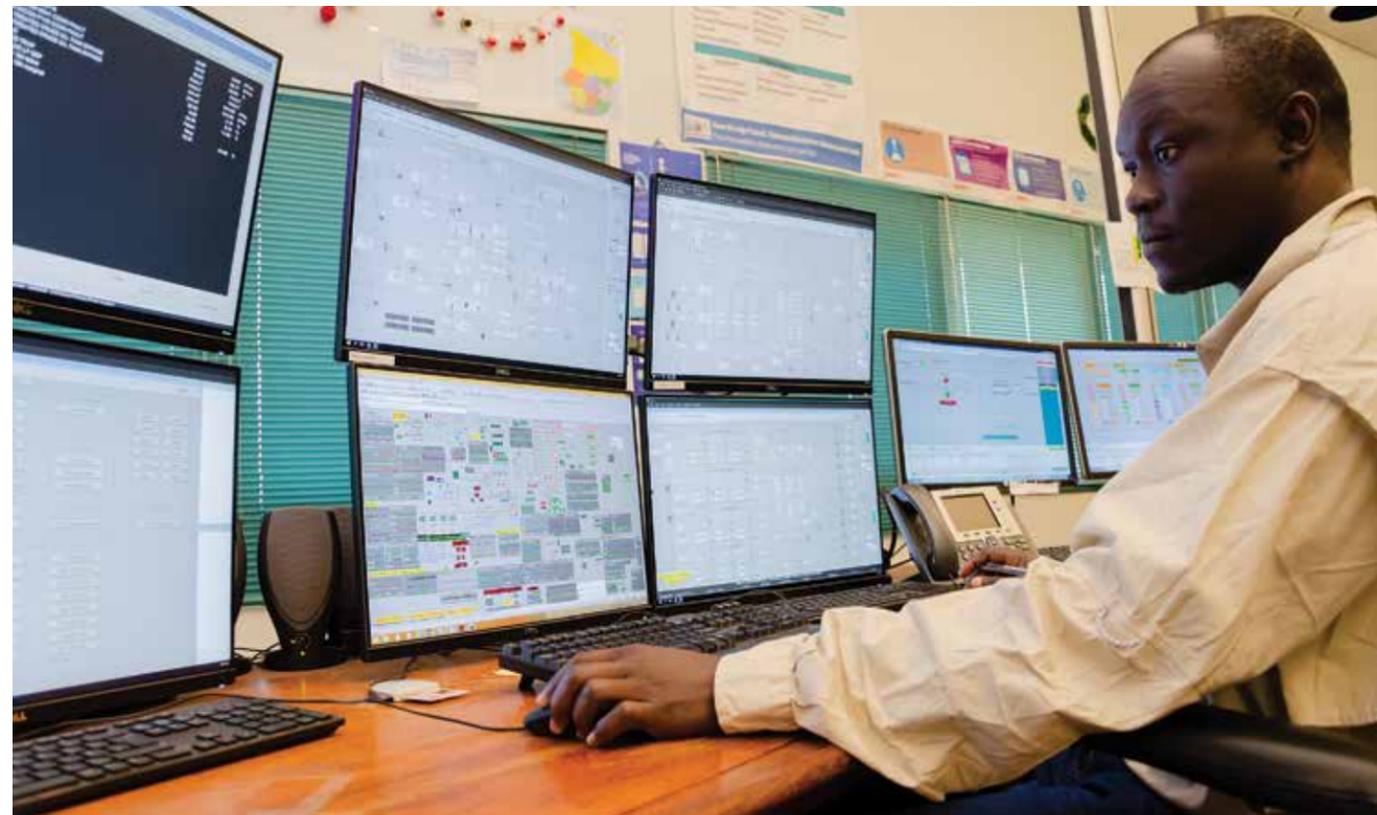
In November 2015, as oil prices began a prolonged decline, EEP CI decided to shut down its well work rig, Toumai, and put it on a 28-day rotation – in operation for one month and off the next. During the low oil price environment, EEP CI also opted to give priority well maintenance and enhancement procedures to the "Top 200" of its 600+ wells that produced 75% of its oil output. However, recovering prices in recent years and the promise of



enhanced oil recovery from some of EEP CI's fields have changed the economics of the project, and in early 2019 the Toumai rig is moving to a 24/7 schedule.

Moving to a full time/continuous rig schedule will mean more oil in the pipeline resulting from faster repairs and the servicing of more wells. The well work team has also increased its scope to support the polymer waterflooding project and for collecting baseline data on reservoirs to predict the benefit of polymer waterflooding.

The new schedule involved hiring a second well work team to rotate with the existing team, creating dozens of jobs. The new team was trained to match the excellent safety record of the existing team.



Power plant control room operator Mohaloud Ahmed keeps the turbines – the heart of operations at Komé 5 – running at optimal levels each day. The work involves making numerous daily decisions about the fuel mix to maximize efficiency and reduce the impact on cost and emissions.

Improving turbine reliability at the Komé 5 power plant

In an important accomplishment in 2018, EEPCI largely resolved several major technical issues that had affected the reliability of the project’s four turbines, which generate the electric power needed to move approximately 850,000 barrels of fluid, much of it water, each day. The reliability of the turbine generators had been a concern for several years, since EEPCI converted several of them from gas power to a gas/crude mix. Although the generators were designed to allow this kind of adaptation, this was the first time the conversion had been implemented under the conditions present at Komé 5. Because crude generates more particulate matter than natural gas when burned,

the exhaust ash was migrating to an area outside of the combustion chamber, causing the converted units to require more downtime for maintenance.

Working with EEPCI’s engineering and maintenance team, the turbine manufacturer mobilized a specialized team focused on improving the process for converting the turbines from gas to crude. The team developed several technical solutions, including component design changes, that have largely resolved the particulate matter issues and also reduced air emissions from the converted turbines.

2018 EEPCI Production Results



599

Million barrels of oil produced by EEPCI since October 2003



436

Oil wells online



52

Water injection wells online



334

Well renovation and enhancement procedures conducted

Internal Sources

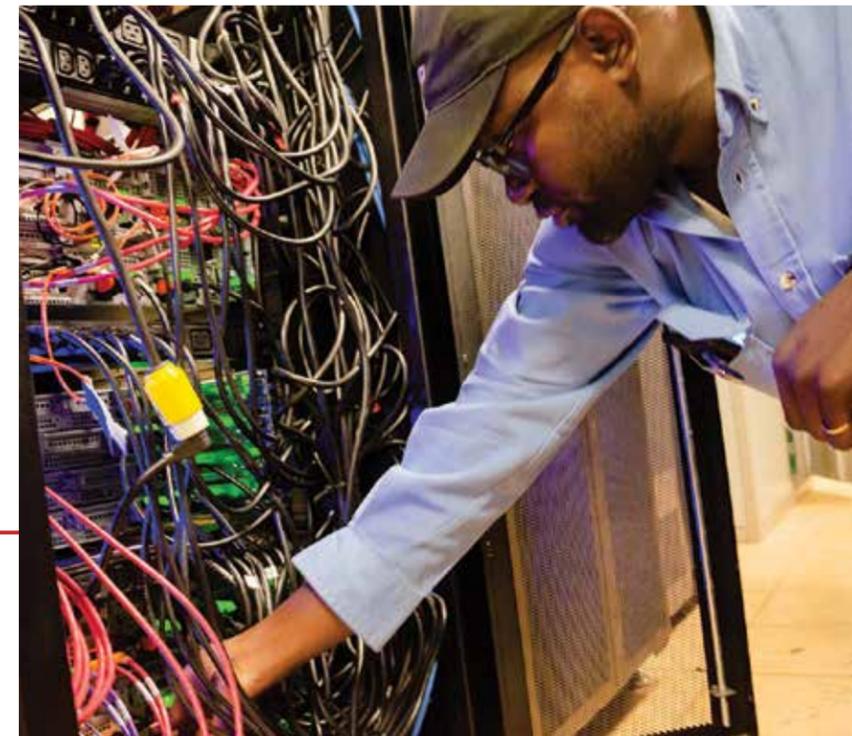
Project-wide control system successfully upgraded

After more than a year of planning and intense preparation, a total upgrade of the project’s vital Distributed Control System, or DCS, was completed in 2018. The DCS plays a critical role in keeping all operations running smoothly, ranging from the oil production facilities in Komé to the Floating Storage and Offloading vessel in Kribi. This complex computerized control system directs thousands of different systems that enable EEPCI, COTCO and TOTCO to operate 24 hours a day.

The upgrade allows the project to take advantage of many technical advances in computing and communications power that have been made in recent years. Over 400 major pieces of electronic control equipment and related software were installed and activated in rapid succession across five of the project’s major facility sites in May and June, making operations more reliable, secure and efficient.

“This was an exciting project that involved new technologies and global collaboration. It pushed the team to master new skills and technologies as we rolled this out.”

Djondang Vaitcheme | Chad Surface Engineering Lead



Major study outlines a pathway to increased pipeline capacity

With producers expanding their operations and increasing their production forecasts, the pipeline companies conducted a major study in 2018 to ensure that the ETS will be able to transport greater amounts of crude in the future. Much of this new crude is likely to have high pour point/high paraffin wax content, which can cause pipeline flow problems unless properly addressed.

In 2013 and 2014, the ETS began accepting crude from four new fields operated by PetroChad Mangara and CNPCIC, which come in addition to the original fields developed by EEPCI in 2003. To accommodate crude from those new fields, COTCO and TOTCO made several changes to their operations, including modifying a crude oil topping plant at Pump Stations 2 and 3 and utilizing pour point depressants to assure that the crude traveling through the pipeline does not solidify. To ensure flow through the 12-kilometer undersea portion of the pipeline remained secure in the event of a pipeline shutdown, a subsea

mitigation project was implemented at the Pressure Reduction Station near Kribi.

To help with shippers’ volume increase forecast, TOTCO and COTCO conducted a comprehensive Crude Volume and Quality Evolution analysis of the impacts these factors can have on the pipeline. The objectives of the study were to:

- Confirm the ETS can accept the crude in the quality and volume that is tendered by the shippers.
- Evaluate the maximum capacity for transporting these new crudes in the pipeline.
- Determine what modifications would need to be done to the ETS infrastructure to increase throughput from 100 kbd to 200 kbd and beyond.

Shipments from marine terminal	2018		Project to date	
	Millions of barrels	40.6	684	
	Export tanker shipments	43	745	

Internal Sources

ETS to receive new sources of crude in 2019

New shippers continue to increase the volume of crude flowing through the ETS to the Floating Storage and Offloading (FSO) vessel and ultimately to international markets. Recently the China National Petroleum Company International (Chad) Co., Ltd. (CNPCIC), which has shipped millions of tons of Chadian oil since 2014, approached COTCO and TOTCO about transporting additional volumes that will be produced from three new Chadian fields.

