

# 2018

## SellSide meeting

Irving, September 17

This presentation is an amalgamation of our public Outlook for Energy, released on February 2, 2018 and our public March 7, 2018 Analyst Meeting presentation. Each of these presentations is available separately on our website. All forward-looking statements included in this presentation and the assumptions made in developing these forward-looking statements speak only as of the date of their original presentation unless specifically noted herein. Inclusion of such forward-looking statements in this material does not represent an update or confirmation of such statements or their assumptions as of any later date.

# ExxonMobil



# Cautionary statement

**Forward-Looking Statements.** Outlooks, projections, estimates, goals, descriptions of business plans, market expectations and other statements of future events or conditions in this presentation or the subsequent discussion period are forward-looking statements. Actual future results, including future earnings, cash flows, returns, margins, and other areas of financial and operating performance; demand growth and energy mix; ExxonMobil's production growth, volumes, development and mix; the amount and mix of capital expenditures; future distributions; proved and other reserves; reserve and resource additions and recoveries; asset carrying values and future impairments; project plans, completion dates, timing, costs, and capacities; efficiency gains; operating costs and cost savings; integration benefits; product sales and mix; production rates and capacities; and the impact of technology could differ materially due to a number of factors. These include changes in oil or gas demand, supply, prices or other market conditions affecting the oil, gas, petroleum and petrochemical industries; reservoir performance and revisions; timely completion and cost of ExxonMobil and third-party exploration and development projects; regional differences in product concentration and demand; war and other political or security disturbances; changes in law, taxes or other government regulation, including environmental regulations, taxes, and political sanctions; the outcome of commercial negotiations; the actions of competitors and customers; unexpected technological developments; general economic conditions, including the occurrence and duration of economic recessions; unforeseen technical difficulties; and other factors discussed here, in *Item 1A. Risk Factors* in our Form 10-K for the year ended December 31, 2017 and under the heading "Factors Affecting Future Results" in the *Investors* section of our website at [www.exxonmobil.com](http://www.exxonmobil.com). The forward-looking statements in this presentation are based on good faith market projections as of Feb 2, 2018 included in our Energy Outlook or on management's good faith plans and objectives as of the March 7, 2018 date of the Analyst Meeting presentation unless specifically noted herein. Inclusion of such forward-looking statements in this material does not represent an update or confirmation of such statements as of any later date. We assume no duty to update these statements as of any future date and neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these figures as of any future date. Any future update of these figures will be provided only through a public disclosure indicating that fact.

**Supplemental Information.** See the Supplemental Information included on pages 21 through 24 of this presentation for additional important information concerning definitions and assumptions regarding the forward-looking statements included in this presentation, including reconciliations and other information required by Regulation G with respect to non-GAAP measures used in this presentation including earnings excluding effects of tax reform and impairments; and definitions and additional information on other terms used including returns and resources.

# Agenda

- |                   |                |   |
|-------------------|----------------|---|
| • 13:00h – 13:45h | Lunch          | Neil A. Hansen,<br><i>Vice President Investor Relations &amp; Secretary</i> |
| • 13:45h – 14:45h | Energy Outlook | Theodore J. Wojnar,<br><i>Vice President Corporate Strategic Planning</i>   |
| • 14:45h – 15:00h | Break          |   |
| • 15:00h – 16:30h | Q&A            | Jack P. Williams,<br><i>Senior Vice President ExxonMobil Corporation</i>    |



# Outlook for Energy: A View to 2040

The Outlook for Energy includes Exxon Mobil Corporation's internal estimates and forecasts of energy demand, supply, and trends through 2040 based upon internal data and analyses as well as publicly available information from external sources including the International Energy Agency. Work on the report was conducted throughout 2017. This presentation includes forward looking statements. Actual future conditions and results (including energy demand, energy supply, the relative mix of energy across sources, economic sectors and geographic regions, imports and exports of energy) could differ materially due to changes in economic conditions, technology, the development of new supply sources, political events, demographic changes, and other factors discussed herein and under the heading "Factors Affecting Future Results" in the Investors section of our website at [www.exxonmobil.com](http://www.exxonmobil.com). This material is not to be used or reproduced without the permission of Exxon Mobil Corporation. All rights reserved.

