the Lamp

Staying on course:
Delivering sustainable growth in shareholder value
A message from ExxonMobil Chairman and CEO Rex Tillerson

Nigeria: Africa's Energy Giant

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Staying
Delivering

Last year, with the strongest earnings performance in the corporation's history, ExxonMobil achieved unprecedented results. And for the first quarter of 2006, results remain robust. ExxonMobil's strong business performance continues to yield favorable returns for shareholders and enables us to advance our core strategies through ongoing investments in the business.

Building on a great legacy begun more than a century ago, we are mindful of the challenges and responsibilities inherent in ExxonMobil's role as one of the world's leading businesses.

We also understand the importance of staying on course while carrying out the corporation's basic mission to help meet the world's growing need for energy while delivering sustainable, long-term value and growth for shareholders.

Maintaining energy leadership

As a global leader, ExxonMobil remains committed to business strategies and the pace-setting performance that have delivered positive results for decades: investment selectivity and discipline, operational excellence, cost efficiency, development and application of state-of-the-art technology, and adherence to the highest standards of safety, health, environmental

on course:
sustainable growth in shareholder value

"We strive for operational excellence through proven management systems, and we will continue to succeed by drawing on the talents of a highly capable, diverse workforce focused on the corporation's business priorities."

Rex W. Tillerson
Chairman and Chief Executive Officer
Exxon Mobil Corporation

care, and corporate citizenship. ExxonMobil has long recognized the importance of sound corporate governance, strong business controls, high ethical standards, and integrity. These, too, will continue to guide our conduct in all areas of our business, and in every location throughout the world where we have operations.

ExxonMobil's business model is disciplined, straightforward, and focused on fostering growth while managing risk. We strive for operational excellence through proven management systems, and we will continue to succeed by drawing on the talents of a highly capable, diverse workforce focused on the corporation's business priorities.

With one of the strongest financial positions of any industrial corporation in the world, ExxonMobil remains one of a very small group of publicly owned corporations rated "AAA" by major credit agencies – a distinction held by the corporation for the past 87 years. Our unparalleled access to financial resources gives us the flexibility to pursue opportunities anywhere in the world at any point in the economic cycle.

Investing in the future

In 2005, ExxonMobil invested $17.7 billion in a range of energy activities – including exploration and the expansion of production and refining capacity. We expect our investments through the end of this decade to reach about $20 billion annually, on average. ExxonMobil invests in long-term development projects, regardless of short-term revenue swings. From 1991 to 2005, our $210 billion cumulative capital and exploration expenditures actually exceeded the company's cumulative earnings.

Change is a constant in the energy business. But ExxonMobil has never been hesitant in taking on the toughest challenges. The events of the past year – devastating hurricanes, increasing worldwide demand for energy, higher oil and gas prices, and heightened geopolitical concerns – are transforming the global energy landscape in ways yet to be determined. Quite naturally, shareholders want to understand how these developments may affect ExxonMobil, our industry, and energy consumers.

With so many voices clamoring to be heard on these vital energy issues, we believe it is critical to the interests of shareholders – and to society at large – to improve and expand our communications about the performance, scale, and future prospects for our company, our industry, and the world's energy supplies. ExxonMobil's experience and expertise enable us to bring a realistic, long-term perspective to such discussions. By so doing, we can help improve and broaden the public's understanding of the challenges we face as an industry and as a society, and in the process encourage support for market-based solutions.

Sustaining growth and development

Oil, gas, and the products we make from them are critically important to economic growth and improved living conditions for people throughout the world. In producing and providing these products reliably and at competitive prices, we fulfill important economic and social obligations. We are also committed to maintaining high standards of safety, health, and environmental care. ExxonMobil's long-term safety performance leads the industry. But our ultimate goal is to eliminate all injuries, illnesses and environmental incidents.

In the coming decades, meeting the expected increase in global energy demand will require a broad portfolio of energy options. Research and development, together with the technological innovation it produces, have long been competitive strengths for ExxonMobil. We will continue our long-term investment in this industry-leading area of our business to further improve operational and financial results, increase energy efficiency, reduce costs, and develop breakthrough technologies.

We will also pursue commercially viable energy technologies, fuels, and systems that can reduce emissions, address the potential risks associated with climate change, and bring about additional improvements in environmental performance.

