

Second quarter 2018 earnings call



Neil Hansen
Vice President, Investor Relations and Secretary

July 27, 2018

ExxonMobil

Cautionary statement

- Statements of future events or conditions in this presentation or the subsequent discussion period are forward-looking statements. Actual future results, including financial and operating performance; demand growth and mix; ExxonMobil's volume/production growth and mix; the amount and mix of capital expenditures; resource recoveries; production rates; rates of return; development costs; project plans, timing, costs, and capacities; drilling programs and efficiency improvements; product sales and mix; dividend and share purchase levels; cash and debt balances; corporate and financing expenses; and the impact of technology could differ materially due to a number of factors including changes in oil or gas prices or other market or economic conditions affecting the oil, gas, and petrochemical industries and the demand for our products; reservoir performance; the outcome and timing of exploration and development projects; timely completion of construction projects; war and other political or security disturbances; changes in law or government regulation, including sanctions as well as tax and environmental regulations; the outcome of commercial negotiations; the impact of fiscal and commercial terms; opportunities for investments or divestments that may arise; the actions of competitors and customers; the outcome of future research efforts; unexpected technological developments; unforeseen technical difficulties; and other factors discussed here and under the heading "Factors Affecting Future Results" in the Investors section of our web site at exxonmobil.com. Any forward-looking statements regarding future earnings, cash flows, return on capital employed, or volumes are as of the March 7, 2018 Analyst Meeting except as specifically updated on this webcast. All forward-looking statements are based on management's knowledge and reasonable expectations and we assume no duty to update these statements as of any future date.
- Forward-looking statements in this release regarding future earnings refer to plans outlined at ExxonMobil's Analysts' Meeting held on March 7, 2018. The growth figures presented at that meeting are not forecasts of actual future results but were intended to help quantify future potential and goals of management plans and initiatives. See the complete March 7, 2018 presentation available in archive form (including the Cautionary Statement and Supplemental Information included with that presentation) on the Investors page of our website at www.exxonmobil.com for more detailed information. That material includes a description of the assumptions underlying these potential growth estimates including a flat real oil price of \$60 Brent per barrel (which is not intended to be a forecast of future prices), downstream and chemical margins consistent with 2017 levels, and future gas prices consistent with our internal company plans, as well as a reconciliation of adjusted 2017 earnings used as a baseline.

Developments since first quarter 2018

Upstream

- Brent and WTI increased by \$7.60 and \$5.10, respectively
- ExxonMobil realizations increased consistent with the change in markers
- Production impacted by seasonal demand and scheduled downtime
- 25% growth in Permian/Bakken tight-oil relative to first quarter
- Achieved significant milestones in Guyana, Brazil, and Mozambique

Downstream

- Industry margins strengthened, driven by seasonal demand, industry maintenance, and Brent-WTI spread
- Throughput impacts mainly due to scheduled maintenance
- Unfavorable forex due to strengthening of USD relative to Euro and GBP
- Increased sales of higher-value retail fuels and lubricants in key growth markets
- Significant progress on Rotterdam, Antwerp, and Beaumont projects to grow higher-value products

Chemical

- Weaker margins due to higher feed and energy costs outpacing realizations
- Higher sales with start-up of new growth assets

