

# Fourth Quarter 2016 Earnings Call

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- **Frequently Used Terms.** References to resources, the resource base, barrels of oil, volumes of gas, liquids, condensate, and similar terms include quantities that are not yet classified as proved reserves under SEC definitions but that we believe will likely be developed and moved into the proved reserves category in the future. Shareholder distributions referred to in this presentation mean cash dividends plus any shares purchased to reduce shares outstanding (excluding anti-dilutive purchases). For definitions and more information regarding resources, reserves, cash flow from operations and asset sales, free cash flow, earnings excluding impairment charge, operating costs, and other terms used in this presentation, see the "Frequently Used Terms" posted on the Investors section of our Web site and the additional information in this presentation and the earnings release 8-K filed today. The Financial and Operating Review on our Web site also shows ExxonMobil's net interest in specific projects.
- The term 'project' as used in this presentation can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

# Headlines

Full-year earnings of \$7.8 billion; fourth quarter earnings of \$1.7 billion

- Fourth quarter cash flow from operations and asset sales more than covered dividends and net investments
- Increasing Upstream contribution with growth in commodity prices, offset by \$2 billion impairment charge
- Integrated results underpinned by continued solid Downstream and Chemical performance
- Progressing strategic investments across all segments

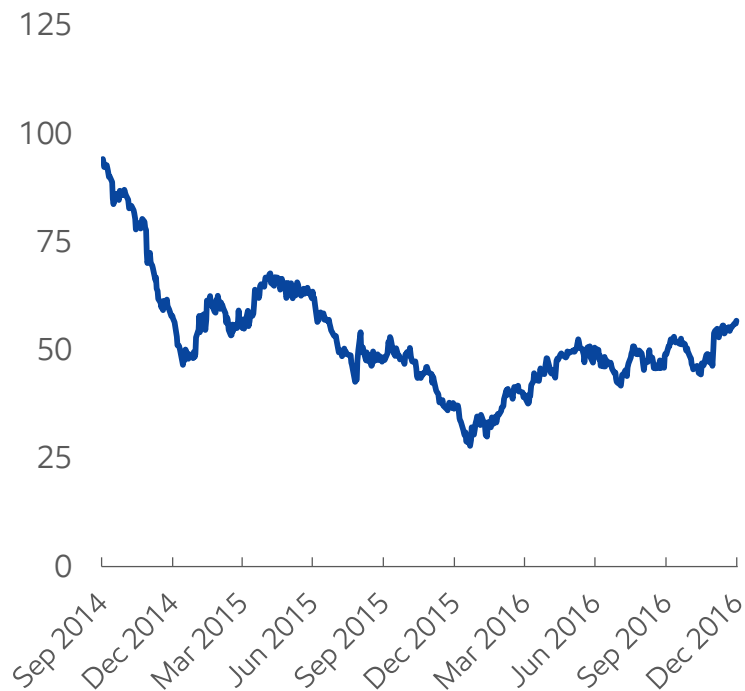


# Business Environment

Modest global economic growth continued in the fourth quarter

Brent

\$ per Barrel



- Expansion moderated in the U.S.
- Growth in China stabilized
- Tepid growth in Europe and Japan
- Crude oil and natural gas prices strengthened
- Refining margins improved outside the U.S.
- Chemical product margins decreased

# 4Q16 Financial Results

<b>Earnings</b>	<b>1.7</b>
<b>Earnings Per Share – Diluted</b> ( <i>dollars</i> )	<b>0.41</b>
<b>Shareholder Distributions</b>	<b>3.1</b>
<b>CAPEX</b>	<b>4.8</b>
<b>Cash Flow from Operations and Asset Sales<sup>1</sup></b>	<b>9.5</b>
<b>Cash</b>	<b>3.7</b>
<b>Debt</b>	<b>42.8</b>

*Billions of dollars unless specified otherwise*

<sup>1</sup> Includes Proceeds Associated with Asset Sales of \$2.1B

# 4Q16 Sources and Uses of Cash

Cash balances decreased \$1.4 billion in the quarter

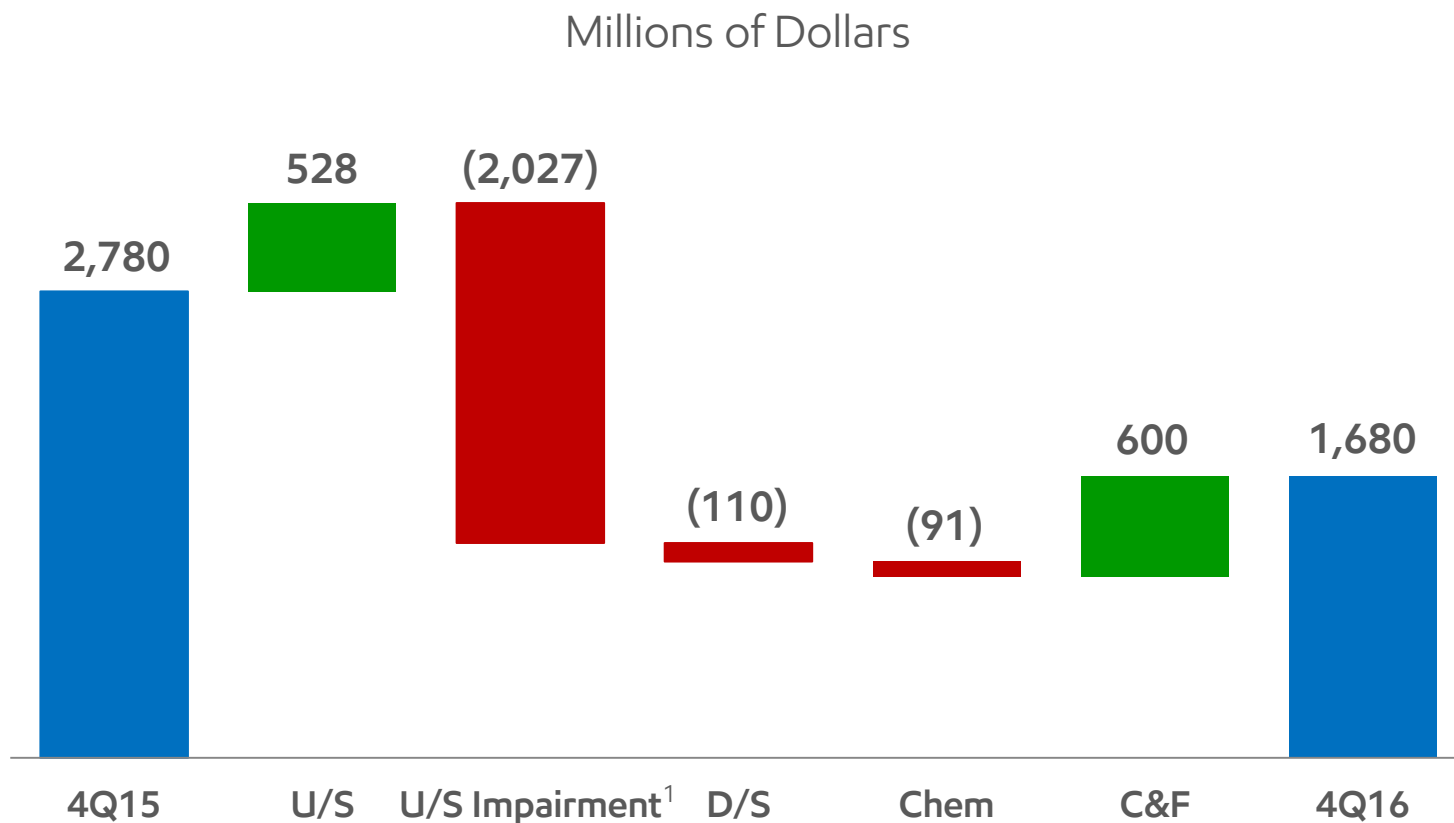
<b>Beginning Cash</b>	<b>5.1</b>	} 9.5
Earnings	1.7	
Depreciation	8.1	
Working Capital / Other	(2.4)	
Proceeds Associated with Asset Sales	2.1	
Shareholder Distributions	(3.1)	
PP&E Adds / Investments and Advances <sup>1</sup>	(3.8)	
Debt / Other Financing	(4.0)	
<b>Ending Cash</b>	<b>3.7</b>	

*Billions of dollars*

<sup>1</sup> Includes PP&E Adds of (\$3.9B) and net investments and advances of \$0.1B.

