Jennifer Driscoll

Good morning, everyone. Welcome to our Corporate Plan update. We appreciate your interest in ExxonMobil.

I’m Jennifer Driscoll, Vice President – Investor Relations. Joining me today are Darren Woods, Chairman and Chief Executive Officer, and Kathy Mikells, Senior Vice President and Chief Financial Officer.

This presentation and prerecorded remarks are available in the Investor Relations section of our website along with the Corporate Plan news release.

During the video webcast, which begins at 9:00 a.m. central time, Darren will provide opening comments and reference a few slides from this presentation.

That will give analysts more time to ask questions before we conclude at 10:00 a.m. central time.

Additional remarks on this slide will be provided during the discussion of the Corporate Plan Update.
In conjunction with our recent announcements regarding Pioneer Natural Resources, we’ve included additional information on slide 2 related to comments or information included in today’s presentation.

Please be aware that this presentation is not intended to be a solicitation of any vote or approval.

Additional remarks on this slide will be provided during the discussion of the Corporate Plan Update.
During the presentation, we’ll make forward-looking comments. We encourage you to read our cautionary statement on slide 3.

Additional information on the risks and uncertainties that apply to these comments are listed in our most recent Form 10-Ks and 10-Qs. Last, we also provided supplemental information in the appendix of our slides.

And now, please refer to slide 4 for Darren’s remarks.
Darren Woods

Thank you, Jennifer.

Kathy and I are pleased to share the highlights of this year’s corporate plan, recently endorsed by the board. Hopefully it will come as no surprise that this year’s plan is very consistent with last year’s plan, reflecting progress from an additional year of executing the strategy that we presented in 2018.

Our experience throughout 2023 and the results we’ve achieved only serve to reaffirm our strategy – most notably in our new business: Low Carbon Solutions – where customers and governments around the world are recognizing the value we bring in applying our core capabilities to the challenge of reducing emissions.

In fact, the most notable change in this year’s plan versus last year is the growth in potential opportunities in our low carbon business. As a new business, establishing new value chains and markets, our low carbon investments have the most potential for growth, with spend heavily weighted towards the back end of our planning horizon, but remain less certain, as they require more definitive policy and regulation, and customers that commit to reducing emissions. But it is clear, with our capabilities and competitive advantages, there is a huge potential that we are uniquely positioned to capture.

This is a direct result of our strategy, which is where I’ll begin this morning – with our strategy and our work to implement it.
ExxonMobil’s senior leadership is aligned. To win, we must effectively leverage our industry leading competitive advantages, to provide innovative solutions, that meet society’s evolving needs, advance broader stakeholder objectives, and reward shareholders.

To consistently do this over the long term, we must focus on five key priorities.

First and foremost, we must deliver industry-leading performance in shareholder returns, earnings and cash flow growth, safety, reliability, emissions intensity, and cost and capital efficiency.

We must be an essential partner, creating win-win solutions for our customers, partners and broader stakeholders.

We must build an advantaged portfolio by developing and deploying a portfolio of lower-emission assets and products that outperform competition and grow value in an uncertain world, across a range of price environments.

We must drive innovative solutions: new products, approaches and technologies to improve competitiveness and accelerate large scale deployments; like our cube developments in the Permian; our new-to-the-world product, Proxxima; or our cutting-edge lithium production technology.

And, finally, most importantly, we have to maintain an organization with world class talent by attracting the best people and providing unrivalled opportunities for personal and professional growth. Meaningful development through meaningful work.

Of course, achieving these priorities requires a unique combination of core capabilities and advantages. Over the last six years, we’ve referenced them often and focused considerable effort in strengthening each of them. You can see this best in the significant changes made to our organization.

Additional remarks on this slide will be provided during the discussion of the Corporate Plan Update.
For the first time in our history, we are fully utilizing our scale and the significant synergies that exist between each of our businesses, through centralized organizations.

To execute our strategy and deliver on our key priorities, reorganizing the company was critically important.

We’ve formed a global technology and engineering organization, consolidating the expertise in core technologies and engineering capabilities, built across each of our businesses, into a single entity – improving focus, prioritization, collaboration, collective competency and, most importantly, innovation.

We have seen the same benefits in our Global Projects organization: delivering world scale projects with industry leading cost and schedules, and in our Global Operations and Sustainability organization: driving significant advances in safety, reliability, and environmental performance.

These organizations are driving efficiencies and effectiveness, focusing our best thinking and decades of experience gained across a diverse but related portfolio of businesses to improve results.

With our most recently announced organizational changes, we see the same opportunities in:

- The Global Business Solutions organization: utilizing automation and advanced analytics to drive effectiveness and efficiency through standardized, corporate-wide processes, incorporating the best approaches developed by each of our businesses.
• The Supply Chain organization: consolidating and implementing best practices from across our businesses for similar activities that now rank amongst the largest in the world. Examples include logistics, materials management, and planning.