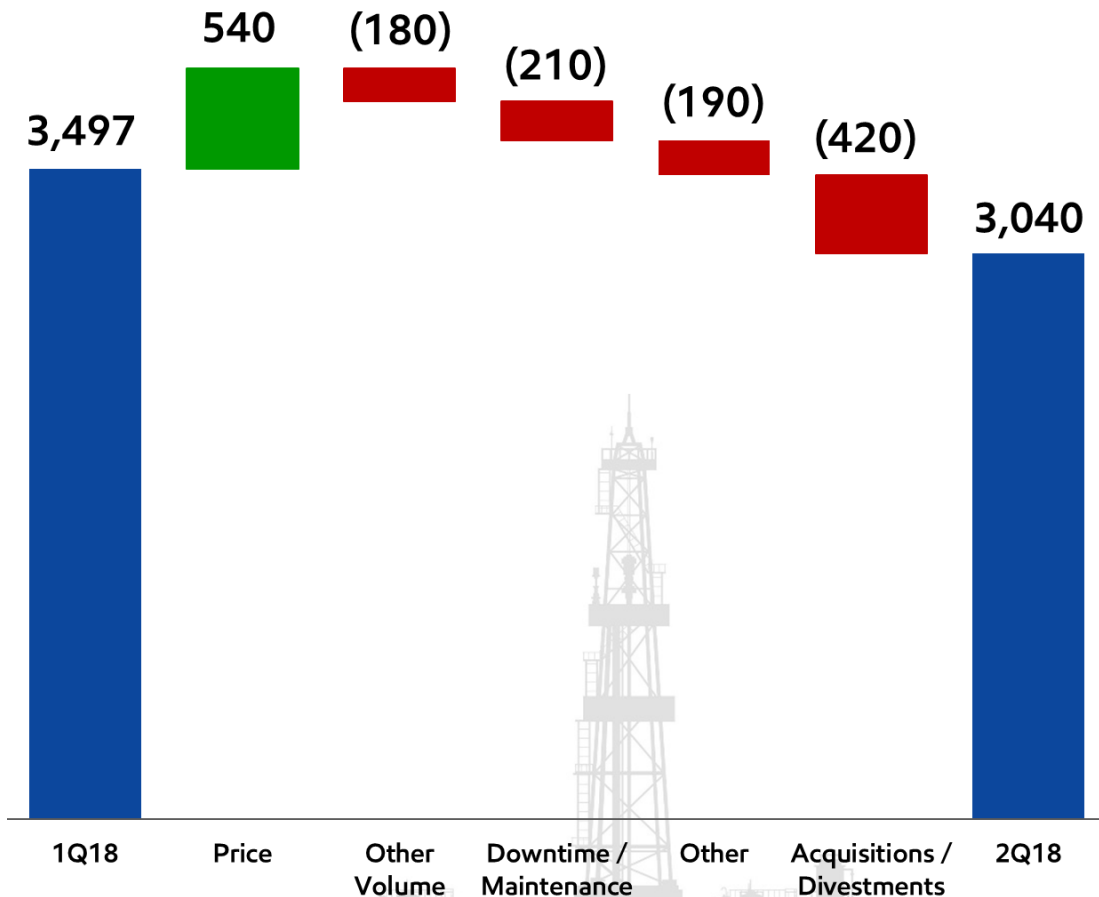
Second quarter 2018 earnings results

Earnings	2Q18	2Q17	1Q18
Upstream	3,040	1,184	3,497
Downstream	724	1,385	940
Chemical	890	985	1,011
Corporate and Financing	(704)	(204)	(798)
Corporate	3,950	3,350	4,650
Earnings Per Share – Diluted (<i>dollars</i>)	0.92	0.78	1.09

Millions of dollars unless specified otherwise

Upstream earnings – 2Q18 vs. 1Q18

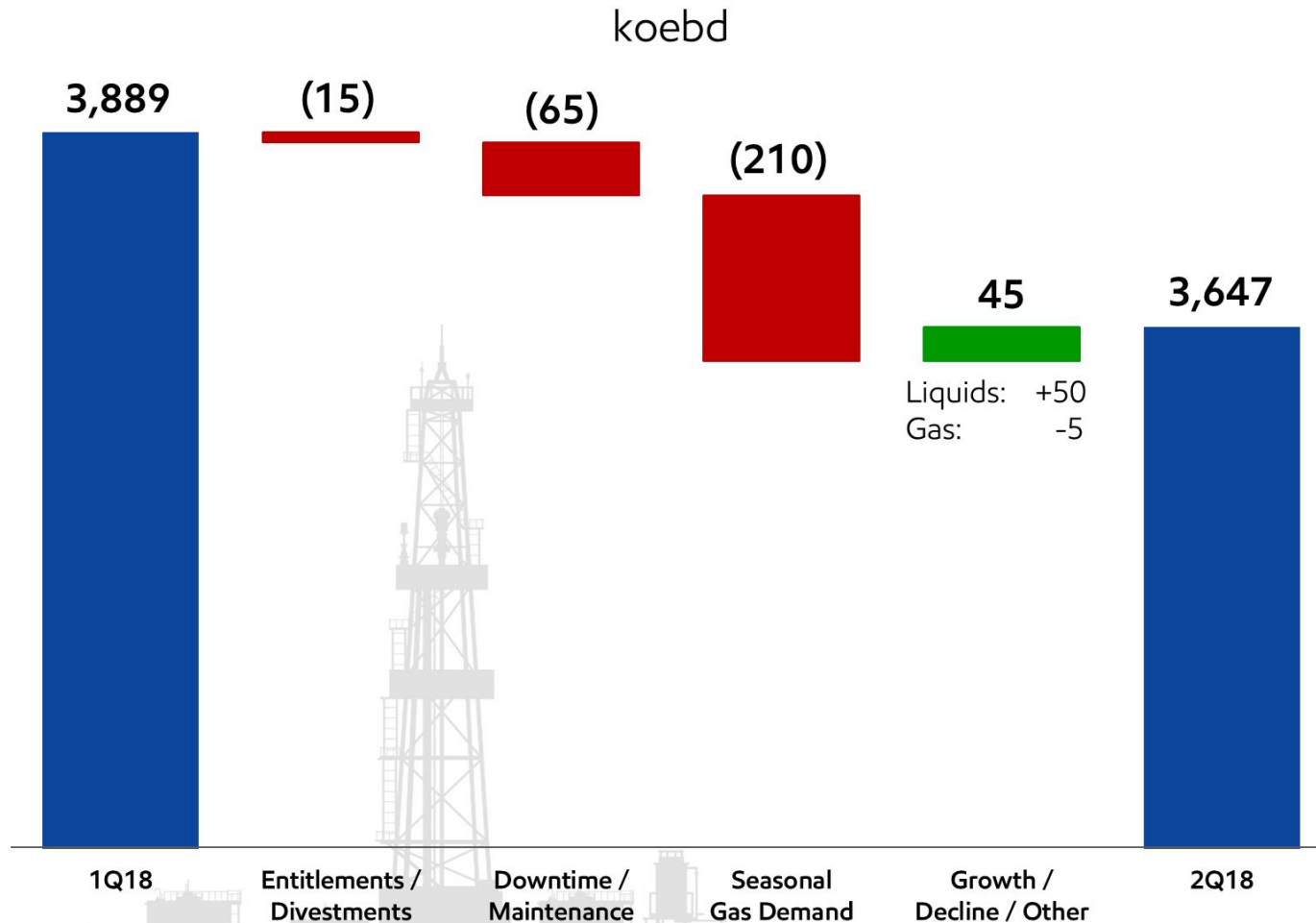
Millions of Dollars



Earnings decreased by \$457 million

- Crude realizations up 13%, consistent with markers
- Other volume driven by seasonally lower gas demand in Europe
- Downtime largely driven by scheduled maintenance, primarily in Canada
- Other items include exploration and production expenses
- Absence of gain on Scarborough sale

