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Energy & Environmental Security Require Integrated Policy Solutions

Public Policy Must Support Innovation, Competition & Free Trade

WASHINGTON--(BUSINESS WIRE)-- National and international energy and environmental security can be achieved through policies that support innovation, competition and free trade, Rex Tillerson, chairman and chief executive officer of Exxon Mobil Corporation (NYSE:XOM), said today.

In a speech to the Woodrow Wilson International Center for Scholars, Tillerson outlined the energy challenge facing America and the world: global energy demand is expected to be 35 percent higher in 2030 than it was in 2005 despite the current economic slowdown, efficiency improvements and growth in alternative energy sources such as wind and solar.

Providing energy to meet that demand, which is driven by economic expansion largely in developing countries, while protecting the environment will require development of all viable sources of energy and multiple technology breakthroughs, he said.

"Meeting our many energy challenges requires a multidimensional approach," said Tillerson.

"We need to put in place policies that support an integrated set of solutions that help us find new energy supplies, increase energy efficiency, and discover the innovations that can address climate risks in the most effective manner. By combining energy, efficiency and environmental goals, integrated solutions help us develop and deploy new technologies at every point in the energy chain. In this way, we can meet our multiple energy challenges with multiple solutions."

One example of a policy challenge provided by Tillerson is the current discussion about whether a cap-and-trade system or a carbon tax would be a more effective option for reducing carbon dioxide emissions.

A cap-and-trade system, which allows businesses to trade emissions allowances set by government, has problems with verification and accountability and requires new market infrastructure -- "a Wall Street of emissions brokers" -- as well as a costly and substantial expansion of regulatory and administrative oversight, he said.

"A carbon tax strikes us as a more direct, transparent and effective approach," said Tillerson. It is easier to apply globally, avoids the establishment of new markets for trading emissions and new regulators to monitor them, can be implemented through the existing tax infrastructure and made revenue neutral to mitigate the impact on the economy.

"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," said

Tillerson.

Tillerson said Americans increasingly understand that there is no single answer to our energy, efficiency and environmental needs, as illustrated by public support and Congressional action in favor of lifting the moratorium on development of the country's vast offshore oil and natural gas resources.

"Opening up U.S. supplies of oil and natural gas would boost our economy by simultaneously lowering the cost of energy, increasing employment and providing a new source of government revenue," he said, referencing a recent study's conclusion that developing areas of the United States that have been kept off limits would generate more than \$1.7 trillion in new government revenue and create 160,000 jobs.

CAUTIONARY STATEMENT: This press release includes forward-looking statements. Actual future conditions, including growth in energy demand, energy supply mix, the impact of carbon tax or trading regimes, and the impact of new resource developments could differ materially due to changes in rates of economic growth; the development of new technologies or energy supply sources; future regulatory requirements and political events; demographic changes; and other factors discussed under the heading "Factors Affecting Future Results" in the "Investors" section of our website (www.exxonmobil.com) and in Item 1A of our most recent Form 10-K.

Source: Exxon Mobil Corporation