Focusing on what we do best

As the public debate about the future of energy proceeds, we will stay fully engaged – by listening carefully and responding to constructive ideas, and by sharing what we have learned from science, technology, and our experience working in more than 200 countries and territories around the world.

Whatever future challenges and opportunities lie ahead, the long-term nature of our business means that Exxon Mobil Corporation will stay sharply focused on what we do best and on the things that make us successful. We will do so for the benefit of our company, our shareholders, our employees, and our customers. In the process, we will responsibly serve the interests of the communities where we operate and the global society in which we live and work. the**Lamp**

Nigeria: Africa's energy giant

As the global economy continues to grow, Nigeria will play a key role in meeting future energy demand, and ExxonMobil will be there to help. Today, much of Africa's production comes from Nigeria. Three projects, with a combined production capacity of 465,000 barrels of oil a day, are developing new fields, extending the lives of mature reservoirs and reducing the routine flaring of natural gas. They are also making an important contribution to the country's economic growth and development. Along the way, the Yoho, Erha and East Area developments each set industry records.

Above: From the control room, operators Jide Shokunbi (left), Biodun Famose, Edwueme Udemba and Paul Alalade monitor critical systems aboard Yoho's central production platform. More than 85 percent of MPN's operating personnel are Nigerian.

Right: The new 18,000-ton gas compression platform now serves as East Area's production center. It is connected by bridges to the crew quarters.

Even in the petroleum industry, where multibillion-dollar offshore projects have become somewhat commonplace, ExxonMobil's affiliates in Nigeria are making news by completing three of them in the same year.

Mobil Producing Nigeria (MPN), which has been in Nigeria since 1955, formed a joint venture with the Nigerian National Petroleum Corporation (NNPC) in 1973. That joint venture (60 percent NNPC and 40 percent MPN) now operates five shallow-water offshore blocks that cover 800,000 acres and include 12 of the company's top 50 fields. The Yoho and East Area projects are both located in the joint-venture area.

Another affiliate, Esso Exploration and Production Nigeria, Ltd. (EEPNL), operates the world-class Erha deepwater development and is responsible for the company's other deepwater ventures in Nigeria. On April 28, ExxonMobil announced that EEPNL had started production from the Erha development, which is located some 60 miles (97 kilometers) offshore Nigeria in 3,900 feet (1,200 meters) of water. The $3.5 billion development includes Erha and Erha North, a satellite development due to come onstream in the third quarter of this year.

Erha production is expected to reach 150,000 barrels a day by the third quarter. Erha North will contribute another 40,000 daily barrels by year-end, for a total output of 190,000 barrels a day. Erha North will be on production within 30 months of discovery, setting a Nigeria deepwater record. The 300 million cubic feet per day of associated natural gas production from the projects will be reinjected into the reservoir.

"Erha and Erha North are another demonstration of ExxonMobil's global project execution capability and deepwater technology expertise," says Exxon Mobil Corporation Senior Vice President Stuart McGill. "Along with our other successful West Africa deepwater developments, Erha and Erha North are helping ExxonMobil meet growing global demand for oil. In addition, these major projects demonstrate our continued commitment to support Nigeria in meeting national goals. Erha and Erha North, along with the recent start-up of the Yoho full-field facilities, underscore our com-

 Story by Richard Cunningham Photography by Keith Wood

mitment to increasing local business development and capacity."

The Erha developments included contract awards to several Nigerian companies for in-country fabrication services, logistical support, and the training, development and employment of Nigerians.

New life for East Area fields

Some of the shallow-water reservoirs on the eastern half of the prolific Niger River Delta (known collectively by the NNPC/MPN joint venture as the East Area) have been producing oil and natural gas for 30 years. By 2002, however, many of East Area's reservoirs were in decline, and a few wells had stopped producing altogether. To address this, ExxonMobil came up with a concept that allows for additional oil recovery and simultaneously preserves the associated natural gas for future recovery. With the start-up of the Additional Oil Recovery project, MPN will meet two of Nigeria's goals: to increase production and to reduce the routine flaring of natural gas.

