

MALAMPAYA DEEP WATER GAS TO POWER PROJECT

- 1989** **October 1989, Occidental Philippines, Inc. (OXY) under Geophysical Survey and Exploration Contract (GSEC) No. 47 discovered the Camago natural gas well in a deep-water located in northwest off-shore Palawan**
- 1990** **On June 29, 1990, OXY assigned its 50% interest in GSEC 47 to Shell Exploration, B. V. (Shell), which assumed the operatorship of the operation**
- On December 11, 1990, GSEC 47 was converted to Service Contract (SC) 38. Shell assigned its interest to Shell Philippines Exploration, B. V. (SPEX), its affiliate, which is designated as the operator of SC 38 and OXY as partner.**
- 1991** **SPEX discovered the Malampaya gas field**
- 1997** **Government of the Philippines through the National Power Corporation (NPC) entered into a Gas Sale and Purchase Agreement (GSPA) with SPEX and OXY for the Ilijan Power Plant (1200 MW).**
- 1998** **Joint Declaration of Commerciality was signed by SPEX, OXY and the DOE confirming the commerciality of the natural gas reserves in the Camago-Malampaya and San Martin Gas Field**
- First Gas Power Corporation entered into GSPAs with SC 38 contractors for Santa Rita (1000MW) and San Lorenzo (500MW) Power Plants.**
- SPEX interest in SC 38 increased to 100% due to global asset swap executed by Shell-OXY on September 15**
- 1999** **Texaco acquired 45 percent of Shell's wholly-owned interest in the project, agreeing to contribute an amount towards the remaining construction costs of the US\$ 2 billion upstream project.**
- 2000** **SPEX likewise closed a 10% farm-in agreement with the Philippines National Oil Company-Exploration Corporation (PNOC-EC). SPEX's interest in the project has been reduced to 45%, but remains the developer and retains operatorship of the project.**

- 2001** **October 16, Malampaya was finally inaugurated and commissioned at the on-shore gas plant in Batnagas after 3 years of fast-paced development. T**
- 2002** **June 2002, commercial production of about 400 mmscfd to fuel the 2700 MW of gas fired power plants in Batangas that will lasts for 20 years . The gas produced from the field is transported via a 504 km, 24 inch pipeline that transport the gas from the gas field to Batangas**

Project Description:

- **Malampaya Deep Water Gas-to-Power Project forms two components: the Malampaya Upstream Gas Project (US\$2.0 Billion), and the Malampaya Downstream Gas project (US\$ 2.5 Billion).**
- **The upstream side of the project was developed and currently operated by Shell Philippines Exploration B.V. (SPEX) together with joint venture partners Chevron Texaco Malampaya LLC and PNOC-EC**
- **Currently, the SC 38 Consortium supplies gas to three power plants and to Pilipinas Shell Petroleum Corporation (PSPC) for the refinery and CNG refilling station with individual gas sales and purchase agreement and power purchase agreement for the three power plants. The three power plants are all located in Batangas.**
- **The Malampaya gas field has proven reserves of about 2.5-3.5 trillion cubic feet of gas (TCF) of gas, 85 million barrels of condensate and at least 20 to 40 million barrels of oil.**
- **The gas field is located 850 meters deep offshore northwest Palawan, an island situated in the South Sea within the southwestern side of the Philippines.**
- **The Malampaya gas field is scheduled to produce 146 billion cubic feet (BCF) of gas per year.**