# Total Earnings – 4Q16 vs. 4Q15

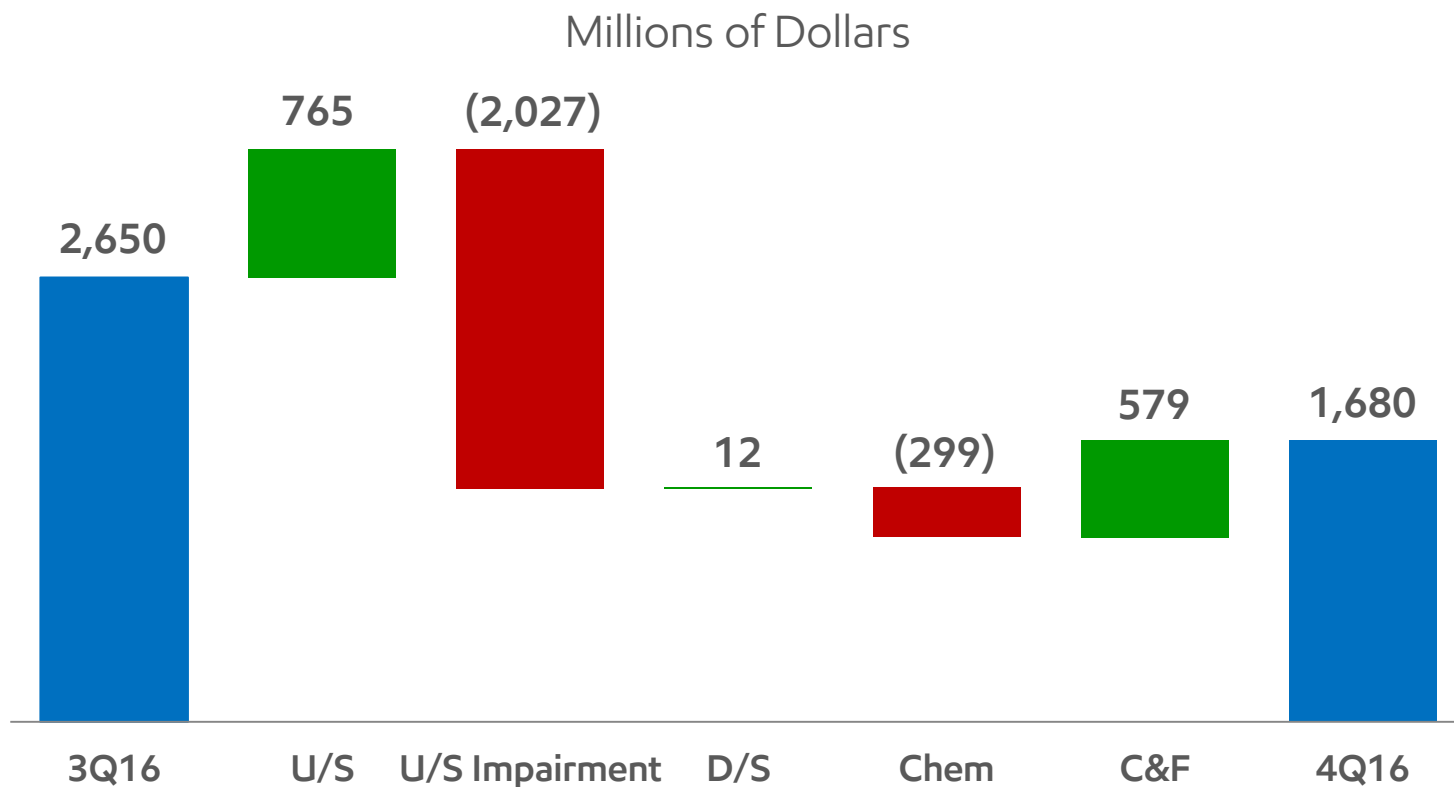
Earnings decreased \$1.1 billion due to the Upstream impairment charge, offset by stronger Upstream results



<sup>1</sup> Impairment charge resulting from fourth quarter 2016 Upstream asset recoverability assessment

# Total Earnings – 4Q16 vs. 3Q16

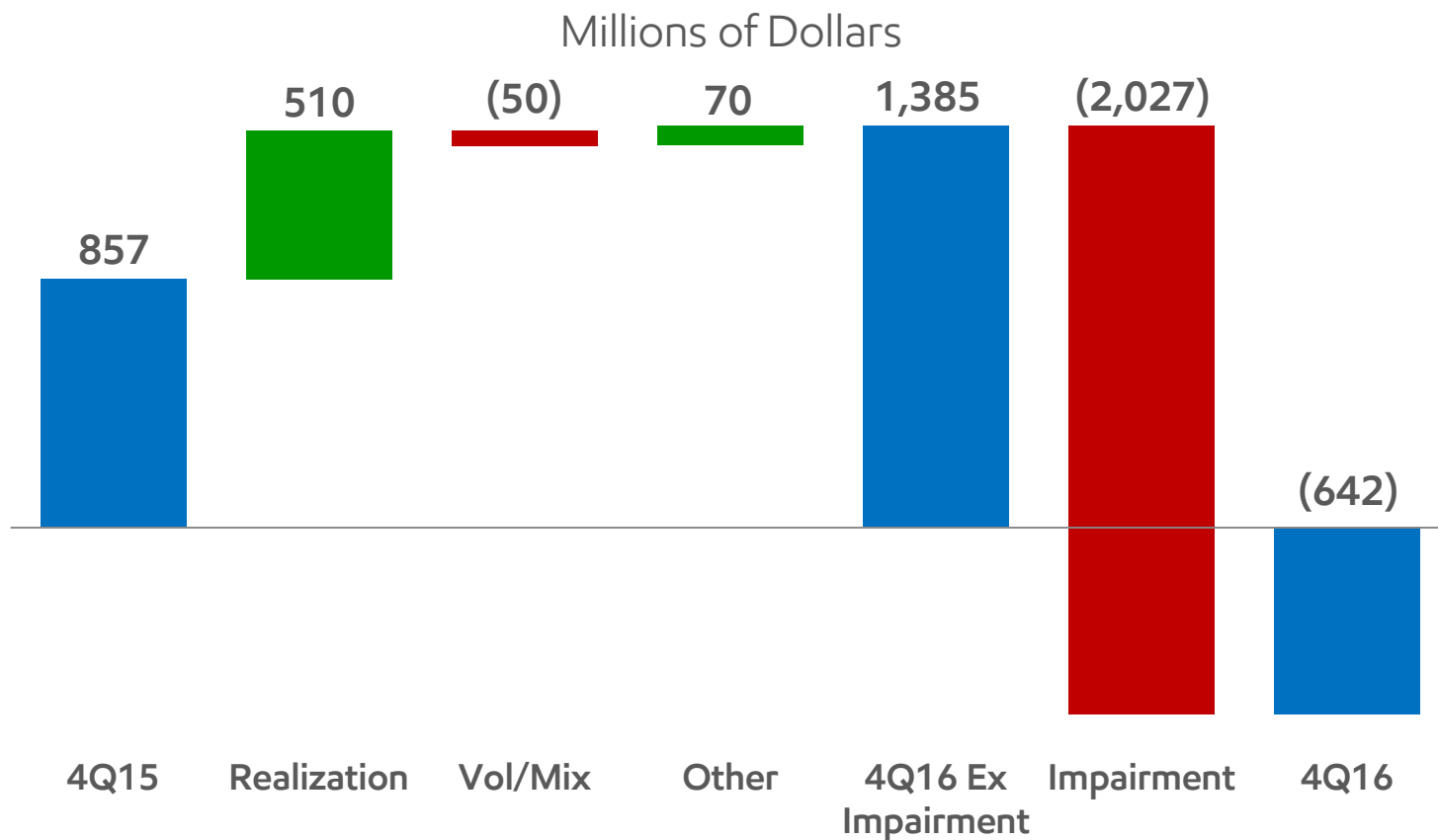
Earnings decreased \$970 million as a result of the Upstream impairment charge, partly offset by stronger Upstream results





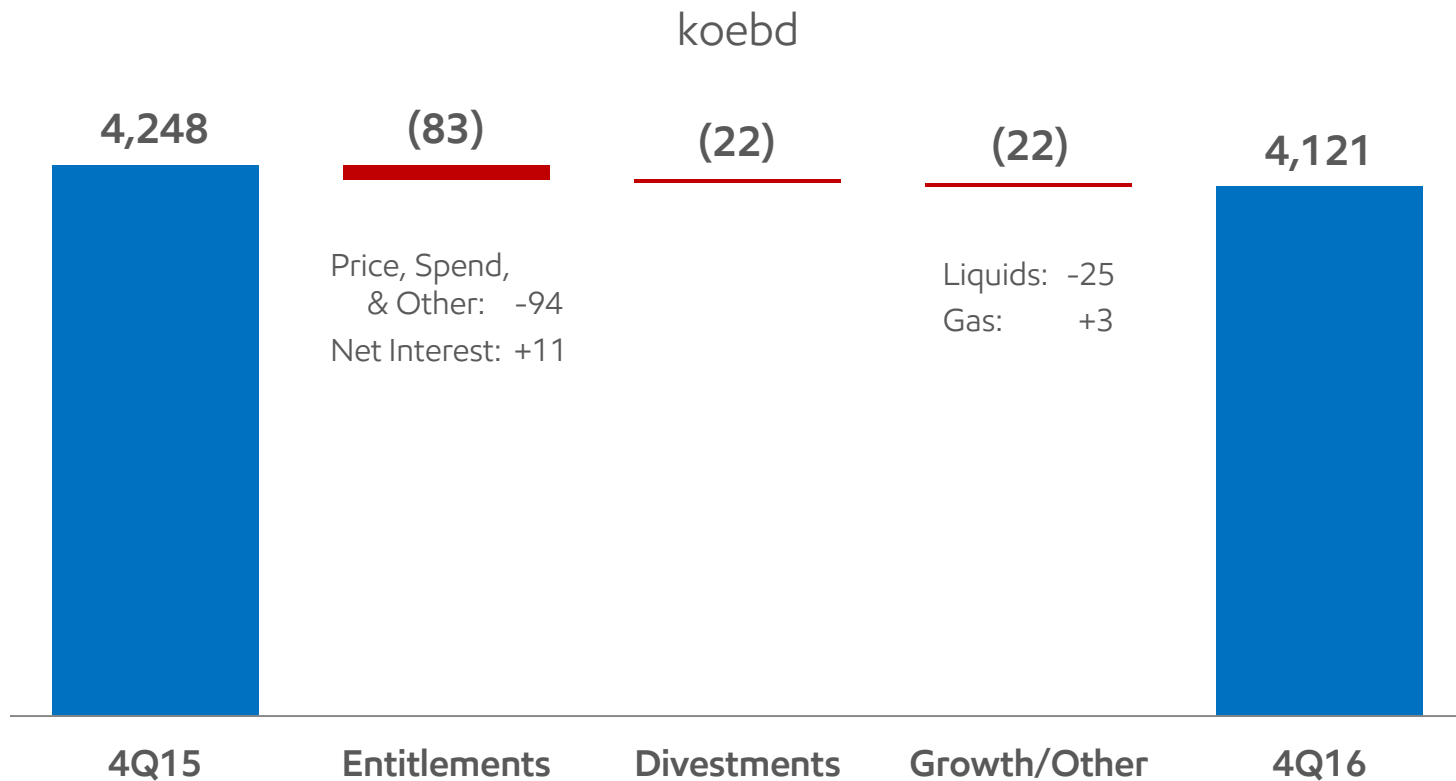
# Earnings – 4Q16 vs. 4Q15

Earnings decreased \$1.5 billion due to the impairment charge, partly offset by higher realizations and lower operating expenses