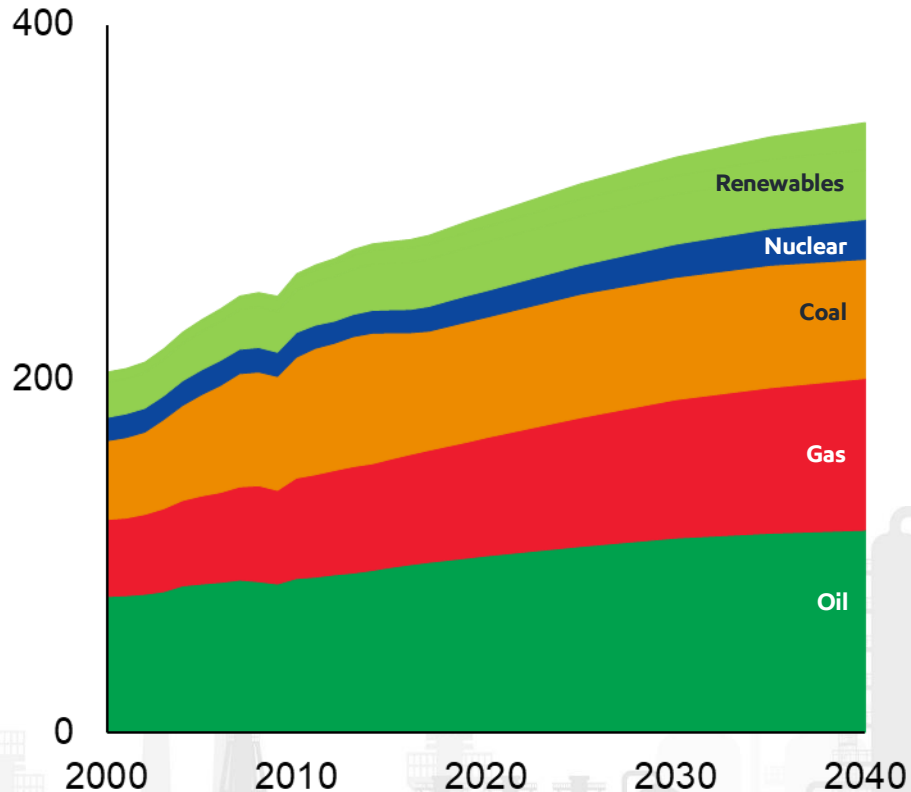
T. J. Wojnar

Vice President Corporate Strategic Planning

# Global energy demand likely to rise ~25% through 2040

Global Energy Demand by Type

MBDOE



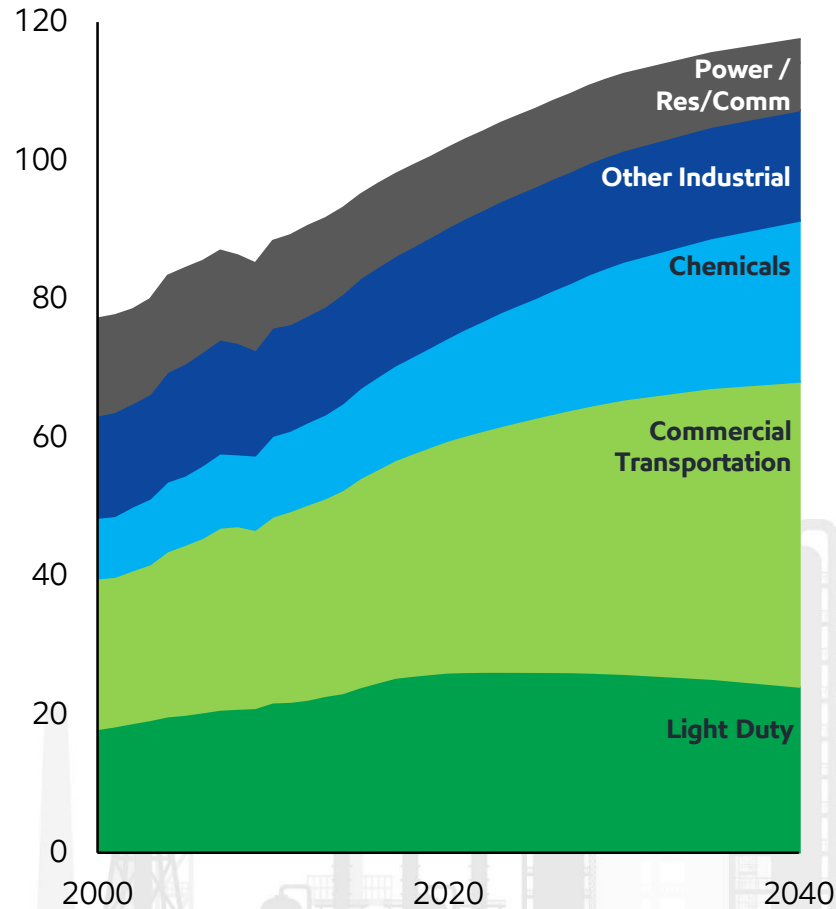
## Highlights

- Population & prosperity underpin energy demand growth, led by non-OECD
- Energy efficiency & de-carbonization trends accelerate
- Technology & policies affect competitive landscape
- Oil demand driven by transportation & chemicals
- Gas demand led by electricity & industrial needs
- Unconventionals drive supply growth
- Greatest uncertainty... step-changes in policies, technology, or consumer preferences