Upstream volumes – 2Q18 vs. 1Q18

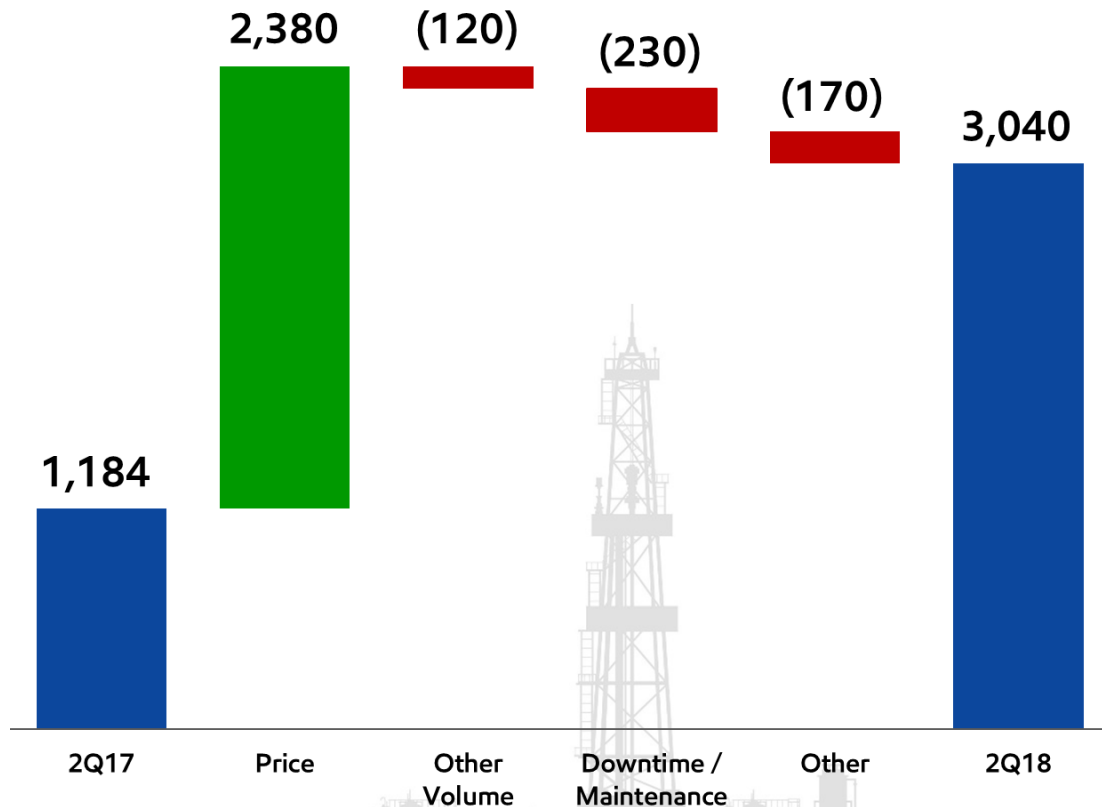


**Liquids essentially flat,
 Natural gas down 14% (-238 koebd)**

- Downtime mainly driven by scheduled maintenance in Canada
- European gas demand down seasonally
- Growth in Permian/Bakken and Hebron more than offset decline