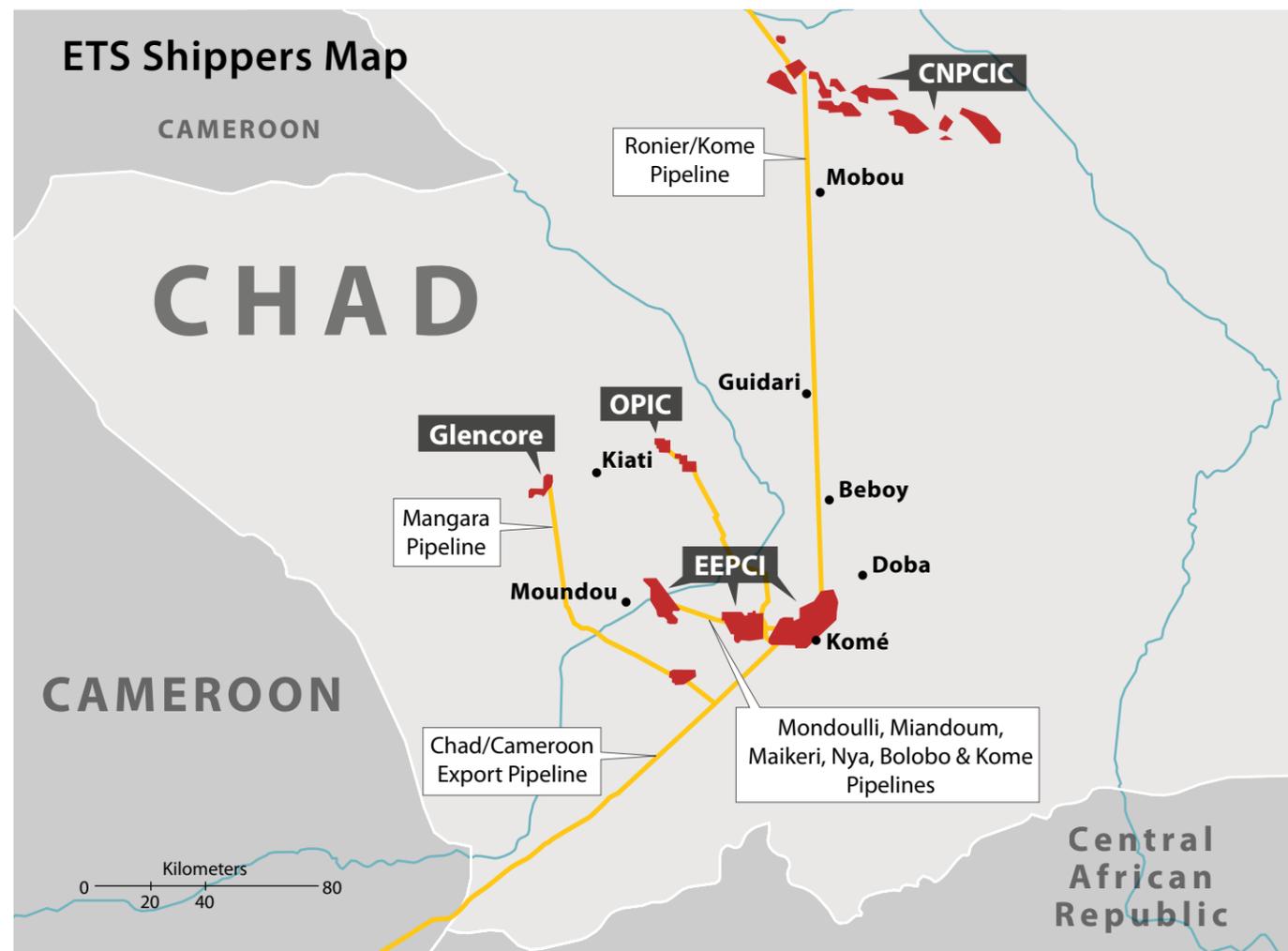
Another company, the Overseas Petroleum and Investment Corp. (OPIC), after years of exploration in Chad has advised TOTCO that it has found commercial quantities of oil and plans to begin exporting this oil through the ETS in 2020. OPIC is a state-owned Taiwanese petroleum, natural gas and gasoline company that has drilled 10 exploration and 5 producing wells in Chad during the last 10 years.

“TOTCO has developed a lot of relationships and technical resources. It’s easy to work with the TOTCO team, and they have been very helpful, sharing their expertise and advice. Our business objectives are similar to TOTCO’s, and since we have a 25-year permit for these concessions, our plan is to be operating in Chad for a long time.”

“We are trying our best to make a contribution not only for our shareholders but also for the country of Chad and its people. Because CNPCIC and TOTCO have shared goals, we work together to achieve our common objectives.”

Xia Gang | Technical Vice President, CNPCIC

Mr. Tseng | Chi-Chung, General Manager, OPIC



Environmental Protection



As it does every year, the project undertook multiple activities in 2018 to prevent incidents affecting the environment. A network of access roads was upgraded and thousands of boundary markers were installed to ensure access to the pipeline ROW by authorized vehicles for maintenance or rapid response, while minimizing third party entry to the area. COTCO’s Emergency Response Group engages in intensive training year-round and is available 24/7. In response to a small leak, new methodology to detect and manage pipeline defects was developed, to reduce the likelihood of a similar occurrence in the future. EEPCI also completed a major project to safely and responsibly dispose of the chemicals that are no longer needed to support the drilling program.

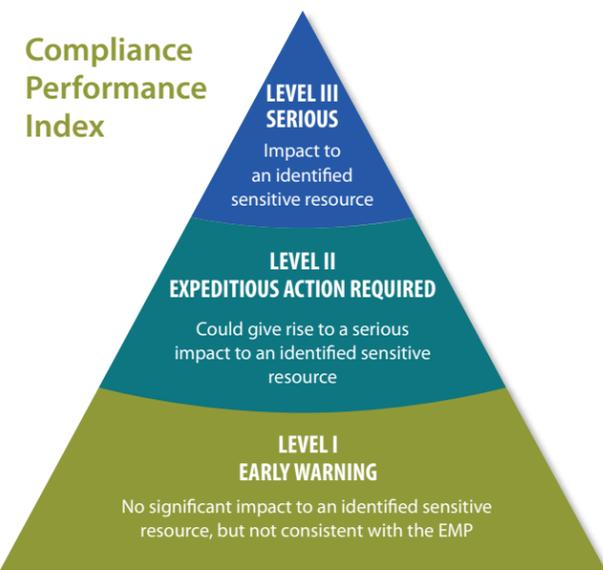
The project's Environmental Management Plan

The project has one of the most rigorous Environmental Management Plans (EMP) in the history of sub-Saharan Africa. The plan defines how the project protects both the environment and the people impacted by project activities. The EMP's high standards have helped create a culture of safety, reliability and operations excellence.

EMP reportables – non-compliance situations and spills

The project's Environmental Management Plan (EMP) includes reporting standards for non-compliance situations (NCS). The three-level ranking system is designed to provide an early warning mechanism to detect issues and help correct non-compliant behaviors and practices well before they become serious enough to cause damage. The project recorded 0 Level II or Level III NCS in 2018.

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 2018, the project had one spill which involved a pipeline defect that resulted in 5 barrels of oil being discharged. All oil and contaminated soil were thoroughly cleaned up.



Safely disposing of unneeded chemicals

EEPCI has successfully completed a multiyear, multimillion-dollar effort to responsibly dispose of chemicals used in drilling activities that have not been needed since drilling new wells in the Doba fields was suspended in 2015. The decision to launch the initiative rather than continue to store the chemicals at Komé base was made after an assessment concluded that responsible disposal would lower environmental risk and costs to the company.

The company retained a specialist to determine how best to dispose of the chemicals and engaged with the Chadian government and local NGOs to explain the process.

After an analysis by ExxonMobil's Environmental Services Group concluded that the chemicals could be managed in ways that would

render them inert, the disposal team received approval from Chad, company management and relevant NGOs to proceed.

The methods for disposal complied with international environmental standards and included:

- **Biological remediation**
- **Burial of inert materials**
- **Incineration of fluid loss chemicals**
- **Reinjection of acids, demulsifiers, anti-fungals and anti-bacterials deep into a disposal well several kilometers from Komé base**
- **Beneficial reuse of some drilling mud additives in road repairs**



A COTCO employee disposes of old fluorescent lamps in a "Bulb Eater" which crushes the bulbs resulting in lower storage, transportation and recycling costs as well as reduced mercury vapor emissions.

25,000 boundary indicators help protect pipeline integrity

One of the most important ways COTCO protects the 1070-kilometer pipeline from damage caused by third parties is to install cement boundary indicators that clearly demarcate the project's right-of-way (ROW). After increased interactions with the ROW due to economic development in Cameroon, COTCO began installing the indicators in 2015 and currently has 25,000 indicators in place. In 2018 alone, 10,000 markers were installed along 252 kilometers of the pipeline, completing the first phase of a multiyear plan for installing boundary indicators in the areas most susceptible to encroachment risks.

In Kribi, which has experienced significant growth in part due to the new deep-water port, COTCO has installed indicators 30 km inland from the beach. In some places in Kribi, COTCO is adding additional indicators every 1.5 meters, which effectively creates a physical boundary to prevent vehicles from making unrestricted traverses of the ROW. Multiple roads were built to ensure authorized crossings are not more than 500 meters apart in what is now a very busy area.

Thanks to new technology and a new approach, the company is able to mark the ROW boundaries faster and at lower cost than before. The new approach involves using a pipeline locator that can measure the exact position and depth of the pipe within millimeters.



TOTCO EMP and CSR Supervisor Moutede Doumngar Maurice demonstrates the use of a pipeline locator for a ROW maintenance team made up of local employees hired by Chadian contractor CLEJOTO.

Minor leak leads to improved pipeline maintenance techniques

A small leak which occurred in the pipeline in 2018 led to the development of important new approaches to both analyzing pipeline data and maintaining the system. While the leak, which was located in southern Cameroon, led to a brief but rare shutdown of the pipeline and the loss of five barrels of crude, the oil was immediately cleaned up by COTCO's Emergency Response and EMP Groups, with no impact on the surrounding area. The important changes in the project's approach to pipeline maintenance are expected to further improve the ETS's record of reliability and integrity.

Periodically, an evaluation tool called a "smart pig" is launched to travel down the pipeline, identifying from the inside any microscopic variations in pipe wall thickness. These anomalies are

classified according to their size, location and other characteristics and prioritized for either immediate repair or monitoring. An inspection program is in place to evaluate the integrity of welds at environmentally sensitive areas. By the time of printing, no cracks had been detected by three types of sophisticated detection techniques conducted by an outside expert company.

The shutdown of the pipeline also provided a real-life test of the subsea mitigation system, which was successfully activated to prevent gelling of the crude contained within the 12 km section of submerged pipe between the Pressure Reducing Station in the coastal town of Kribi and the Floating Storage and Offloading Unit.