• And our Global Trading organization: consolidating multiple trading organizations; harmonizing tools and approaches to capture the full value of our integrated businesses and global footprint.

These centralized organizations not only capture the full value of our scale and integration, they build further functional excellence, that provide significant advantages to our three businesses shown on the left. Each have end-to-end responsibility for their value chains and full P&L accountability, improving the effectiveness and speed of decision making.

Our new organization is delivering better results at significantly lower cost. It is also providing a truly global approach to talent development, supporting broader and more meaningful development, while improving resource allocation, putting our best people on the biggest opportunities.

The growing benefits from reorganizing are reflected in this year’s plan, and can be seen in our industry-leading results.
As you can see, our financial performance, represented by the compound annual growth rate since 2019, is leading industry peers across key value metrics.

We’ve been growing earnings and cash flow from operations at more than double the pace of our peers while delivering growth in total shareholder returns at a roughly 20% CAGR, and an average annual return on capital employed approximately 100 basis points above that of our closest competitor.

Our strong performance is creating significant value for shareholders. We raised the dividend by more than 4% in the fourth quarter of 2023, marking our 41st consecutive year of dividend increases.

This year alone, we expect to return about $32.5 billion to shareholders in dividends and share repurchases.

We’ve added about $10 billion to our annual earnings and cash flow since 2019 at a real Brent price of $60 per barrel, demonstrating the strength of our strategy and providing a strong foundation for our plan to further grow annual earnings and cash flow by $14 billion through 2027\(^1\).
We’re also driving improvements in our operations – and demonstrating industry leadership.

Nothing is more important than the safety of our workforce. Keeping people safe requires intense focus and constancy of purpose, every minute, of every hour, every day. And it requires the commitment of every individual, starting at the top.

Over many years, we’ve exceeded industry benchmarks for workplace safety, shown here by lost-time incident rates - reducing our injury rate by 33% since 2016. But we’re not satisfied, and won’t be until we eliminate all serious injuries.

Managing safety successfully reflects a level of organizational engagement, discipline and commitment that benefits every aspect of our operations. Successful safety management underpins successful operations and business results.

You can see this in our environmental performance with three notable examples shown here. We’re on track for a 20-30% reduction versus a 2016 baseline in the Scope 1 and 2 greenhouse-gas intensity of our operated assets by 2030. We’ve made steady progress, down 10% through the end of last year. This has been driven by significant reductions in flaring and methane intensity, both down 50%, with more to come by 2030. Our industry-leading ambition to achieve net zero Scope 1 and 2 emissions in the Permian Basin by 2030 also remains on track.

These are just a few examples of the numerous improvements the organization is making across our operations. At ExxonMobil, we’ve always known that solid operations and excellence in execution are the foundation for our success.
This year’s plan reflects additional progress in operations, as well as successfully solving for the “and” equation, creating value for society and a compelling investment thesis for our shareholders.

It starts with our 1st priority in capital allocation: investing in industry advantaged, accretive growth opportunities organically and through acquisitions. We continue to shift our product portfolio to a higher-value mix and further high-grade our asset portfolio through divestment of select, non-core assets.

We’re maintaining our balance sheet strength to provide financial flexibility through the commodity cycles. Our cash balance, cash generation, and debt-to-capital ratio are all robust, giving us a strong buffer against market volatility.

We’re delivering industry-leading returns. Our plan deploys capital to its highest and best use, focuses on excellence in execution, and continues to drive structural cost improvements.

And we’re making further progress in leading the industry in a thoughtful energy transition. From carbon capture and storage to hydrogen, biofuels, and lithium, we are thoughtfully growing our low carbon business. We recognize and are effectively managing the significant uncertainty in how the transition and our low carbon business will develop. Success in accelerating emissions reductions requires the development of nascent markets. We need technology-neutral policy support, transparent carbon pricing and accounting, and ultimately, customer commitments. We are pacing our investments with developments in each of these areas, minimizing the downside risk while establishing an advantaged position to capture and
maximize the upside. At the same time, we’re actively advocating for each of these areas so we can grow a profitable and ultimately large low carbon business.

One of the most important takeaways from our plan presentation today, in support of our investment thesis, is that our strategy is working, delivering an unrivalled opportunity for accretive growth.

I’ll turn it over to Kathy now to take you through some of the details.
Kathy Mikells

Thanks, Darren.

The actions we’ve taken over the past six years have fundamentally improved the earnings power of our business, resulting in industry-leading earnings and cash flow growth and better positioning the business for the future. From 2019 to 2023, the first half of our plan period, we’ve roughly doubled earnings and increased cash flow from operations by about $10 billion at $60 real Brent and constant margins. This kind of dramatic performance improvement requires consistent strategy execution, with the right organizational structure, and – perhaps most important of all – the right team competing to win every day.