"For now, we are putting the gas back into the reservoirs," says Ray Steinmetz, East Area project manager. "Reinjecting the gas serves two purposes: it reduces the need for routine flaring, which is a plus for the environment, and it increases the amount of recoverable oil. Everyone wins."

The gas that is being reinjected into the oil reservoirs will eventually be recovered and sold. Meanwhile, the East Area project is expected to recover a significant amount of additional oil and to provide the strategic infrastructure to access new resources.

"The effort was especially challenging because we were building new facilities in an area with existing fields," Steinmetz says. "We wanted to minimize any interference with the ongoing operations."

By far the largest single piece of the $1.3 billion project is the platform that holds all of the equipment needed to treat and compress natural gas so that it can be reinjected into the oil reservoirs.

"East Area's gas compression topsides cover more than an acre and weigh 18,000 tons," says Paul McGrath, construction site manager. The compression topsides were installed offshore Nigeria by the floatover technique, and this was the largest open water floatover performed to date.

The gas compression facilities are scheduled for start-up in mid-2006. Routine flaring will be significantly reduced throughout the field, and the reinjected gas will begin to increase East Area's oil production. Fourteen of the field's existing platforms are being retrofitted now, with the goal of eliminating all routine flaring in 2007.

Bringing in Yoho and Awawa

Yoho is another shallow-water project that is currently developing discoveries in the Yoho and Awawa reservoirs, where the water depths average 200 to 300 feet (60 to 95 meters).

"A unique feature of the project was the use of an Early Production System (EPS),"

Above: Document controller Tari Agama helps keep equipment and project details accessible in East Area's offshore documentation library.

Center: The Erha FPSO produces all of the oil and gas from the Erha and Erha North fields. The vessel can store up to 2.2 million barrels of oil, which is transferred to tankers at a nearby loading buoy.

Right: Yoho's new central production facility is now processing more than 160,000 barrels of oil per day.

says Joe Baehl, ExxonMobil Development Company Yoho business manager. It consisted of a wellhead platform and a leased vessel that contained all of the equipment on board to receive, process, store and offload oil from Yoho's wells.

"Ordinarily, you don't get any oil until your main facilities are installed and hooked up," Baehl explains. "But with Yoho, we produced more than 130 million barrels before the main facilities were installed." The early production system provided important early reservoir performance and field operating information.

There are a total of three wellhead platforms. Two are in the Yoho field, and one is in Awawa. The facilities include a production platform, a separate living-quarters platform and a floating storage and offloading (FSO) vessel. When the Yoho central processing production platform was installed in November 2005, it set an industry record for the heaviest lift in West Africa at 11,650 gross tons.

"Over the life of this $1.3 billion project, MPN expects to recover nearly 440 million barrels of oil," says Baehl.

Production began from Yoho in December 2002, and from Awawa in June 2005. Together, the eight reservoirs now being tapped produce more than 160,000 barrels of oil per day.

Erha and the move to deep water

While Mobil Producing Nigeria's East Area and Yoho developments are both in water shallow enough to use conventional offshore platforms, the Erha development operates in water depths approaching 4,000 feet (1,200 meters).

Instead of offshore platforms and wellheads at the surface, the Erha and Erha North developments consist of 32 subsea wells tied to a Floating Production Storage and Offloading (FPSO) vessel. Every few days, tankers moor at a nearby buoy to fill up from the FPSO, which can hold up to 2.2 million barrels of oil. Erha's single-point mooring buoy is one of the largest in the world and was fabricated entirely in Nigeria.

A noteworthy accomplishment for the project is world-class safety performance. "Since the late 2005 arrival of the FPSO in Nigeria, our offshore execution team has achieved more than 1 million work hours without a lost-time incident," says Decie Autin, EEPNL Erha execution manager. "A key factor in our success has been the integrated safety management approach offshore, among multiple installation vessels, the FPSO and drilling rigs."

The $3.5 billion Erha development, which received its first oil in March, is expected to eventually produce at a peak rate of 190,000 barrels of oil per day from three drill centers. For now,

"With the current level of exploration, development and production in Nigeria, we are making a significant contribution to the country's economic development and energy supply."

Denise O'Neal, EEPNL general manager, development

all of the natural gas and produced water is being reinjected for sound reservoir management.