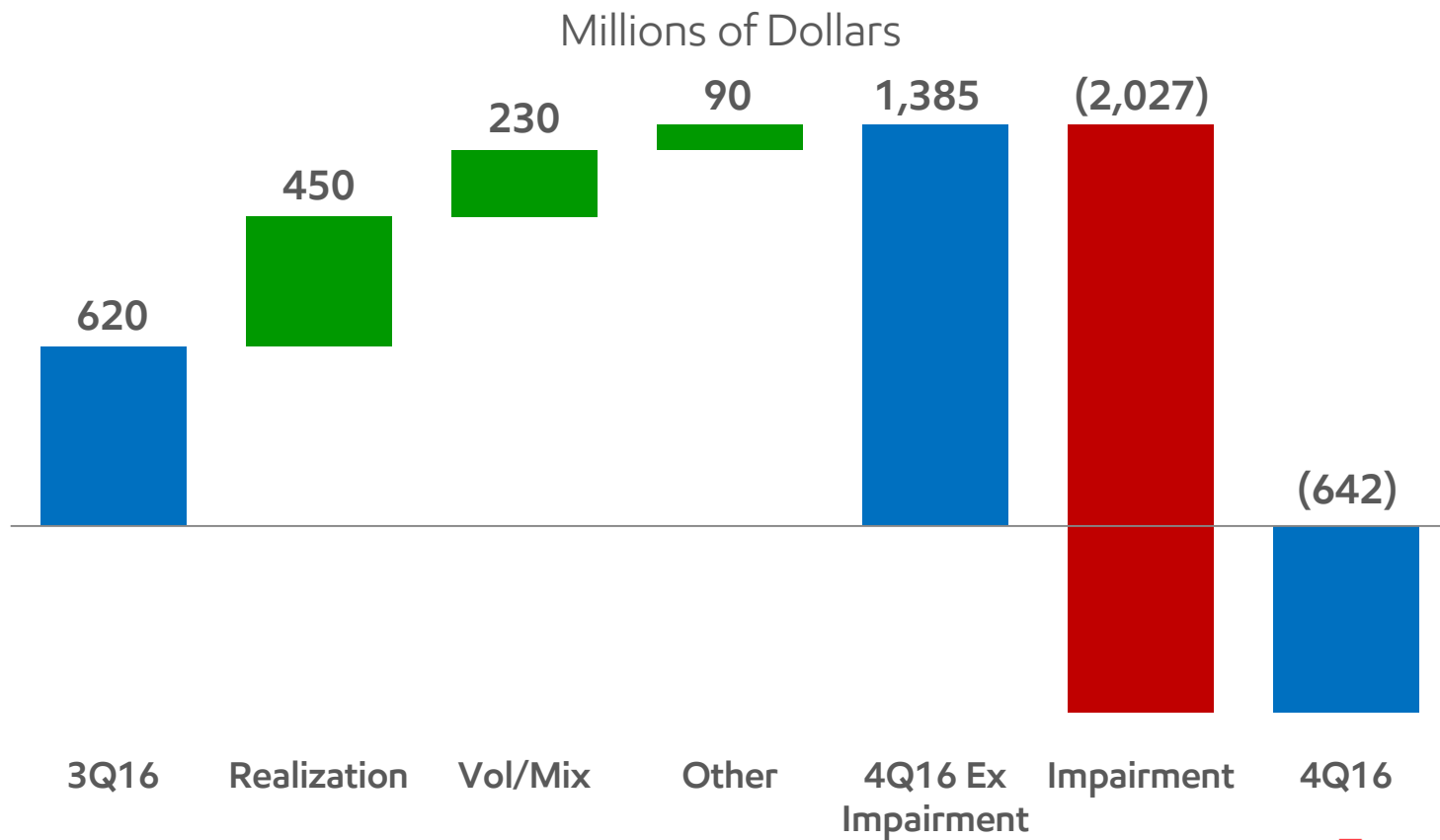
# Volumes – 4Q16 vs. 4Q15

Volumes down 3%: Liquids -97 kbd, natural gas -179 mcfd



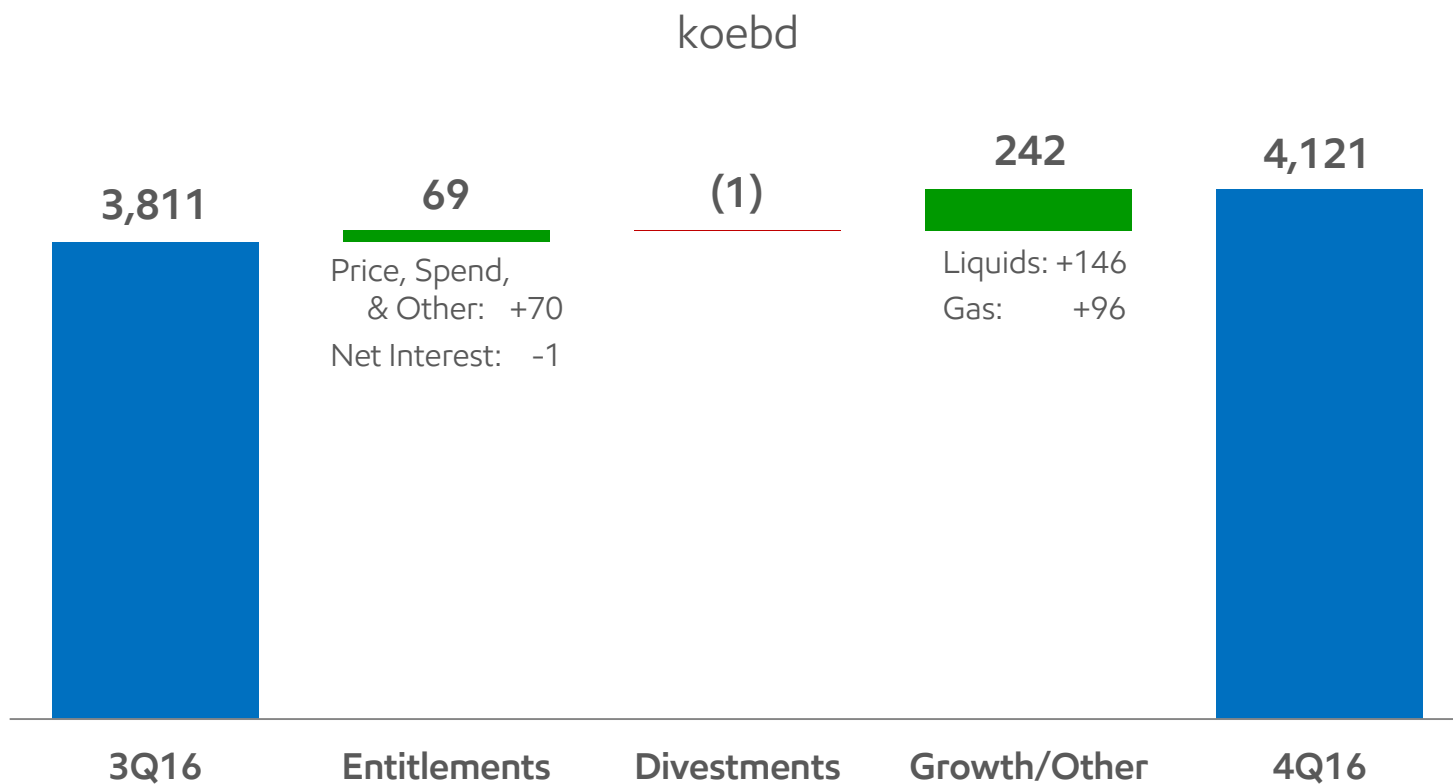
# Earnings – 4Q16 vs. 3Q16

Earnings decreased \$1.3 billion as higher realizations and volumes were offset by the impairment charge