Welds identified for proactive physical inspection in 2019:

37



Pipeline leaks this year: **1**

Leaks since construction: **1**

Essential access roads upgraded

Since the beginning of the project in Cameroon 15 years ago access roads were created and existing roads were upgraded so that COTCO and TOTCO vehicles could have easy access to every part of the 1070-kilometer pipeline for routine monitoring, maintenance or to respond to a problem. Because of the importance of these roads, COTCO in 2018 launched a plan to upgrade its access roads, which will be followed by a systematic three-year maintenance program. Every kilometer of access road is to be reviewed and the work on each road is completed by local contractors and workers.



EMP Monitoring & Management Program



2018 numbers in tonnes

- Domestic garbage incinerated on site: **280**
- Innocuous solid waste buried (landfill): **61**
- Non-hazardous waste recycled to local communities: **158**
- Non-hazardous waste sent to approved third party facilities for reuse, recycling or disposal: **18**
- Accumulated hazardous waste: **3,098**

Safety & Health



After two exemplary safety years, EEPCL achieved another record in 2018, attaining a 0.04 Total Recordable Incident Rate over millions of work-hours, often on high-risk activities. The strong combined performance across the project was largely due to the continued refining of its safety programs, particularly the significant efforts made to promote rigorous safety practices throughout all parts of the project. Meanwhile, the pipeline companies' groundbreaking program that provides antivenoms to treat deadly snakebites to villagers in remote areas of Chad and Cameroon has saved more than 400 lives in just three years.

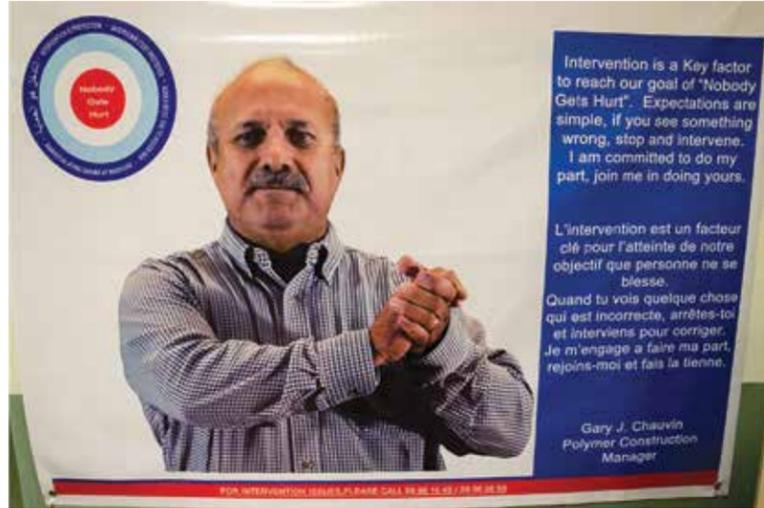
Establishing a culture of intervention

Since beginning operations over 18 years ago, EEPPI has worked continuously to emphasize safety as a core principle of its business. The company has focused on developing its technical excellence, promoting rigorous safety policies and procedures and encouraging soft skills such as teamwork and effective two-way communication. All of these are particularly important in a company that is made up of many nationalities from around the world. This effort has resulted in EEPPI establishing an exceptional safety record over the years, regularly outperforming by a significant margin the U.S. oil industry's safety benchmark that is derived from reports by participating companies to the American Petroleum Institute. In the process the company has won multiple ExxonMobil global awards for its outstanding safety performance.

Awards and a strong record notwithstanding, project management and safety staffers recognize that safety performance can always be improved and vigilance 24/7 at both the organizational and individual levels is critical in keeping everyone safe.

In EEPPI's case, analysis by safety officials of several incidents in 2018, revealed that employees had attempted to intervene in potentially unsafe situations, as they were trained to do. However, some of the intervention efforts were not effective for various reasons, which was unfortunate since it was determined that in each case effective interventions would have made a difference.

At the direction of senior management, the company began to investigate how to improve the effectiveness of safety-related employee interventions. The Lead Company Manager created a committee of representatives from all three project companies (EEPPI, COTCO and TOTCO) led by the Safety Superintendent and



tasked it to investigate and answer questions such as "What are the key barriers to intervention, and how do we reverse these barriers?" After investigating, the committee found that the primary barriers to effective interventions fell into three main areas:

- Fear of outcome - retaliation from supervisors
- Lack of confidence - what do I say and how should I say it?
- Cultural traits - how people from different backgrounds and cultures interact and react to interventions

The investigation team was also asked by management to develop creative ways to deal with these largely cultural and psychological barriers.

'Intervention is Protection'



The result was a multi-faceted campaign to re-establish the importance of safety interventions and to model appropriate and effective interventions for employees. The campaign included posters, discussion points during meetings and, perhaps most significantly, the production of a series of 12 videos that were released periodically over the course of about four months.

The videos were produced locally and featured members of the team and management. They were shot on location in Komé with actual EEPPI workers and touched on potentially sensitive topics like interpersonal relations in a humorous or light way that modeled both positive and negative behaviors. They are played and discussed during the daily and weekly safety meetings that all project employees participate in.



Posters were placed throughout project sites with the following message:

'If someone is not ready to perform a task or is making unsafe choices, we all have a moral obligation to intervene, no matter our position or our company'

The third component of the campaign is a quick reference guide playbook for intervention behavior. This series of procedures to guide actions has been given to each employee.

RESULTS

Soon after the campaign was implemented, the project observed a significantly increased number of interventions and achieved its best safety record ever.

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 2018 it equaled 2017's performance in outperforming this benchmark by a factor of almost 10. 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.



Driver training sessions

In response to two vehicle-related incidents that occurred over the past year, EEPPI and TOTCO required 500 employees who drive company vehicles to attend a driver training reinforcement course in 2018. Since all project employees who drive vehicles had already received driver training, this exercise was about identifying and counteracting any bad habits that had developed over time.

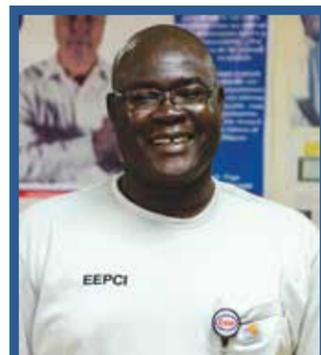




Safety delegate workshop spreads safe practices around the company

Every year, EEPICI holds a two-day workshop for the company's 24 safety delegates. During the intensive meeting, safety topics are presented and discussed amongst the team of delegates and senior managers. Delegates are employees from each department who have volunteered to serve in this additional capacity for a two-year term. Their role is to bring the latest thinking about safety to their respective functional groups to further ingrain and reinforce safety culture throughout the company.

More than 200 people have been trained in this way so far and have had a major impact on the safety culture. Delegates volunteer for the position both because they understand how important safety is for the company and because it will help keep themselves and their peers safe. Management recognizes safety efforts by rewarding a Safety Person of the Week and Safety Delegate of the Year with monetary rewards. Being a safety leader is also a valuable attribute during consideration for advancement within the company.



Maxime Djimadoum
Safety Supervisor, EEPICI

"Because safety is a core priority of ours we put a lot of passion and energy into maintaining that culture of safety here. The company has provided us with a lot of tools, but we have to work the tools every day to achieve the record that we have. For us, there is nothing that is more important than safety, whether in the workplace or at home. This is the policy of the company, and it has led to a strong and improving record from the beginning of the project."

2018 Healthcare consultations



10,850

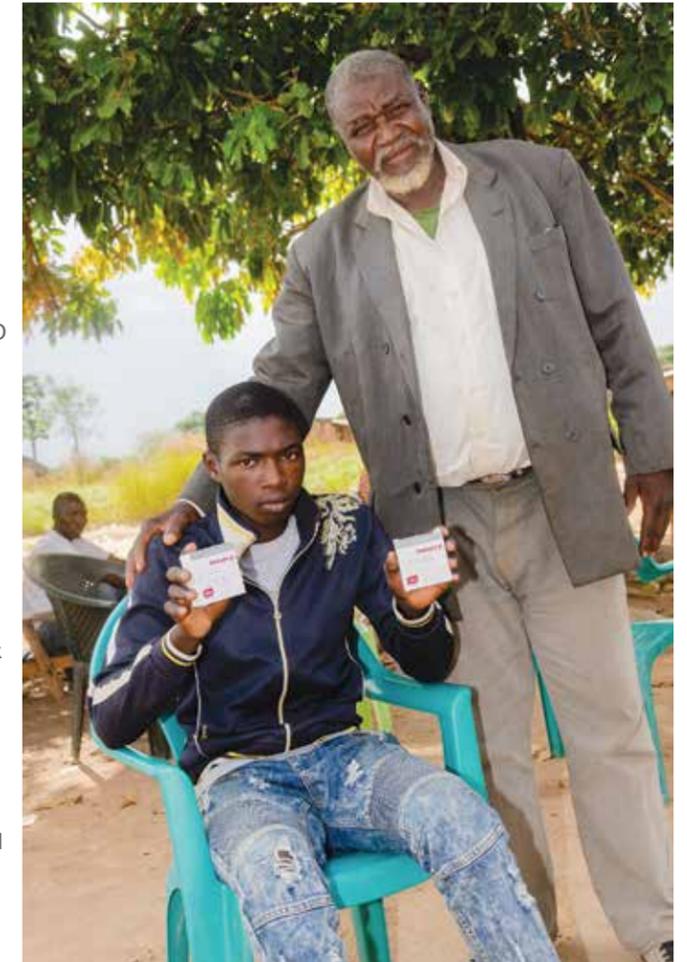
Free health care consultations for workers at project clinics are a valued job benefit in Chad and Cameroon, where health care can be difficult to obtain, especially in rural areas. The majority of this care involves illness or other health conditions unrelated to the workplace. For full time direct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

Expanded snakebite treatment program saves over 400 lives

In 2018 COTCO and TOTCO increased their support for a critical program that provides antivenom serum and lifesaving training to villagers in remote areas along the pipeline in Chad and Cameroon. The program has saved over 400 lives in the three years since COTCO launched it in collaboration with the Cameroon Ministry of Health. Now, in addition to increasing the number of antivenom doses donated by COTCO and TOTCO to over 1,000, COTCO and TOTCO have funded specialists to train medical staff in these remote areas about how to treat snake bite cases.

The catalyst for the pilot program was a study by the Ministry of Health that showed up to 10 fatalities a month in villages near the pipeline in northern Cameroon. The problem is also severe in parts of Southern Chad. While there are many varieties of venomous snakes throughout Cameroon, the abundance of Echis ocellatus, commonly known as the West African carpet viper, is responsible for many snake bites in the areas along the pipeline in both countries. Due to the remote locations and lack of access to transportation, medical facilities and medicine, snakebites in these regions usually resulted in death.