Nigerian support

"The Erha, Yoho and East Area projects have focused a lot of attention on Nigeria," says Denise O'Neal, EEPNL general manager, development. "There were project teams based in Houston and site teams wherever the work was being done around the world, but there was also a large amount of construction here in Nigeria."

The projects themselves are also primarily operated by Nigerians.

"More than 90 percent of the operators on Yoho and East Area, and 85 percent on Erha, are Nigerian," O'Neal says. "The level of Nigerian content has been significant, not just the number of our employees on the three new projects, but also the scale of the work accomplished in Nigeria."

"The largest contracts completed in Nigeria include the construction of subsea manifolds, and pilings for the drilling unit. Nigerians also built modules for Erha's FPSO, such as the flare tower, pipe racks, and frames to protect the riser pipes," says Adebayo Sofidiya, EEPNL technical manager.

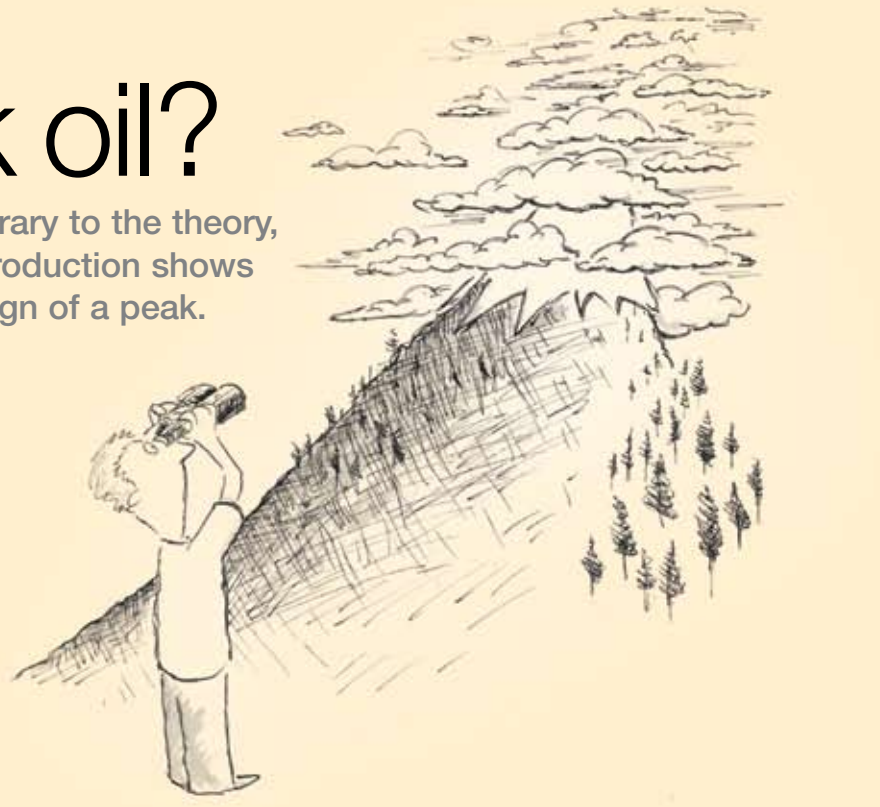
Local business capability got another boost when contractors at the Willbros Yard in Port Harcourt performed West Africa's first large-scale subsea system integration test. The test ensured that all of Erha's subsea systems and controls worked properly before installation.

"The Port Harcourt facility is now available as a regional center for future subsea component tests," says Adetunti Obawole, deputy execution manager.

"It has been an exciting time to be here," O'Neal adds. "There are few other places where we have this much activity. With the current level of exploration, development and production in Nigeria, we are making a significant contribution to the country's economic development and energy supply. That's exciting work and a sound investment in the future." the**Lamp**

Peak oil?

Contrary to the theory, oil production shows no sign of a peak.



Will we soon reach a point when the world's oil supply begins to decline? Yes, according to so-called "peak oil" proponents. They theorize that, since new discoveries have not kept up with the pace of production in recent years, we will soon reach a point when oil production starts going downhill. So goes the theory.

The theory does not match reality, however. Oil is a finite resource, but because it is so incredibly large, a peak will not occur this year, next year or for decades to come.