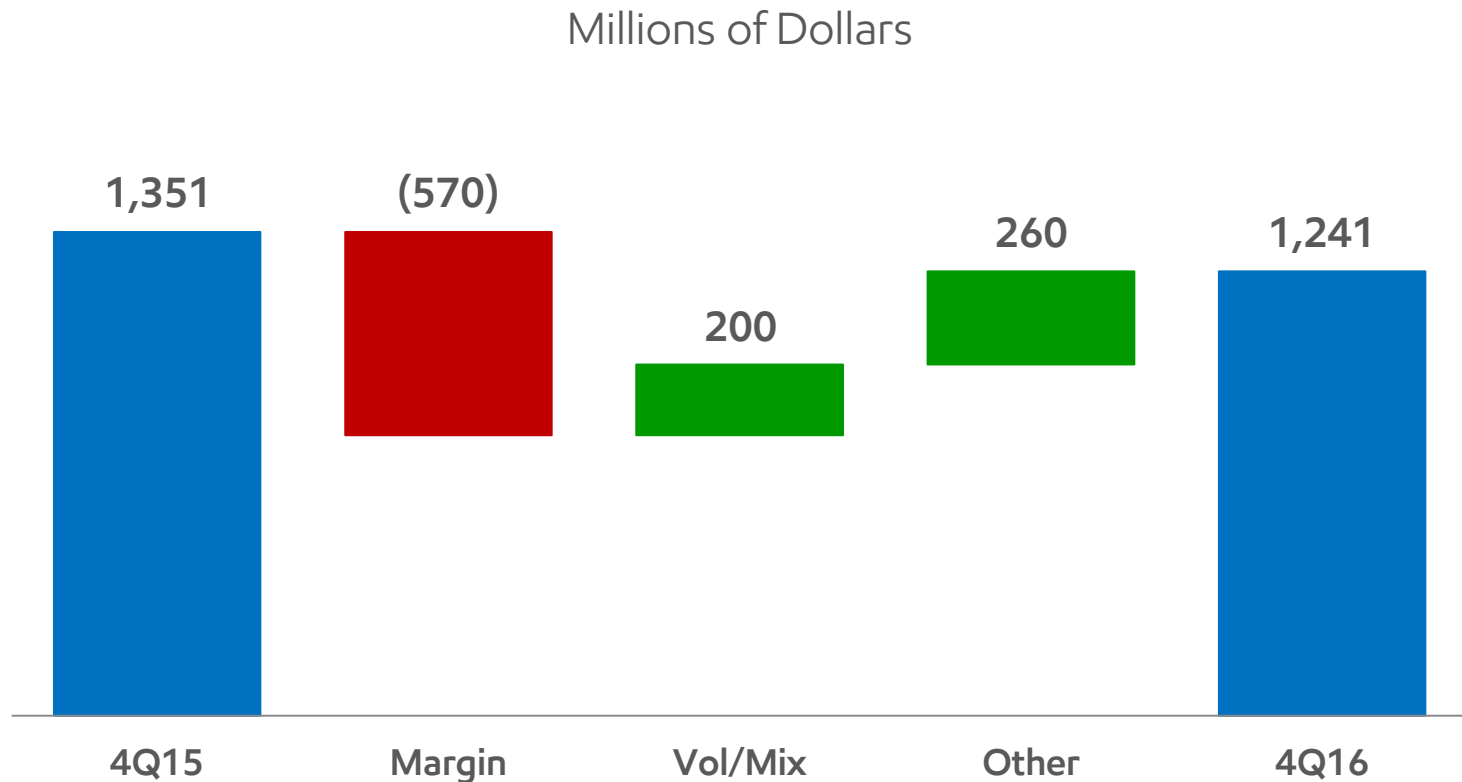
# Volumes – 4Q16 vs. 3Q16

Volumes up 8%: Liquids +173 kbd, natural gas +823 mcf



# Earnings – 4Q16 vs. 4Q15

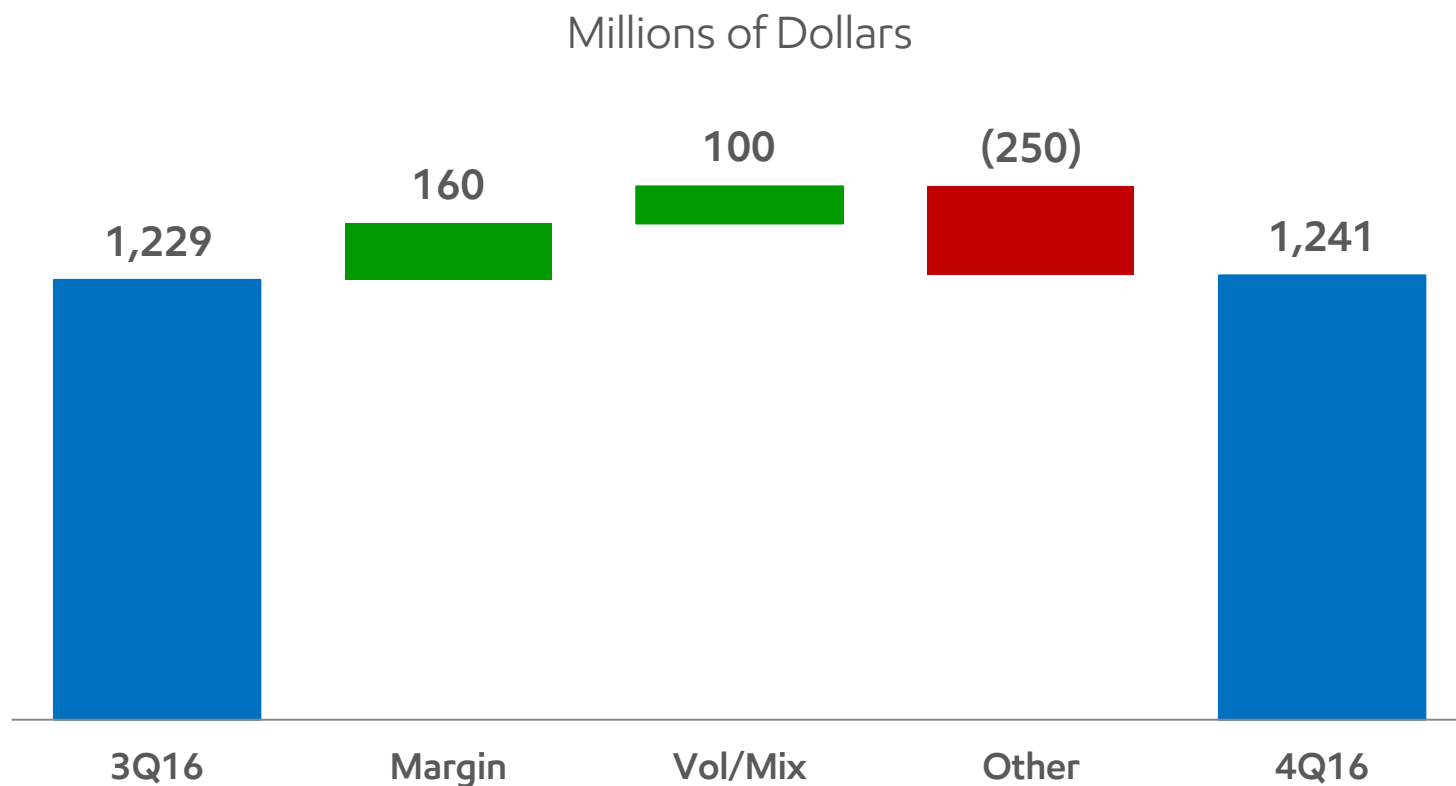
Earnings decreased \$110 million due to weaker margins partially offset by favorable volume mix and asset management gains





