NEWS RELEASE

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RECORD SALE IN GULF OF MEXICO ATTRACTS $824 MILLION IN HIGH BIDS

The U.S. Department of the Interior's Minerals Management Service (MMS) today held a record breaking sale of offshore oil and natural gas leases in the Central Gulf of Mexico attracting $824,055,489 in high bids from 81 companies.

Sale 166 was held in New Orleans and received a record 1,790 bids on 1,032 offshore tracts; 5,059 tracts comprising approximately 27.2 million acres offshore Alabama, Louisiana and Mississippi were offered. The total of all bids was $1,241,942,374.

The highest bid received was $8,052,000 submitted jointly by Kerr-McGee and AGIP for Mississippi Canyon, Block 286. According to agency officials, more than half of the tracts receiving bids are in deep water (i.e., water depth of more than 200 meters).

"Last year, the Central Gulf of Mexico sale garnered $520.9 million in high bids as 78 companies submitted 1,381 bids on 924 tracts," declared MMS Director Cynthia Quarterman. "Clearly, given the results of today's sale, the industry continues to display an unprecedented level of confidence in the energy potential of the Central Gulf, and we couldn't be more delighted. This sale not only means significant revenues going to the U.S. Treasury, it will provide more jobs and add substantially to our domestic energy supply."

The high bid on a block will go through an evaluation process to ensure that taxpayers receive fair market value before a lease is awarded; each block is approximately nine square miles.

MMS is the federal agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects, accounts for, and disburses about $4 billion yearly in revenues from offshore federal mineral leases and from onshore mineral leases on federal and Indian lands.

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