Under the current arrangement, COTCO and TOTCO buy the antivenoms and distribute them to local health centers along the pipeline, to be administered to victims at no cost. In Chad, the number of doses provided by TOTCO has nearly doubled and antivenoms are now available in 14 health centers, an increase from the five included last year.



"Four of us were going to the shop to buy sugar. I stepped on the snake, and it bit me and disappeared into the bush. As soon as I was bitten my friends brought me home first. People were crying because in this area we know that when you get bitten by a snake, you die. But after about 30 minutes at home thinking about death, I had an idea to try to go to the health center, and they took me there, which saved my life."

As Allah Biavere, patient, pictured (holding the life-saving antivenom doses two weeks after being bitten) with his father, **Tinabedje Gosmbaye Simone Pierre**



Antivenoms donated: **1,022**

431 lives saved since the beginning of the program in 2016



As part of World Malaria Day, EEPICI donated 1500 bed nets to pregnant women and children under 5 in the Miladi and Bero Cantons in southern Chad.

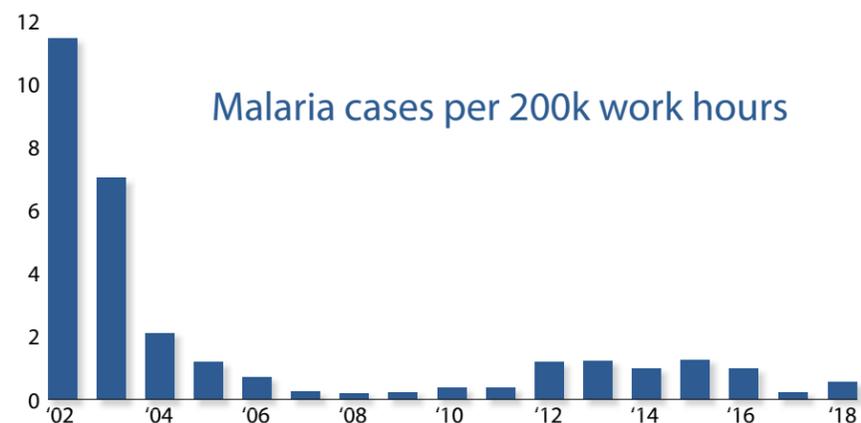
Workforce malaria prevention

For many years the ExxonMobil Foundation has supported global efforts to control and eliminate malaria. Between 2000 and 2018 it committed \$170 million in cash grants to this cause, which has brought down mortality rates by 60% worldwide since 2000. Through the combined power of institutions, individuals and the communities they represent, more people are receiving prevention and treatment tools than ever before. However, much work remains to sustain momentum toward the ultimate goal of ending malaria for good.

In malaria endemic countries like Chad and Cameroon the company places a high priority on preventing malaria among its workforce. Employees and contractors who are local residents are generally considered to be semi-immune and do not take malaria prevention drugs. Non-immune personnel are required to take chemoprophylaxis. EEPICI has a multi-step enforcement program to educate non-immune workers about the disease and how to protect themselves, emphasizing the necessity of taking the medication.

“Even though our target for the year is maximum of two cases, we know that zero cases is achievable because we’ve achieved this before over a rolling 14-month period. And since we know that zero is possible, even one case is too many.”

Dr. Tog-Yeum Nagorngar
 Manager, Medical and Occupational Health, EEPICI



Community Engagement



A new community engagement program’s strong framework for work with communities across the Oilfield Development Area (OFDA) in southern Chad has already led to improved results in community relations, greater impact and alignment of investment and engagement efforts in a number of action areas. Meanwhile, a community engagement strategy developed by the pipeline companies is obtaining positive, sustainable results in communities near operations in both Cameroon and Chad. The primary focus for these activities is health, water access, education, environment protection, biodiversity conservation, support for the local economy and sponsorship of cultural and sporting events.

INTEGRATED COMMUNITY OUTREACH PROGRAM: A new way to engage

Maintaining strong bonds with local communities has always been one of EEPICI's highest priorities. In 2018 the company launched a new approach to engaging with villages and towns near the Oilfield Development Area (OFDA). This initiative, the Integrated Community Outreach Program (ICOP), has enhanced EEPICI's community engagements by strengthening two-way communications and promoting collaborative planning and careful coordination in responding to community needs. ICOP has also resulted in increased community support for keeping project infrastructure secure by preventing theft and vandalism.

The ICOP is the outcome of community input through the company's Community Awareness program, as well as a dispute mediation process administered by the World Bank's Compliance Advisor Ombudsman (CAO). In 2017 EEPICI and the NGOs representing communities in Chad's oil producing region signed a five-year agreement that requires the parties to implement the agreement via

a multilateral platform. The platform not only focuses on the content of the accord, but it became the vehicle for all future collaboration between EEPICI and the NGOs. To comply with the agreement, EEPICI developed the ICOP to identify and address community concerns, and to do so in a way that establishes and maintains community trust in EEPICI's operational integrity.

The program calls for stakeholders to engage together to:

- **Develop a proactive system to anticipate community concerns**
- **Approve budgets and allocate proper resources for ICOP implementation**
- **Understand and redefine program contents as needed**
- **Interact with administrative authorities**
- **Ensure ICOP visibility**



An initial awareness meeting to help the villagers of Mainiani understand how to formulate an association so that they can participate in the ICOP.

Key to ICOP's effectiveness is closely following up on agreed plans and monitoring their implementation. The focal point for the monitoring committee shared his perspective on the new approach:

"ExxonMobil has fulfilled all of its responsibilities from the agreement and has worked with us in good faith. It even conducted additional work beyond the specific requirements of the agreement. We are confident that ExxonMobil will continue to fulfill its commitments as defined by the agreement. Now that we are dealing directly with the company, more trust has developed and on new projects the

company is asking for advice from the local people first. With things the way they are now, I can see us continuing to work well together in the future."

Urbain Moyanbaye | PIC of the Local Committee in charge of following up the CAO agreement in the OFDA, pictured with (left) **Nadjiadjim Théodile** | President of the Entente of the Populations of the Petroleum Zone (EPOZOP) and (right) **Koulamrambaye Beinde Junior** | Office Head (EPOZOP)

COMMUNITY AWARENESS ACTIVITIES

Awareness meetings are held with every community that is interested in participating in the ICOP. These meetings educate villagers about the ICOP and how they can participate and benefit from the program. Participating villages are eligible to receive support such as agricultural materials and support for entrepreneurial projects.

Community Awareness Activities:

- Courtesy visits to Canton Chiefs by EEPICI
- More frequent communications with local community leaders
- Campaign awareness and education meetings with communities



"We feel good about the new program; the project is always trying to maintain good relations with us, and we encourage them to continue improving their programs and interactions with us."

Lokissingar Gustave
Chief, Mainiani

ROAD REPAIR

As part of the ICOP process, EEPICI committed to rehabilitate sections of roads in the four cantons in the OFDA, making it easier for local communities to travel between remote localities and Bebidjia, a town with large markets, medical facilities and other necessities. The plan is to complete the road repair project covering all four Cantons by 2021.



"The new road helps us connect with other villages, and even at night, we can travel to the closest large town, Bebidjia."

Mbaïdjeheurnan Temro is Chief of Ngalaba, one of four village leaders involved in ICOP's development of the road repair plan.



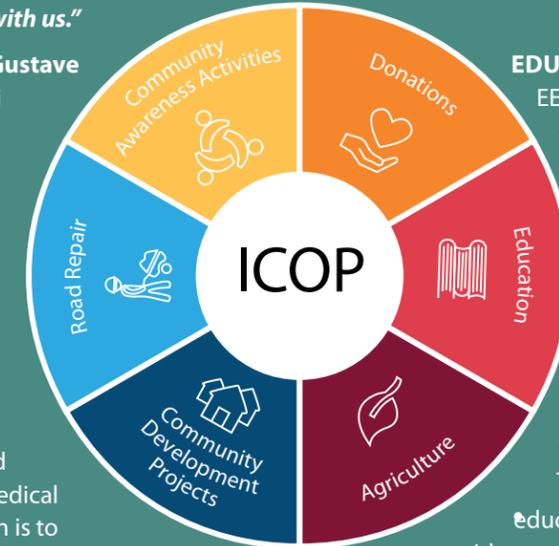
AGRICULTURAL SUPPLIES AND TECHNICAL TRAINING

Through a plan developed by the ICOP, EEPICI is encouraging the expansion and advancement of agriculture by communities in the OFDA. The plan supports 20 farming groups with agricultural kits, training, equipment and technical support. Training by agricultural engineers is focused on teaching members of village agricultural associations techniques that can significantly improve yields for participating farmers. To date over 100 hectares of peanuts, sesame, rice, beans and millet have been produced to improve quality of life and promote food self-sufficiency.



"Thanks to the equipment and training my harvest of peanuts was so much bigger than ever before!"

Beosoum Aime | Moundouli Village



EDUCATION

EEPCI, through ICOP, strengthened the educational system in local towns and villages in 2018 by providing three types of support for primary schools:

- Donation of books and educational manuals to 25 primary schools
- School competitions involving 100 students up to grade six from 35 schools to evaluate their education levels
- Teacher workshops to assess their educational levels, and three mini workshops with more than 400 headmasters and teachers

DONATIONS

EEPCI made bi-monthly community donations as a sign of respect and consideration for their collaborative efforts to reduce vandalism acts which have sharply declined since the inception of this program. These donations cover socioeconomic priorities like agriculture, education, entertainment and health.

519 in 2016

Over the past few years, instances of vandalism and theft from project facilities has been drastically reduced.

Number of security incidents and thefts

127 in 2017

63 in 2018

SELECTED DEVELOPMENT PROJECT: Water well installed in Dangdili, Chad

“Before this well, we were all getting water from the river, which was three kilometers away. It used to take two hours to make the trip each day, and it was difficult to walk the route with heavy buckets because the sandy soil made footing difficult. It takes some effort to fill buckets at the well using the foot pump because the water table is 80 meters deep here, but it’s much better than having to go so far. Also the quality is much better, so people do not get sick.”

Nomare Modeste | Dangdili



Dangdili is a village located just west of the town of Bébédjia and near the OFDA. EEPCI installed a water well there recently as a result of a CAO mediation agreement.



Sustainability program renovates two village schools

As part of its Corporate Social Responsibility (CSR) plan, COTCO has a sustainability program that calls for it to renovate two village schools needing repair or maintenance each year. The schools were built by the company 10 to 15 years ago in villages near the pipeline ROW as compensation during the pipeline construction phase. The goal of the sustainability program is to ensure that schools and other types of infrastructure built or supported by COTCO remain in good condition. In 2018, the schools renovated were in Ndoumba Kanga near Pump Station 3 in the Central Region of Cameroon and Toubouro in the North Region of the country.