Upstream earnings – 2Q18 vs. 2Q17

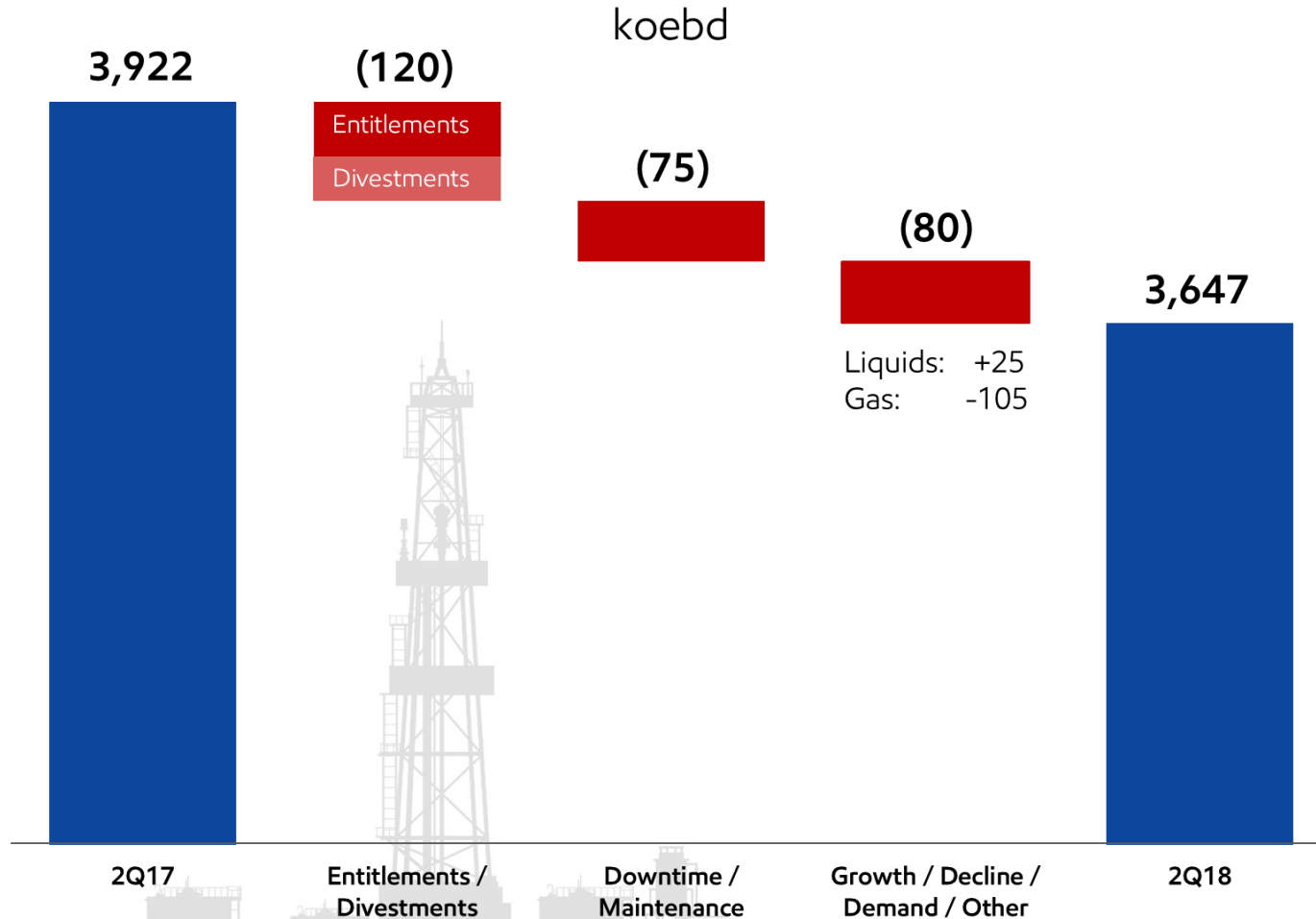
Millions of Dollars



Earnings increased by \$1.9 billion

- Crude realizations up 49%, consistent with markers
- Other volume driven by lower entitlements from higher prices, partially offset by growth
- Downtime consists of scheduled and unscheduled impacts, including PNG earthquake
- Other items include exploration and production expenses

Upstream volumes – 2Q18 vs. 2Q17

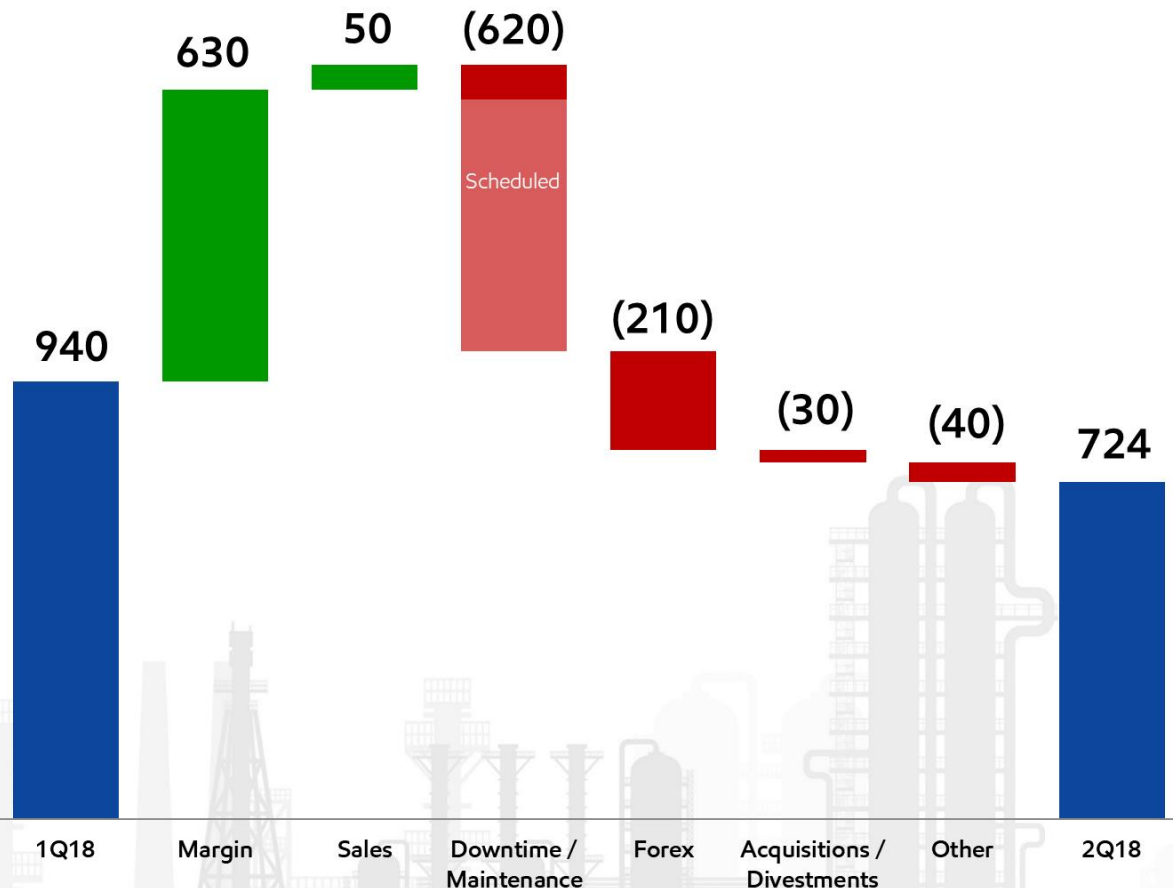


**Liquids down 3% (-57 kbd),
Natural gas down 13% (-218 koebd)**

- Lower entitlements with higher prices; portfolio highgraded through divestments
- Increase in downtime largely driven by scheduled maintenance
- Gas decline mostly in U.S. unconventional; aligned with value focus
- Growth in Permian/Bakken, Hebron more than offset liquids decline in mature assets