# Liquids demand reflects expanding prosperity & efficiency

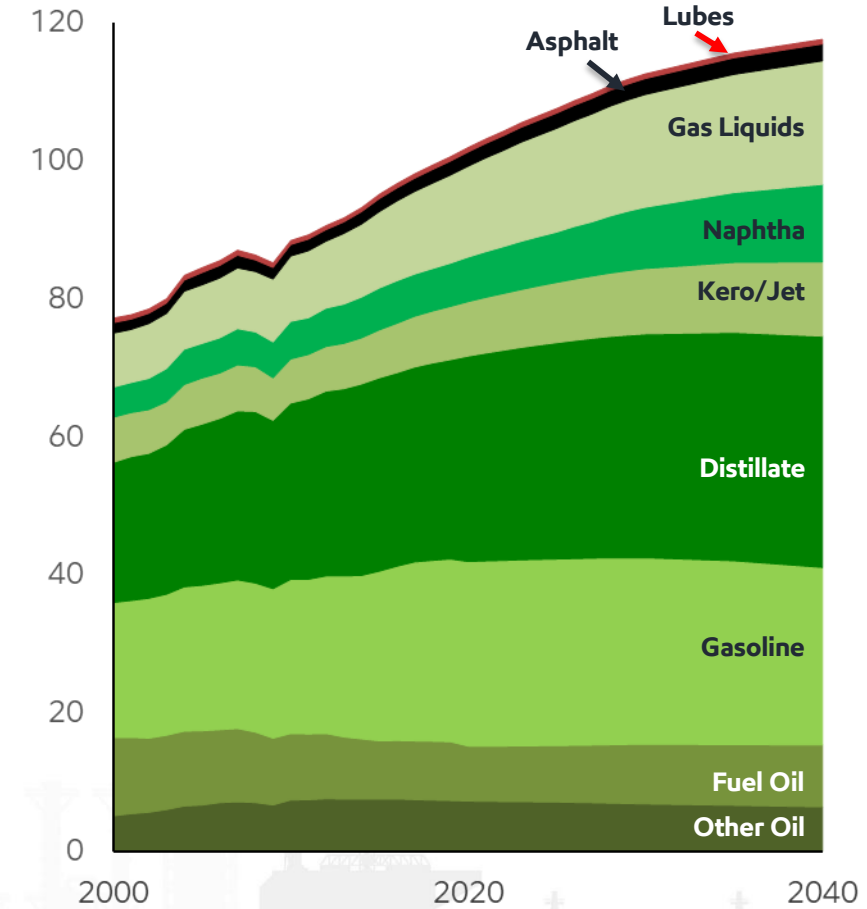
**Liquids demand by sector**

MBDOE



**Liquids demand by product**

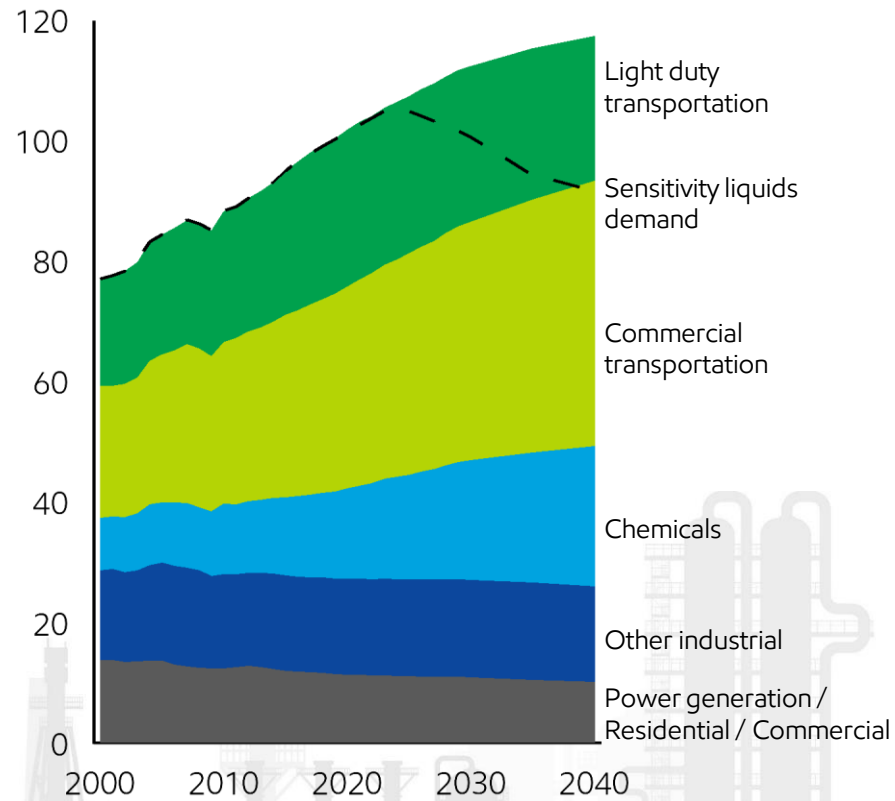
MBDOE



# Hypothetical electric vehicle sensitivity

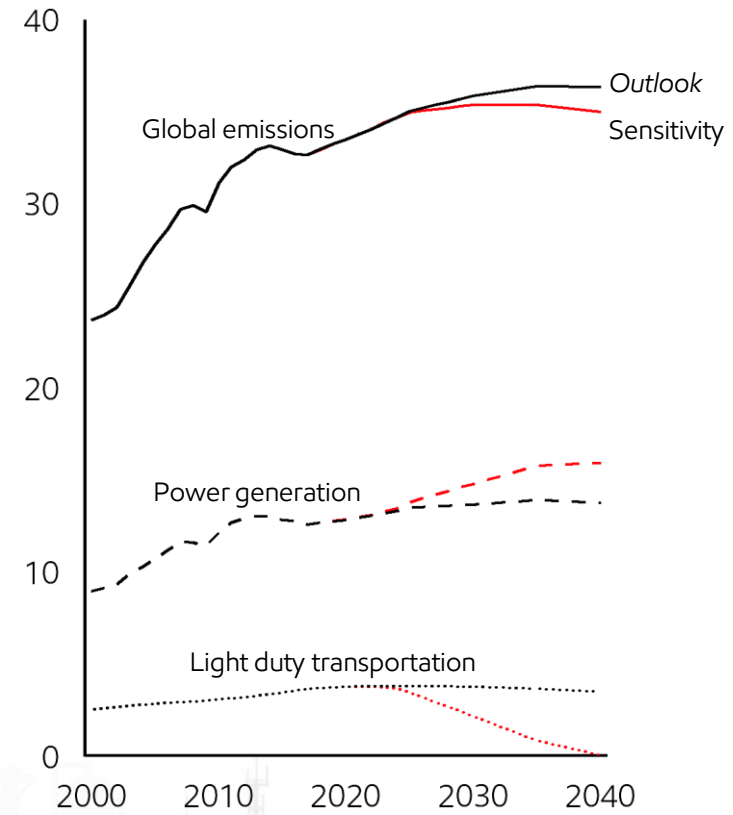
## Liquids demand by sector

MBDOE



## Energy-related CO<sub>2</sub> emissions

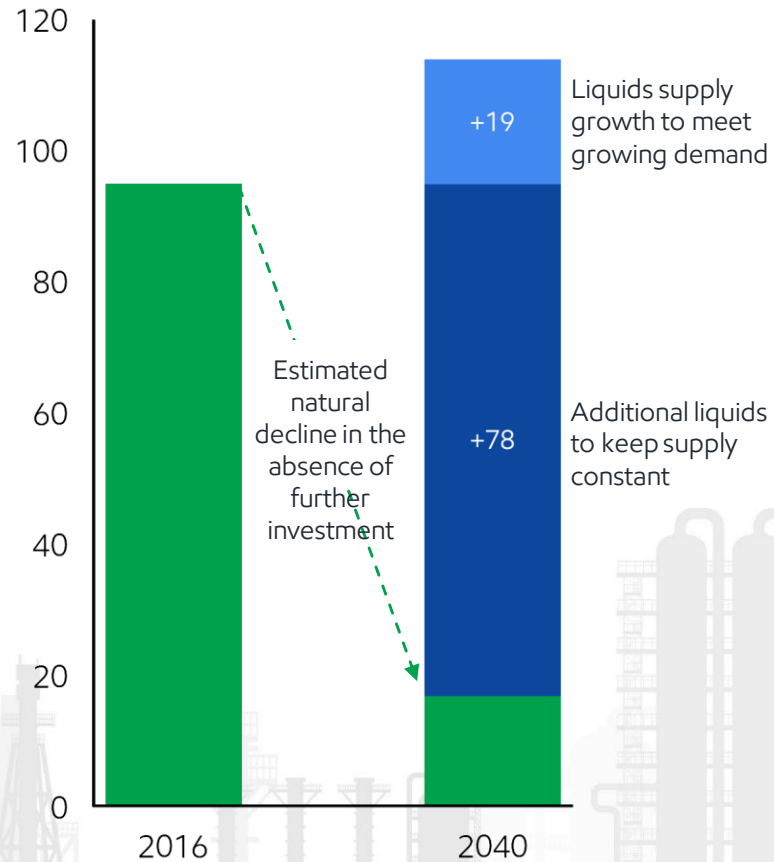
Billion tonnes



# Liquids demand & supply warrant investment

## Global liquids supply/demand

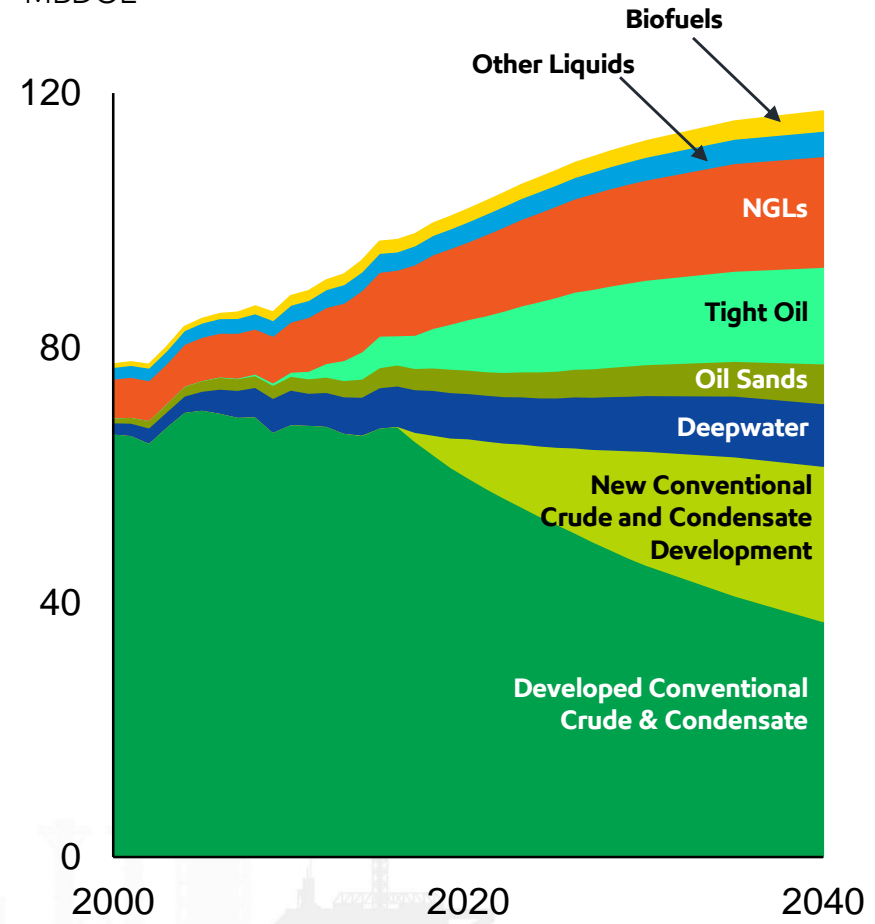
MBDOE



Excludes biofuels

## Global supply by type

MBDOE





# Liquids opportunities and challenges

## Liquids Demand by Sector

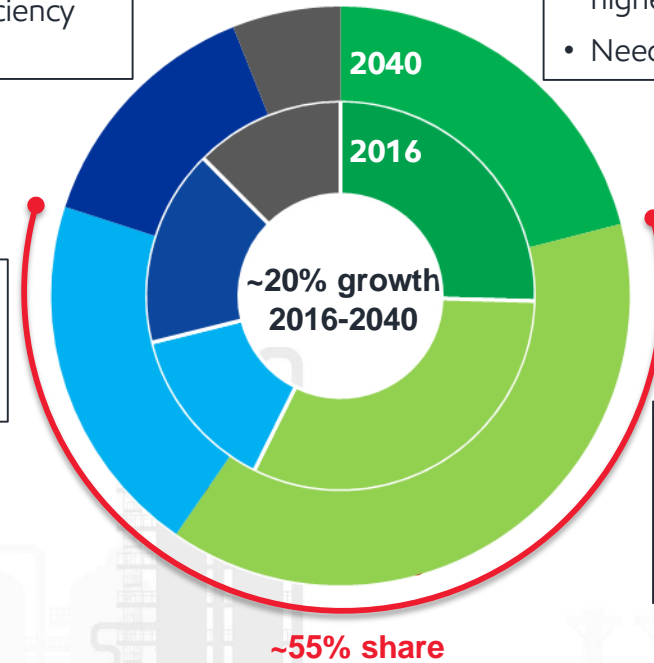
- Light Duty Transport
- Commercial Transport
- Chemicals
- Remaining Industry
- Res/Comm / Power