And we’re far from done. We intend to increase earnings and cash flow by a further $14 billion over the next four years through 2027i. This growth is split about evenly between Upstream and Product Solutions. In the Upstream, we’ll grow volumes from advantaged assets in Guyana, the Permian Basin, LNG, and Brazil. In Product Solutions, we’ll continue to execute strategic, high-return projects that increase high-value product sales. And across both businesses, we’ll continue to drive structural cost savings.

Please note that our plan as discussed today includes the Denbury acquisition, which has closed, and excludes the Pioneer acquisition, which has not.
We’ve demonstrated our ability to improve margins by investing in accretive growth opportunities and driving structural cost savings, both of which are delivering growth in earnings and cash flow. To win in a commodity business, we have to be a low-cost operator. That means continually finding ways to become even more efficient.

2023 marks an important milestone in our efforts to reduce structural costs. We previously disclosed our plans to achieve $9 billion in structural cost savings versus 2019 by the end of 2023. As we told you in October, we achieved this plan at the end of the third quarter and we’re on pace to exceed it by the end of the year. The word structural is important. These aren’t one-time savings – they are sustained improvements to our cost base that will drive higher earnings well into the future.

The savings come from a variety of areas, with many underpinned by the reorganization of our business that began in 2018 and continues today. We’ve eliminated redundancies, centralized functions, optimized turnarounds and maintenance activities, and leveraged scale to drive efficiencies with our Global Projects organization.

Our efforts to date have created significant value, and further reducing our structural costs will remain a focus well beyond 2023. In fact, we expect an additional $6 billion in structural efficiencies through the end of 2027, bringing the total improvement to approximately $15 billion. Additional areas of opportunity include further leveraging our new global organizations – particularly our global supply chain – as well as further enhancing maintenance and turnaround processes, modernizing our IT and data management systems, and standardizing and simplifying business processes.
Our track record driving further efficiency and effectiveness across the company provides us with a high degree of confidence that we can achieve these additional savings going forward.
In our Upstream business, we’re continuing to grow our portfolio of competitively advantaged assets that offer lower cost-of-supply, lower lifecycle emissions, and higher returns.

Of course, actively managing our portfolio means both planting and pruning, and we continue to monetize non-strategic assets. Upstream asset sales have generated about $1.7 billion in proceeds year to date and more than $12 billion since the beginning of 2019.

Over the next four years, about 90% of our planned capital investments in new oil and flowing gas production are expected to generate returns greater than 10% at Brent prices of $35 per barrel or lower. All of our LNG investments with new volumes coming online over the next four years generate projected returns greater than 10% at prices of $6 per million BTUs or lower.

By 2027, more than 50% of production will be generated from competitively advantaged assets, driving long-term growth in overall production and earnings per barrel.

We expect production in 2024 to be about 3.8 million oil-equivalent barrels per day, rising to 4.2 million oil-equivalent barrels per day by 2027 as more growth from advantaged assets more than offsets base depletion.

Not only will we produce more barrels, but more importantly, they will be more profitable. By 2027, we expect unit earnings in our key growth assets to be $9 per barrel higher than in our base portfolio. The mix shift in our production portfolio, combined with structural cost savings and volume growth, enable us to roughly double our Upstream earnings potential by 2027 versus 2019.
A key part of our strategy is that our investments must be competitively advantaged versus the rest of industry. As you would expect, we’re leveraging our Global Projects and technology organizations to maximize the operating and capital efficiency of our growth projects, ensuring we achieve a resilient low cost-of-supply.

We start with the Permian Basin, where we’re seeing the positive results of the development plans we launched in 2019.

We have large, contiguous acreage position in the Delaware basin, which enables us to implement a unique development plan consisting of multi-well pad corridors. To efficiently develop the resource, we’re leveraging our full set of competitive advantages in subsurface understanding, advanced technology, drilling and completions, and large-scale project execution.

This step-change in our Permian performance is resulting in both higher recoveries and lower operating and capital costs. We’re the leader in length of horizontal wells. We’re currently drilling laterals nearly 4-miles long to access even more resource from the same well, while maintaining equivalent recovery per foot and increasing our capital returns. Our remote operations center, located at our Houston campus, houses a highly skilled team of engineers, geoscientists, and wellsite operations professionals. Together, they monitor emissions, support pre-drill planning, perform real-time optimization, and conduct post-completion analysis to improve efficiency, effectiveness, and safety.
In 2024, we expect to deliver Permian production of about 650 Koebd, an increase of 50 Koebd year over year.

Our investments in integrated facilities – combined with access to pipeline infrastructure stretching from New Mexico to the U.S. Gulf Coast – enables us to maximize the value of our growing Permian production by converting it to a higher-value mix of fuels, lubricants, and chemicals. Looking out to 2027, we expect Permian production to reach about a million oil-equivalent barrels per day.

In Guyana, we have one of the most exciting and successful deepwater developments in the world, and as we’ve grown production, we’ve generated significant benefits for the people of Guyana while also delivering strong financial results.