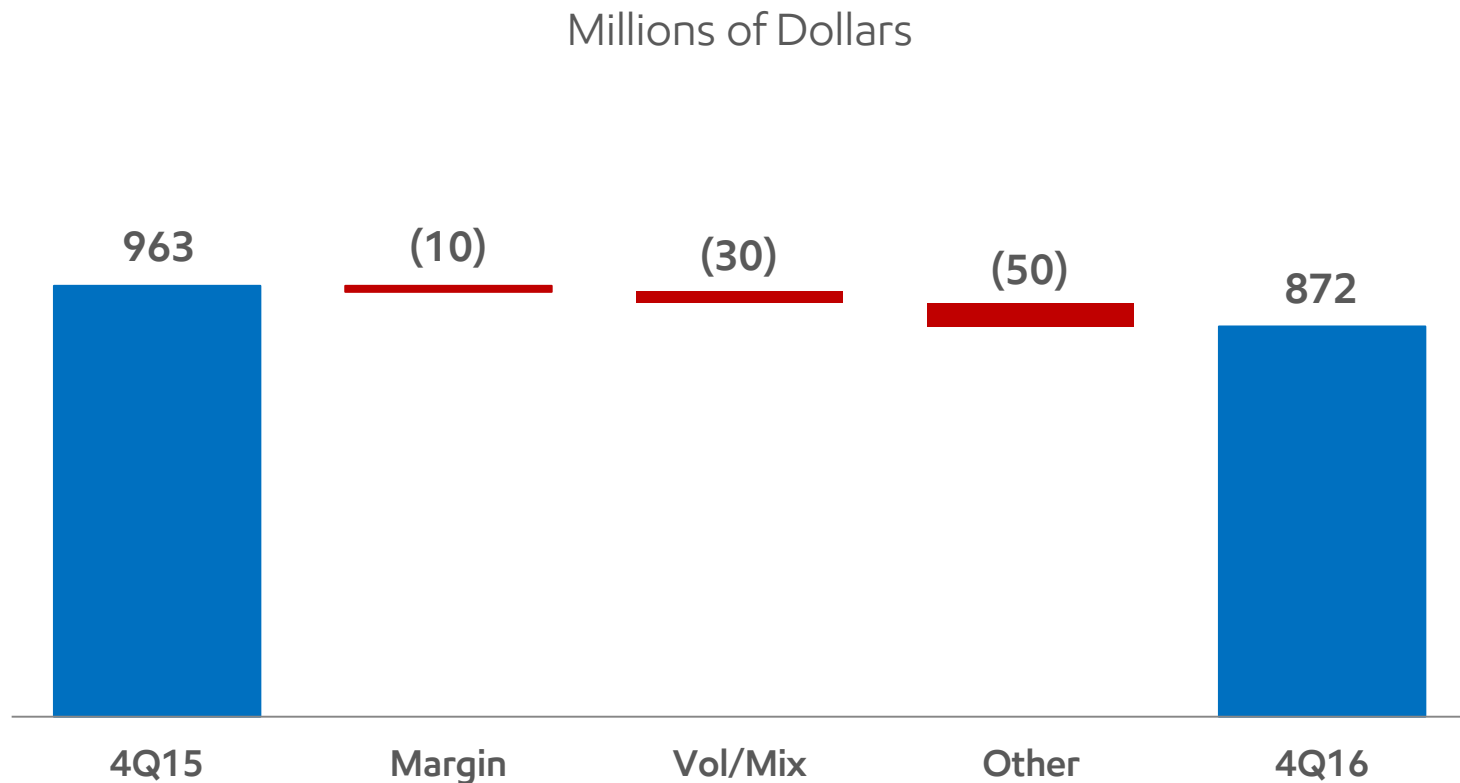
# Earnings – 4Q16 vs. 3Q16

Earnings essentially flat



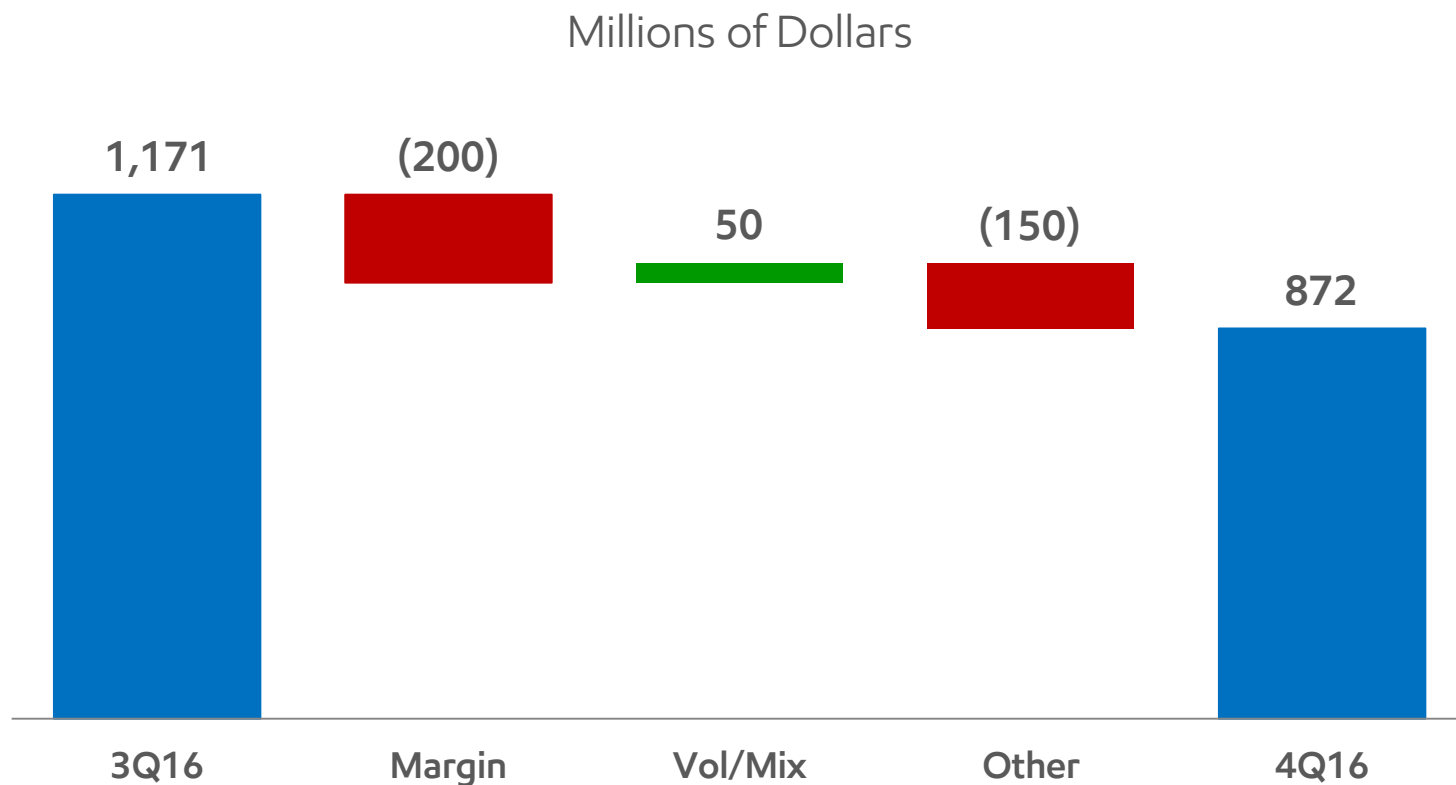
# Earnings – 4Q16 vs. 4Q15

Earnings decreased \$91 million on lower volumes and mix, and unfavorable inventory and foreign exchange effects



# Earnings – 4Q16 vs. 3Q16

Earnings down \$299 million reflecting weaker margins and unfavorable inventory and foreign exchange effects



# 2016 Financial Results

<b>Earnings</b>	<b>7.8</b>
<b>Earnings Per Share – Diluted</b> ( <i>dollars</i> )	<b>1.88</b>
<b>Shareholder Distributions</b>	<b>12.5</b>
<b>CAPEX</b>	<b>19.3</b>
<b>Cash Flow from Operations and Asset Sales<sup>1</sup></b>	<b>26.4</b>
<b>Cash</b>	<b>3.7</b>
<b>Debt</b>	<b>42.8</b>

*Billions of dollars unless specified otherwise*

<sup>1</sup> Includes Proceeds Associated with Asset Sales of \$4.3B

# 2016 Sources and Uses of Cash

Cash balances flat in 2016

<b>Beginning Cash</b>	<b>3.7</b>	} 26.4
Earnings	7.8	
Depreciation	22.3	
Working Capital / Other	(8.0)	
Proceeds Associated with Asset Sales	4.3	
Shareholder Distributions	(12.5)	
PP&E Adds / Investments and Advances <sup>1</sup>	(16.7)	
Debt / Other Financing	2.8	
<b>Ending Cash</b>	<b>3.7</b>	

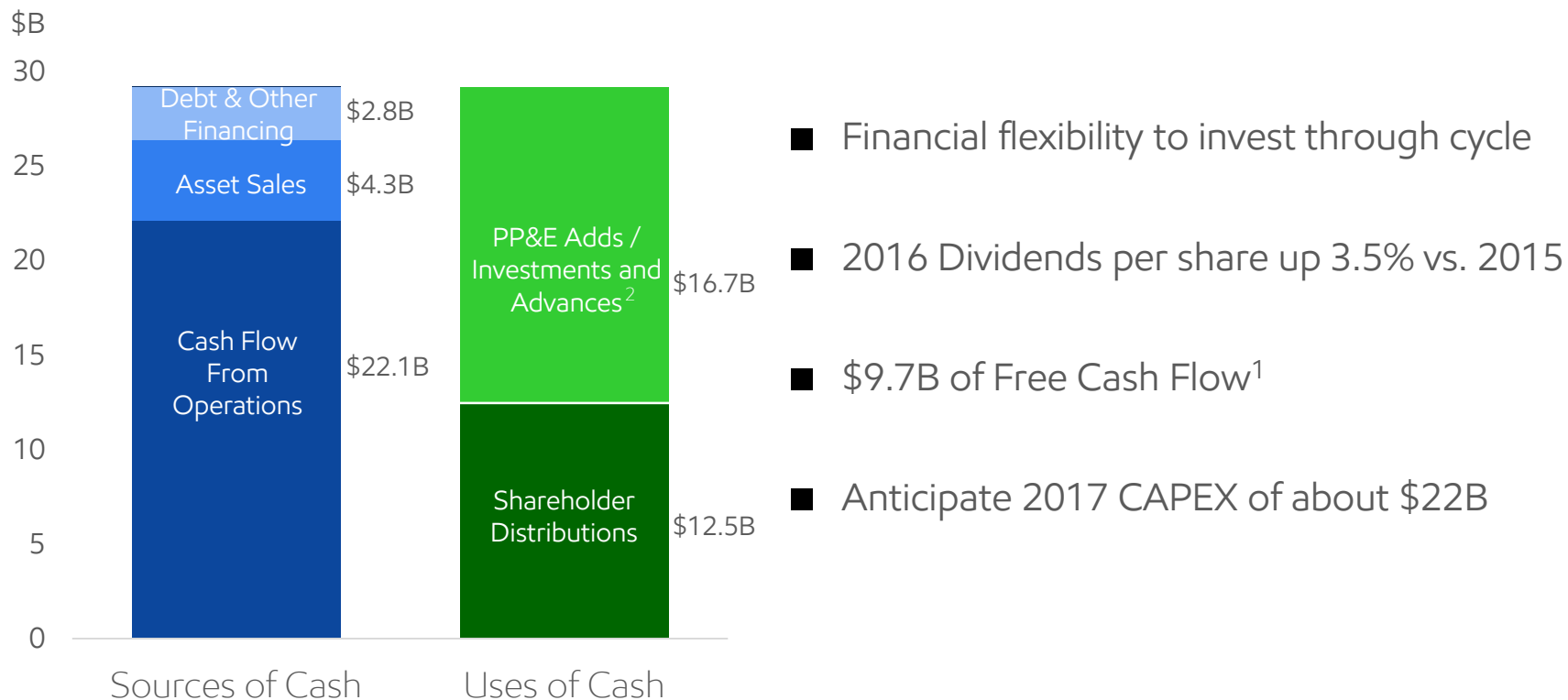
*Billions of dollars*

<sup>1</sup> Includes PP&E Adds of (\$16.2B) and net investments and advances of (\$0.5B).