Downstream earnings – 2Q18 vs. 1Q18

Millions of Dollars

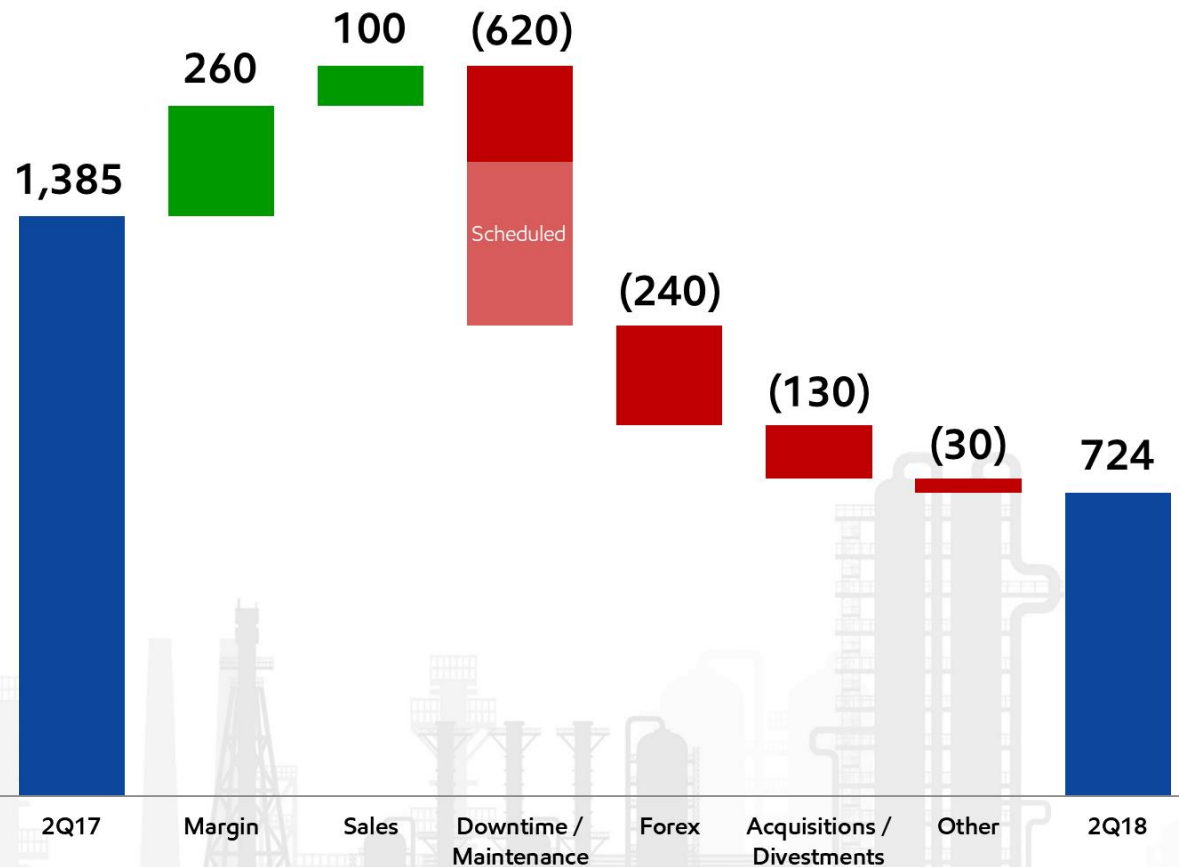


Earnings decreased by \$216 million

- Stronger margins in NA and Europe on seasonal demand, maintenance, and Brent-WTI spread
- Growth in sales, primarily higher-value retail fuels and flagship Mobil 1 lubricants
- Downtime driven by higher scheduled maintenance in Europe, NA, and the Middle East
- Unfavorable forex effects with depreciation of Euro and GBP relative to USD
- Absence of gains on asset sales

Downstream earnings – 2Q18 vs. 2Q17

Millions of Dollars

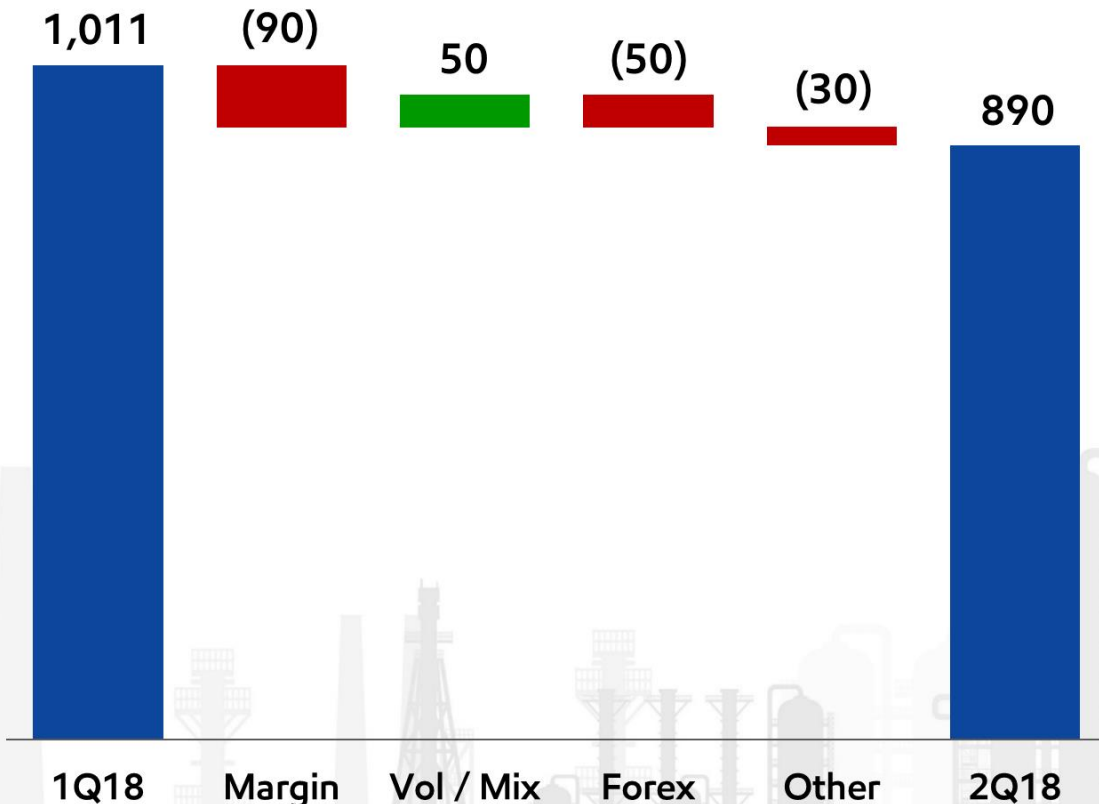


Earnings decreased by \$661 million

- Stronger margins in NA, capturing benefit of increased regional crude differentials
- Growth in sales, primarily higher-value retail fuels and flagship Mobil 1 lubricants
- Downtime mainly due to scheduled maintenance and reliability events in Europe, Middle East, and NA
- Unfavorable forex effects with depreciation of Euro and GBP relative to USD
- Absence of gains on asset sales in Nigeria, UK, and Italy

