

ExxonMobil First-Quarter 2026 Earnings Call Transcript

This transcript presents ExxonMobil's first-quarter 2026 earnings call held on May 1, 2026

Jim Chapman: Good morning, everyone. Welcome to ExxonMobil's earnings call.

Today's call is being recorded. We appreciate you joining us. I'm Jim Chapman, and I'm joined by Darren Woods, Chairman and Chief Executive Officer, and Neil Hansen, Senior Vice President and Chief Financial Officer. This quarter's presentation and prerecorded remarks are available on the Investors section of our website. They are meant to accompany this quarter's earnings release, which is posted in the same location.

During today's presentation, we'll make forward-looking remarks, including comments on our long-term plans, which are subject to risks and uncertainties. Please read our cautionary statement on slide 2. You can find more information on the risks and uncertainties that apply to any forward-looking statements in our SEC filings on our website. We also provide supplemental information at the end of our earnings slides, which are also posted on our website.

And now, I'll turn it over to Darren for opening remarks.

Darren Woods: Good morning, and thank you for joining us.

Let me begin by recognizing the impact of the conflict in the Middle East on our colleagues and partners in the region. We have been in close contact with our regional partners, as well as with companies and countries we have worked with for many years. We are proud to stand beside them during these very difficult times. While the financial impact in the region is real, what is even more real is the daily threat our colleagues and partners have been living under. We remain committed to

supporting them as we work to restore operations and repair assets, with a clear focus on safety and disciplined risk management.

The Middle East is and will continue to be an advantaged and meaningful component of our global portfolio. The disruption to the broader economy we are seeing underscores the critical role our company plays in providing the affordable, reliable energy and products the world depends on. What we produce remains essential to development and progress, sustaining and improving living standards around the world.

In this environment, scale, integration, and execution excellence matters. Those advantages - combined with the deep experience and capability of our employees - give us the ability to respond quickly and manage effectively through disruptions.

Our competitive advantages are on display in this quarter's results. We delivered strong operational performance in a challenging environment, maintained rigorous safety and reliability standards, and continued advancing key priorities across the portfolio - supporting long-term value creation for our shareholders.

We saw those advantages in our response to supply disruptions, leveraging our global portfolio to support customers. We delivered on our plans to increase Permian production year over year, achieved record levels of production in Guyana, achieved first LNG at Golden Pass, optimized logistics and crude product flows, and safely maximized refinery throughput where possible.

In fact, in March, refinery throughput increased by approximately 200,000 barrels per day versus February, or the equivalent of a mid-size refinery, as we brought back refineries from turnaround and deferred maintenance activities where we could without impacting safety or long-term reliability.

Our Global Supply Chain organization rapidly executed alternate routings from the U.S. Gulf Coast to Asia to sustain critical supplies for our customers. Despite the unprecedented impacts in the global

energy system, we maintained deliveries to our customers globally, through coordinated planning and real-time vessel visibility.

Financially, excluding identified items and estimated timing effects, our first-quarter earnings per share were up versus the fourth quarter of 2025 - reflecting the strength and resiliency of the underlying business.

Stronger portfolio mix, structural cost reductions, and execution excellence continue to drive improving performance. Those same factors leave us better positioned to manage uncertainty versus several years ago.

The strength of that advantaged portfolio is clear in the work we're doing today.

We are expanding our LNG footprint. Our newest facility, Golden Pass LNG, a joint venture with QatarEnergy, is increasing U.S. export capacity at an important moment for global supply. Train 1 of the facility achieved first LNG in March and will deliver an increase of about 5% relative to 2025 U.S. exports. By the time the third train is online, we will increase the country's current LNG exports by roughly 15%.

At the same time, we continue to progress toward final investment decisions on LNG projects in Papua New Guinea and Mozambique, both expected later this year.

Elsewhere in the Upstream, Guyana continues to set the standard for execution, development pace, and value creation. We delivered record production, continued strong reliability, and have Uaru, Whiptail, and Hammerhead projects under construction, with Uaru expecting first oil late this year.

Consistent with our broader approach to support long-term economic development in countries where we operate, we've committed a \$100 million investment over 10 years to support national STEM education in Guyana - strengthening our bond with the people of Guyana and establishing a foundation for long-term prosperity.

In the Permian, we continue to show how scale and proprietary technologies improve efficiency, recovery, and long-term value creation. We remain on track to grow full-year Permian production to 1.8 million oil-equivalent barrels in 2026, with that growth grounded in value, not volume. We're also progressing our Permian net-zero ambition with continuous methane monitoring implemented across all key assets in New Mexico.

In Product Solutions, performance remains strong, driven by higher-value products and technology-led differentiation. The Beaumont refinery expansion, completed in 2023, fully recovered its initial investment, ahead of expectation and is contributing to stronger margins and cash flow. This underscores how disciplined investments, grounded in long-term market fundamentals, rigorously executed, generate durable returns independent of price cycles.

In parallel, we continued to progress our journey to build a reliable, domestic supply of advanced synthetic graphite. We recently held a ribbon-cutting ceremony at the pilot production plant in Kentucky, which represents a critical milestone between lab-scale development and full commercial deployment.