# 2016 Sources and Uses of Cash

Integrated cash flow supports distributions and funds investments

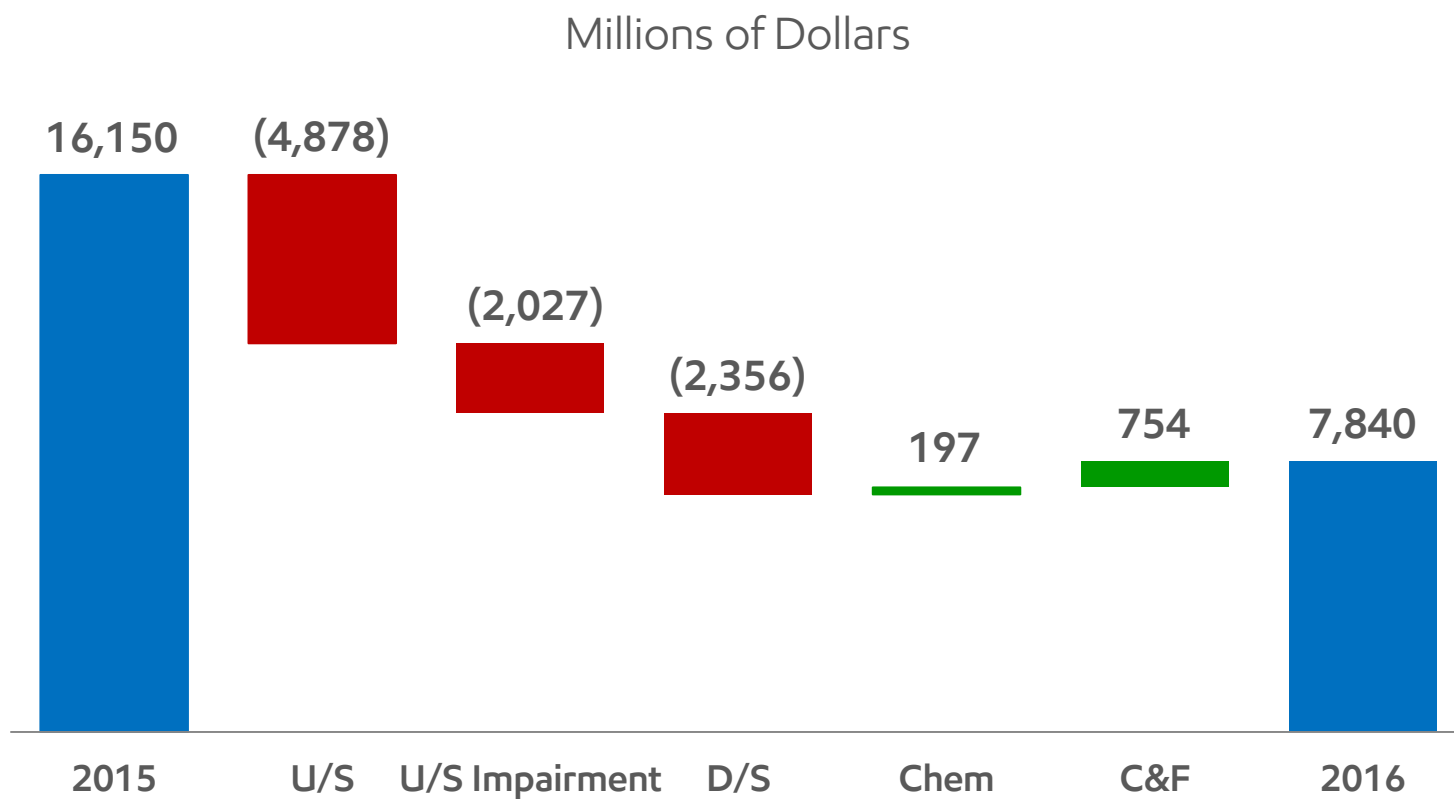


<sup>1</sup> Calculated as Cash Flow from Operations and Asset Sales \$26.4B less PP&E Adds / Investments and Advances (\$16.7B)

<sup>2</sup> Includes PP&E Adds of (\$16.2B) and net investments and advances of (\$0.5B)

