

October 1, 2009



Global Energy Solutions Require New Technology & Free Markets, Says Tillerson

ExxonMobil CEO Outlines Benefits of Carbon Tax Over Cap & Trade

- Revenue-neutral carbon tax is more direct, transparent and effective than cap-and-trade system
- Punitive taxes targeting oil and gas industry undermine recovery and hinder technology development
- Oil and gas industry supports over 9 million jobs and provides hundreds of billions in tax revenues

WASHINGTON--(BUSINESS WIRE)-- Meeting the world's growing energy needs while managing the risks of climate change will require the development of all viable sources of energy and policies that support business investment and technology development, [Rex Tillerson](#), chairman and chief executive officer of [Exxon Mobil Corporation](#) (NYSE:XOM), said today.

"Our best hope is to harness the power of new technologies and free markets to meet the world's energy and environmental challenges," [Tillerson said in a speech](#) to the Economic Club of Washington, D.C.

"By allowing nations and peoples to work together, we can invest in [integrated solutions](#) that expand energy supplies, [increase efficiency](#) and [reduce emissions](#). Time and time again, our industry has proven that innovation and cooperation unleash human ingenuity and bring far-reaching technological advances that can transform the economy, protect the environment, and increase energy security."

Tillerson outlined the energy challenge facing America and the world - ensuring the availability of energy supplies required for economic growth while [addressing the risks of climate change](#).

He highlighted the advantages of a revenue-neutral carbon tax as an effective policy option, compared to the shortcomings of cap-and-trade systems, which can increase price volatility and cause economic harm while failing to reduce carbon emissions.

"For businesses and industry, volatile carbon prices under cap and trade would undermine the ability to invest in the advanced technologies that are our best hope for expanding supplies, increasing efficiency and reducing emissions. Such an approach would also create economic inefficiencies and invite market manipulation," said Tillerson.

"A carbon tax is a more direct, transparent and effective approach and one which would be easier to apply globally while avoiding the establishment of new mechanisms for trading emissions and new regulators to monitor them.

"It is the most efficient means of reflecting the cost of carbon in all economic decisions -- from investments made by companies, to fuel and product choices made by consumers. If implemented on a revenue-neutral basis, a carbon tax would ensure that government policy is specifically targeted to reduce emissions and not to creating a new revenue stream."

Tillerson said punitive taxes targeting the energy industry are detrimental to economic growth, environmental innovation, and energy security. He said such policies ultimately raise energy costs for consumers and undercut America's future by hindering the industry's ability to invest in new supplies which are critical to America's environmental and energy security.

The speech also highlighted the importance to the American economy of the oil and gas industry, which supports more than 9 million jobs and provides hundreds of billions in tax revenues for federal and state governments.

"Throughout our nation's history, the oil and natural gas industry has played an important role in America's economic growth," said Tillerson. "It drives the U.S. economy by providing reliable energy, well-paying jobs, tax revenues, technological innovation and a solid investment for millions of Americans."

About ExxonMobil

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. ExxonMobil holds an industry-leading inventory of resources, is the largest refiner and marketer of petroleum products, and its chemical company is one of the largest in the world. For more information, visit www.exxonmobil.com.

Source: Exxon Mobil Corporation