According to the U.S. Geological Survey, the Earth was endowed with over 3.3 trillion barrels of conventional recoverable oil. Conservative estimates of heavy oil and shale oil push the total resource well over four trillion barrels. To put these amounts in perspective, consider this: Since the dawn of human history, we have used a total of about one trillion barrels of oil.

Moreover, new technologies – such as multidimensional mapping tools and advanced drilling techniques – have improved our ability to recover oil from previously discovered fields. Because of such technology gains, estimates of how much recoverable oil remains have consistently increased over time. Oil production and production capacity have increased, too.

So there is a lot of oil yet to be tapped. And we are getting better – technically and environmentally – at tapping it every day. As a large scale, broad-based transportation fuel, oil currently has no equal. Demand for it is increasing to support economic growth worldwide. Thankfully, there is enough potential supply to meet this demand.

Realizing this potential, however, means we all must do our part. Energy companies help through investment and technology. Governments help by providing an attractive business environment. And we all can help by using energy more efficiently.

With abundant oil resources still available – and industry, governments and consumers doing their share – peak production is nowhere in sight.

Global refining: delivering long-term value

An interview with Steve Simon

With growing public interest in the global refining industry, Steve Simon, Exxon Mobil Corporation's Management Committee contact executive for the company's Downstream and Chemical operations, met with the *Lamp* to share his thoughts about the business.

Exxon Mobil Corporation Director and Senior Vice President J. Stephen Simon

▶ How do you respond to those who want new refineries to be built in the United States?

There has been a lot of media attention on refining capacity recently, particularly here in the United States. While it's true the number of U.S. refineries has dropped over 50 percent in the past 25 years, refinery output has actually increased more than 25 percent, as remaining refineries have been expanding through debottlenecking, higher utilization and technology advancements.

For ExxonMobil, our track record speaks for itself. Since 1995, our U.S. refining capacity has grown about 2 percent per year, faster than demand growth and faster than the rest of industry. In fact, over the last decade, we've added the equivalent of three new refineries by expanding our existing facilities. We believe this is the right approach since it's a much faster way to increase supplies, and these expansions can be implemented at a fraction of the cost of building a new facility.

Photography by Janice Rubin

"Over the last decade, we've added the equivalent of three new refineries by expanding our existing facilities. We believe this is the right approach since it's a much faster way to increase supplies, and these expansions can be implemented at a fraction of the cost of building a new facility."

What is ExxonMobil doing in its refining business to meet the higher demand for gasoline in the United States?

In addition to growing our refining capacity, we are also focused on utilizing our facilities better than industry – we call this operating excellence. Worldwide, we have significantly improved the reliability of our refineries, reducing unplanned production losses by 30 percent since 2000, resulting in higher capacity utilization than the rest of the industry.

Our focus on improving unit reliability is increasing our refinery throughput, helping to meet the higher demand for gasoline in the United States today.

How long will the current strong refining margins continue?

Obviously, no one really knows the answer to that question. Refining margins have indeed been strong recently, and this has benefited our shareholders. But our approach to the business doesn't really change, regardless of the margin environment. The importance of taking a long-term view and a structured, disciplined approach to capital investments, cost control, and margin improvement remains unchanged.

We realize we have no control over industry margins, so we focus on what we can control to grow earnings and improve the long-term value of our refining business. This is called 'self-help.' We deliver self-help improvements, year in and year out, by increasing production of high-value products, lowering operating costs, and improving raw-material flexibility.

What gives ExxonMobil an advantage over its global competitors?

ExxonMobil is the largest global refiner, with interests in 45 refineries throughout the world. In addition, we are the largest global supplier and marketer of petroleum products, the largest lube basestock supplier, and the largest producer of basic chemicals such as polyolefins, benzene and paraxylene.

When you combine this global scale and integration among these businesses you create structural advantages that are

J. Stephen Simon is senior vice president of Exxon Mobil Corporation and was elected a member of the Board of Directors on January 25, 2006.

Mr. Simon holds a Bachelor of Science degree in civil engineering from Duke University and an MBA from Northwestern University. He joined Exxon Company, U.S.A. in July 1967 and shortly thereafter began a two-year assignment in the United States Army. He returned to Exxon U.S.A. in July 1969 as a business analyst in the Baton Rouge Refinery.