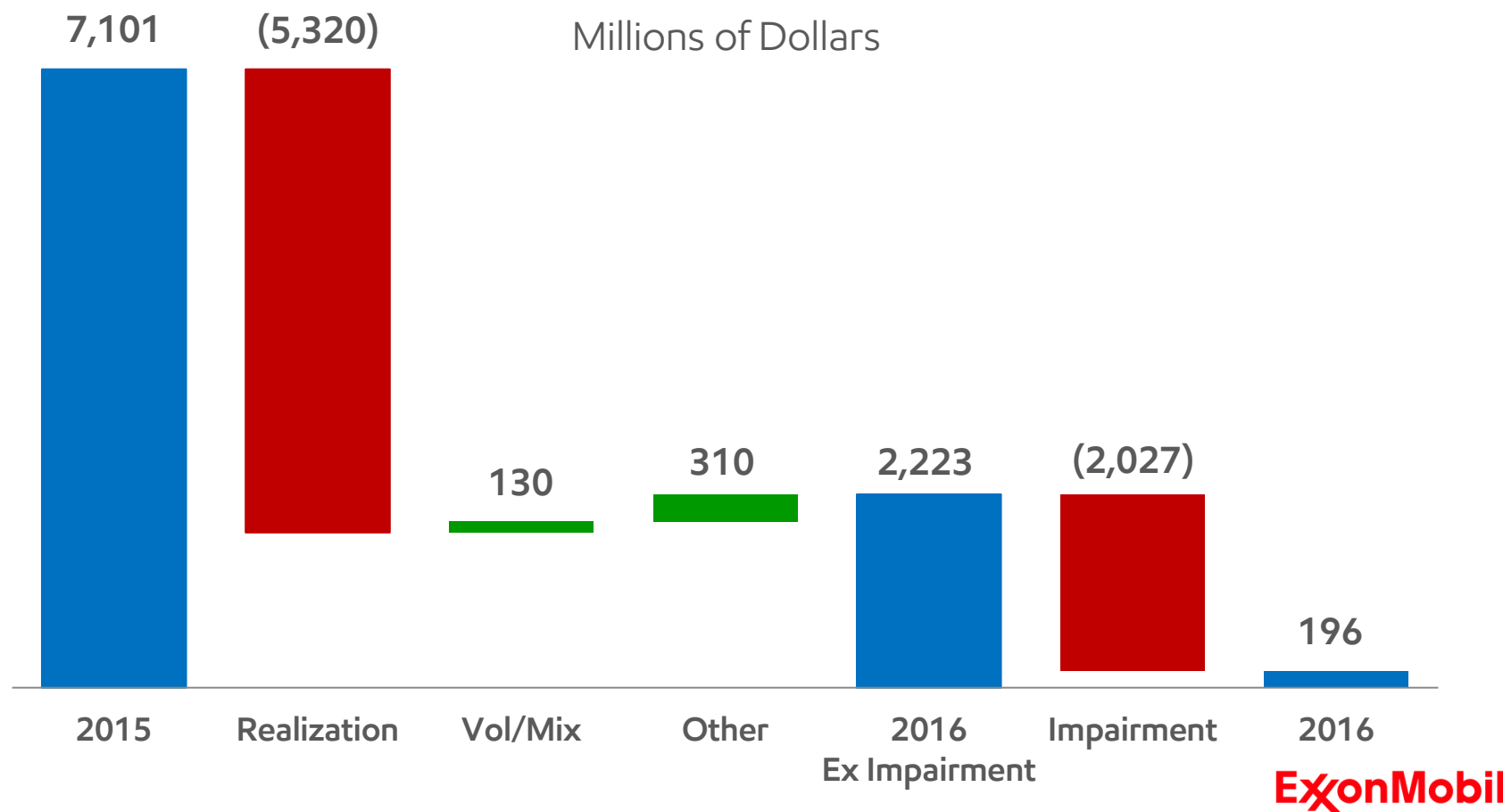
# Total Earnings – 2016 vs. 2015

Earnings down \$8.3 billion, reflecting the impact of lower commodity prices



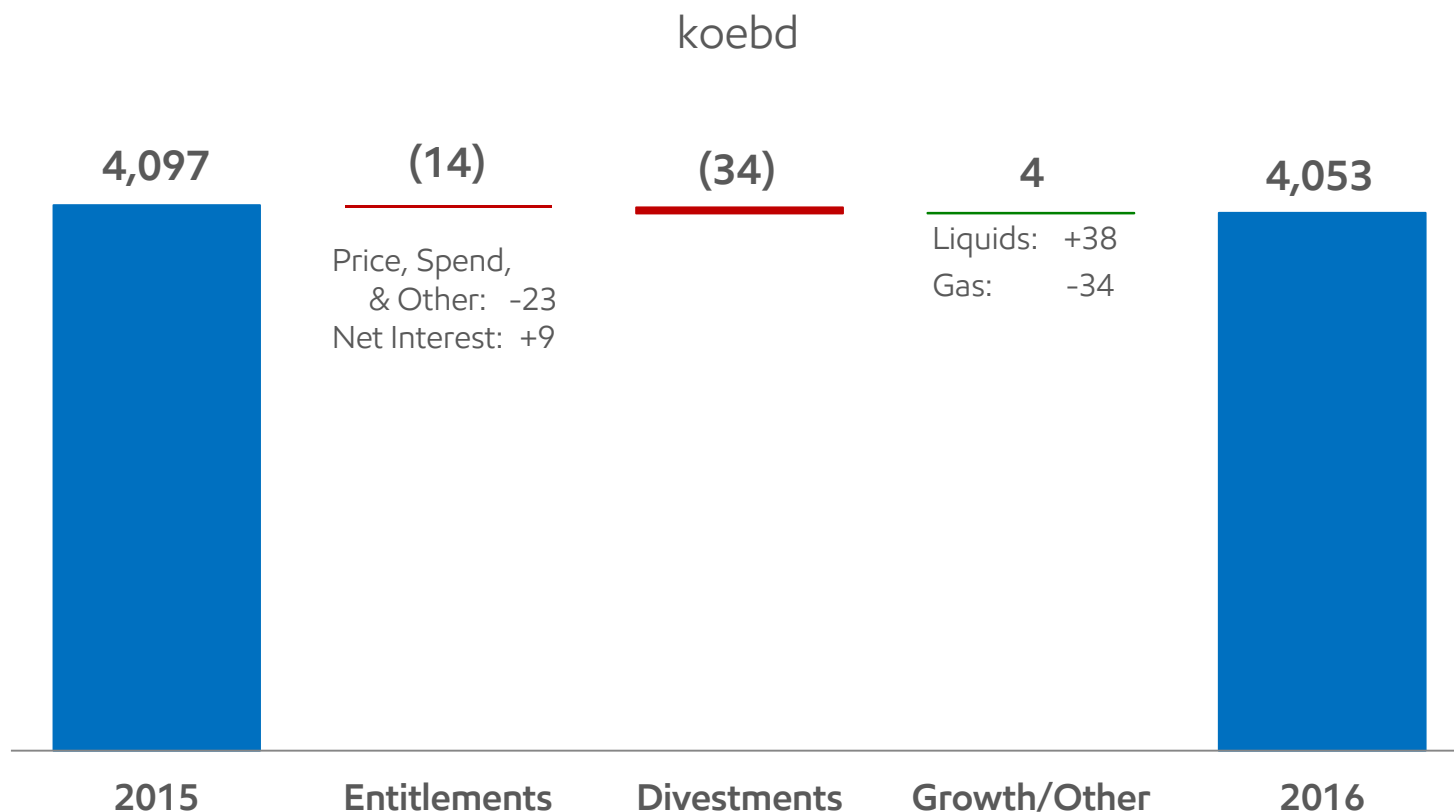
# Earnings – 2016 vs. 2015

Earnings decreased \$6.9 billion as a result of significantly lower realizations and the impairment charge



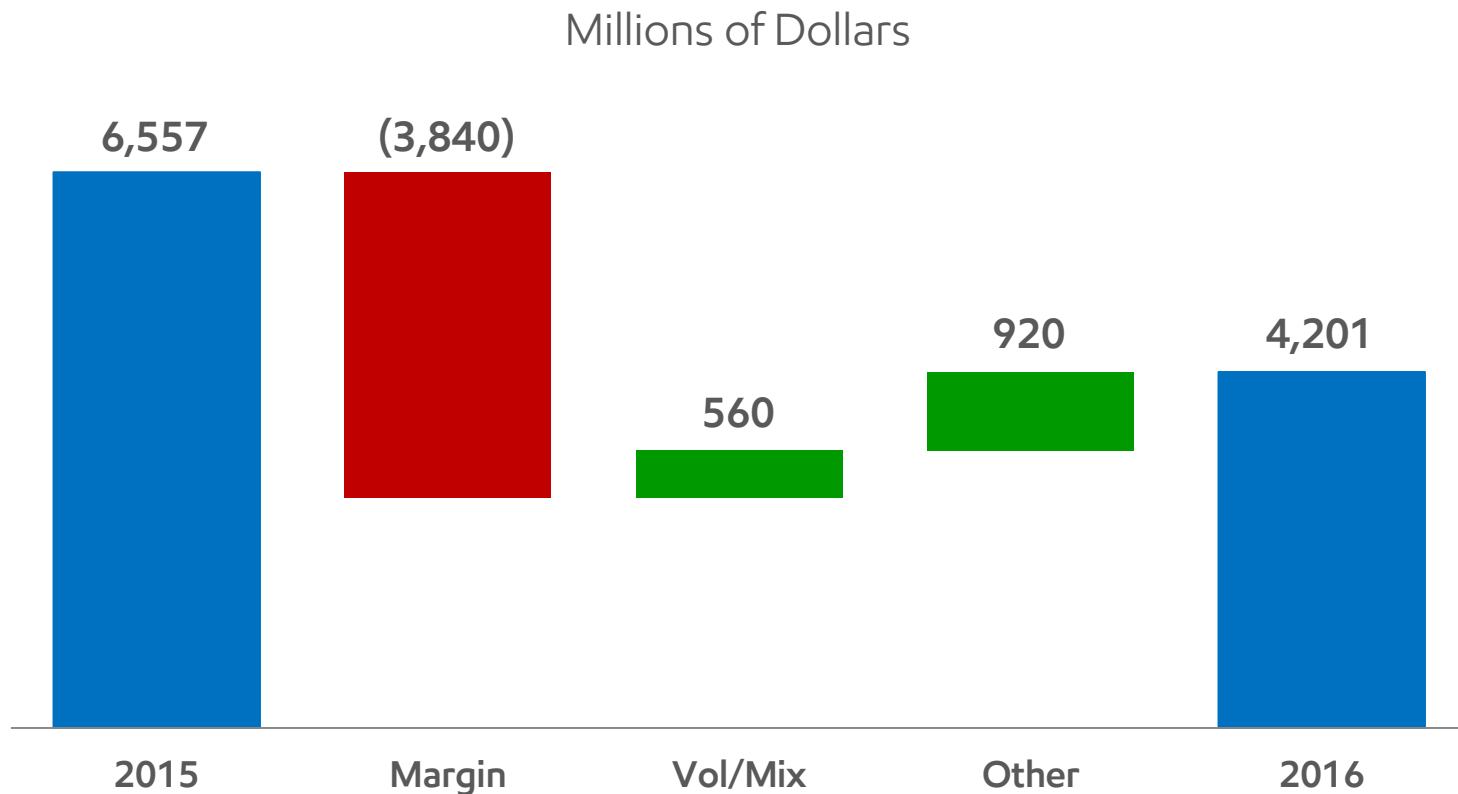
# Volumes – 2016 vs. 2015

Volumes down 1%: Liquids +20 kbd, natural gas -388 mcf



# Earnings – 2016 vs. 2015

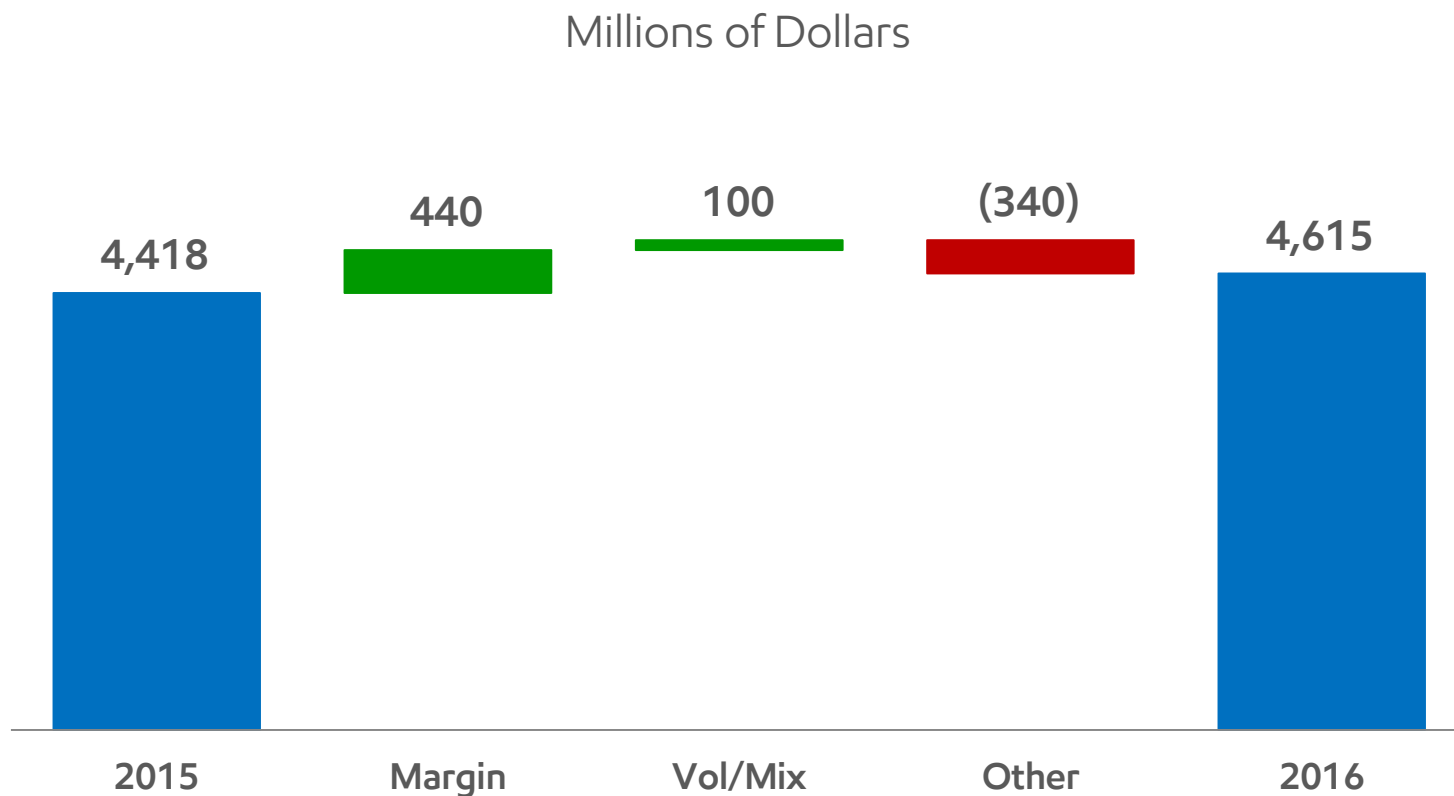
Earnings decreased \$2.4 billion as a result of weaker margins, partially offset by improved volume mix and asset management gains