In Low Carbon Solutions, we began transporting and storing captured CO₂ from the New Generation Gas Gathering project – our second start-up in less than a year. Through this year and next, we plan to start facilities with the capacity to capture an additional four million tons per year of CO₂. Importantly, with our advantages, these projects deliver attractive returns that compete with the investments in our base business.

Technology as a core competitive advantage remains central to our strategy. It is one of the ways we improve structural competitiveness, strengthen returns, and create new earnings opportunity.

In Guyana, we achieved the first deepwater fully autonomous well section using rig automation and automated downhole steering tools, improving both safety and efficiency. Additionally, we are on track

to leverage our Proxima™ technology in subsea applications with Hammerhead and future FPSO's, further demonstrating the material's performance in demanding offshore environments.

Across the company, we are making further progress to simplify "how we run the business" through effective application of technology. Our enterprise-wide process and data platform transformation, the largest ever undertaken in the industry, reached an important milestone with the successful launch of a new, modern workforce enablement system. This significantly simplifies the work processes that underpin our talent management approach and streamlines our payroll processes in more than 50 countries. It provides a single, consistent data foundation on which future system deployments will be built. We delivered this with no business disruption, demonstrating the strength of our centralized core capabilities, fully leveraging our scale advantage. This is the first step of many to make our processes more efficient and effective, ultimately enhancing the experience of our global workforce. This will allow our people to focus their efforts on high-value work, further reinforcing our competitive advantages.

Without the changes we've made over the last decade and the focus we've put on our leveraging our core advantages, this game-changing enterprise system would not be possible. It is establishing a truly differentiating foundation for long-term competitive advantage.

With recent events, the world has been reminded of the critical role and long-term need for reliable, affordable energy products. Today, more people recognize that the demand for oil and natural gas remains substantial – and will continue to play an important role in global economic growth far into the future. This fundamental and the competitive advantages we bring underpin our strategy, our capital allocation decisions and the long-term success of our company.

We are confident in our advantages – the importance of scale and integration, the critical role of technology and execution excellence, and the power of talented people. We are confident in our continuing transformation and the critical role our company will play in any future scenario. And we're

confident in our plan to build long-term, sustainable earnings and cash flow growth - the basis for long-term growth in shareholder value.

Thank you.

Jim Chapman: Thank you, Darren. Before we move to Q&A, I want to highlight that we plan to publish our 2026 Advancing Climate Solutions report this month, detailing all of our progress on solving the “and” equation - meeting demand and reducing emissions - as well as our latest Sustainability report. All these documents can be found on the ‘Investors’ section of our website. We really encourage you to take a look.

And with that, let's move to Q&A. Please note that we ask each analyst to limit themselves to one question as a courtesy to others. And, operator, we'll ask you to please open the line for our first question.

Operator: Thank you. The question and answer session will be conducted electronically. If you'd like to ask a question, please do so by pressing the star key followed by the digit one on your telephone. The first question comes from Devin McDermott of Morgan Stanley.

Devin McDermott: Hey. Good morning. Thanks for taking my question.

Darren Woods: Good morning.

Devin McDermott: So, Darren, I wanted to, good morning, I wanted to try to unpack some of your views on the near and longer-term impacts from the situation in the Middle East. And on the near-term side, I was hoping you could talk through your view on the timeline for operations in the region, including your own return to normal once the Strait reopens. And then shifting to the medium and longer-term, would just love to hear your perspective on how lasting you expect the market impacts to be across upstream, refining, and chemicals, and whether you're seeing anything that structurally changes your view of normalized or mid-cycle prices and margins.

Darren Woods: Sure. Thank you, Devin, and thanks for the question. Maybe to start, let me just provide, excuse me, some context around how we're looking at what's been playing out here in the market, which will form the foundation for then how we see it continuing to play out. So I think it's obvious to most that if you look at the unprecedented disruption in the world supply of oil and natural gas, the market hasn't seen the full impact of that yet. And you only have to look at the ranges that oil prices have moved at which are very consistent with the last ten years in the history there, versus this unprecedented, historically unprecedented disruption. So there's more to come if the Strait remains closed.

Why haven't we seen those impacts manifest themselves fully in the market yet? Well, I think we all know there was a lot of water in - a lot of oil in transit on the water, a lot of inventory on the water that has been deployed in the first month of the conflict. Strategic petroleum reserves have been released, commercial inventories have been drawn down. And so we've seen that play itself off and mitigate the impact as we move through March and then here through April. As you get to the kind of, the min-working levels of inventory on the commercial side, you're going to lose one of these sources of supply. And so we anticipate as that happens and the Strait remains closed, that we will continue to see increased prices in the marketplace.

Once the Strait opens back up again, it'll take some time for, frankly, to get back to a stable flow rate that was consistent with what we've historically seen. Ships have got to reposition themselves. We got to work through the backlog. Then there's obviously the transit time to get the product to market. And so we're thinking there's going to be a one to two-month time lag between the Strait opening up and the market seeing normal flow.