“The people in the village are very happy with the renovated classroom. They believe the conditions for learning have been improved in terms of safety and security. The kids are happier to be there and participate, and for a teacher, this is simply a much better working environment.”

Beng Michel | Headmaster, Ndoumba Kanga Primary School (pictured teaching on p.23)



EBAKA I and COTCO: A productive partnership

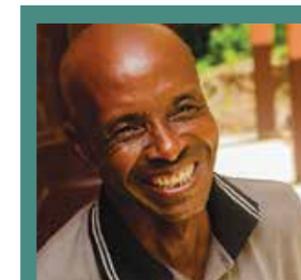
Ebaka 1 is a village in Cameroon located near the pipeline ROW and COTCO’s facilities near Belabo. After COTCO and Ebaka 1 reached an agreement resolving a community grievance, even though there were no issues involving company liability, COTCO decided to support some of the villagers’ community projects. Together they created a Partnership Agreement. As part of the Agreement a new nursery school was built at the village’s request. Consistent with COTCO’s community investment policy, the village managed the project, using workers from the community and local materials as much as possible.



Another partnership project is a cassava production enhancement program conducted by a village cooperative association with assistance from COTCO, including financial support to help with startup costs. In addition to these infrastructure and economic development collaborations, COTCO awarded grass cutting jobs to the village to maintain the areas around the perimeter of company facilities. This activity started in September and was one of the community’s requests.

The preschool was completed this year and has 32 students.

An important goal of COTCO is to ensure projects like these are sustained, so the company will continue to monitor progress to make sure this goal is achieved.



Nyakei | Treasurer of the village development committee

“To complete this project, we had a technician who was native to Ebaka I, and we hired a workforce from Ebaka I. COTCO purchased some supplies and we purchased others, so it was a real partnership. It provided jobs over the three months of construction. The people in Ebaka I are happy with the relationship with COTCO, and I foresee a lot of progress with our village.”



Madame Beging Marie Georgette | Headmaster, Ebaka I Nursery School Treasurer of the village development committee

“This new nursery is very good. Attending school at this age provides the base for future learning and is part of the Cameroonian government’s education strategy. It helps with their socialization, so the kids know how to integrate into society and have a better base for future learning.”

FEDEC: New developments in a growing organization

In 2000 COTCO donated \$3.5 million to create a foundation to protect biodiversity in two national parks in Cameroon and to administer an Indigenous Peoples Program benefiting the Bakola/Bagyeli people, traditional hunter-gathers living near the pipeline in the rain forest between Kribi and Lolodorf. In the 18 years since its creation, the Foundation for the Environment and Development (FEDEC) has worked diligently to fulfill its two missions, and COTCO has made additional donations that have brought the company's total financial support to \$4.7 million¹.

To achieve its goal of reducing its reliance on COTCO and becoming a stable, self-sustaining organization, FEDEC developed close collaborative relationships with relevant Cameroonian government ministries; professionalized its management; increased the number and impact of its programs; and significantly broadened its resource base through grant writing and fundraising for specific projects. New donors include the Canadian, Japanese and Chinese embassies, a major Canadian Zoo - Zoo de Granby - and the NGO, CUSO International.

Green Climate Fund Accreditation
FEDEC recently received accreditation from the

"FEDEC is a small group, but we've improved our procedures and tools, are growing our partnership base and increasing our impact. Our success in implementing programs is a big part of this growth, as many more people have learned about the work that we do, leading to more opportunities."

Anne Virginie Edoa

Green Climate Fund (GCF), a global fund created in 2010 to help developing countries limit or reduce their greenhouse gas emissions and adapt to climate change. Now that FEDEC is accredited, it is eligible to access higher-level GCF grants to fund parts of its work.

Monitoring the Programs

FEDEC's system for monitoring its programs has been strengthened in recent years, and it now has the methodology and tools needed to improve planning by benchmarking performance indicators and measuring results. The system also helps ensure that program implementers are correctly doing what they have committed to.

Implementation

To implement its Indigenous People's Program, FEDEC now works with *Bakuda*, an indigenous organization run by Jeanne Biloa, a Bagyeli woman. In Campo Ma'an

National Park the implementer is now the *African Wildlife Foundation*, a Kenyan organization.

FEDEC's implementers have different strengths - ranging from strong on all fronts - to needing some tools and training to reinforce their capacity, and the foundation helps them with that.

¹Based on conversion rate of \$1 = CFA 500



Anne Virginie Edoa
FEDEC's Executive Director

"Years ago the Indigenous people lived alone deep in the forest, but today they live together with everybody. They don't live in isolation so there is simply no choice: to educate and empower them. We need to do this work so they can avoid marginalization. Parents are now starting to see how important this work is for their children. We are building role models for other kids."



Providing Bagyeli/Bakola students access to secondary school

One of FEDEC's most important indigenous peoples' programs is funding scholarships for Bagyeli/Bakola students from the Lolodorf-Kribi area to attend a boarding secondary school after completing the primary school at Foyer Ngoyang. This is a significant development because it bridges the gap between primary and secondary schools. The goal of this program is to provide education and empower the students without impacting their culture. The program is popular within Bagyeli/Bakola communities and is currently overbooked.

The school is located outside of the city of Mbalmayo, about an hour south of Cameroonian capital, Yaoundé. It is a Catholic school (Christ Roi d'Oboud) managed by a Spanish nun and is a top performing school in the region. FEDEC's support is critical for these students since their families would likely not be able to afford the tuition for this level of education.

Begun in 2015, the program had 16 Bagyeli/Bakola students enrolled in 2018, many of whom achieve high academic performance levels. Teachers take special care to make sure indigenous students can understand the lessons while they transition into this rigorous environment. The school also does cross-cultural activities where the Bagyelis can teach the rest of the student body some of their cultural traditions.



Caterine Fleur Amban, a FEDEC employee, distributes new school books to Bagyeli/Bakola students at the Christ Roi d'Oboud school.

"As a Bagyeli myself, it was important to me that our plan was developed at the local level to support the students without changing them. Because of these efforts, every day the Bagyeli/Bakola are increasing their integration into the workforce."

Caterine Fleur Amban | FEDEC's Logistics Coordinator



Motivating students through a school competition

As part of TOTCO's CSR program, on May 29 and 30, 2018, the company held a competition in math and physical sciences for secondary schools near the project's oilfields and pipeline ROW. Six high schools participated by submitting their top five students in two subject areas.

Curriculum was provided by the University of Moundou, which included four hours of math and four hours of physical sciences. Teachers graded the tests and issued the results.

With high-level government officials, school staff and the students looking on, TOTCO presented the awards to the top three performers. Each received a laptop, books, a graphing calculator, a tee-shirt and a bag. All participants in the competition received academic books.

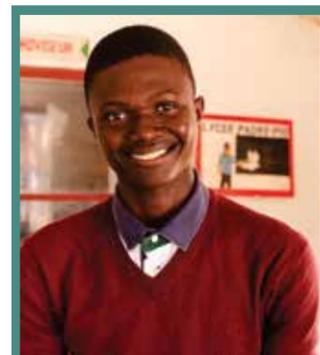
The winner was 17-year old Ferdinand Mbaihodji, student from the Padre Pio secondary school in Bébédjia, won the competition this year.

"I've been teaching in the area for a long time and have not seen a company doing something like this around here. This is the first time a company has met with parents to talk about the future for Chad. This is a very good initiative by TOTCO."

Julien Mbaihodji | Teacher, and father of Ferdinand



Students at Padre Pio school work on computers, some of which were donated by TOTCO. The students participated in a school competition held by TOTCO, with winners receiving laptops, school tuition and other useful prizes.



Ferdinand Mbaihodji
student from the Padre Pio secondary school in Bébédjia

"I really like math and physics, and I enjoy problem solving. I participated in the competition to test my intellectual capacity, and, I wanted to have a computer that could help me learn. I hope to continue my studies in architecture or medicine."



Gouakaine Donald
Headmaster, Padre Pio High School

"Everybody knows Padre Pio, but we have similar financial difficulties and aging facilities as so many other schools. So the help that TOTCO provides is very important to us."

Participating High Schools

DOBA

Lycee Bernard Dikoa Garandi
Lycee Pascal Yoadoumnadji
Lycee Walter Gang

BÉBÉDJIA

Lycee Padre Pio
Lycee General
Lycee Moderne (communal)

Book donation program

The project also has a pilot program to distribute books to schools along the pipeline right-of-way. In Chad, TOTCO distributed 12,000 academic books in 2018. The program's goal is to help under-resourced schools that do not have capacity to buy these books.



A water well installed in the village of Béndjabo in June 2018 as part of TOTCO's community donation program. The well will be included in TOTCO's Water Well Sustainability program to ensure that it remains in good repair in the future.

Providing sustainable access to potable water

Providing access to potable water for the communities near the right of way is a big priority for the pipeline companies in Chad and Cameroon. A detailed analysis of all 70 manually pumped water wells built by TOTCO since 2003 along the pipeline ROW has resulted in a plan to repair the wells that are not functioning properly in 2019.

Due to heavy daily usage, the breakdown of mechanical parts in wells is a common problem in Chad and Cameroon. Technical knowledge about the mechanism and the funds needed to purchase spare parts and tools are often not available in these remote areas. Additionally, residents often believe that wells belong to the donating company and are not prepared to maintain them.

The 2019 plan reflects TOTCO's commitment to sustainability, not by maintaining the wells but by training and equipping the communities to do so for themselves. To help make this goal a reality, TOTCO hired a team of Chadian specialists to conduct an assessment of each well and teach the local communities how to prepare monthly reports on the condition of their wells.

The key provisions of the repair plan that will be implemented in 2019 include training local residents to repair their wells. Every month after a water well is repaired, the village will send TOTCO a status report about its condition. The villagers will assign a management committee to collect a nominal amount of money from the people who use the well to create a pool of funds to maintain the wells.



"Before we had this Well, the women had to go around five kilometers to get water, particularly in the dry season. The nearby river water was very dirty and trash-filled, and people got sick in the village quite a bit. This water is potable, very easy to get, and sickness has decreased."

Laououe Justin (far right), President, Gajibian Water well Management Committee, appearing with **Djikoldingao Martin (second from right)**, Secretary, and **Boayoum Junior** and **Djim Dieudonne**, Administrators

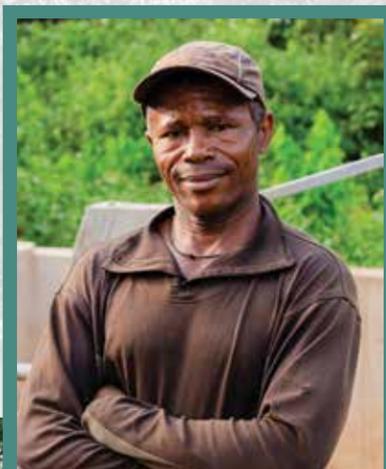
A new water well in Ezzezang Mendum village

COTCO's CSR program calls for the company to reach out to communities along the pipeline ROW to identify ways it can support improvements in their quality of life.