In December 1999, after holding a series of managerial positions of increasing responsibility, he was appointed president of ExxonMobil Refining & Supply Company and vice president of Exxon Mobil Corporation. In December 2004, he assumed his current position as senior vice president of Exxon Mobil Corporation.

Mr. Simon has served on the local boards of many voluntary organizations, including the United Way, Boy Scouts of America and the Salvation Army, and is a member of the Governance Committee of the National Action Council for Minorities in Engineering. He is a member of the Board of Directors of the U.S.-China Business Council, and has also served on the boards of the American Petroleum Institute and the National Association of Manufacturers. He is a member of the Board of Visitors of Duke University's School of Engineering and a member of the President's Council. In addition, he is on the Kellogg Advisory Board of Northwestern University.

"We are not resting on our laurels. Our opportunity pipeline is full. We believe this positions us well to further increase our lead over competition regardless of the future industry environment."

"To continue delivering superior results, you've got to have world-class people, which we have throughout all parts of the corporation. They are the true source of our competitive advantage. Our people are truly our most valuable asset."

extremely difficult to replicate. For example, our average refinery size is 65 percent larger than the industry average, which gives us significant economies of scale. In addition, more than 75 percent of our refining capacity is integrated with lubes and/or chemicals, which also provides us with significant product yield and cost advantages.

Over the past four years alone, the integration benefits we have captured between our refining and chemical businesses have grown by more than $500 million per year, and they continue to increase. It's clear that our global competitors do not see these same benefits, as many have recently divested or downsized their chemical as well as their lube basestock businesses.

How does the company's refining business use technology for competitive advantage?

We believe maintaining our leadership in developing and rapidly deploying new technologies differentiates us versus competition. We have a very robust array of research programs directed at achieving strategic objectives in the three main 'self-help' focus areas I mentioned earlier: increasing the yield of higher-value products, lowering costs and improving raw material flexibility.

For example, many of the tools and technologies we use to optimize our refineries have been developed or enhanced as part of our molecule management program. Under this program, we have developed technology in both molecular fingerprinting and process modeling that we combine with our optimization tools to realize the highest value disposition for the various product streams produced within our refineries and chemical plants.

The benefits to our shareholders are significant. We estimate the current benefits of our molecule management program at more than $500 million per year when leveraged across our refinery network, and we have plans in place to expand these benefits beyond $750 million annually within the next few years.

What is your outlook for ExxonMobil's refining business?

We have consistently delivered, and I am confident we'll continue delivering, long-term growth in shareholder value superior to that of our competition through our capital discipline, structural advantages and commitment to technology. We are not resting on our laurels. Our opportunity pipeline is full. We believe this positions us well to further increase our lead over competition regardless of the future industry environment.

But to continue delivering these superior results, you've got to have world-class people, which we have throughout all parts of the corporation. They are the true source of our competitive advantage.

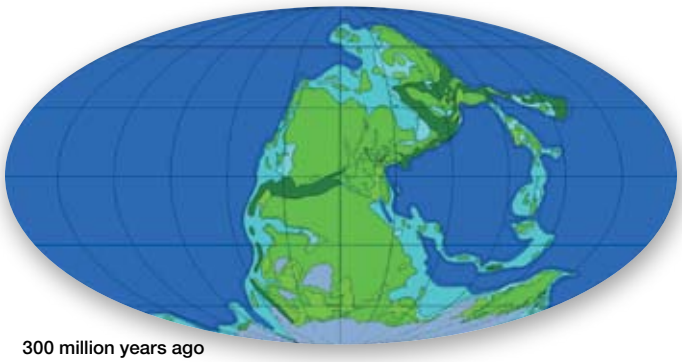
Setting strategies doesn't deliver results – people do – people who are sharp, creative, ready to embrace change, and committed to delivering outstanding results.

There is perhaps no better illustration of how our people have risen to the challenge than last summer following the devastating U.S. hurricanes. Over 25 percent of domestic refining capacity was directly impacted, including our four Gulf Coast refineries in New Orleans, Baton Rouge, Beaumont and Baytown. Our people did a terrific job responding to this crisis. Our Baton Rouge and Baytown refineries were back to full rates within a couple weeks, and our New Orleans and Beaumont refineries were on-line much earlier than the other refineries in the same area. This is just one of many examples of how our people consistently perform at their very best.