And then depending on how long this goes and how far strategic petroleum reserves are drawn, how low commercial inventories go, there will be a period of time where players, markets, governments, countries try to refill and replenish those inventories. And so that's going to bring an additional level of demand into the marketplace, which we think is going to put upward pressure on prices. I would also anticipate that many countries around the world will look at, if they don't have strategic petroleum

reserves, start thinking about whether they need those. That may bring some additional demand into the marketplace. And then obviously, people are going to reassess their energy security and how they ensure that, going forward, that they don't have the same exposure that many of them have been - have realized here in the short term.

So I think all those things - difficult to predict exactly how it plays itself out. But I do think that will have an impact on prices with basically manifesting itself as maybe higher demand than we anticipated at the beginning of this year.

And then the final point I would make with respect to longer-term implications, it kind of depends on where Iran ends up and if the world - how comfortable the world is, what assurances they have that the flows will remain uninterrupted. And so whether or not a risk premium gets put into the market, I think, is a question that has yet to be answered.

With respect to our own facilities there, I mean, we were obviously, first and foremost, as this conflict erupted, very focused on protecting our people and making sure that we kept them safe, which I'm very pleased with how our organization responded to that. As the conflict has gone on and we've done our risk assessments, we've allowed more folks to return to help with our partners and assess the damage. I think once the Strait opens back up again, a large part of the capacity that isn't in the market today will come back on in a relatively short period of time. You will have to cool down the LNG trains to get that moving again. That'll take a few weeks, but I think we'll see that demand or that supply ramp up fairly quickly.

And then ultimately, we'll have to work with QatarEnergy on the two trains that were damaged. That will be obviously a much longer time horizon with respect to repair. That'll be about 3% of our global production. And QatarEnergy came out very early on and said the repair time will be anywhere between three and five years. Obviously, we're working to be on the low end of that range. But we've got more work to do to fully assess the damage and understand what options we have for repair.

And, Neil, anything to add to that?

Devin McDermott: Yeah. Appreciate the thought.

Neil Hansen: Hey Devin, maybe another just perspective on the near term. And obviously we've been focused on the external impacts to our Upstream production. Certainly, what we've seen in the Middle East, but we also had some other external impacts in the quarter. Some impacts in Kazakhstan from drone attacks. And it seems like it's been a while, but there was also a fairly significant impact from the winter storm in the Permian, back in January.

But if you exclude all those external impacts, it really highlights the benefit and the value of having a global diverse portfolio. If we take those impacts out, year-over-year, our Upstream production was up 8%. And that 8%, again, comes from advantaged assets in the Permian and in Guyana - organic advantaged assets. So again, it just highlights, yeah, there is a lot of disruption, but having those advantaged assets, that global diverse portfolio, allows us to continue to deliver long-term shareholder value.

Devin McDermott: Appreciate all the thoughts. Thanks, guys.

Operator: The next question is from Bob Brackett of Bernstein Research.

Bob Brackett: Good morning. I'm drawn to your exhibit five where you show March 2026 refining margins. Obviously, it's not a full quarter, it's a single month. Can you talk to that opportunity, maybe inform us how April turned out, and then talk about how you can sort of help balance that market and what are the opportunities for you in the downstream this year?

Darren Woods: Yeah. Thank you, Bob. Good morning. I would just start by saying one of the advantages we find here in this market, and with the pressure on supply and the resulting then increase in refining margins, is we're very satisfied that we've never lost focus on making sure that we were building a very robust and advantaged refining network. You'll recall we started up a very large expansion at our

Beaumont refinery in 2023. I think when we first announced that investment in refining, there was a lot of, I guess, questions about whether or not that was going to play itself out and be a profitable investment. We've now paid that investment off completely. And so I think that is just an example of how we never doubted that that having an advantaged footprint in refinery, one that has a diversified product slate, is going to be critical as we move forward to meet the world demand.

And so we feel really good about where we're at. We've had several investments in high-grading the production of refining. And so today we've got a very strong circuit to meet this challenge that's in the marketplace today. If you look at our Gulf Coast refineries, which is the largest footprint we have, it ran at, in the first quarter, at record utilization rates. And so we've been very focused on reliability and making sure that the facilities that we have are running at peak production.

And we've emphasized that really, as we moved into March and saw this disruption coming. We worked through the refining circuit for units that were in turnarounds and down. The organization expedited that maintenance work to get it back online sooner. For units that we were planning to take down for additional maintenance, we did the assessments to see if we could safely defer those. And so really worked hard to try to respond to the demand that was out there. And from February to March we increased refining production by 200,000 barrels a day. And so, just an example of how we were leaning on the organization to try to meet the moment.

On top of that, our supply organization has done a tremendous job at moving barrels all around the world to rebalance the supply that we have with the demand shortages that we see developing across the world. So all that continues, and I think that's going to play out very well for us as we move through April and into the second quarter.

I'm extremely pleased that the work that we've historically done over the last ten years to reshape the organization, and this was a real test of that, the changes that we've made. And frankly, it has proven itself to be extremely impactful with respect to our ability to bring the most critical resources, our best

talent, on some of the hardest problems. And thankfully, we have built our trading organization up to help facilitate these movements. And so all that in combination, I think, has led to what was a very successful month of March. Not just from an earnings standpoint, but obviously from the ability to meet the moment, meet the demand. And that's going to play itself out going forward.

