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Exxon CEO Says Russian Operations Untouched by Ukraine Crisis

By The Moscow Times

May 29, 2014

DALLAS — Exxon Mobil's drilling operations in Russia and its partnership with Russian oil company Rosneft have so far not been disrupted by tensions between Russia and Ukraine or sanctions imposed by the U.S., Exxon's chief said Wednesday.

"We are extremely proud of what we've been able to accomplish in Russia," Exxon CEO Rex Tillerson told shareholders. "They have been very good partners for us."

He added that Exxon does not "generally" support sanctions and has made that view known to the U.S. government, which has imposed economic penalties on several individuals, including Rosneft chief Igor Sechin.

Rosneft was not named in the sanctions, which were imposed after the West complained that Russia was meddling in the affairs of Ukraine.

"We are having conversations such that our views are being heard at the highest levels," Tillerson told reporters after the company's annual meeting, declining to elaborate.

The U.S. penalties have so far not affected Exxon's relationship with Rosneft and the U.S. company has been able to hold meetings with Sechin in Russia and Europe, Tillerson said.

While some Western oil companies have left Russia in recent years because of a difficult business climate, U.S. companies Exxon Mobil and Chevron, along with British major BP, have significant ties there.

Exxon has operated in Russia for more than 20 years, Tillerson said.

In Russia, Exxon Mobil's net holdings in Sakhalin at the end of 2013 totaled 85,000 acres, all offshore, and its net holdings in Rosneft joint-venture agreements for the Kara and Black seas were 11.3 million acres.

The two companies also have a joint venture to evaluate the development of tight-oil reserves in western Siberia.

Only last week, Rosneft and Exxon signed a deal to continue work on the Far East LNG, or liquefied natural gas project, which will be fed from the companies' Sakhalin wells.

Exxon's shareholders meeting drew more than a dozen protesters who painted the corporation as being irresponsible on issues such as climate change. One carried a sign that read "Billionaires for Big Energy."

"It cannot be business as usual," Gary Stuard, an environmental activist, told a news conference ahead of the meeting.

Tillerson characterized the debate over climate change as very complex and said his company takes the issue seriously but he said that it will be impossible to reduce emissions to the levels that some are targeting.

"There is not going to be a ready set of solutions," he said.

The Irving, Texas, company's shareholders voted down proposals to report on its lobbying and limit the number of directorships its directors may hold. But more investors than last year supported the company's compensation plan for executives after Exxon cut bonuses.

In an advisory vote, about 90 percent of Exxon's shareholders voted for the company's pay plan for executives, up from 70 percent last year.

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