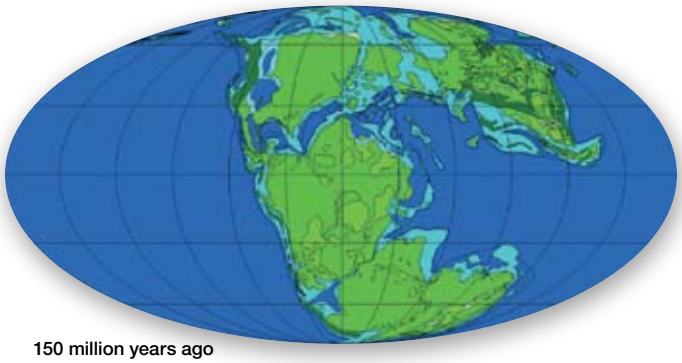
Our people are truly our most valuable asset. the**Lamp**

New play concepts

Scientists at ExxonMobil's Upstream Research Company, in Houston, are exploring for new oil and gas fields by creating sophisticated models that show how Earth's sedimentary basins formed and evolved. Their efforts, in collaboration with geoscientists at ExxonMobil Exploration Company, are revealing potential new oil and gas plays, even in parts of the world that have already been extensively explored.



300 million years ago



150 million years ago

Today

Earth's crustal plates have been drifting about the planet for hundreds of millions of years. Some 300 million years ago, the supercontinent Pangea began breaking apart (top). About 150 million years ago, as dinosaurs roamed, the continents we know today were just taking shape (middle). They are still moving as much as one inch per year (bottom).

Here is the recipe for oil: Gather large amounts of organic matter in a sedimentary basin, compress under enormous weight, and cook at moderate temperatures for millions of years. Seal in a reservoir until ready for use.

To find new oil and gas fields, ExxonMobil explorers look for those geologic kitchens where hydrocarbons may have formed. They search the world's 650 or so known basins where sediment accumulated. They study outcrops of rock, core samples from wells, and seismic data to determine which basins have potential sources of oil and gas, which have potential reservoirs and which have potential seals.

"Hydrocarbons are becoming harder and harder to find, but we think there are significant new accumulations of oil and gas yet to be discovered," says Ian Russell, New Play Concepts project manager. "ExxonMobil is harnessing its industry-leading research and technology to develop better ways to identify new plays."

Although few of the world's basins are completely unexplored, ExxonMobil is perhaps unique in its level of understanding of both currently explored and unexplored basins. The company uses this capability and its global experience to set priorities and guide investment decisions.

Modern views of the old Earth

New Play Concepts (NPC) is a broad research effort to enable us to find new oil and gas fields. The NPC team leverages its work through collaborations with major universities in the United States, Europe and Australia.

"We're looking for places where the conditions were right for oil and gas to form," Russell says. "Rainfall is important. Temperature is important. We want to know where the land masses were, and when. We need to understand how the continents pulled apart, where the rivers were, where reefs formed and what the climate was like when they did."

There were times, for example, when the now-frozen landmass of Antarctica was covered with forests, and what is now the top of Mount Everest was under a shallow tropical sea.

Brian West, a regional geologist at ExxonMobil Upstream

At ExxonMobil Upstream Research Company, in Houston, Brian West (foreground) and Ian Russell use proprietary geologic and climate models to look for places where oil and gas may have formed. Not many companies can rapidly evaluate and compare all the world's basins. ExxonMobil's ability to do so allows the company to leverage its size and scale for competitive advantage.

Research Company, built a computer model that combines both the movement of landmasses and climate patterns through geologic time. With a few keystrokes, West brings up the map of an Earth that's very different from today's. As the animation starts, the planet's single continent begins to rip itself apart. The pieces drift around, becoming Africa, Europe, Asia, North and South America, Australia and Antarctica.

"This is how we think the continents moved over the last 200 million years," West explains. "The shifting colors you see are climate patterns."

Watching the model run reveals some surprising information.

"We know that there were once great deserts at the equator, whereas today that is not the case," West notes. "In fact, today's climate is not a good model for yesterday's climate. One reason is that the distribution and variety of plants has changed through the ages."

Today, rain forests at the equator hold moisture, make the air humid, build clouds and create rainfall, keeping the forests lush.