Neil Hansen: Yeah. And Bob, just to give some context, I know we had some temporary transient impacts in our financial results this quarter with the timing impacts that we disclosed and the identified event. But if you take those things aside and you look at that Energy Products segment, we made \$2.8 billion in the quarter. Up \$2 billion compared to last year, and a few hundred million compared to the fourth quarter. So again, for all the reasons that Darren talked about, leveraging those world-class assets that we brought online last year, leveraging our trading capability, we've been able to deliver to the bottom line the market environment that we saw in March.

Bob Brackett: Very clear. Thanks.

Darren Woods: Thank you, Bob.

Operator: The next question is from Arun Jayaram of J.P. Morgan.

Arun Jayaram: Good morning. Thanks for taking my question. I wanted to see if you could elaborate on how you view some of the resource expansion opportunities in Guyana, as well as your initial assessment of the situation in Venezuela.

Darren Woods: Yeah. Sure. Thanks for the question. I'll start maybe with the latter. If you look at Venezuela, obviously Venezuela is a huge resource that's now opened up more freely to the world. There are... continuing work going on with the industry, with the Trump administration, with the government of Venezuela, to get the context of that opportunity's shape so that it represents attractive investment opportunities for the industry and generate the necessary returns to make the investments in Venezuela.

The oil in Venezuela is very heavy and therefore requires a lot of effort to get production up and get it onto the market. Doing that in a way that is low cost is going to be absolutely critical for Venezuela oil to be a - fully contribute to the world balances and to meet the demand that's out there. And I would tell you, the work that we've been doing really anchored in our resource up in Canada in that resource base there, and the work on heavy oil, the technology developments we've been making, I think positions us uniquely in terms of low-cost production of the Venezuela resources when that opportunity, when the context is right, and the investment and the returns look promising. And so I feel positive about what's happening, the opportunity there. More work to do, but I think we'll be uniquely positioned and play an important role in bringing those barrels to market.

More broadly, as you look at the resource opportunity, Guyana continues, we continue to demonstrate outstanding progress with Guyana. We were, again, at record production and well in excess of the investment basis that we had as we brought those projects online. I would just say that it's a testament to, I'd say, the innovation and ingenuity of the team working that resource and their motivation to continue to find ways to improve and get better. And I think that mentality applies itself broadly across the opportunity set. So, the team is very engaged in working with developing the resources across the block, very focused on developing projects that generate the returns across the entire resource base. And I think we're going to continue to see projects come online and opportunities present themselves as we continue to develop that resource.

There's still a lot of acreage left to be assessed, and so I think the opportunity there is significant. And then I think as we look in the area as a whole, beyond Venezuela, you've got the work that we're doing with Trinidad and Tobago, and I think we're going to see some opportunities there as well with time.

Arun Jayaram: Thank you.

Darren Woods: Thank you.

Operator: The next question is from Neil Mehta of Goldman Sachs.

Neil Mehta: Yeah. Thank you, Darren and team. I'd just love your perspective on the Permian. You guys have been very clear about this being a growth engine, guiding to 1.8 million barrels a day and eventually getting to 2.5 million barrels a day. And so just your perspective in light of the higher commodity price and the need for U.S. barrels, do you expect the Permian to have an activity response from an industry perspective? Does this change the way that you're prosecuting the basin in any way? And then I know you've had a lot of conversations with the administration, we're getting a lot of questions about the crude export ban and any risks around that. Do you guys feel comfortable around that policy? Thank you.

Darren Woods: Yeah. Thank you, Neil. I think, first, just with respect to what we've been doing in the Permian, I think you all know we've had the pedal to the metal here from the very beginning. We recognize the importance of that resource in meeting world demand and, in particular, in establishing the U.S. as the preeminent player and supplier in this market. And so we've been very focused on that from the very beginning. You can see that in the growth rate that we've achieved in that resource. And obviously, very focused on doing it in a very capital efficient way and ensuring that we have a very low cost of supply.

And the work that we've been doing on the technology portfolio is showing a lot of promise. It's hard to see in the data today because we're early stages of deployment, but I would say we remain very, very optimistic that we're going to continue to see capital efficiency opportunities manifest themselves and recovery opportunities manifest themselves through the deployment of technology.

And so, we're going to continue on the pace that we've been at. I would say we are running pretty full speed. Unlike many of our competitors who I think have predicted the plateauing of the resource and the opportunities out there. We have never seen that, don't see it today. Whether the views of that change in the industry, I can't really comment on that. Whether they tend to make a decision to maybe run through their inventory more quickly, I can't comment on that. I don't know how they'd be thinking

about it. But ultimately, the record here, or the opportunity here, is to do things in a more effective way to maximize the recovery of the barrels. And obviously that's what we're very focused on.

With respect to crude export bans, I think you bring up a really good point. I've been very encouraged by the comments made by Secretary Wright and the recognition that something like that would be hugely detrimental to the industry and the supply. And I think it's important for politicians to understand that countries and companies export product when they don't have the demand domestically. I mean, the most - your most profitable barrels are the barrels that you supply to your local market because the transportation cost is the lowest. And so I would tell you, I think everyone that's out there looks to that tier first. And it's only when you satisfy the demand of your local markets that you start sending your product and barrels farther afield and incurring the transportation cost.