# Earnings – 2016 vs. 2015

Earnings increased \$197 million due to stronger commodities margins and higher sales, offset by the absence of asset management gains



# 2016 Projects Update

Adding significant production capacity to create long-term value



Maersk Viking drill ship; Julia field (2016 start-up)

- Five major project start-ups added 250 KOEBD of working interest capacity
  - Kashagan and Gorgon Train 2 continue to ramp up
- Five major project start-ups planned in 2017-2018
  - Hebron
  - Sakhalin-1 Odoptu Stage 2
  - Upper Zakum 750
  - Kaombo Split Hub
  - Barzan

# 2016 Exploration Update

Successful exploration program enhances the portfolio

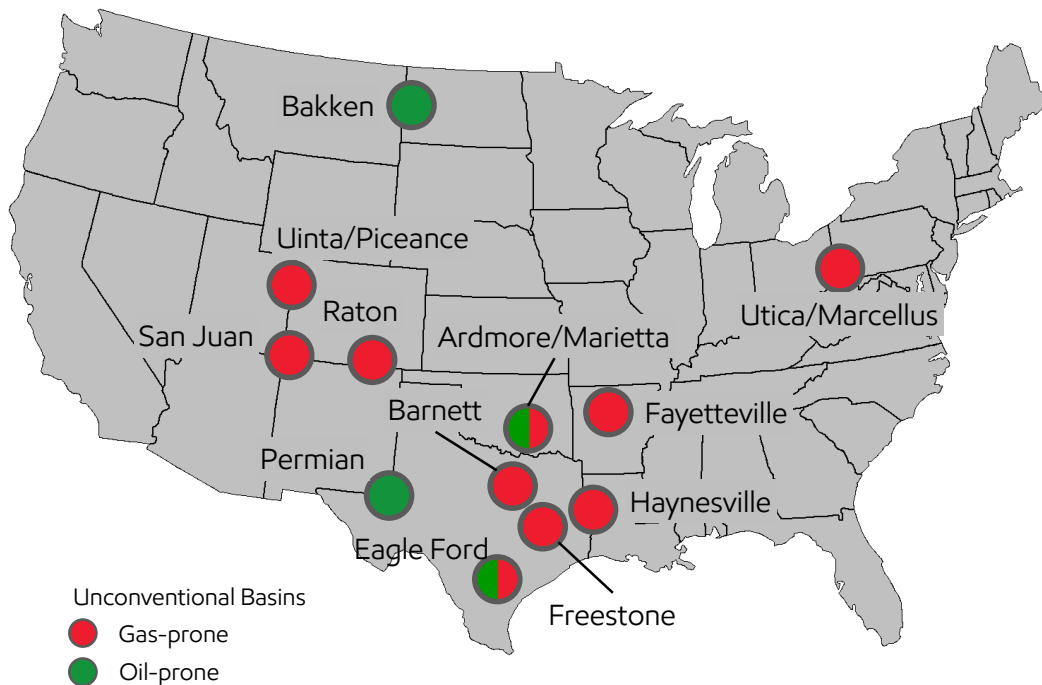


Stena Carron drillship offshore Guyana

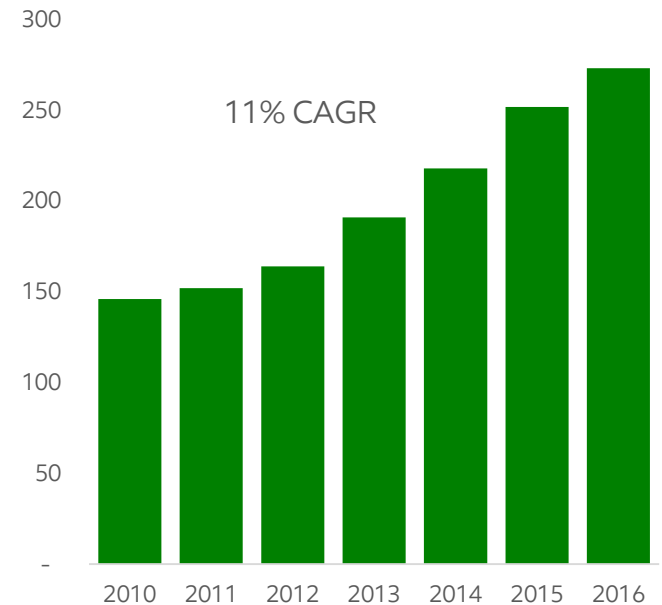
- Continued progress in Guyana
  - Liza development plan submitted following successful Liza-3 appraisal
  - Payara discovery
- Owowo-3 discovery in Nigeria deep water
- PNG Muruk discovery adjacent to Hides field
- New high-potential exploration blocks offshore Mexico, Cyprus, and PNG

# U.S. Unconventional Portfolio

Strong acreage position with 700 KOEBD net production<sup>1</sup> and growth potential



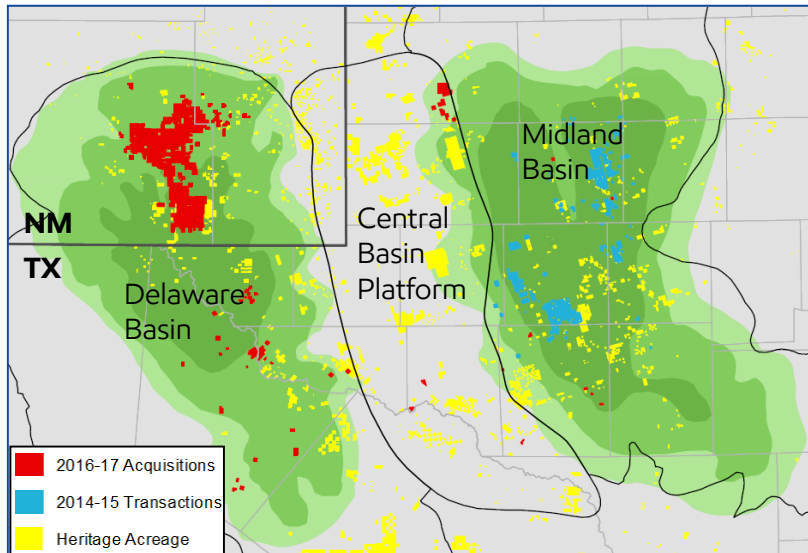
XTO Liquids Production<sup>1</sup> (net KBD)



<sup>1</sup> Includes XTO conventional production

# Growing Permian Acreage Position

Material acquisition adds high-quality acreage in the Delaware Basin



Hydrocarbon density map for tight oil plays

- Acquisition includes 250K net acres in the Permian
- Strategic fit with existing Permian position
  - \$5.6B in ExxonMobil stock
  - Up to \$1B contingent cash payment
- Adds more than 3.4 BOEB resource
- Positioned for significant production growth
  - Increases Permian drillwell inventory to more than 4,500 wells<sup>1</sup>

<sup>1</sup>Drillwell inventory with at least 10% rate of return at \$40/bbl flat real WTI oil price



# Strengthening the Portfolio

Growing value with integrated investments



Advantaged  
feed



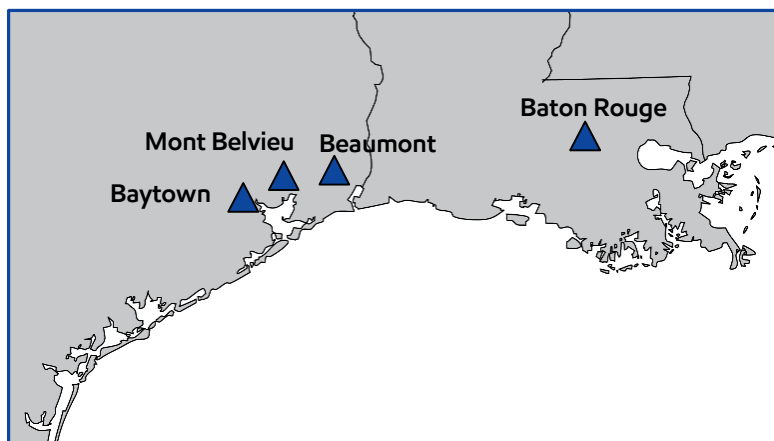
Enhanced  
logistics



Integrated  
manufacturing



Optimized  
marketing



U.S. Gulf Coast investments across the value chain

- Commissioned state-of-the-art synthetic aviation lubricants facility in Louisiana
- Continued highgrading the portfolio
- Pipeline joint venture expands access to domestic crude oils
- Phased start-up of Baytown and Mont Belvieu chemical expansions in 2H17
- Beaumont polyethylene plant expansion FID

# Summary

## Sustained focus on value

*Billions of dollars  
unless specified otherwise*

**2016**

<b>Earnings</b>	<b>7.8</b>
<b>Upstream Production (MOEBD)</b>	<b>4.1</b>
<b>CAPEX</b>	<b>19.3</b>
<b>Cash Flow from Operations and Asset Sales<sup>1</sup></b>	<b>26.4</b>
<b>Free Cash Flow<sup>2</sup></b>	<b>9.7</b>
<b>Shareholder Distributions</b>	<b>12.5</b>

## Highlights

- Focus on business fundamentals
- Capital and cost discipline
- Positive Free Cash Flow<sup>2</sup>
- Reliable, growing dividend

<sup>1</sup> Includes Proceeds Associated with Asset Sales of \$4.3B

<sup>2</sup> Calculated as Cash Flow from Operations and Asset Sales \$26.4B less PP&E Adds / Investments and Advances (\$16.7B)



# Questions