We started up our third major development at Payara last month with the Prosperity FPSO. We’re safely ramping up production and expect to reach 220,000 gross barrels per day over the first half of next year as new wells come online. We reached a combined operating production level of over 380,000 gross barrels per day on Liza phase 1 and 2 with a line of sight to getting production levels to 400,000 gross barrels per day. In 2024, production levels for Liza Phase 1 and 2 will be modestly impacted when they are taken offline during the second half of the year in conjunction with tie-ins of the Gas to Energy pipeline system. This pipeline system will support Guyana’s new power station enabling lower-cost electricity for the people of Guyana.

I’d note that all three of the FPSOs currently operating have been delivered ahead of schedule and under budget.

Yellowtail and Uaru, our fourth and fifth projects, are progressing on schedule with each expected to initially produce approximately 250,000 barrels of oil per day. We’re working with the government of Guyana to secure a regulatory approval for a sixth project at Whiptail. We expect to have a combined gross production capacity of more than 1.2 million barrels per day by the end of 2027 when all six projects are on-line.

It’s important to note that ExxonMobil’s Guyana developments are generating about 30% lower greenhouse gas intensity than the average of our upstream portfolio. They’re also amongst the best performing in the world with respect to emissions intensity, in the top quartile of global oil and flowing gas assets, according to Rystad Energy.

Turning to LNG, we have a globally diverse and growing portfolio of low-cost, capital-efficient developments to provide needed supply. We expect to grow our LNG supply to about 27 million tons per annum by 2027.

In the U.S., construction of the Gulf Coast Golden Pass facility is progressing. This project is a capital-efficient conversion of an import terminal. This conversion offers supply source optionality for our customers and provides global logistics optimization and competitive costs
for us and our partner, Qatar Energy. The three-train project will have a peak capacity of around 18 million tons per annum gross. Train 1 mechanical completion is expected at the end of 2024 with first LNG in first half of 2025.

Last year, we were pleased to announce an agreement with QatarEnergy to participate in the North Field East project, which will increase ExxonMobil’s participation in Qatar LNG volumes from 52 to 60 million tons per annum. QatarEnergy LNG will serve as the operator, with the project starting up in 2026.

In PNG, we’re working with our partners to develop the Papua LNG project. We progressed front-end engineering and development work this year. The project is targeting 6 million tons per annum of gross LNG liquefaction capacity, with FID expected in the first half of 2024.

Finally, in Mozambique, we continue to work with our partners and the government to optimize the onshore LNG plans for Rovuma to develop the 85-trillion-cubic-feet of gas resource. We’re working to ensure the right conditions are met for full funding, including a sustainable and secure operating environment and a design that will achieve long-term project competitiveness.
Turning to Product Solutions, we continue to leverage our competitive advantages to deliver industry-leading results as the world’s largest fuels, chemicals, and lubricants business. As mentioned three months ago at our Product Solutions Spotlight, we’re focused on increasing the earnings potential of this business by over $10 billion – to nearly three times that of 2019 – on a constant margin basis. We’re already well on our way.

Since 2019 we’ve grown earnings by about $4 billion through three main drivers. We’ve executed high-value strategic projects such as the Rotterdam Hydrocracker in Europe, the Beaumont refinery expansion in the United States, and our chemical projects in Corpus Christi, Baton Rouge, and Baytown.

Just as in Upstream, we’ve taken significant structural costs out of the business through operational efficiencies and other cost-saving measures.

And finally, we’ve delivered an enduring set of other performance improvements. These include hundreds of smaller projects that focus on improving yield, enhancing reliability, and increasing capacity in our manufacturing assets. Some of these projects are like our strategic projects, only smaller in scope. For example, we’re upgrading a crude distillation unit in Baytown to process more crude from our advantaged assets in the Permian.

Enhancements to the other commercial aspects of our value chains, such as trading, are also part of other performance improvements.

Our ability to deliver these results over the past four years gives us high confidence that we can continue to grow earnings potential over the balance of the plan period. As we shared at the
spotlight, most of our strategic projects will be coming online in this period, comprising the largest contribution to the potential earnings increase. Structural cost savings from additional efficiencies is the next largest, followed by other performance improvements.

Much of our earnings and cash flow growth comes from unlocking and capturing integration synergies. We’ve combined like activities, such as manufacturing support, to take advantage of our scale. We’re taking best practices from across our heritage organizations, learning from each other, and applying those learnings nimbly across the business. We’re equally focused on effectiveness in our end-to-end value chains, ensuring we continue to deliver products and services at the high quality that our customers have come to expect.

Our competitive advantages of scale, integration, and technology position us well for the future. We have the optionality to shift product yields over time as the pace and direction of the energy transition evolve. We’re unique in our ability to grow not only in biofuels, but also in distillates, chemicals, and lubricants due to the complex configuration of our manufacturing sites – which also allows us to cost-effectively reconfigure facilities to shift production to higher-value products. We see a cost advantage versus greenfield investments, underpinning the longevity of our assets and our business.