So that's what's driving the exports. The world is in price parity and so the markets and the prices around the world all reflect a consistent price basis. So it really comes down to what are your local opportunities versus, and when you run through those you export.

If you shut in exports, you shut in production. And it's particularly impactful in the U.S. that if you shut that production in, you shut in the addition - the associated gas that comes with it. And a huge benefit to the U.S. economy to date has been low-cost, low-priced natural gas, which feeds our industrial complex, our manufacturing complex. It leads to the economic growth that we've been enjoying in the company, leads to job creation expansions. And so a lot of negative implications if we see that happen. And I'm extremely pleased that the administration recognizes that and isn't looking to that as a lever to pull. Unlike other countries, as you move around the world that have started talking and looking at things like that, they are going to cause a bigger problem for themselves in pursuing what feels like populist action in the short-term that has very negative long-term consequences.

Neil Mehta: Thanks, Darren.

Darren Woods: You bet.

Operator: The next question is from Betty Jiang of Barclays.

Betty Jiang: Good morning. Thank you for taking my question. I want to ask about LNG and maybe starting with whether today's disruptions have changed your long-term view on LNG macro. And given the tightening supply today, is there any flexibility to lean in on Golden Pass with the first train that's currently on, whether there's ability to increase that utilization and maybe accelerate the timing of future trains? And maybe just an update on the timing of the next two LNG projects as well.

Darren Woods: Sure. Thank you for the question, Betty. And good morning. I think if I reflect on the discussions I've had with all of you over the last year or so, there's been this prediction out there that the LNG market is going long. And of course, a lot of our LNG is tied to crude contracts. And the supply-demand balances and the impact on pricing and the LNG market is a little different than what we have in the crude markets. So, we were always constructive on LNG going forward.

And what we've seen now is with the offline, the impacts with what's come offline and some of the damaged facilities, that length that people were, I think, talking about over the last year has gone away. And I think we're going to see a tighter market here, certainly in the short to medium term. That's helpful in the short term, but as you know, we don't make investment decisions based on calling a specific supply-demand balance and price environment. We tend, instead, to focus on making sure that the capacity we bring on is advantaged, it's low cost, and will be successful irrespective of the price environment.

So, Golden Pass is obviously one of those assets. Mozambique, Papua New Guinea, all of those are projects that we're developing with a long-term view. And frankly, have been progressing those on an expeditious manner as quickly as we can, consistent with capital discipline and efficient project development. So, we will look for opportunities in the short term, and we'll look for opportunities with our production to see if there's more that we can bring on. But I don't see needle-moving

opportunities, simply because in the base case, we were pushing hard to do it in an efficient and as an expeditious manner as possible.

With respect to Golden Pass, as you know, we've got Train 1 on and getting product to market. Train 2, we expect to be mechanically complete by the end of this year. And then Train 3 should be mechanically complete as we head into the second quarter of next year.

Betty Jiang: Great. Thank you.

Darren Woods: You bet. Thank you, Betty.

Operator: The next question is from Doug Leggate of Wolfe Research.

Doug Leggate: Good morning, everyone. Thank you for taking my question, Darren. Darren, I wonder if I could come back, or maybe it's for Neil, come back to Qatar. So, you've quantified the volumetric impact, the LNG impact, but my question is your participation in the repairs comes up against, I believe, limited remaining contract length in the two trains you're involved in. How does force majeure impact that decision? Do you get - does the contract get extended? Or maybe you could walk us through the implications of that. Thanks.

Darren Woods: Yeah. Thanks, Doug. I would just say - start by saying that the long history that we have in Qatar and the partnership that we have with QatarEnergy is extremely strong and as strong as it's ever been. And so, we are extremely committed to working with QatarEnergy and helping restore the supply to the marketplace. Having said that, what I would tell you is we'll do that in a construct that ensures that we generate a return on the capital and the money that we put back into that business.

And so, I'm not going to get into the specifics of how that will play out, but I would just say, I think QatarEnergy has always recognized that successful partnerships require win-win solutions and opportunities. And I think that's actually been a real strength of QatarEnergy and the work that they've done in the industry. Certainly it underpins the work that we do with them and the partnership we

have as they understand and respect the value and the contribution that we can bring and our partnership. And they recognize the importance of being rewarded for those contributions.

And I know the discussions I'll have with Saad and the rest of the leadership of QatarEnergy is that that will continue to be respected. And we'll find a way to do that in a way that's good for QatarEnergy, good for ExxonMobil, and frankly, good for the world in terms of bringing that low-cost supply back into the marketplace.

Doug Leggate: That's very clear. Thanks, Darren. I appreciate it.

Darren Woods: Thank you.

Operator: The next question is from Biraj Borkhataria of RBC Capital.