Chemical earnings – 2Q18 vs. 1Q18

Millions of Dollars

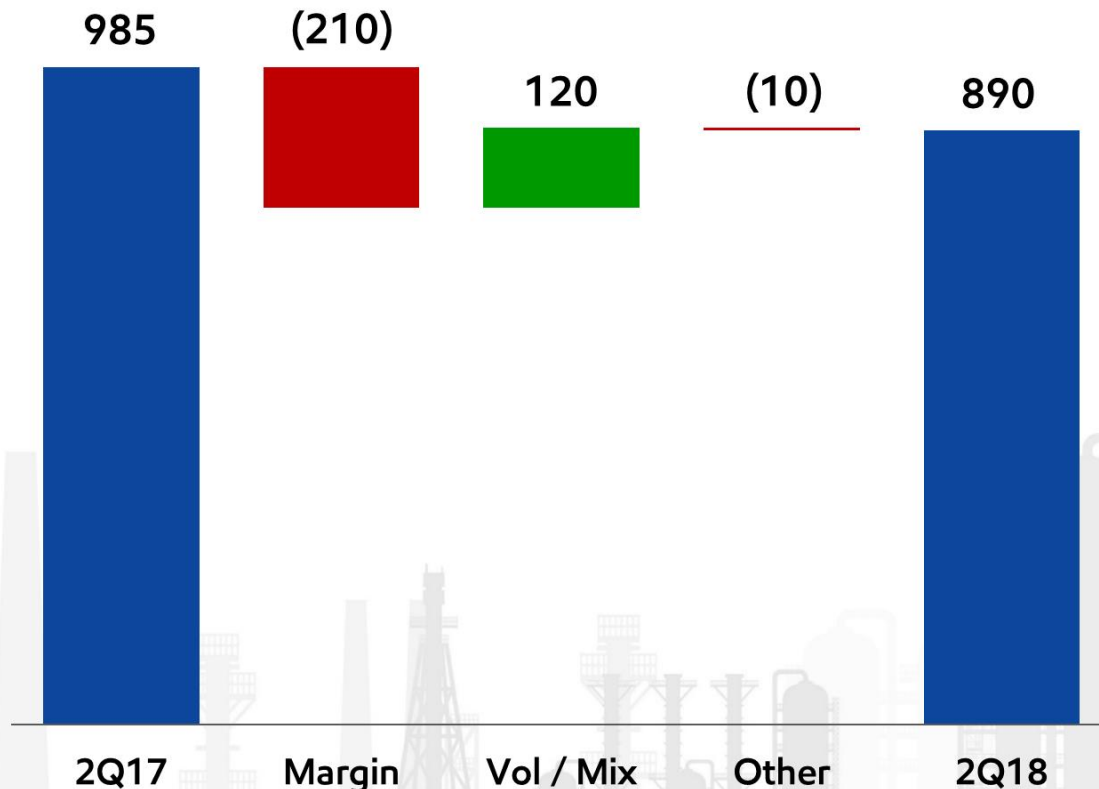


Earnings decreased by \$121 million

- Weaker margins on higher feed and energy costs
- Higher volumes from Mont Belvieu, Jurong Aromatics, and absence of Yanpet turnaround
- Unfavorable forex impacts with a depreciation in the Euro

Chemical earnings – 2Q18 vs. 2Q17

Millions of Dollars



Earnings decreased by \$95 million

- Weaker margins on higher feed and energy costs
- Volumes up due to Mont Belvieu start-up, Jurong Aromatics, and strong demand

Second quarter 2018 financial results

Financial Summary	2Q18
Cash Flow from Operations and Asset Sales ¹	8.1
CAPEX	6.6
Free cash flow ²	2.7
Shareholder Distributions	3.5
Debt	41.2
Cash	3.4

Billions of dollars unless specified otherwise

¹ Includes Proceeds associated with Asset Sales of \$0.3B; see slide 14

² See Supplemental Information

2018 sources and uses of cash

	2Q18	1H18
Beginning Cash	4.1	3.2
Earnings	4.0	8.6
Depreciation	4.6	9.1
Working Capital / Other	(0.8)	(1.4)
Cash Flow from Operations	7.8	16.3
Proceeds associated with Asset Sales	0.3	1.7
Cash Flow from Operations and Asset Sales	8.1	18.0
PP&E Adds / Investments and Advances ¹	(5.4)	(8.7)
Shareholder Distributions	(3.5)	(6.8)
Debt / Other Financing	0.1	(2.3)
Ending Cash	3.4	3.4

Billions of dollars unless specified otherwise

¹ Includes PP&E Adds of (\$4.9B) and net investments/advances of (\$0.5B) for 2Q18; includes PP&E Adds of (\$8.2B) and net investments/advances of (\$0.5B) for 1H18

Key Themes

- First half cash flow from operations and asset sales used to fund investments and shareholder distributions, and reduce debt
- Second quarter PP&E Adds / Investments and Advances included purchase of offshore interest in Brazil and Indonesia lubes acquisition
- Shareholder distributions reflect 6.5% increase in second quarter dividend
- First half changes in working capital driven primarily by inventory build