These high-value products include: lower-emission fuels... like biodiesel and sustainable aviation fuel; performance chemicals... like performance polyethylene and polypropylene, Vistamaxx™, and linear alpha olefins; and performance lubricants, additives, and thermoset resins, like Proxxima™.

Our plan is to double high-value product sales by 2027 to generate 40% of Product Solutions’ earnings. Our strategic projects are central to achieving that goal.
Over 50% of our earnings growth from year-end 2023 through 2027 comes from strategic projects. Starting with our refining investments, the innovative Singapore resid upgrade project will leverage proprietary, new-to-the-world technology to transform bottom-of-the-barrel molecules to benefit all three Product Solutions segments. We expect this to lift Singapore’s net-cash-margin performance into the first quartile for basestocks and overall refining when the project starts up in 2025.

In March 2023, we started up our Beaumont refinery expansion project, which added 250,000 barrels of capacity, making the refinery one of the largest in the world. The expansion allows us to produce even more distillates like diesel and jet fuel to meet growing demand.

The project at Fawley in the United Kingdom will expand hydroprocessing capability to convert low-value products into higher-value finished diesel. Fawley production will help the United Kingdom reduce diesel imports, strengthening local supply.

We expect sizable growth from our investments in performance chemicals. The China petrochemical complex is a significant step in growing our global manufacturing footprint and will be the first 100% foreign-owned petrochemical complex built in China. The progress made in advancing this project is a testament to our Global Projects organization’s ability to deliver large, complicated projects safely, on time, and with structural advantages that drive industry-leading returns. By building it in China, we are seeing a construction cost advantage of about 50% versus the U.S. Gulf Coast, and our project team is helping set new Chinese construction records. When completed, the complex will have three polyethylene and two polypropylene lines for a combined performance product capacity of over 2.5 million metric tons per year. This
capacity will more efficiently serve China’s domestic demand, which is currently being met with imports.

We recently started up new world-scale Vistamaxx™ and linear alpha olefins units in Baytown, Texas. These units will manufacture high-value products that are used to make automotive parts, packaging, construction materials, and high-performing lubricant components - products that society depends on every day.

We’re also a leader in sustainability. Not only are we selling certified circular polymers produced from our integrated complex in Baytown, but we’re also learning from this new advanced recycling facility, allowing us to widen the range of plastics that can be recycled. This knowledge will enable us to improve feedstock availability and rapidly scale our proprietary technology across our global circuit. We expect to increase our plastic waste processing capacity from 80 million pounds per year currently to 1 billion pounds per year by 2026, assuming supportive policy. We need a constructive regulatory environment all across the value chain, and we’re working with policymakers, customers, and waste management operators to grow an attractive market and address society's plastic waste challenge.

And finally, as showcased at the Product Solutions spotlight, we’ve launched Proxxima™, a product that upgrades gasoline components to high-value composites that are lighter, stronger, and more corrosion-resistant than products currently in the marketplace. It does so at half the GHG emissions of traditional thermoset resins. This is another example of how we’re using our technology, scale, and integration to deliver products that are more sustainable than conventional materials.
As part of our “and” equation, we’re committed to meeting demand for energy and essential products and driving emission reductions, reducing the life-cycle emissions of our operations and helping our customers to do the same.

From 2022 to 2027 we’re now pursuing more than $20 billion of lower-emissions opportunities, an increase of over $3 billion from the $17 billion we disclosed at last year’s corporate plan. That’s in addition to the recent $5 billion all-stock acquisition of Denbury, which gives us the largest CO2 pipeline network in the United States. Acquiring Denbury reflects our strategy to profitably grow our Low Carbon Solutions business by serving a range of hard-to-abate industries with carbon capture and storage offerings. The breadth of Denbury’s pipeline and storage network, when added to ExxonMobil’s decades of experience and capabilities in CCS, gives us the opportunity to play an even greater role in a thoughtful energy transition.

Of our total investment in lower-emission opportunities, about half is focused on reducing emissions in facilities that we operate to support our 2030 greenhouse gas emission-reduction plans.

The other half will build our Low Carbon Solutions business with third-party customers, including new opportunities in lithium, hydrogen, biofuels, and carbon capture and storage. This increase in third-party investment reflects our confidence in being a leading solutions provider in areas where we have a distinct competitive advantage. Our portfolio of investments is expected to generate strong returns of approximately 15% and could reduce third-party emissions by more than 50 Mta by 2030\textsuperscript{5,6}.

