March 1, 2017

ExxonMobil

ExxonMobil's Integration, Diverse Portfolio of Investments to Drive Growth

- Five major upstream startups over next two years to contribute 340,000 oil-equivalent barrels of working interest capacity
- 2017 capital and exploration expenses of $22 billion
- Integrated investments in the U.S. Gulf Coast to benefit from advantaged feed stock

NEW YORK--(BUSINESS WIRE)-- Exxon Mobil Corporation (NYSE:XOM) is positioned to succeed in any price environment by maximizing the competitive advantages of its integrated businesses and by investing in projects that generate high-value products across the commodity cycle, Chairman and Chief Executive Officer Darren W. Woods said Wednesday.

"Our job is to compete and succeed in any market, regardless of conditions or price," Woods said during a presentation at the company's annual analyst meeting at the New York Stock Exchange. "To do this, we must produce and deliver the highest-value products at the lowest-possible cost through the most-attractive channels in all operating environments."

ExxonMobil anticipates capital spending of $22 billion in 2017, an increase of 16 percent from 2016. Capital and exploration expenses through the end of the decade will average $25 billion annually.

More than one quarter of the planned spending this year will be made in high-value, short-cycle opportunities, including in the Permian and Bakken basins. Short-cycle investments are those expected to generate positive cash flow in less than three years after initial investment. The company has an inventory of more than 5,500 wells in the Permian and the Bakken with a rate of return greater than 10 percent at $40 a barrel, with nearly one-third generating significantly higher returns. Total annual net production growth from these basins through 2025 could be as high as 750,000 oil-equivalent barrels per day at a compound annual growth rate of about 20 percent.

At the same time, the company will advance longer-term projects focused on growing higher-value production in locations including Canada, Guyana and the United Arab Emirates. In Guyana, for example, two wells last year confirmed a world-class discovery with recoverable resources in excess of 1 billion oil-equivalent barrels. Guyana startup is expected by 2020, less than five years after the initial discovery well – a rare occurrence in the industry in terms of development time.

ExxonMobil expects the startup of five major upstream projects in 2017 and 2018, which will contribute an additional 340,000 oil-equivalent barrels per day of working-interest production capacity. Odoptu Stage 2 in Far East Russia and the Hebron project in Eastern Canada are expected to start up by year-end. Other projects planned for startup in the period are the Upper Zakum expansion in the United Arab Emirates, Barzan in Qatar and Kaombo in

Angola. Since 2012, the company has started up 27 projects, adding 1.2 million oil-equivalent barrels per day of installed capacity. The company has an upstream portfolio of nearly 100 projects that are in various stages of planning, concept selection and construction.

These investments will support upstream volumes that are projected to be in the range of 4 million to 4.4 million oil-equivalent barrels per day through 2020.

In the downstream, the company is investing across the value chain to continue building on the strength of its portfolio of refining and other advantaged manufacturing assets. At its Rotterdam refinery, for example, the company is reconfiguring a hydrocracker unit to manufacture higher-value products, including premium lube base stocks and ultra-low sulfur diesel, by upgrading lower-value vacuum gas oil.

The chemical segment is investing to capture advantaged feed stocks and produce high-performance products in the U.S. Gulf Coast region and at its Singapore complex in Asia.

“Our integrated investments along the Gulf Coast will capture the full value of the unconventional resource molecule, from the wellhead to market,” Woods said.

During the meeting, ExxonMobil reviewed the following performance highlights.

- ExxonMobil has increased its dividend for 34 consecutive years through 2016, with an annual increase of almost 9 percent per year over the past 10 years, exceeding the S&P 500 and industry competitors during the same period.
- ExxonMobil was the only major integrated oil company to significantly increase its dividend last year by 3.5 percent.
- ExxonMobil recently completed its acquisition of InterOil to expand its acreage in Papua New Guinea and doubled its resource base in the Permian basin through another purchase.
- Since the Exxon and Mobil merger in 1999, the company has returned nearly $370 billion to shareholders in the form of dividends and share repurchases, more than the individual market values for nearly all of the S&P 500 companies.
- The company’s return on average capital employed over the past decade averaged 5 percentage points above its nearest competitor.
- ExxonMobil generated more than $26 billion of cash flow from operations and asset sales in 2016 including $4.3 billion from asset sales.

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 one of the largest refiners and marketers 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.

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For definitions and additional information concerning the calculation of return on average capital employed, cash from operations and asset sales, 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. "Rate of return" as used in this release means discounted cash flow returns based on current company estimates.

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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Source: Exxon Mobil Corporation