Biraj Borkhataria: Hi there. Thanks for taking my question. It's a follow-up on your LNG portfolio. You talked at the start of the call about countries thinking about their levels of exposure to the region. And when I look at the rest of your business, it's fairly diversified. But I look at your LNG portfolio relative to peers, and it's obviously much more concentrated, with Qatar being such a big part of that. So, do recent events make you think about wanting to diversify much more rapidly? I know you're doing a few things outside of that now, but how are you thinking about over the longer term? Thank you.

Darren Woods: Yeah. Thank you, Biraj. I would just tell you that we've always believed, and I think you all will recognize, that we have consistently viewed LNG as a business that is going to be critical for meeting the long-term energy demands of the world, far into the future. And so we've always been bullish on natural gas and LNG markets. And what really has dictated what we pursue in the investments that we're going after is the quality of the opportunities and the returns that we can generate. It hasn't been constrained by anything other than that.

And so, this disruption doesn't change the opportunity set that we've been working on or the emphasis that we've had in that particular area. And so, if you look at the things that are in the pipeline and that

we're pursuing - Mozambique and Papua New Guinea and continuing to bring on the rest of Golden Pass - those are all growing our LNG portfolio, which has been a strategic objective that we had. And it's also diversified with respect to sources of supply, which we think was important with respect to establishing a global network of supply points. And so, that is playing itself out as we speak today.

If additional opportunities develop here in the short term that we feel like we can bring advantages to and generate an advantaged project with advantage returns, with low cost of supply, competitively positioned in the world supply portfolio, we'll pursue those. But my going in assumption is that those opportunities are already out there, and we've been actively pursuing those, and I don't think it's going to change with respect to what we've seen. Certainly in the short term, and we'll see what happens longer term. But our emphasis remains constant here.

Biraj Borkhataria: Okay. Understood. Thank you.

Darren Woods: You bet. Thank you.

Operator: The next question is from Jason Gabelman of TD Cowen.

Jason Gabelman: Yeah. I just wanted to, thanks for taking my questions, I just wanted to first clarify one point. Going back to Doug's question, if you're self-insured in Qatar, like you are on most of your assets or if you have insurance on that. And then I was hoping you could talk about the opportunity that is potentially available in the UAE. If they were to ramp up production towards that 5 million barrels per day once the Strait of Hormuz reopens. You obviously have a very large footprint in that country and wondering if there's spare capacity on your assets. Thanks.

Darren Woods: Sure. Thanks for the question. I won't get into the specifics of our insurance. What I would say is you're right that we have a position where we use a large portion of self-insurance. We also look at third-party insurance where we think it makes economic sense. And so we take a portfolio approach there. We feel pretty good about the coverage across that portfolio and frankly, don't see any material

impacts with respect to Qatar and what we're - the insurance portfolio and the damage that we've seen there.

With respect to UAE, I mean, UAE is a strategic partner for us as well. We have a very long relationship there. I think we have worked very productively with ADNOC in establishing an opportunity set to take some of our capability sets and advantages and bring them to bear in terms of unlocking additional capacity in the UAE. And we are working towards that ambition. And so I think we've got a very good relationship with them, we've got very good commercial arrangements with them, and we're actively working to help the UAE grow - to meet its ambition of growing production. We'll be a part of that, I'm sure of it. And we already are and obviously looking for opportunities to do more.

Jason Gabelman: Thanks.

Operator: The next question is from Manav Gupta of UBS.

Manav Gupta: Thank you for taking my question. You guys are an expert in developing heavy oil. And obviously, you talked about Venezuela. One area where you kind of stopped a little growing is Canada. And given everything that's going on in the world and the short supplies, is there a way you and your partner can move that proprietary technology at a faster pace and bring back Aspen or future phases of Canada? When you delayed those projects, there was an egress issue and other issues. Those issues are resolved, so I'm wondering if you can restart growth in Canada also. Thank you.

Darren Woods: Yeah. Thank you, Manav. And I think you touched on a really important part of the portfolio and the advantages that we have in heavy oil. I would say the emphasis that we've had over the last several years, working with IOL, is to really drive performance improvement in our Kearn assets and making sure that as you look at the global supply curve and the cost of supply and the portfolio around the world that meets that supply, that our Kearn resource is attractively positioned in that supply curve. And the team, through IOL and the work in that venture, I think have driven improvement to the point

where we see that as being a very competitive source of supply in the world market. And that's a function of, I'd say, a lot of things we've been working on.

Technology is certainly a huge piece of that, but also the practices that we bring through our operations organization and the work that we've done to bring things that we've learned through our manufacturing assets into that Upstream dominated environment. I think we've seen huge benefits, a lot lower cost. And so, today it is a very productive resource, and we continue to make investments. And we see that being a long-term profitable part of our portfolio.

Likewise, the in situ Cold Lake, we've got technical opportunities there and we're frankly progressing those. And so that was also recognized with the technology work that we've done, that we've lowered that cost of supply to the point that we do think it represents a very attractive opportunity in a low-cost supply. And so we're continuing to progress that.

And that's really what anchored my comments with respect to Venezuela. I think we are uniquely positioned in terms of the global footprint that we have and the ability to go into Venezuela with the right set of circumstances to apply that technology and produce those barrels at a much lower cost to supply than many of our competitors would be capable of doing. And so, we look forward to exploring that opportunity and seeing if we can't flesh that out to a point where it develops and becomes a win-win-win opportunity. A win for ExxonMobil with respect to the returns for the capital, the assurances that we'd have with those returns. A win for the government of Venezuela. And then a win for the Venezuelan people with the economic activity that would obviously come with that.