See Supplemental information for footnotes and definitions.
We’ve been encouraged by policy support such as the U.S. Inflation Reduction Act. Importantly, it expands third-party market opportunities while improving returns on investments to decarbonize our own portfolio. Our plan for further investment reflects our expectation that this market will continue to develop as policy and technology evolve, creating even more low-carbon opportunities that can successfully compete for capital in our portfolio. That said, we recognize the significant uncertainty in how the transition and our Low Carbon Solutions business will develop. Our strategy gives us flexibility to pace investments over time, effectively allocating resources as markets, customer commitments, and policy evolve. Success in accelerating emissions reductions requires the development of nascent markets. This requires technology-neutral policy support, transparent carbon pricing and accounting, as well as supportive regulation and permitting so policy can quickly be translated to action. By making sound, initial investments that are value accretive, we limit our downside at the same time as we position the business for further profitable growth.
We continue to advance key projects that will reduce emissions, both for our own operations and for our customers.

Starting with our own emissions, we remain on track to achieve net zero Scope 1 and Scope 2 emissions from our unconventional assets in the Permian by 2030. We started by eliminating routine flaring last year. This year we’ve replaced thousands of natural gas-driven pneumatic devices. We’ve also completed the electrification of our Permian drilling fleet and began electrifying our Permian fracking fleet. These actions are part of a global program of emission-reduction roadmaps which we’re also using to keep us on track to reduce methane emissions intensity from our operated assets by 70 to 80% by 2030. We’ve made significant progress, having already achieved well over half of this planned reduction compared with 2016 levels.

We expect all asset classes to deliver industry-leading GHG intensity by 2030 on the way to our aim of net-zero Scope 1 and Scope 2 emissions at our operated facilities by 2050.

Moving to CCS, we’ve agreed to transport and store 5 million metric tons per year of third party CO2 for companies in the fertilizer, industrial gas, and steel industries. With the close of the Denbury acquisition, we now have a 1,300-mile CO2 pipeline network, 70% of which runs through the highly industrialized U.S. Gulf Coast. When fully developed and optimized, our pipeline network has the potential to help reduce emissions by more than 100 million metric tons per year. The Gulf Coast is one of the largest markets for CO2 reduction and home to our largest integrated refining and chemical sites. That includes our complex in Baytown, Texas, the future site of our 1 billion-cubic-foot-per-day low-emissions hydrogen plant. The hydrogen we
plan to use in Baytown is expected to reduce site-wide emissions by up to 30%, while hydrogen and ammonia offtake agreements will help reduce customers’ emissions.

Finally, we’re also well-positioned to produce biofuels, where demand is expected to grow 400% by 2050 with supportive, well-designed policy. We’re progressing the construction of a 20,000 barrel-per-day renewable diesel facility at the Strathcona refinery with our majority-owned affiliate, Imperial Oil. The manufacturing process will use a proprietary catalyst to turn blue hydrogen and locally sourced bio feedstock into a premium low-carbon diesel fuel. In total, we’re pursuing 12 biofuel projects globally, including those involving co-processing, bio-blending, and asset reconfiguration to reach our target of approximately 40 Kbd of lower-emission fuels by 2025. The average expected return for these projects is over 20%.
We’ve made clear our intention to pursue low-emissions opportunities where we possess unique competitive advantages. In many ways, extracting lithium from deep brine reservoirs is similar to our existing businesses. It involves upstream skills like geoscience and reservoir management, as well as efficient drilling. It also involves downstream capabilities in fluid processing and extraction to separate the lithium from the brine. In light of these skills and experiences, we’ve made a cost-advantaged entry into the lithium business at scale with a goal to become a leading supplier of a key component of electric vehicle batteries.

With the landmark Arkansas project we announced, not only will we tap a potentially significant new source for lithium at a time when it’s needed in the United States, but we’ll also use a modern manufacturing process with a lower environmental impact, including about two-thirds less carbon intensity than hard rock mining, the most common lithium extraction method used today.

Similar to the CCS, hydrogen, and biofuel projects in our portfolio, our lithium projects must compete for capital and have a competitive cost of supply, generating double-digit returns even in bottom-of-cycle conditions.

We’ve conducted multiple pilot plant tests of the direct lithium extraction technology at our Houston facilities and are planning to start commercial production in 2027. By 2030, ExxonMobil aims to be producing enough lithium to supply the manufacturing needs of approximately one million EVs per year. That’s more than the total number of EVs sold in the United States last year. We have a deep understanding of automotive technology and a long history of addressing the needs of the transportation space.
Our lithium production can help reduce CO2 emissions from light-duty transportation, which accounts for about 8% of global energy-related emissions today. We’ll also expand the supply of lithium from North American sources, thereby reducing imports.
Which brings me to our investment plans across the entire company.

We have a consistent approach to investing in our business through the cycles. That’s critical in light of the long investment timelines that we face. We continue to focus on value creation – not volume – and prioritize competitively advantaged, high-return projects. We retain flexibility within the portfolio to adjust our capital expenditures to changing market conditions, including the pace of the energy transition.