When COTCO held a consultation meeting with Ezzezang Mendum community, a village several kilometers beyond the outskirts of Yaoundé, Cameroon's capital, it learned that the 3,000 people who live in the area did not have a reliable source of water. A government school in the area has a well,

but the villagers' access was subject to the school's variable schedule. The most reliable source of water was a nearby river, but it was of poor quality.

In response, COTCO offered to construct and install a water well and to provide training and tools so that the community is able to perform simple maintenance and repairs on the well. The well was installed on September 10, 2018.



"Having clean water is one of our most important needs – water is life. We've written to the government to ask for these things, but we're happy that COTCO has helped in the interim."

Messanga Eta | Water Well Administrator (who donated some of his land for the well's construction)



Consultation & Land Use



With very little need for new land in 2018, EEPCL continued its policy of returning land to communities. By the end of the year the project had the smallest land use footprint since the project began operations in 2003. One of the project's priorities is to maintain mutually respectful and beneficial relationships with the communities that are located in the areas where it does business. This means keeping local stakeholders regularly informed about project activities as well as addressing any concerns they may have and supporting their needs when possible.

Compensation

Over 11 billion FCFA (approximately \$22 million) in individual compensation for land use has been disbursed since the project began. Compensation which was paid to 411 individuals in 2018 for various reasons such as polymer facilities, flowlines and crop damage totaled approximately 112 million FCFA (about \$225 thousand) in cash and/or in-kind payments.

INDIVIDUAL COMPENSATION

The project's Environmental Management Plan (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. 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.

EEPCI has completed 187 community compensation projects in the OFDA since production began, representing an investment of over 3 billion FCFA (over \$6 million) in Chad communities.



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 for several years as a result of the low price for oil, total individual and community compensation for impacts such as land use have been much lower in recent years.



2018 consultation meetings

	SESSIONS	ATTENDEES
CHAD	95	9,691
CAMEROON	923	4,508



EMP compensation update

All land users and villages are compensated according to the EMP. Since construction began in 2000, the project has compensated 18,661 individual land users for more than 7,850 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 5.3% of the 100,000 hectares of land in the OFDA. When all land acquired and temporarily used has been returned, the percentage of use will be just 1.9% of the total 100,000 hectares.

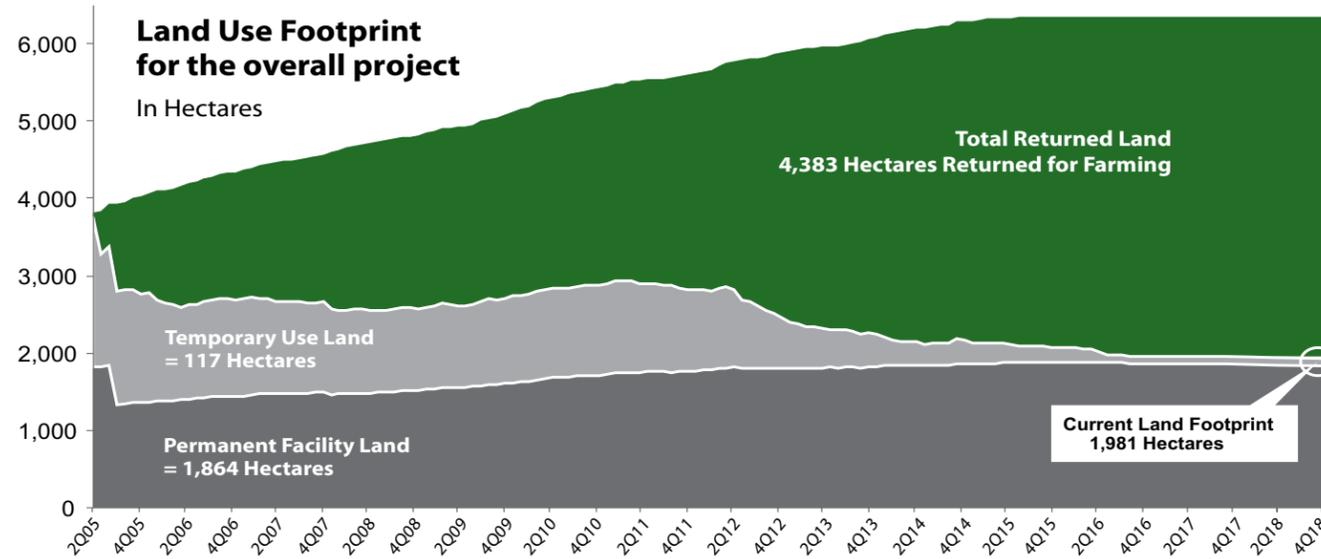
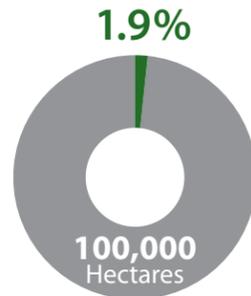
Looking for opportunities to return land in the OFDA

The project is always looking to minimize its footprint and corresponding impact on local communities. Every year EEPCI monitors its facilities to see if there are areas such as old drilling pads that can be returned to land users.

Once a well pad is identified for possible return, the Environmental Management Plan (EMP) team communicates with the Operations team to understand whether there might be a future need for the land. If not, the process of return begins:

- Dealing with flowlines and other technical issues
- Preparing the land by grading it
- Replacing topsoil in an effort to ensure that the returned land is in at least as good a condition as when it was taken.

Percentage of OFDA land currently utilized by project



When a deteriorating traditional home (similar to house on left) collapsed near an area where COTCO was conducting road repairs in Ndoumba Kanga, COTCO rebuilt the house using modern materials (right).



Economic Development



Against the backdrop of an expanding production base in Chad from existing and new shippers, the pipeline companies celebrated an important milestone in 2018: 15 years of safe, reliable and productive operations with key stakeholders who have been important partners.

The Chad/Cameroon Development Project's impact on the economies of both countries is multifaceted. In addition to the billions of dollars in revenues paid directly to the Chadian government and the hundreds of millions of dollars paid to the Cameroonian government, the project has contributed to the growth of the two economies through local employment, purchases of goods and services, the transfer of business and technical knowledge and community development projects.

Celebrating 15 years of safe and reliable pipeline operations

Chadian oil first started flowing through the COTCO/TOTCO pipeline in July 2003. To celebrate COTCO's 15 years of safe and reliable operations and successful exportation of nearly 700 million barrels of oil, COTCO hosted a gala party the evening of November 9, 2018, in Douala. And because TOTCO is responsible for the pipeline section in Chad, the two companies hosted a similar event in N'Djamena on November 16.

The events were attended by representatives from business partners, government partners, contractor companies, representatives of regional governors and COTCO and TOTCO employees. They featured food, drink, music, entertainment and a presentation by Johnny Malec, General Manager of COTCO and TOTCO.

Mr. Malec began his remarks by discussing the two companies' main mission:

"To transport crude oil produced from Chadian oilfields to international markets under the best ethical, safety, security and reliability conditions, and at a competitive cost."

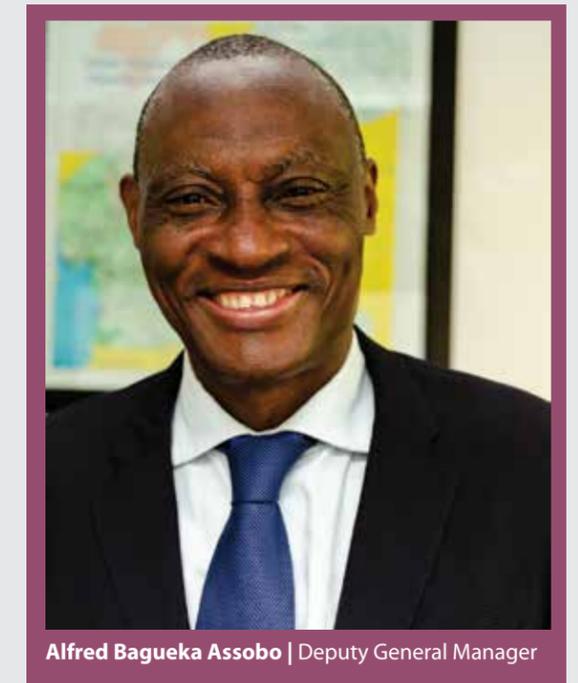
He emphasized the two companies' safety, reliability, security, and environmental records: during this 15-year period COTCO and TOTCO went nine years without an accident or work stoppage; experienced no significant environmental or security incidents; and achieved a pipeline reliability rate of 98.8%. General Manager Malec was optimistic about COTCO's prospects:

"By 2022, we hope that the volumes of oil that are transported in the pipeline will be multiplied by two. There are great opportunities in the future, but taking advantage of them requires even more work, seriousness and rigor. Our staff have been fantastic and they are ready to do even better in the coming years."



SPOTLIGHT: New Deputy General Manager

In the first-ever change at this level in COTCO Management, the company has hired a new Deputy General Manager. A former General Manager at Cameroon's Ministry of Finance, **Alfred Bagueka Assobo** was instrumental in the formation of the petroleum industry in the country, having been heavily involved over 30 years ago in drafting the laws, regulations and conventions by which oil operators are governed. Mr. Assobo brings a breadth of private sector experience to the role, having served on the boards of a number of major operators in the country. Mr. Assobo also brings experience with socioeconomic and environmental issues in Cameroon, currently serving as the president of the board of FEDEC.



"As a recently-hired manager, I'm rediscovering this company from the inside. I know the importance of this company for the two host countries, and I am here to help. We, who were involved at the beginning, are very proud of what COTCO has become today. The crude that COTCO transports now is made up of oil from multiple shippers, which means a more secure future. This project had a vision in the beginning, and it opened up the possibility of increased exploration, as companies knew that they could export it through this pipeline that we all built together. It's a very good example of how two countries can cooperate and strengthen relationships. ExxonMobil and its Co-Venturers built the pipeline as a for-profit enterprise, but the pipeline was also built to help these countries and the region develop their resources. Today Chad and Cameroon can be proud, because the results of all this hard work have surpassed expectations."



NATIONALIZATION: Growing workforce competency

Since the very beginning of the project one of the main objectives was to maximize opportunities for employment, technology transfer and economic growth for Chadian and Cameroonian workers. Over the past 15 years, the overwhelming majority of the thousands of jobs available have been filled by national workers, including at increasingly higher levels of leadership.

With its nationalization goals mostly met in terms of workforce statistics, the project is focusing on building the capacity and competency of its workers to prepare them for new roles and responsibilities at increasingly senior levels throughout the organization. This effort involves regular opportunities for skills and leadership training, the assumption of various roles throughout the business, strategic succession



planning and leveraging opportunities for employees to work internationally throughout the global ExxonMobil network to broaden and deepen their experience.