### Other

- Policies increasingly target efficiency gains & lower emissions

### Chemicals

- Demand reflects growing prosperity
- Liquids serve as primary feedstock



## Liquid Supplies

- ~\$10 trillion upstream oil investment needed to 2040 (IEA)
- Tight oil boosts available supplies

## Light Duty Transport

- Personal mobility rises but energy demand flattens with higher efficiency & more electric vehicles
- Need to adjust to changing product needs

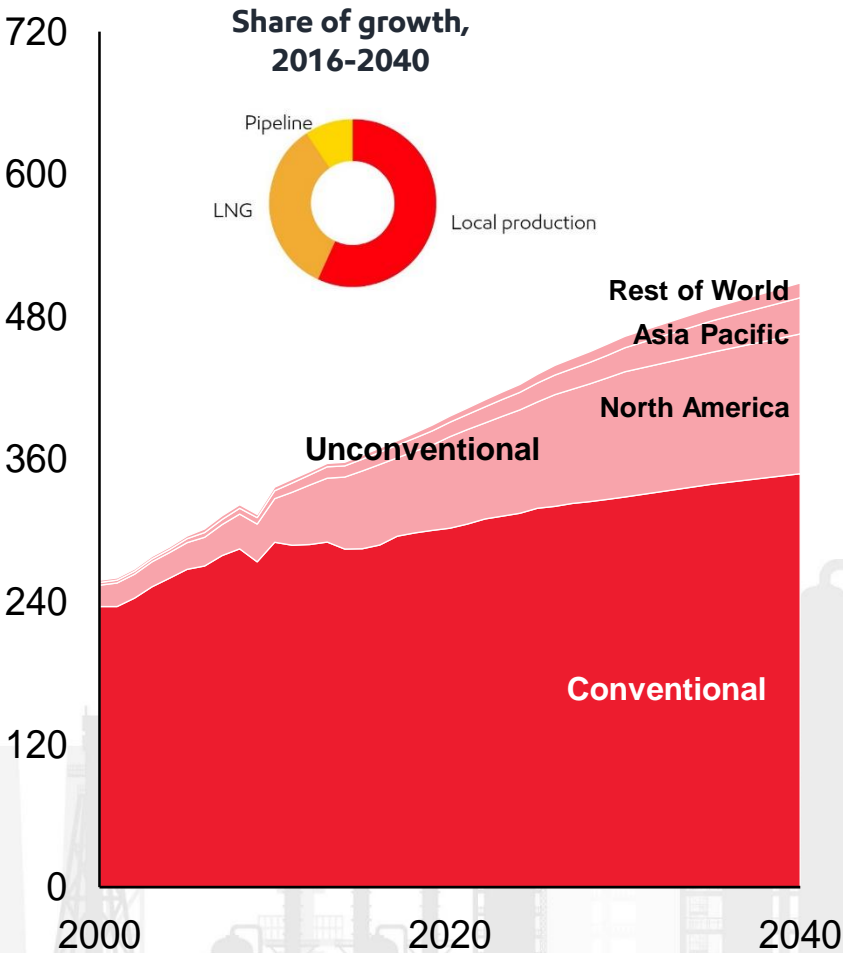
## Commercial Transport

- Scalable alternatives remain limited
- Policies target efficiency gains & alternative fuels (e.g. biofuels, electrification)

# Abundant gas supports demand growth

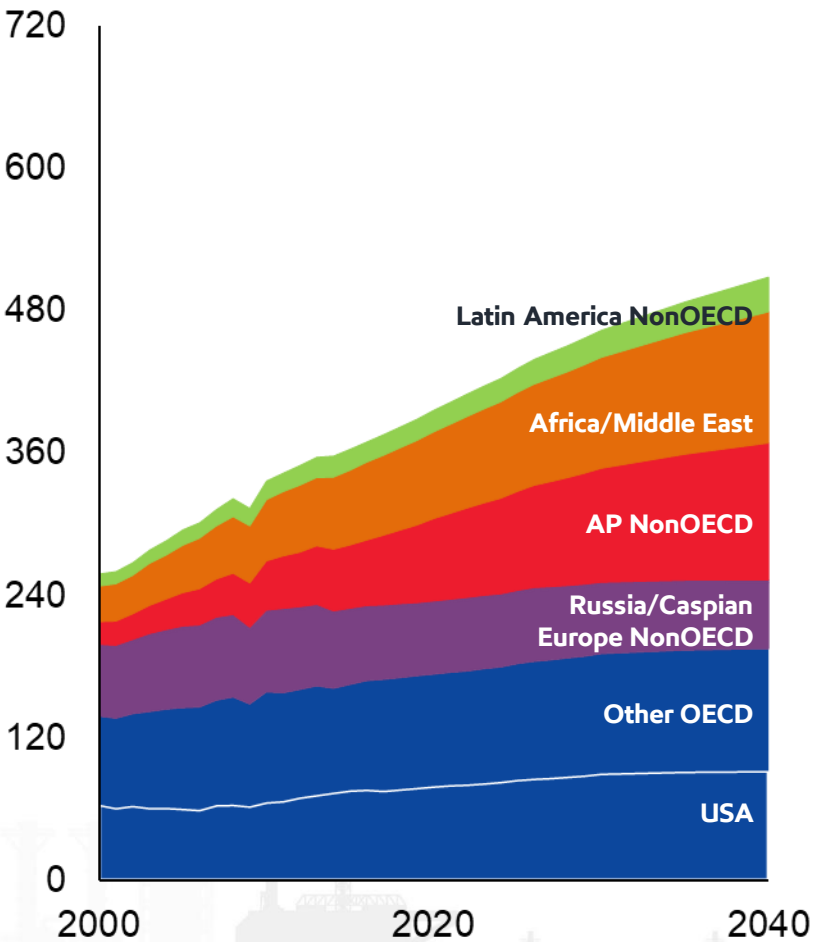
Global gas supplies

BCFD



Gas demand by region

BCFD



# Gas opportunities and challenges

## Gas Demand by Sector

- Electricity Generation
- Industrial
- Transportation
- Residential / Commercial