Our capital expenditures will vary by year depending on the projects we’re advancing. In 2024, we expect total capital expenditures to be between $23 billion and $25 billion.

Beyond 2024, capex in our established businesses remains fairly consistent, as we continue to invest in a clear set of competitively advantaged growth assets in the Upstream and strategic projects in Product Solutions. At the same time, our planned investments in lower-emissions opportunities continues to increase, consistent with the growth we’ve seen in value-accrative opportunities, particularly to help reduce third-party emissions. Reflecting the significant increase in expected lower emissions spending over the past three years – growing from $3 billion expected back in early 2021 to over $20 billion now – we’re increasing our annual corporate-wide capex guidance for 2025-2027 to a range of $22 billion to $27 billion.

Our capital investments are expected to generate an average return of approximately 30%, and greater than 90% of the investments are expected to pay out in less than 10 years. We expect our lower-emissions investments to deliver strong double-digit returns, with the pace of execution subject to market development, durable supportive policy, and necessary permitting.
Our approach to capital allocation remains consistent with our strategy to invest in competitively advantaged, low-cost-of-supply, high-return projects that create long-term shareholder value.
Execution of our strategy drives growth in earnings potential, which translates into significant surplus cash flow generation over the period.

At a real Brent price of $60 per barrel, we expect to generate about $80 billion of surplus cash above capex requirements and dividend distributions over the next four years. This includes $28 billion of surplus cash that we had on hand at the end of the third quarter.

Our cash surplus is robust across a range of potential oil price scenarios. At $50 real Brent, we can comfortably cover the dividend and capex and still have approximately $55 billion of surplus cash by 2027. If we were to tap our debt capacity, that would add another $25 billion to available cash. At $80 real Brent, we expect to have about $140 billion of surplus cash at the end of the plan period.

By 2027, earnings growth increases our return on capital employed to about 16% and reduces our breakeven to about $35 per barrel. These metrics include the increased emission-reduction spending, the vast majority of which generates earnings and cash flow beyond 2027. If we exclude the spend on reducing third-party emissions, our ROCE would be about 17% and our breakeven would be closer to $30 per barrel.

Our strong financial position gives us ample flexibility to invest consistently in our established businesses, to grow our Low Carbon Solutions business as profitable opportunities arise, and to sustain higher shareholder distributions across a broad range of scenarios.

We remain on track to complete up to $17.5 billion in share repurchases in 2023 as part of the $35 billion repurchase program that we previously announced for 2023 and 2024. After the
Pioneer transaction closes, the go-forward share repurchase program pace is expected to increase to $20 billion annually through 2025, assuming reasonable market conditions.
Before handing back to Darren to close, I want to step back and comment on the progress that we’ve made. As Darren showed you earlier, about halfway through our plan, we’ve clearly delivered industry-leading results. And as shown here, based on consensus estimates, we expect to outperform peers throughout the plan period.

Our success reflects a workforce that is proud of the role it plays in supporting society’s needs and in safeguarding the environment for future generations while remaining dedicated to raising the bar in everything that we do. That combination has powered our success and gives us the confidence that we’ll continue to deliver industry-leading performance in the years ahead.

We hope all of you tuning in today and listening to this presentation on replay have a wonderful holiday season, and we look forward to connecting with you again in 2024.

Now, I’ll turn it back to Darren.
Thanks, Kathy. Today we’ve shared our plan to create significant shareholder value with our current opportunity set. With the addition of Pioneer, the best pure-play company in the Permian Basin, the value for shareholders will be even greater.

Adding Pioneer gives us industry-leading undeveloped, tier-one, highly contiguous U.S. unconventional inventory. By combining the capabilities of our two companies, we expect to recover more resource, more efficiently, with better environmental performance, including the acceleration of Pioneer’s net-zero Permian ambition from 2050 to 2035.

We expect the transaction to generate an average of $2 billion per year in pre-tax synergies over the next decade, while delivering combined production of ~2 Moebd by the end of 2027.

With our technology, their acreage and the combined skills of our people, we expect to generate double-digit returns with an industry-leading low cost of supply. Importantly, the increase in short-cycle production improves our ability to adjust to changes in market conditions.

This acquisition is a win any way you look at it. It strengthens U.S. energy security, reduces impacts on the environment, and enhances returns for shareholders.

We’ll have more to say about this compelling combination at an Upstream Spotlight event we’ll be hosting after the transaction closes.
Let me leave you with a few key takeaways.

By any measure, our plans have and will continue to deliver exceptional value.

- We expect to grow earnings and cash flow by roughly $14 billion over the next four years, building further on the significant improvements in earnings power already delivered\(^1\).
- Our return on capital employed is expected to reach 16% by 2027 as we continue to invest in advantaged, higher-return projects.
- Our commitment to safe and reliable operations, as well as aggressive emission reductions remain, with continuing progress built into our plans, consistent with our ambition to be the most responsible operator in the industry.
- We’re continuing to deliver structural cost savings, with roughly $15 billion planned through 2027, a significant driver of our improved earnings power versus 2019.
- Our surplus cash potential through 2027 remains impressive at $80 billion, even if Brent falls by more than 20 percent from where it is today\(^13\).