Manav Gupta: Thank you.

Darren Woods: You bet.

Operator: The next question is from Alastair Syme of Citi.

Alastair Syme: Good morning. I wonder if I can come back to that slide five. And obviously, chemical margins squeezed in March, but wonder if there's been any recovery in April back to those ten-year averages and how you see sort of your own feedstock availability. I think you referenced potential for the Product Solutions business to have 3% lower utilization this quarter, but I'm just wondering how specifically that shakes out for the Chemical Products piece. Thank you.

Darren Woods: Yeah. Sure. Thank you. The first point I would make on that slide five is we're representing industry margins there to kind of help you understand what the macro environment is with respect to the quarter and the circumstances that we're operating in. It doesn't reflect our footprint specifically. And so I would say that we are advantaged versus where the general market is, primarily because of all the work that we've been doing to grow performance products and to improve the efficiency, lower the cost of our manufacturing facilities.

But on top of that, we have a very large base here in the U.S., and as crude prices have risen and we - our U.S. footprint is primarily gas crackers, what you see is the world price being set on liquid crackers. And we have a big feed advantage there. And so my expectation if - as world - if world crude prices remain elevated, is that chemical margins for a large part of our footprint will be advantaged simply because we have a feed advantage coming out of the U.S.

Neil Hansen: And I would just highlight, Darren, that that North American advantage extends to our refining footprint as well. Again, this is a view of a global footprint, but more and more and more heavily weighted to North America. And again, we benefit from those - from that low-cost energy supply that we have here in North America as well.

Alastair Syme: Thank you. Appreciate it.

Darren Woods: You bet. Thank you.

Operator: The next question is from Jean Ann Salisbury of Bank of America.

Jean Ann Salisbury: Hi. Good morning. For the damaged trains in Qatar, can you give any more color about what drives the three versus five-year timing to get those back online? I've read it's that - there's a two to three-year lead time for new cold boxes, is that right that that's the primary factor and are there options to speed that up?

Darren Woods: Yeah. Thank you, Jean Ann. I think the range obviously is a function of where we're at and the process of assessing - working with QatarEnergy and assessing the damage and then working out a plan to address the damage. Recognizing the conflict is ongoing. And we've been very aligned, and I'd say QatarEnergy has been a real leader in this space of making sure that we are very judicious in the steps that we're taking and the deployment of people to make sure that we maintain a level of protection and maintain the safety of our people working there.

And so, part of the challenges in the early numbers, has just been a lot of the unknown variables that we're working through with QatarEnergy around what exactly are our options and what can we do there. And so, I would tell you it's a function of where we're at and the maturity of the work that we've done to date in terms of assessing what we can do.

And so, I think the point that you made around the cold box being a critical path in the work there, that that is, I think, accurate to think of it in those terms. But I would just say we don't have - I haven't accepted kind of any schedule where we're at today, because frankly, we haven't been able to do all the work that we need to do to kind of challenge ourselves to see what's possible here.

What I would say is I have a lot of confidence that the partnership and the work that we do with QatarEnergy, that the capability we bring to this repair is - will be unmatched. Whatever we end up doing here and whatever timeline we set, I don't think there would be anybody else who could beat it. So I feel very confident in the capability set that we're bringing to bear here. And we've got to work through the details to see what the ultimate answer is. But whatever it is, I think it will be the best that could be done by anybody in the industry.

Jean Ann Salisbury: Very clear. Thank you.

Darren Woods: Thank you.

Operator: The next question is from Sam Margolin of Wells Fargo.

Sam Margolin: Hi. Good morning. Thanks so much. This question might be for Neil. It's related to the timing effects. And I know it's sort of a short-term issue, but your long-term targets have been very consistent, so maybe that's where the focus is for right now. They encompass a lot of different aspects of the business and when they reverse, it also involves a lot of different moving parts. And so the question is insofar as some of the reversal of the timing effects is related to execution winds within the business, and there's prospects for volatility events to continue throughout this period of uncertainty, were there any learnings or any changes in kind of your operating practices that were made as an adjustment to this event, and that would help you sort of reverse the timing effects faster? Or is it - do you expect it to just kind of pass as they have done in the past?

Darren Woods: Thank you. Let me - I'll start with that and then hand it over to Neil. I just want to make sure that the basis of the timing or the underlying activity of the timing is understood. Because, I mean, what this basically is, you all remember that we've set up this trading organization, have been growing it over the years, with the primary objective to take advantage of our large footprint. The fact that we were an integrated business and involved in many parts of the value chain. And to make sure that we see trading as a channel to optimize that footprint. And that we think is a real advantage versus anybody else that's out there trading. And we've done that in a very methodical way, in a way that we feel like manages the exposure and the risk.

And I'm extremely proud of what that group has accomplished, and obviously very happy that we had established that capability. It was in place in March when all this broke out. But I would also tell you, just going back before that, that organization continues to optimize the footprint and bring value to the underlying businesses that it's supporting our production and our facilities.