### Residential / Commercial

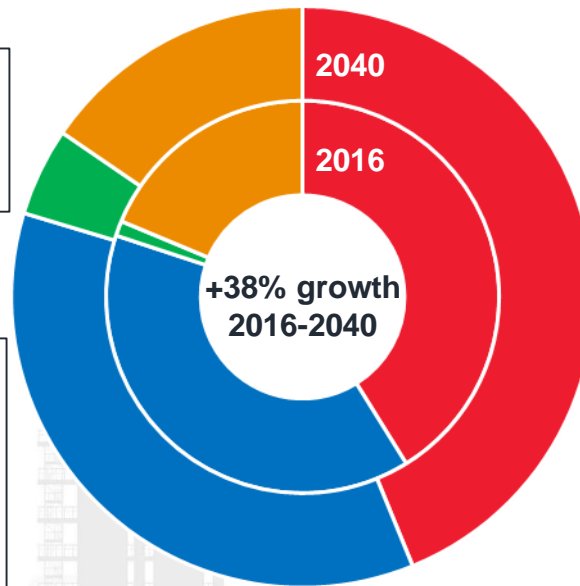
- Resilient/seasonal needs support growth

### Transportation

- Strong Asia demand aids air quality
- Marine growth to reduce emissions

### Industrial

- Important growth area through 2040
- Gas provides:
  - Lower emissions option
  - Feedstock/fuel for chemicals
- Shift toward lower-emission options aided by policies, technologies



### LNG

- Key to unlocking vast AP demand potential
- Affordability & energy security key considerations

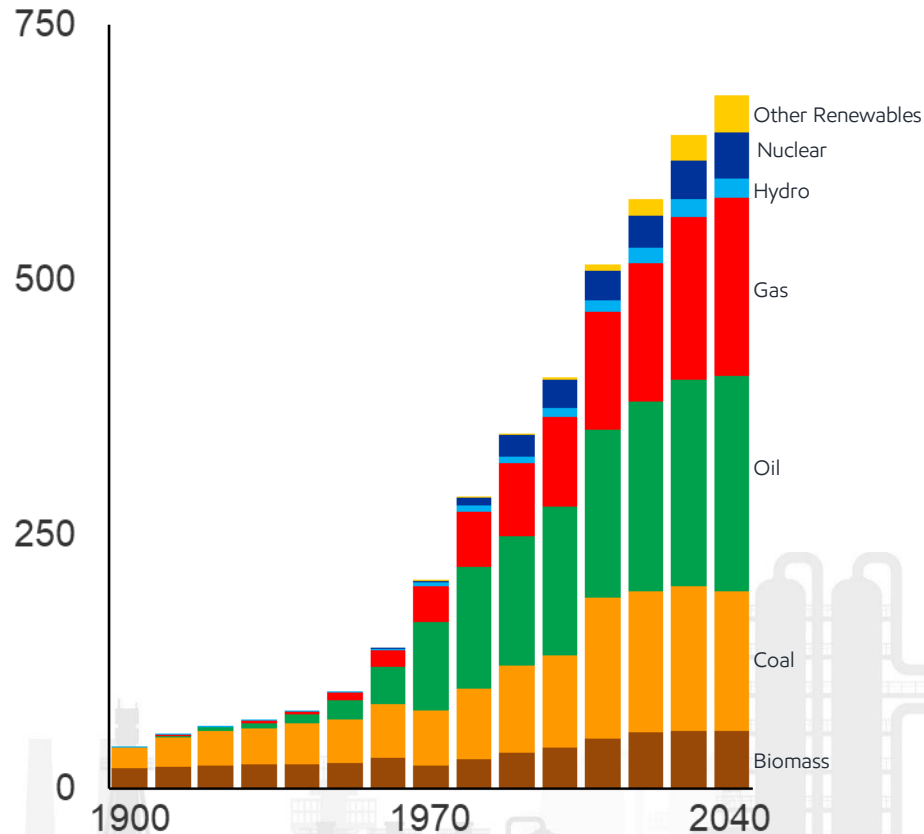
### Electricity Generation

- Major growth segment through 2040
- Gas advantaged as:
  - Lower carbon baseload option
  - Back-up support of wind/solar
- Shift toward lower-emission options aided by policies, technologies

# Energy evolution reflects technology, scale & complexity

## Global primary energy demand

Quadrillion BTUs



Source: Smil, Energy Transitions (1900-1960)

## Outlook to 2040:

- Energy powers expanding prosperity
- Non-OECD nations drive growth
- Efficiency & decarbonization trends improve
- Wind+solar electricity expands by ~400%
- Oil & natural gas maintain ~55% share, supporting mobility, modern products, and a wide range of other needs
- Oil & natural gas investment needs total ~\$21 trillion (IEA New Policies Scenario)
- Tight oil, deepwater, oil sands in total increase >100%
- Unconventional gas up ~100%
- Demand transitions in key sectors lead to shift in global oil product mix



# Integration maximizes value from growing volumes

## Upstream Volumes

MBDOE

5

0

2018

2025

Major projects  
U.S. tight oil  
Base & work programs

Liquids: 2.3 MBOED (#1 IOC)  
Gas: 1.7 MBOED



Exploration & Production

Refining Capacity: 4.9 MBOED (#1 IOC)



Logistics & Trading



Chemicals Sales: 25 MTA (#1 IOC)

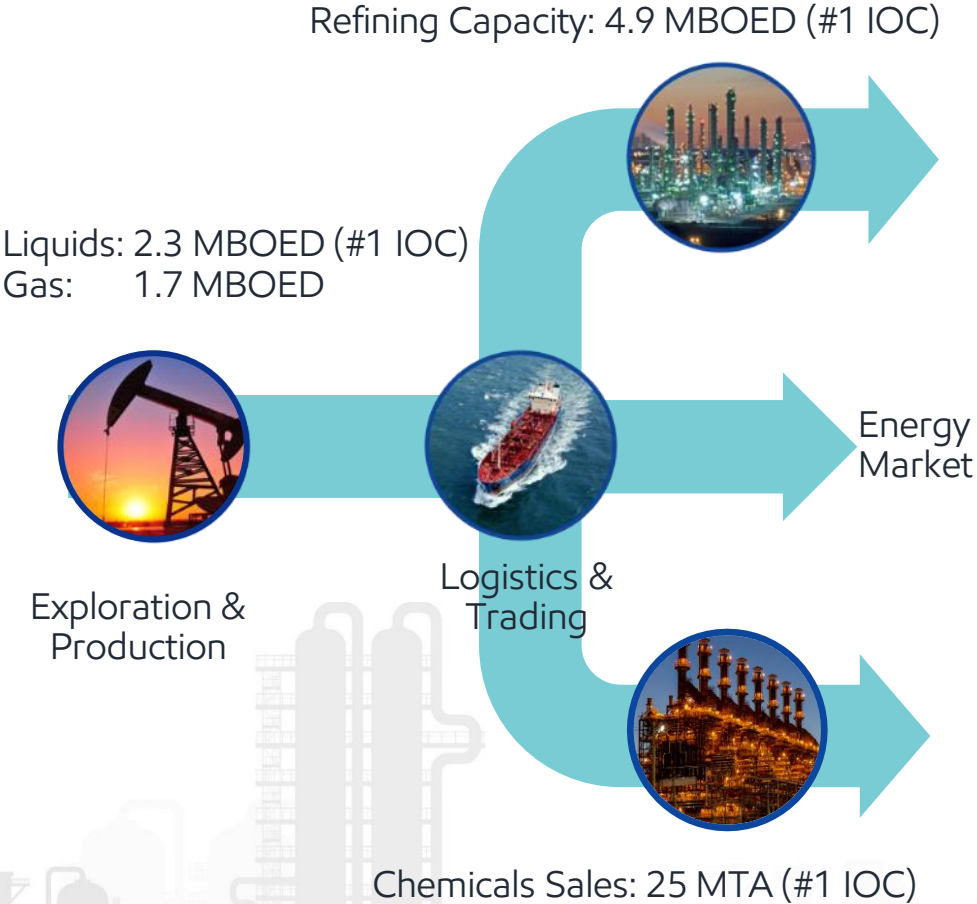
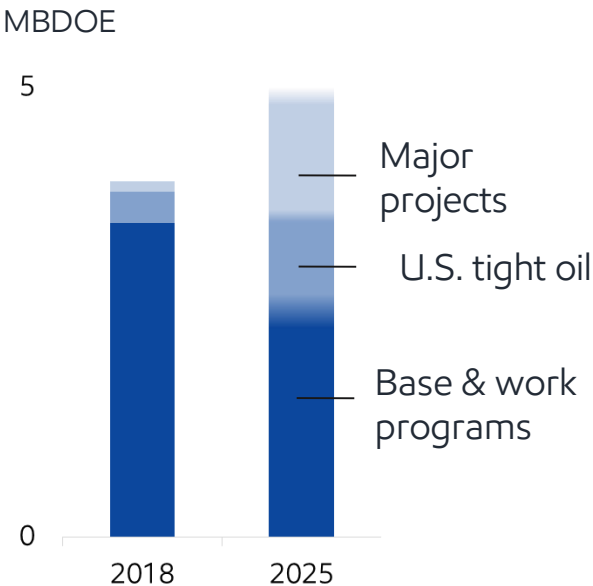
Energy Market