Pictured below, a meeting of the Asset Leadership Team (ALT) in the operations center at EEPIC's Komé 5 facility. These regular leadership meetings help build a "one team" concept, align on key business priorities and provide a clear line of sight on business performance across all the functional groups. The ALT, along with the Komé Extended Leadership Team, or KELT, are part of the project's workforce competency efforts as leadership increasingly aligns functional efforts along bigger picture understanding of business priorities – a key connection for current and future senior company managers.

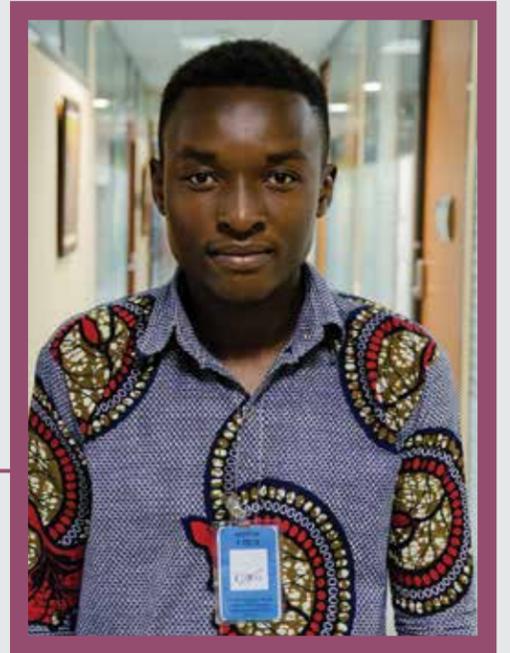
SPOTLIGHT: Engineering intern Arsene Kossi

The path that led a 23-year-old Chadian, Arsene Kossi, to an internship at TOTCO started at the Catholic University of Central Africa's UCAC-ICAM Institute in Douala, Cameroon, where he was working on an engineering degree. ICAM is an engineering college in Lille, France. Because the internship program is very competitive with less than 10% of applicants accepted, companies know it produces quality students.

In the fourth and fifth years of the program, the school encourages students to seek out internships in companies they are interested in. Arsene contacted TOTCO and was one of three students TOTCO chose to interview, after which Arsene was offered the internship.

Internships like these are both helpful for aspiring Chadian and Cameroonian workers and also help the company as it looks to recruit new talent, particularly in light of increased volumes expected to enter the ETS and EEPIC's polymer program which could increase the affiliate's production.

"I was really proud to be selected by TOTCO for this internship. I learned so much about all the different equipment and functions of the company, and even got to deliver presentations to TOTCO's General Manager to show my work. My mentor was really kind, supportive and accessible. Most importantly, the program helps us to be directly employable when we graduate." **Arsene Kossi** | Intern, TOTCO



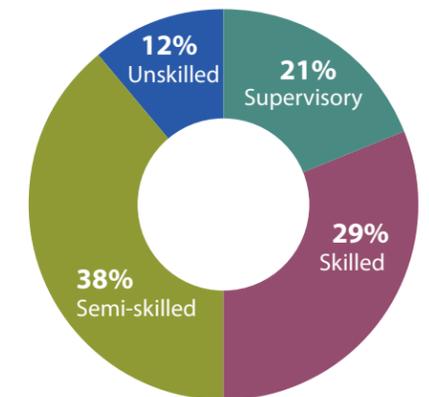
Reporting local employment

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.
- Another category of workers, often hired from villages near project facilities, have temporary contracts and work only a few weeks at a time 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.

2018 National Workers Employment Skill Levels



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

Project Workforce by year-end 2018

Chadian and Cameroonian nationals employed by EEPIC, COTCO, TOTCO and their contractors: **3,461**

Total workforce Cameroonian: **94%** and Chadian: **95%**

Chadians and Cameroonians employed in supervisory, skilled and semi-skilled jobs: **89%**

Wage payments to Chadian workers: **17.6 billion FCFA (\$30.4 million)**

Wage payments to Cameroonian workers: **6.8 billion FCFA (\$11.7 million)**



Girls gather for a photo in the village of Dangdili located just west of the town of Bébédjia and near the OFDA.

ExxonMobil Foundation: Supporting Global Women in Management

Esso Exploration and Production Chad Inc. (EPC) nominated two Chadian women in 2018 to participate in the prestigious Global Women in Management (GWIM) program, which is conducted by the NGO, Plan International's Women Lead Institute.

Since 2005, the ExxonMobil Foundation has invested in the GWIM program through its Women's Economic Opportunity Initiative, a global effort by the company to equip women in developing countries with education, training, access to key resources and the support structures needed to fulfill their economic potential and help drive economic development in their communities.

EPC's role in the process was to identify and nominate two applicants from Chad who would benefit professionally and personally from participating in this program.

Both nominees, Dr. Habsita Mahmat Abakar and Awatif Baroud, were accepted into the program and in July and August 2018 they participated in the GWIM training workshop, which brought together in Washington, D.C., 28 women leaders from 22 countries to exchange best practices and experiences while building important skills. The four-week program consisted of four topics:

Week One: leadership

Week Two: business (plan, modelling)

Week Three: management (project development, organization)

Week Four: advocacy and fundraising

Awatif Baroud

Awatif Baroud is a Chadian entrepreneur who worked for EPC for 11 years. She left the company to build up a business in Chad she had founded in 2015, Enterprise Bet Mama (Mom's House). The company's brand, Soum-Soum, is focused on the agricultural and livestock value chain, including leather work, natural cosmetics and food processing technology. Soum-Soum creations are the result of a close cooperation with a network of leather workers, shoemakers, founders, tailors, embroiderers and jewelers. As the first woman in the leather sector with a company of any significant size, Awatif became well-known for her work, and the First Lady of Chad asked her to join her foundation, which is dedicated to women empowerment, diversity and empowering African talents.

All the Soum-Soum products, which are produced artisanally in N'Djamena, are highly acclaimed. In 2016, for example, Mrs. Baroud competed against 70 award winning makers of handicrafts from 20 countries, and she won the 1st prize for African crafts at the 2nd



edition of the MIVA, the Ivorian market for handicrafts in Abidjan in Ivory Coast.

According to Mrs. Baroud, the GWIM program provided a very high level of training, which was very beneficial to her. "I had jumped in the water to start my business, and now, thanks to this program, I had the theory to back up what I was doing. One month of full-time intensive courses provided me with more expertise and professionalism and confidence."

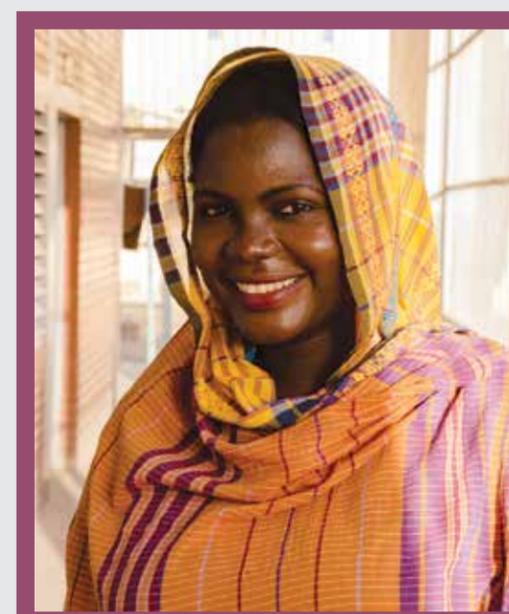
"Because of lack of education and lack of funds, African women have trouble succeeding, but we need to understand how powerful we already are. Even though we have all the tools, and we've worked hard since we were kids, our challenge is to find ways to rise above the gender barriers in our society which kill self-esteem and

Awatif Baroud | Entrepreneur

Dr. Habsita Mahmat Abakar

Dr. Abakar is a medical doctor who completed a seven-year medical school program in N'Djamena. She has worked extensively in the areas of gender-based violence (GBV) and women's mental health. Dr. Abakar is also a founder of SOUPIR Association, a non-profit organization that provides healthcare for people in rural areas of Chad and raises awareness of adolescent sexual and reproductive health issues through counselling, psychotherapy, hygiene and prevention of sexually transmitted diseases (STDs).

While she was in medical school, Dr. Abakar also studied English at the American Language Club. During her time at the club, she learned that many girls discussed with each other GBV issues and challenges they had, so she developed a group where they could support each other. A doctor who was Dr. Abakar's mentor began referring GBV survivors to her to provide psychological support beyond any acute medical interventions that he was performing. Dr. Abakar found this support was needed because



few girls in Chad can afford ongoing care for GBV issues, and mental health treatment is still taboo, so discussing these issues and admitting that there is a problem is seen as a sign of weakness.

"My main focus is on girls, women and people from rural areas. What motivates me to work in enhancing the health of rural communities is the gap I see between rural and urban areas when it comes to healthcare services. Everyone has the right to access healthcare, and I believe we should act with equity so no one is left behind including those in the villages. There are simply no resources for women who have experienced gender-based violence, of which there is a lot. Girls are suffering from the consequences of early marriage and rape - most of the time it's a family member, so they can't even talk

about it with their parents. So SOUPIR has tried to be that outlet as much as possible."

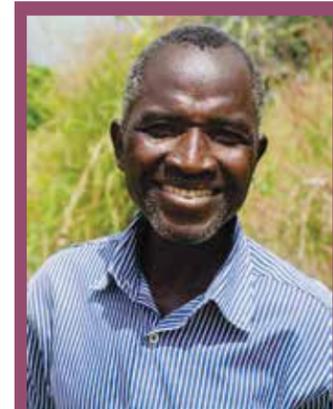
Dr. Habsita Mahmat Abakar | SOUPIR

A honey project uncovers potential for a new local industry

In 2018 TOTCO successfully completed a year-long pilot program to generate income for impoverished farmers by supporting beekeepers in three sites along the pipeline ROW in southern Chad. Called the Honey Project, the pilot showed that if the program is scaled up, it can have a deep, long-lasting beneficial economic impact on local communities. This finding led TOTCO to start viewing the Honey Project as an opportunity for the company to help create a sustainable local industry that will allow people in the area to develop their economy.

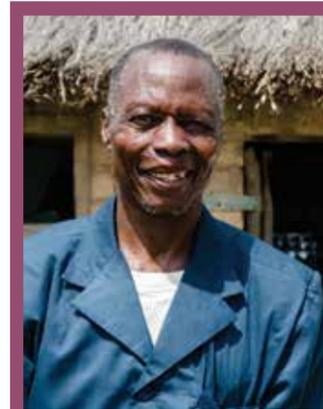
The area had been a major cotton producer, but as the industry faltered in recent years many farmers were driven into poverty. TOTCO and an anti-poverty organization started the pilot program to see if they could help by supporting the creation of beehives, training beekeepers, generating income through bee pollination services, sustainable honey harvesting and helping the farmers develop a marketing plan.