Second quarter 2018 management perspectives

Neil Chapman
Senior Vice President



ExxonMobil

Reconnect to March Analyst Meeting



Deep water

Guyana, Brazil



Unconventional

U.S. tight oil



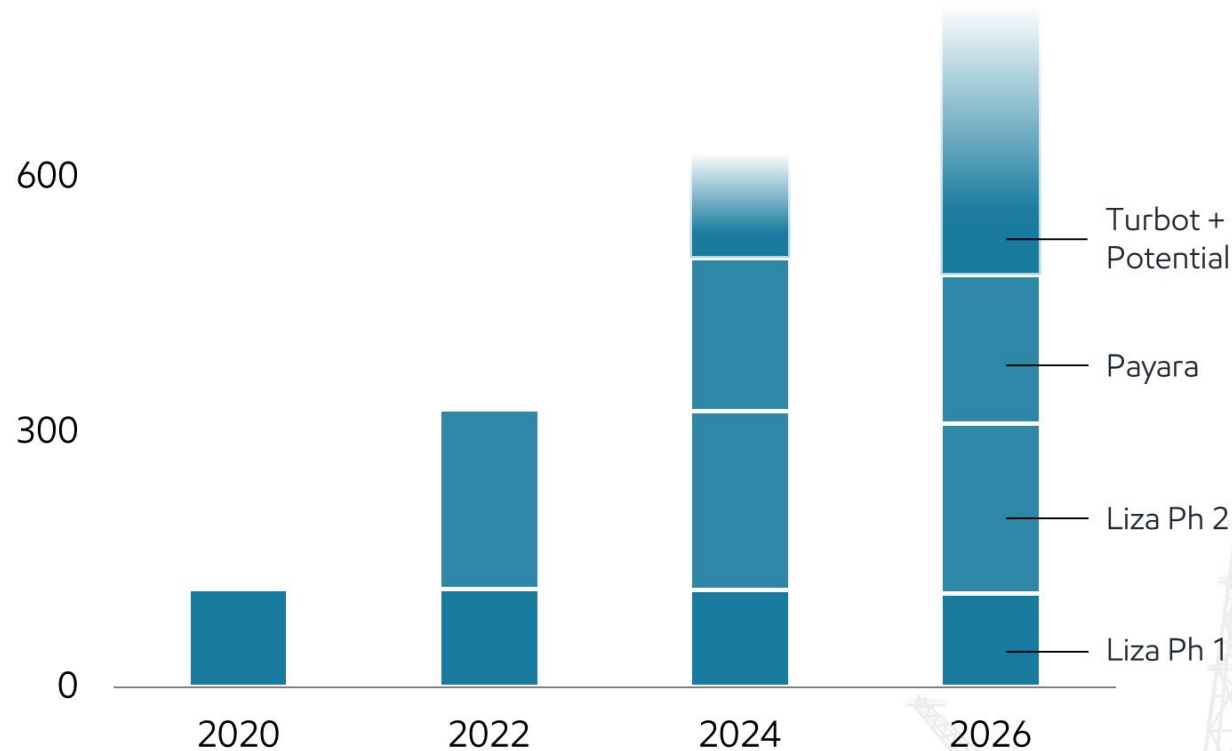
LNG

PNG, Mozambique

- Strongest portfolio of opportunities since the merger
 - Attractive across range of prices
 - All producing by 2025
 - 50% of 2025 Upstream earnings
- Plans deliver ~3x 2017 Upstream earnings by 2025 at \$60/Bbl

Guyana: continued exploration success

Production
KBD gross
900

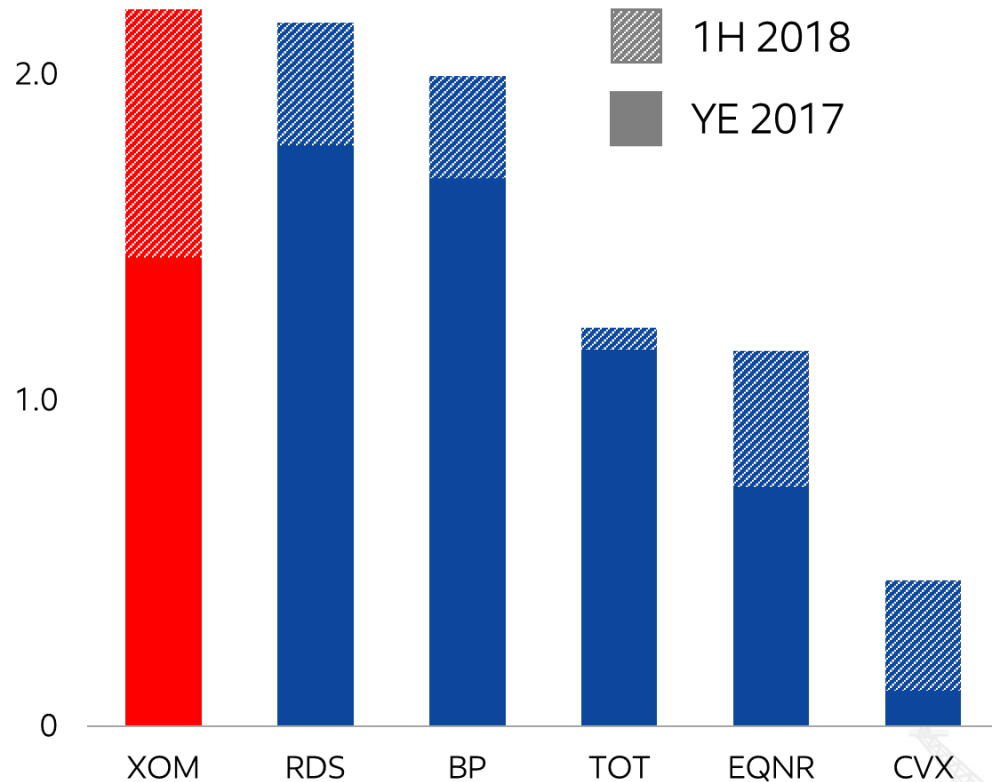


- Recoverable resource increased to > 4 BOEB
 - 8th discovery on Stabroek block: Longtail
 - Third rig mobilizing in October
 - Potential for up to 5 FPSOs by mid-2020s
- Projects on plan
 - Liza Phase 1 on track for first oil by 1Q 2020
 - Phase 2 development plan submitted
- Partnering with State to enhance local content and resources
 - > 50% of employees and contractors are Guyanese