- Downstream scale, logistics and trading capture opportunities
- Presence in all value chains directs investments to highest value
- Integration enables lower cost of supply
- Improves returns by optimizing response to market shifts

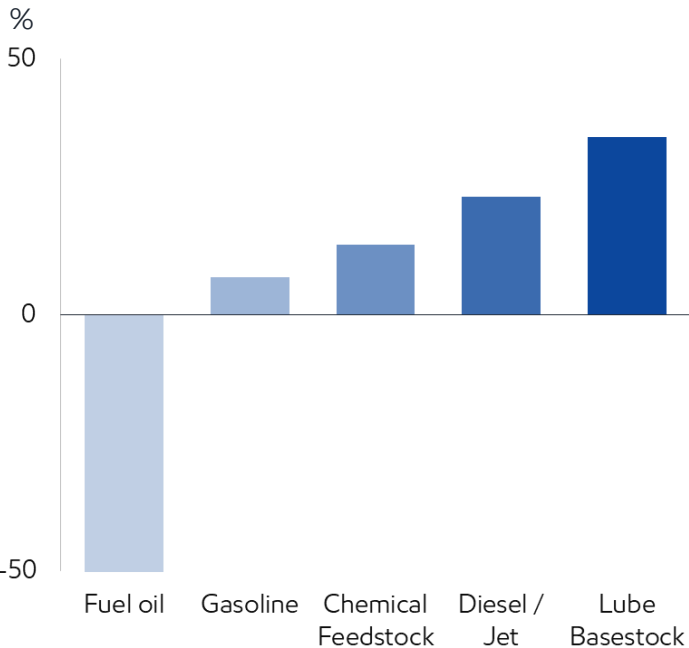
Source: ExxonMobil 2017 Financial & Operating Review.  
Wood Mackenzie Corporate Benchmarking Tool (02 2018). IHS Markit.  
Natural gas volumes converted into oil equivalent using 6,000 scf per barrel.

# Integration maximizes value from growing volumes

Upstream Volumes

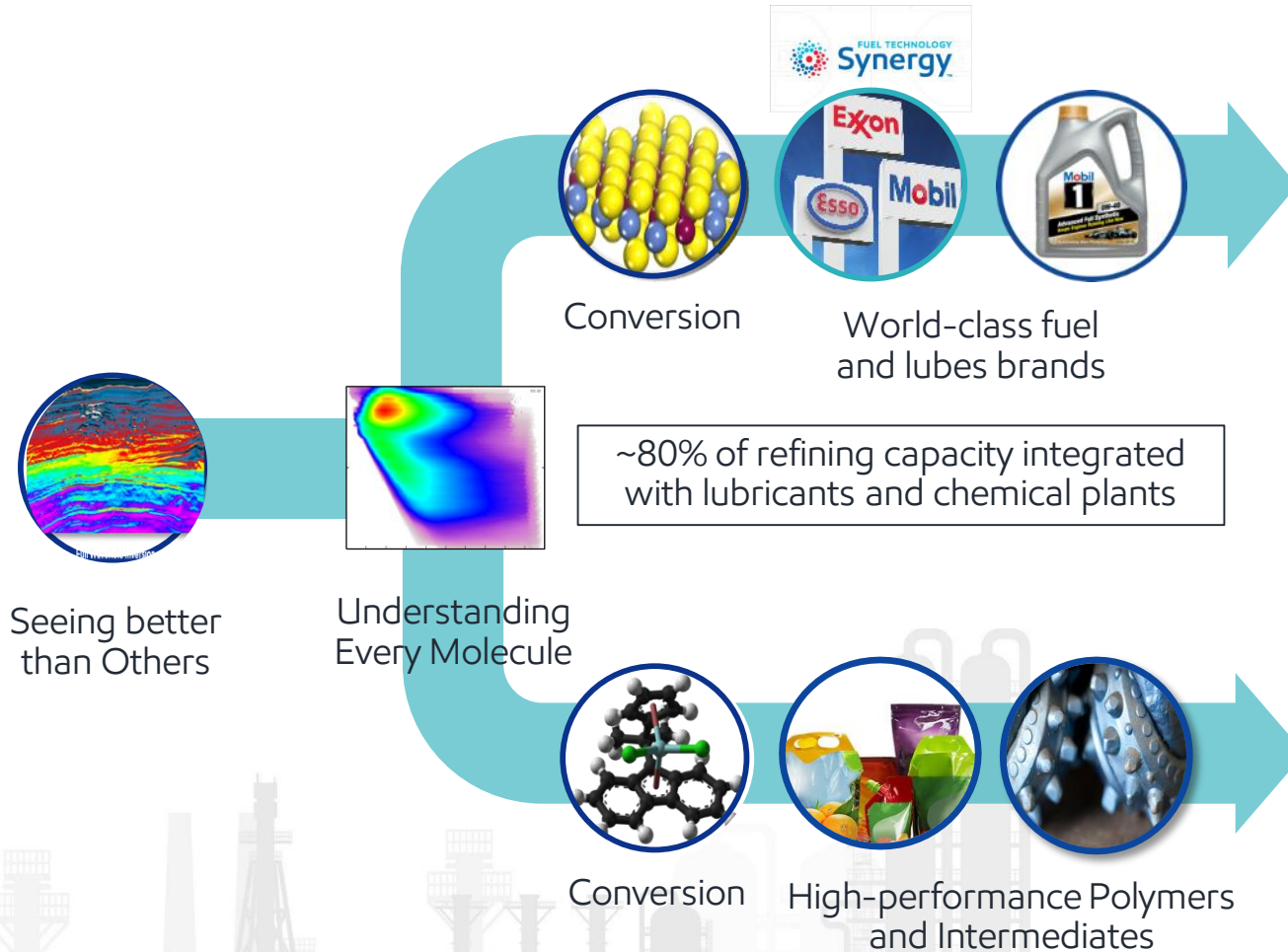


ExxonMobil Downstream product shift  
2025 vs. 2017



Source: ExxonMobil 2017 Financial & Operating Review.  
Wood Mackenzie Corporate Benchmarking Tool (02 2018). IHS Markit.  
Natural gas volumes converted into oil equivalent using 6,000 scf per barrel.

