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ExxonMobil Adds New Production; Continues Long-Term Capital Focus and Investment Discipline

- Integrated business model resilient through the commodity price cycle
- Company on track to grow daily production to 4.3 million oil-equivalent barrels by 2017
- Seven major Upstream project startups expected in 2015

NEW YORK--(BUSINESS WIRE)-- Exxon Mobil Corporation (NYSE:XOM) expects to start up 16 major oil and natural gas projects during the next three years and is on track to increase daily production to 4.3 million oil-equivalent barrels by 2017, Rex W. Tillerson, chairman and chief executive officer, said today.

“Our long-term capital allocation approach has not changed,” Tillerson said at the company’s annual analyst meeting at the New York Stock Exchange. “We remain committed to our investment discipline and maintaining a reliable and growing dividend. Our integrated model along with our unmatched financial flexibility enable us to execute our business strategy and create shareholder value through the commodity price cycle.”

In 2015, ExxonMobil expects to increase production volumes 2 percent to 4.1 million oil-equivalent barrels per day, driven by 7 percent liquids growth. The volume increase is supported by the ramp up of several projects completed in 2014 and the expected startup of seven new major developments in 2015, including Hadrian South in the Gulf of Mexico, expansion of the Kearl project in Canada, Banyu Urip in Indonesia and deepwater expansion projects at Erha in Nigeria and Kizomba in Angola.

In 2016 and 2017, production ramp up is expected from several projects including Gorgon Jansz in Australia, Hebron in Eastern Canada and expansions of Upper Zakum in United Arab Emirates and Odoptu in Far East Russia.

“ExxonMobil has a deep and diverse portfolio of opportunities around the world and a total resource base of more than 92 billion oil-equivalent barrels,” Tillerson said. “We have unparalleled flexibility to select and invest in only the most attractive development projects.”

ExxonMobil anticipates capital spending of about $34 billion in 2015 – 12 percent less than in 2014 – as it continues to bring major projects online. Annual capital and exploration expenditures are expected to average less than $34 billion in 2016 and 2017.

“We are capturing savings in raw materials, service, and construction costs,” Tillerson said. “The lower capital outlook also reflects actions we are taking to improve our set of opportunities while enhancing specific terms and conditions and optimizing development plans.”

ExxonMobil's Downstream and Chemical businesses remain resilient in the lower commodity price environment and continue to generate solid cash flow, helped by abundant North American crude and natural gas supplies that have led to lower feedstock and energy costs, Tillerson said.

Approximately 75 percent of ExxonMobil's refining operations are integrated with chemical and lubricant manufacturing, resulting in economies of scale and greater flexibility to produce higher-value products, including diesel, jet fuel, lubes, and chemicals based on market conditions, Tillerson said.

During the meeting, ExxonMobil reviewed its leading performance in 2014. Highlights include:

- ExxonMobil distributed $23.6 billion to shareholders in the form of dividends and share repurchases, for a total cash distribution yield of 5.4 percent.
- Return on average capital employed was 16.2 percent – more than 5 percentage points higher than its nearest competitor. During the past five years, return on capital employed averaged 21 percent, also about 5 percentage points above its nearest competitor.
- Upstream profitability of $19.47 per barrel led competitors and increased by $1.44 per barrel compared with 2013.
- ExxonMobil replaced 104 percent of production by adding proved oil and gas reserves totaling 1.5 billion oil-equivalent barrels, marking the 21st-consecutive year the reserves replacement exceeded 100 percent.

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 or follow us on Twitter www.twitter.com/exxonmobil.

CAUTIONARY NOTE: Statements of future events or conditions in this release are forward-looking statements. Actual future results, including production growth and mix, capital expenditures, unit profitability, and project plans, capacities, and schedules, could differ materially due to changes in long-term oil and gas price levels and other market conditions affecting the oil, gas, and petrochemical industries; political or regulatory developments; changes in economic growth rates around the world; reservoir performance; timely completion of development projects; the outcome of commercial negotiations; the actions of competitors; technical or operating factors; and other factors discussed under the heading "Factors Affecting Future Results" in the Investors section of the company's website, www.exxonmobil.com, and in Item 1A of its most recent Form 10-K filed with the Securities and Exchange Commission.

Proved reserve figures in this release are based on current SEC definitions. For years prior to 2009 reflected in our 21-straight years of at least 100 percent replacement, proved reserve volumes were determined on bases that differed from SEC definitions in effect at the time. Specifically, for years prior to 2009, reserves were determined using the price and cost assumptions we use in managing the business, not the historic prices used in the SEC definitions. Reserves also include oil sands and equity company reserves for all periods, which were excluded from SEC reserves prior to 2009. The reserves replacement ratio is calculated for a specified period utilizing the applicable proved oil-equivalent reserves additions divided by oil-equivalent production.

References to the resource base as well as "oil-equivalent barrels" and similar terms include quantities of oil and gas that are not yet classified as proved reserves but that we believe will be produced in the future.

For definitions and additional information concerning the calculation of return on average capital employed and other terms, including information required by SEC Regulation G, see "frequently used terms" on the Investors section of the company's website, www.exxonmobil.com.

The term "project" as used in this release does not necessarily have the same meaning as in any government payment transparency reports.

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