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NEWS RELEASE

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RIK Sale Gross Expected to Top \$1.89 Billion

Four Companies Win Contracts for RIK Oil

DENVER – More than 16.1 million barrels of Royalty in Kind (RIK) crude oil from Federal leases in the Gulf of Mexico have been sold to four companies as part of an RIK sale, the Department of the Interior’s Minerals Management Service (MMS) announced today. The sale is expected to gross a total \$1,897,000,000, based on today’s energy prices.

Winning bidders are Chevron Products Company, ExxonMobil Oil Corp., Sempra Energy Trading, and Shell Trading.

The contracts involve an aggregation of crude oil royalties taken “in kind,” in the form of oil, rather than “in value” or cash payments, from federal offshore lease operators in the Gulf of Mexico. The six-month contracts call for delivery of the oil to begin July 1, 2008.

Begun as a pilot program more than 10 years ago, the Royalty in Kind program is designed to ensure a fair return on the public’s royalty assets, improve government efficiencies, reduce regulatory costs and reporting requirements, and shorten the compliance cycle.

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