# Technology & integration deliver unique advantage



- Capturing and producing high-quality resources
- Choosing best feedstock molecules for fuels, lubricants and chemicals
- Proprietary catalysts and processes convert low-cost feedstocks to high-value products
- Integration ensures every molecule is optimized to the highest end value
- Growing sales of high-performance products supported by world-class brands



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# ExxonMobil





# Upstream next-generation assets drive growth



Deep water

Guyana, Brazil



Unconventional

U.S. tight oil

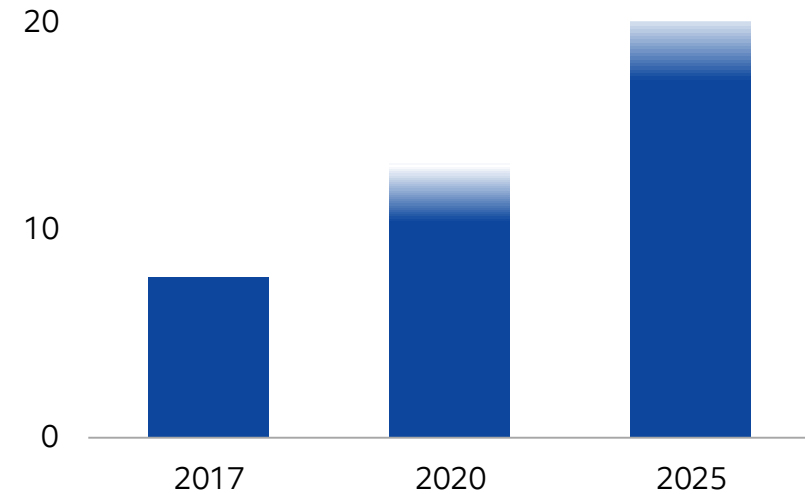


LNG

PNG, Mozambique

- Our strongest portfolio of opportunities since the merger
- Attractive across range of prices
- All producing by 2025

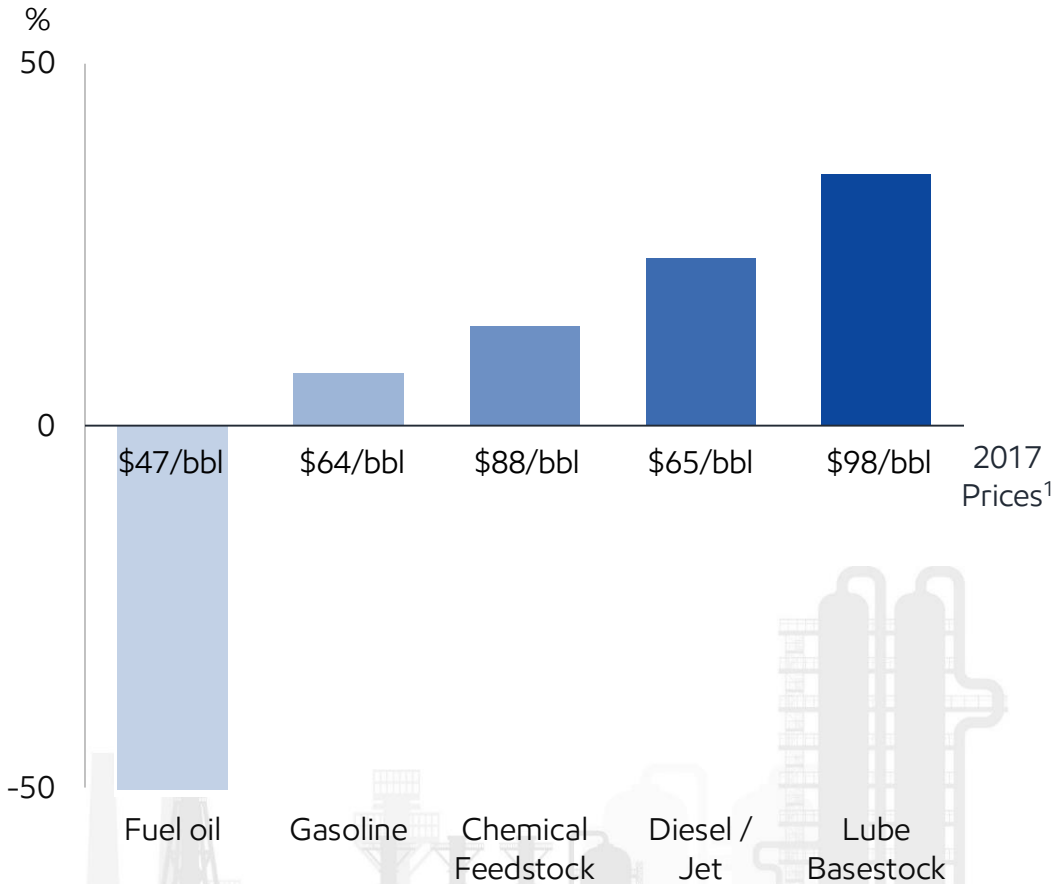
Upstream Earnings, Billion USD



Excludes one-time impact of U.S. tax reform and impairments in 2017; at \$60/bbl flat real

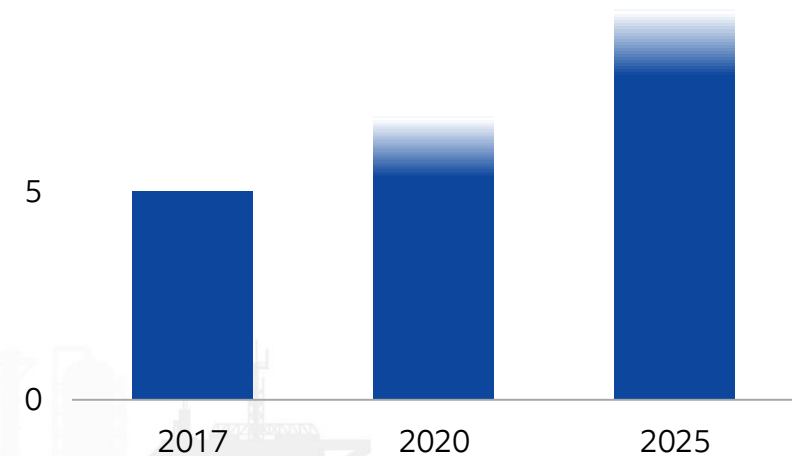
# Downstream product shifts improving profitability

ExxonMobil Downstream product shift  
2025 vs. 2017



- Upgrading 200 KBD of fuel oil to higher-value products
- Growing Group II basestocks and distillate >20%
- \$9B invested in 6 major refining projects through 2025