Our commitment to disciplined investing and growing shareholder returns remains steadfast. Post the merger with Pioneer, assuming reasonable market conditions, we expect to further increase the pace of share repurchases to $20 billion a year through 2025, up from $17.5 billion currently.

For 2024, we expect the amount of share repurchases to be somewhere between these two numbers, depending on the timing of the Pioneer close.
Of course, the main driver of our financial success is continued investment in advantaged assets. Our capex range of $23-to-$25 billion for 2024, and $22-to-$27 billion per year from 2025 through 2027, reflects consistent investment in our traditional businesses and a growing set of high-return opportunities in lithium, hydrogen, biofuels and carbon capture and storage, reflecting our work to help reduce society’s emissions.

In summary, our strategy is delivering industry leading results. The competitive advantages we possess, the organization we’ve built, the opportunities we’re capturing, the performance we’re delivering, and the shareholder returns we’re generating, adds up to what we believe is the most compelling investment case in the industry.

Thank you for your time, and for your investment in ExxonMobil.

Additional remarks on this slide will be provided during the discussion of the Corporate Plan Update.

---

1 Potential earnings, excluding identified items, and cash flow from operating activities, excluding identified items and working capital, both adjusted to 2022 $60/bbl real Brent and 10-year average Energy, Chemical, and Special Product margins
2 Returns calculated on a money-forward basis at Brent prices of $35 per barrel or lower
3 Industry-leading free cash flow as per Wood MacKenzie 4Q 2023 data
4 ExxonMobil estimate calculated based on volumetric displacement of epoxy resin on a cradle-to-gate basis. Source: Comparative Carbon Footprint of Product - ExxonMobil’s Proxima™ Resin System to Alternative Resin Systems, June 2023, prepared by Sphera Solutions, Inc. for ExxonMobil Technology and Engineering Company. The study was confirmed to be conducted according to and in compliance with ISO 14067:2018 by an independent third-party critical review panel.
5 Lower-emission investment portfolio delivers ~15% return on a capital-weighted basis under current and potential future government policies based on ExxonMobil projections. Calculations exclude capex for incubating projects as well as spend to reduce own emissions not supported by policy.
We see the opportunity to help other essential industries and customers achieve their goals to lower emissions. Estimates of GHG emissions are on a life cycle basis and include avoided and abated emissions from hydrogen, lower-emission fuels, and carbon capture and storage. For example, customers could avoid up to 25 MTA of their GHG emissions if all of ExxonMobil’s projected 2030 supply to the market of lower-emission fuels displaces conventional fuel refined from crude oil. Calculation is an ExxonMobil analysis illustrating the general benefits of lower-emission fuels based on estimated fuel Ci from various third-party sources (such as Argonne National Labs’ GREET model) as compared against its conventional fuel alternate on a life cycle basis. Calculation is an estimate that represents a range of potential outcomes that are based on certain assumptions. Estimates are based on the potential implementation of projects or opportunities that are at various stages of maturity. Individual projects or opportunities may advance to a final investment decision by the company based on a number of factors, including availability of supportive policy and permitting, technology and infrastructure for cost-effective abatement, and alignment with our partners and other stakeholders. Actual avoided and abated emissions abatement may differ.

References to routine flaring herein are consistent with the World Bank’s Zero Routine Flaring Initiative/Global Gas Flaring Reduction Partnership’s (GGFRP) principle of routine flaring, and excludes safety and non-routine flaring. Our actions to reduce emissions through 2030 include achieving net-zero Scope 1 and 2 greenhouse gas emissions in our Permian Basin unconventional operated assets. Versus 2016 levels; we are working to continuously improve our performance and methods to detect, measure and address greenhouse gas emissions.

Market potential for emission reduction opportunity based on ExxonMobil analysis of CO2 pipeline routes, current and potential capacity, potential emitters in the U.S. Gulf Coast Market, and potential infrastructure upgrades. Subject to additional investment by ExxonMobil, customer commitments, supportive policy, and permitting for carbon capture and storage projects. Calculations are based on ExxonMobil plan. Calculations exclude capex for Corp & Fin, Operated by Others projects, exploration, LTO/maintenance/sustaining programs, incubating projects, and spend to reduce own emissions not supported by policy.

Based on ExxonMobil’s analysis of remaining U.S. unconventional inventory locations per 2023 Enverus’ reports.

Expected to leverage Permian GHG reduction plans to accelerate Pioneer’s net-zero emissions plan to 2035 from 2050; plan to lower both companies’ Permian methane emissions through new technology application.

Based on average Brent price from November 1 – 30, 2023