The timing impact here is primarily driven by the fact that the trading organization is taking advantage of the opportunities in the marketplace and locking in profit. And so we're hedging the flat price risk. And so this volatility that you referred to, Sam, that's the - why we put the hedges in, is to protect ourselves against those price movements. And to really take advantage of the spread that we see that underlies the transaction that we put in place and locking that in. And that's why we're so confident that this is just timing and that it will work itself out. Because this is all driven by the requirements to book the paper without booking the corresponding physical barrels that are moving. And so there's a disconnect between what we book. We book one half of the deal and not the other half.

When the physicals get delivered and you actually bring those into your earnings, it will offset the paper and therefore you'll get the realized margin. So that's how we think about it. And I would tell you that's exactly how we want to do it. We want to mitigate the price exposure for these opportunities and lock in this value. And so, that's what's driving that. And I would tell you that that hasn't that's not changing. In fact, we've really encouraged the organization to keep on keeping on in that space.

The identified item that we mentioned is different. That is you buy a crude delivered in March, in January. And so, we've long had a practice of trying to match up the pricing of the crude when we take delivery of the crude to run it. And that's, in this particular case, and the reason we had it as an - as an identified item is that with the disruption, the paper that we put in place for the physicals that we bought, the physicals weren't delivered. And so we ended up with a naked hedge. And that's was basically a unique circumstance given the disruptions here. And that's what the identified item is.

Neil, anything to add to that?

Neil Hansen: Absolutely. Maybe to build on that a little bit, Darren. Again, this mismatch that that occurs is the difference between the accounting standards that require us to value the financial derivatives based on the price that we see at the end of the period. As Darren mentioned, the physical transaction,

the value of that remains on the balance sheet until the transaction is complete. So it creates this mismatch in earnings that unwinds over subsequent periods.

So if you think about it, for us, generally we're long physical and short paper. And so what you see is in periods of rising prices, like we saw in the first quarter, these timing effects typically are negative. And then in times when we see decreasing prices, we see the opposite of that, and the timing effects become positive. But I think importantly, as Darren mentioned, when you take aside these timing effects, the trading activity that we do, the optimization has consistently delivered positive earnings for the Corporation. And it's obviously something that we track. And in fact, in the first quarter, when you look at the transactions that closed out, where the paper and the physical closed out, we had a strong quarter from those optimization activities.

So this is truly timing, again, driven by the accounting standards and how we have to value these transactions. But the most important thing is that underlying activity of optimizing our global portfolio is consistently delivering value for the company.

Darren Woods: Yeah. I might just add on that. That's one of the reasons why you saw a slight difference in our press release. And what we've revealed is to help understand what the underlying activity and the value generated the quarter was beyond what was booked with respect to GAAP. And that was the reason for that additional disclosure.

Sam Margolin: Thank you.

Darren Woods: Thank you.

Operator: We have time for one more question. Our final question will be from Nitin Kumar from Mizuho.

Nitin Kumar: Hi. Good morning, and thanks for getting me on. Darren, you spent a lot of time on the hydrocarbon side of your business and global disruptions. Could you give us a little bit of an update on the power opportunities in the Gulf Coast? There's been a lot of debate around the pace of

development and capital spending by the data centers, so I just wanted to get an update on where things lie with that.

Darren Woods: Sure. Thanks for the question, Nitin. I would tell you ... so I want to make sure that kind of our objective in this space is clear. And I've said this when we first started talking about the data centers. And the recognition of the growing demand here is we're not interested in the utility business of providing power, we're interested - because we don't think ultimately that we bring a unique set of capabilities there that would manifest itself in above-average industry returns. What we're interested in is bringing the unique capability and capacity to generate power with virtually carbon free or emissions free by using the decarbonized natural gas that we're producing and the unconventional business. And our carbon capture and storage business. And the - leveraging the unique and, frankly, only globally end-to-end supply chain or value chain for capturing, transporting, and sequestering CO₂. And so that for us is the play here. And as you know, we've been growing our carbon capture and storage business with third parties, establishing contracts to capture the CO₂ and to transport and store it. And the power side of the data centers is an opportunity to do that. So to the extent these hyperscalers and data centers want to have very low emissions power, we have the option to provide that. And so we're in discussion with a number of hyperscalers. We're working through the specifics of the opportunity and the fiscals. And I would say that those are continuing dialogues. And frankly, it's a function of what the demand there is.

And I think what we what we've seen in this whole low carbon space, above and beyond carbon capture and storage, which is manifesting itself in real deals, that it's challenged when people are forced to put - pay for the emissions reductions when in many cases, the market's not recognizing or rewarding it. And so that has been the challenge in this space. And we'll see, in this particular area, whether we overcome that challenge with the customers and their desire to have low carbon power.

Jim Chapman: All right. Thanks, everyone, for joining this call. And thanks for your questions. We're going to post the transcript of this call to the 'Investors' section of our website by early next week. And we look forward to connecting again later this month during our Annual Shareholder Meeting, which is on May 27th. And that concludes today's call. Have a good weekend.