Downstream Earnings, Billion USD

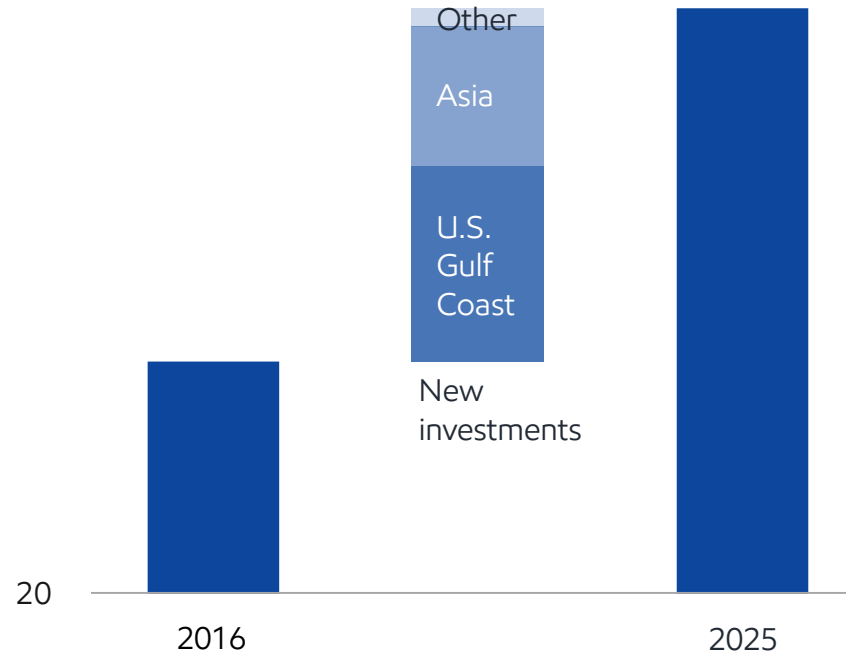


Excludes one-time impact of U.S. tax reform and impairments in 2017; at 2017 margins

# Chemical growth from advantaged investments

Chemical capacity growth  
MTA

35



- Delivering 30% global sales growth by 2025
- > \$20B investments underway and planned; >15% return
- 7 of 13 new facilities operating by YE 2018

Chemical Earnings, Billion USD

10

5

0

2017

2020

2025

Excludes one-time impact of U.S. tax reform in 2017; at 2017 margins

# Supplemental information



# Supplemental information

**Important information and assumptions regarding certain forward-looking statements.** Forward-looking statements contained in this presentation regarding future volumes, future earnings, project returns, are not forecasts of actual future results. These figures are provided to help quantify the targeted future results and goals of currently-contemplated management plans and initiatives including new project investments, plans to grow profitable Upstream production volumes, plans to increase sales in our Downstream and Chemical segments and to shift our Downstream product mix toward higher-value products, continued high-grading of ExxonMobil's portfolio through our ongoing asset management program, initiatives to improve efficiencies and reduce costs, and other efforts within management's control to impact future results as discussed in this presentation. These figures are intended to quantify for illustrative purposes management's targets for these efforts over the time periods shown, calculated on a basis consistent with our internal modelling assumptions for factors such as working capital and capital structure, as well as factors management does not control, such as interest and exchange rates.

For all price point comparisons, unless otherwise indicated, crude prices and product margins are on a flat real basis. For 2017 crude oil prices we used \$53/bbl Brent. Where price is not stated, we assume a \$60/bbl Brent for future periods. These prices are not intended to reflect management's forecast for future prices or the prices we use for internal planning purposes. For natural gas, except as otherwise explicitly noted in this presentation, we have used management's internal planning prices for the relevant natural gas markets. We have assumed that Downstream product margins remain at 2017 levels. We have assumed Chemical margins reflect gas and market conditions. At \$60/bbl Brent, we have assumed Chemical margins reflect 2017 margins. We have also assumed that other factors such as laws and regulations, including tax and environmental laws, and fiscal regimes remain consistent with current conditions for the relevant periods and that asset sales are consistent with historical levels.

See the Cautionary Statement at the front of this presentation for additional information regarding forward-looking statements.

# Supplemental information

**Non-GAAP and other measures.** In this presentation, earnings excluding effects of tax reform and impairments, are non-GAAP measures. With respect to historical periods, reconciliation information is included with the relevant definition below or as noted below in the Frequently Used Terms available on the Investors page of our website at [www.exxonmobil.com](http://www.exxonmobil.com). For future periods, we are unable to provide a reconciliation of forward-looking non-GAAP measures to the most comparable GAAP financial measures because the information needed to reconcile these measures is dependent on future events, many of which are outside management's control as described above. Additionally, estimating such GAAP measures to provide a meaningful reconciliation consistent with our accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-GAAP measures are estimated in a manner consistent with the relevant definitions and assumptions noted above.

## Definitions and non-GAAP financial measure reconciliations

**Earnings excluding effects of tax reform and impairments.** The table below reconciles 2017 earnings excluding effects of tax reform and impairments used in this presentation to 2017 U.S. GAAP earnings:

<i>(millions of dollars)</i>	Upstream	Downstream	Chemical	Corporate and Financing	Corporate Total
Earnings (U.S. GAAP)	13,355	5,597	4,518	(3,760)	19,710
U.S. tax reform	7,122	618	335	(2,133)	5,942
Impairments	(1,504)	(17)	-	-	(1,521)
Earnings excluding U.S. tax reform and impairments	7,737	4,996	4,183	(1,627)	15,289

# Supplemental information

**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.

**Resources, resource base, recoverable resources.** These and similar terms include quantities of oil and gas that are not yet classified as proved reserves under SEC definitions but that are expected to be moved into the proved reserves category and produced in the future. Proved reserve figures are determined in accordance with SEC definitions in effect at the end of each applicable year. The term “resource base” or the terms “design / develop” or “evaluating” as used to describe resources are not intended to correspond to SEC definitions such as “probable” or “possible” reserves. The term “in-place” refers to those quantities of oil and gas estimated to be contained in known accumulations and includes recoverable and unrecoverable amounts. “Net resource potential” amounts are not currently included in the resource base.

**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.

## Other information

All references to production rates and project capacity are on a gross basis, unless otherwise noted. References to resource size are on a net basis, unless otherwise noted.

**Billion cubic feet per day (BCFD):** A standard unit used to define volumetric rates of natural gas. One billion cubic feet per day of natural gas is enough to meet about 2 percent of the natural gas used in homes around the world. Six billion cubic feet per day of natural gas is equivalent to about 1 million oil-equivalent barrels per day.

# Supplemental information

**British thermal unit (BTU's):** A BTU is a standard unit of energy that can be used to measure any type of energy source. The energy content of one gallon of gasoline is about 120,000 BTUs. "Quad" refers to quadrillion ( $10^{15}$ ) BTUs. In the 2018 *Outlook for Energy*, energy content in BTUs for each oil product (e.g. gasoline, diesel, LPG, etc.) is based on its specific energy density.

**Liquefied natural gas (LNG):** Natural gas (predominantly methane) that has been super-chilled for conversion to liquid form for ease of transport.

**Million-oil equivalent barrels per day (MBDOE):** A standardized unit of measure for different types of energy sources (natural gas, coal, etc.) based on energy content relative to a typical barrel of oil. One million oil-equivalent barrels per day is enough energy to fuel about 4 percent of the light-duty vehicles on the world's roads today. Reporting for all energy types in MBDOE is done on an oil-equivalent basis, with the exception of oil products, which are reported in physical barrels.

**Natural Gas Liquids (NGL):** A liquid fuel produced chiefly in association with natural gas. NGLs are components of natural gas that are separated from the gaseous state into liquid during natural gas processing. Ethane, propane, butane, isobutene and pentane are NGLs.