So far, the project has been scaled up from 50 hives in three villages in 2017 to 250 in eight villages in 2018. One of the factors that caused TOTCO to decide to expand the program was the quality and taste of the honey.



Ngayingadje Mathieu
Honey Producer, Gadjibian

"I like this project so much. We are looking forward to helping it to develop. The financial part of this will help us bring our kids to school and to afford healthcare. If we work hard, it would be difficult to not benefit financially. Everyone in the village is appreciative of the support and the material."

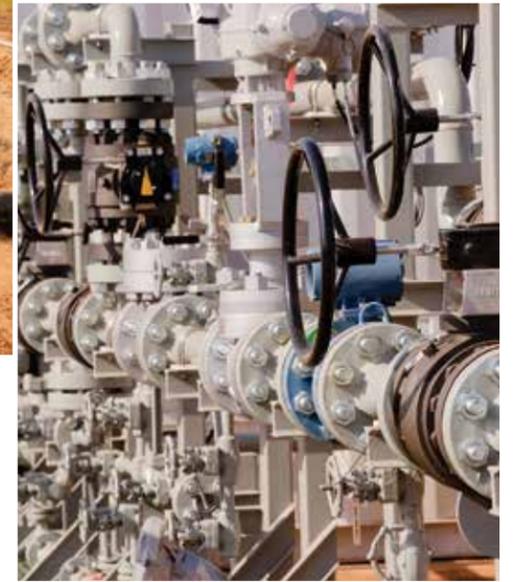


Samuel Benou
Leader, Producing Project

"If the villagers understand this project very well, it could do a lot of good, including funding things like a health center, a well and/or a school. In 10 years' time this village could be a lot different."



The polymer program has enhanced the long-term outlook of this oil development project and has the potential to significantly increase revenues to both host countries.



Host country revenue

Chad's oil revenues come from royalties on oil sales, corporate taxes, income related to pipeline ownership and permits, duties and other taxes. By the end of 2018, the project had generated over \$13.7 billion in revenues for Chad. Revenues are affected by many factors, including the price of crude oil, operational costs and capital investment.

Host country revenue statistics



Chad's oil revenue
(millions of dollars)

	2018	Project to date
Royalties on Crude Oil Sales ¹	20	2,759
Royalties-in-Kind ¹	70	1,346
Corporate Income Tax ²	135	8,490
Fees, Permits, Duties, Etc.	35	839
Project Total	261	13,434



Cameroon's oil revenue
(millions of dollars)

	2018	Project to date
Transit Fees	53	463
Income Tax	2	63
Customs Duties and Other Taxes	11	104
Income Related to Pipeline Ownership	2	173
Project Total	68	801

1. Royalty paid in cash for the periods 2003 to April 2012 and December 2017-April 2018. Royalty-in-Kind paid in accordance with the 1988 and 2004 Conventions and their amendments ("the Petroleum Conventions"). Revenue estimates based on approved average market price. Other Fees and Duties, including the Redevance Statistique, are based on the the Petroleum Conventions as well as June 9, 2017 agreements between the Republic of Chad and the Consortium EEPCI/Petronas/SHT* 2. Effective 2Q14, corporate income taxes represent EEPCI and Petronas payments only.

2018 Local business spending

2018 spending in Chad

47 billion

FCFA (\$84 million)

Total spending in Chad

1.3 trillion

FCFA (\$2.5 billion)

2018 spending in Cameroon

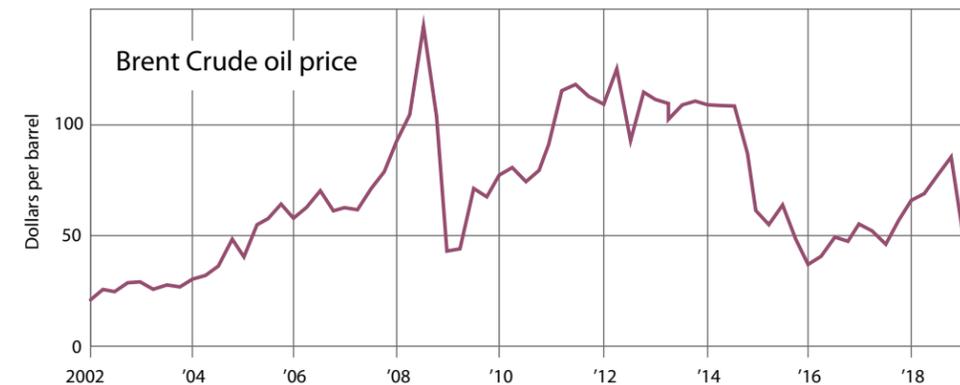
27 billion

FCFA (\$52 million)

Total spending in Cameroon

741 billion

FCFA (\$1.5 billion)



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. 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.

	2018	PROJECT TO DATE
PRODUCTION & OPERATIONS		
Production Support Spending (Billions of FCFA)	176.3	3,462
Production Support Spending (Millions of \$)	316.4	6,600
Net Volume of Shipments from Marine Terminal (Millions of barrels)	40.6	684
Number of Export Tankers	43	745
Average Total Barrels of Oil produced per day (bpd)	38,390	N/A
Number of New Oil Wells added in current year	0	N/A
Number of Total Oil Wells currently online	436	N/A
Number of Water Injection Wells online	52	N/A
% of water from extracted fluids	95.2	N/A
Number of Renovation & Enhancement Procedures	334	N/A
SAFETY¹		
Total Recordable Incident Rate ² (TRIR)	0.04	0.29
Lost Time Incident Rate ² (LTIR)	0.02	0.02
Fatalities (Number of)	0	6
Lost Time Incidents (Number of)	1	35
Restricted Work Incidents (Number of)	1	159
Medical Treatment Cases (Number of)	0	334
First Aid Cases (Number of)	10	3,004
Worker Hours (Thousands)	9,960	361,851
Traffic Accidents ³	1	980
COMPENSATION		
Individual Compensation - Chad (Millions of FCFA)	125.4	11,434
Individual Compensation - Chad (Millions of \$)	0.3	22
Individual Compensation - Cameroon (Millions of FCFA)	14.6	5,795
Individual Compensation - Cameroon (Millions of \$)	0.03	11.8
LOCAL BUSINESS DEVELOPMENT¹		
Spending on goods and services from local suppliers - Chad (Billions of FCFA)	47	1,266
Spending on goods and services from local suppliers - Chad (Millions of \$)	84	2,521
Spending on goods and services from local suppliers - Cameroon (Billions of FCFA)	27	741
Spending on goods and services from local suppliers - Cameroon (Millions of \$)	52	1,473
HOST COUNTRY REVENUE		
Royalties on Crude Oil Sales - Chad (Millions of \$) ¹	20	2,759
Corporate Income Tax - Chad (Millions of \$) ²	135	8,490
Fees, Permits, Duties, etc. - Chad (Millions of \$)	35	839
Royalty-in-Kind - Chad (Millions of \$) ¹	70	1,346
Chad Total Revenue - Chad (Millions of \$)	261	13,434
Transit Fees - Cameroon (incl. new shippers payment) (Millions of \$)	53	463
Income Tax - Cameroon (Millions of \$)	2	63
Customs, Duties and Other Taxes - Cameroon (Millions of \$)	11	104
Income Related to Pipeline Ownership - Cameroon (Millions of \$)	2	173
Cameroon Total Revenue (Millions of \$)	68	801

¹ Royalty paid in cash for the periods 2003 to April 2012 and December 2017-April 2018. Royalty-in-Kind paid in accordance with the 1988 and 2004 Conventions and their amendments ("the Petroleum Conventions"). Revenue estimates based on approved average market price. Other Fees and Duties, including the Redevance Statistique, are based on the the Petroleum Conventions as well as June 9, 2017 agreements between the Republic of Chad and the Consortium EEP/CP/Petronas/SHT*

² Effective 2014, corporate income taxes represent EEP/CP and Petronas payments only.

	2018
LAND USE	
Current Project Land Footprint (Hectares)	1,981
Total Returned Land - Project to Date (Hectares)	4,383
Current Temporary Use Land (Hectares)	117
Permanent Facility Land (Hectares)	1,864
Total Individual Land Users compensated by Project - Project to Date	18,661
Total Amount of Land Taken by Project (Hectares)	7,850
Number of Villages (Containing land users compensated by Project)	480
Total Individual Land Users compensated by Project in OFDA - Project to Date	8,623
Total Amount of Land Taken by Project in OFDA (Hectares)	5,332
Percentage of the 100,000 Hectares utilized by the Project at some time (%)	5.3%
Percentage of the 100,000 Hectares after temporary land use return (%)	1.9%
LOCAL EMPLOYMENT¹	
Wage Payments to Chadian Workers (Billions of FCFA)	17.6
Wage Payments to Chadian Workers (Millions of \$)	30.4
Wage Payments to Cameroonian Workers (Billions of FCFA)	6.8
Wage Payments to Cameroonian Workers (Millions of \$)	11.7
Project Workforce - Chad (Nationals) ²	3,220
Project Workforce - Chad (Expatriates) ²	92
Project Workforce - Cameroon (Nationals) ²	241
Project Workforce - Cameroon (Expatriates) ²	10
National Worker Employment Skill Levels in both countries - Unskilled (%)	11.9%
National Worker Employment Skill Levels in both countries - Semi-skilled (%)	37.9%
National Worker Employment Skill Levels in both countries - Skilled (%)	29.2%
National Worker Employment Skill Levels in both countries - Supervisory (%)	20.9%
ENVIRONMENTAL MONITORING & MANAGEMENT	
Number of Non-Compliance Situations	1
Number of Spills	1
Domestic Garbage Incinerated on Site (tonnes)	280
Innocuous Solid Waste Buried (landfill) (tonnes)	61
Non-Hazardous Waste Recycled to Local Communities (tonnes)	140
Non-Hazardous Waste Sent to Approved Third Party Facilities for Re-Use, Recycling or Disposal (tonnes)	18
Accumulated Hazardous Waste (tonnes)	3,098
HEALTH	
Malaria Infection Rate (per 200k work hours)	0.57
Number of Consultations at Project Clinics - Chad	8,320
Number of Consultations at Project Clinics - Cameroon	2,530
STDs - Chad ¹	23
STDs - Cameroon ¹	40
SSS Events (excluding Malaria & STDs) - Cameroon ²	0
Hospitalizations/Observations - Chad ³	155
Hospitalizations/Observations - Cameroon	6
Medevac - Chad	10
Medevac - Cameroon	0
CONSULTATION & COMMUNICATION	
Consultation Sessions in Chad	95
Consultation Attendees in Chad	9,691
Consultation Sessions in Cameroon	923
Consultation Attendees in Cameroon	4,508

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 Kome 5 and Kome Base clinics only. N'Djamena clinic data not included.