Brazil: high-quality resource potential

Net acreage positions

Million acres

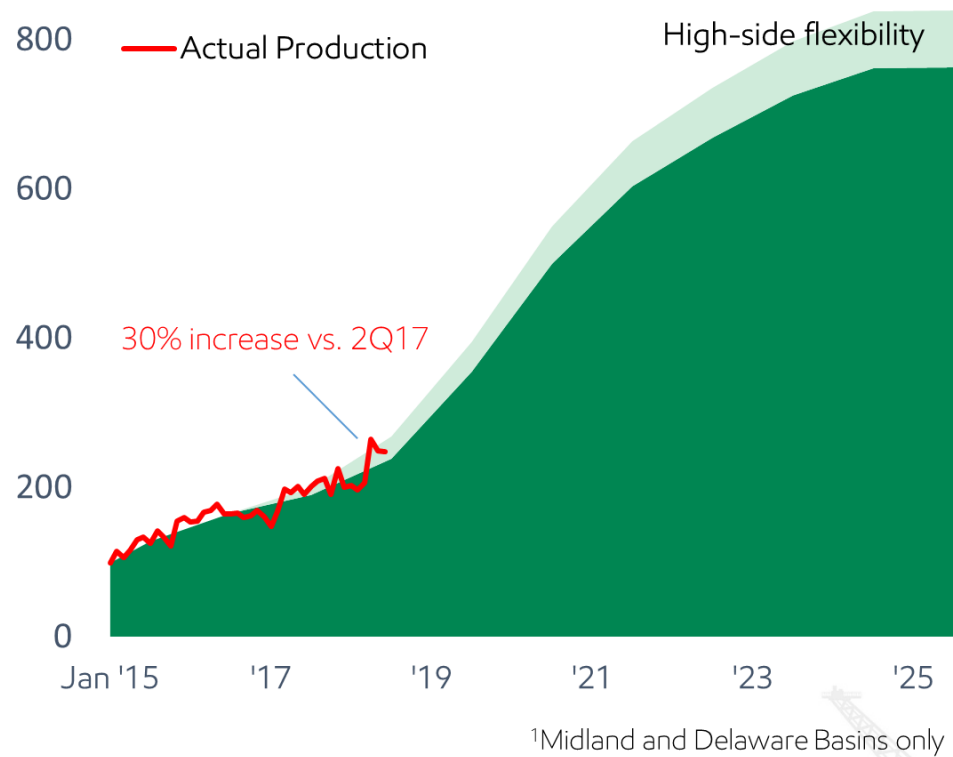


Source:
Wood Mackenzie

- Completed purchase of interest in BM-S-8
 - High-quality, > 2 billion barrel Carcara field (gross)
 - > 10% return at \$40/bbl
 - Encountered oil in Guanxuma exploration well
- Secured material acreage position
 - ExxonMobil operates > 60% of acreage position
 - Round 15: 8 blocks, > 0.6 million acres (March)
 - Pre-Salt Round 4: Awarded Uirapuru block (June)
 - Now up to 25 blocks
- Multiple additional wells in next 2 years

Unconventional: growing U.S. liquids

Permian¹ and Bakken production
KOEBD net



- Permian production growth up 45% vs. 1Q
 - Over 50 new wells on-line in quarter
 - Currently 34 operated rigs in Permian
- Secured crude long-haul capacity to support growth through 2022
- Secured long-term gas offtake capacity for growth through 2020

LNG: progressing world-class opportunities



Mozambique

- Coral Floating LNG progressing on schedule
- Co-venture agreement for 2 x 7.6 MTA on-shore trains
 - Development plan submitted
 - Targeting FID in 2019 with first LNG in 2024
 - Marketing structure in place to progress timely project financing

PNG

- Outstanding recovery from magnitude 7.5 earthquake
 - Returned to operation well above design capacity
- Partners aligning on 3-train expansion, ~8 MTA

Other highlights

- Key exploration acreage captures offshore Pakistan and Namibia
- Kearl improvements on track to achieve 200 kbd in 2018
- Reached Heads-of-Agreement with government on amended Groningen fiscals, output
- Qatar Petroleum farmed into ExxonMobil's Argentina gas developments
- Completed U.S. Rockies Gas divestment¹

Upstream

Downstream

- Lubricants: purchased PT Federal Karyatama (FKT) to accelerate Indonesia growth
- Reached agreements for sale of Augusta refinery and associated fuels terminals

Chemical

- Baytown ethane cracker operations commenced
- Announced new JV with SABIC, 1.8MT ethane cracker, polyethylene, glycol
- 230 kTA Singapore Specialties production on-line

¹ Completed in first quarter 2018



Q&A

Supplemental Information

Supplemental Information

Cash Flow from Operations	7.8
Proceeds associated with Asset Sales	0.3
PP&E Adds / Net Investments & Advances	(5.4)
Free Cash Flow	2.7

Billions of dollars unless specified otherwise

Supplemental Information

Definitions

Project. 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.

Returns, investment returns, project returns. Unless referring specifically to ROCE, references to returns, investment returns, project returns, and similar terms mean discounted cash flow returns based on current company estimates. Future investment returns exclude prior exploration and acquisition costs.