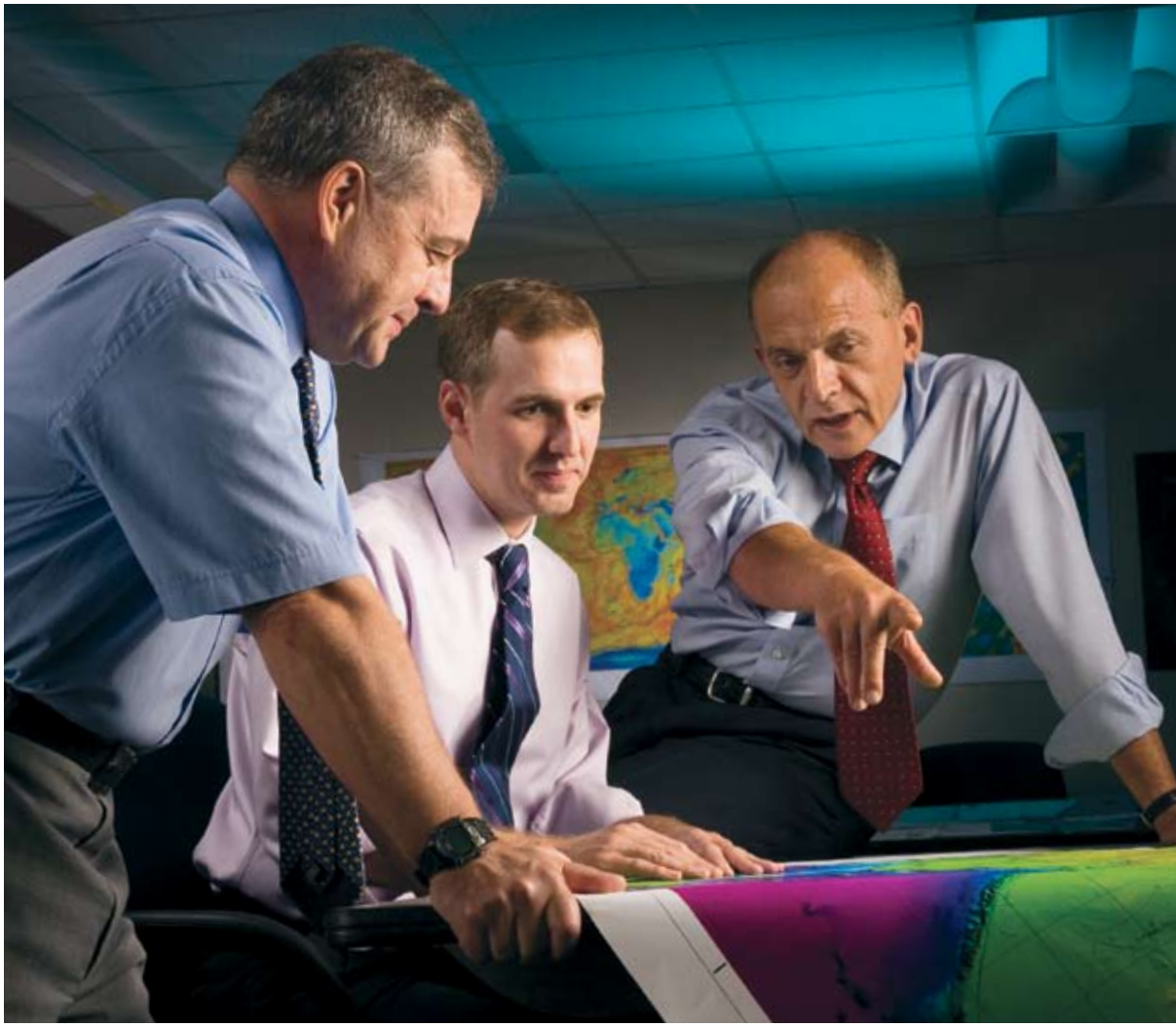
"If you go back hundreds of millions of years to a time when there were no grasses or flowering plants, you begin to appreciate that the interaction between vegetation and climate is very important," West says.

As a sedimentary basin forms and the necessary geologic conditions evolve to create oil and gas, heat is an important factor. Heat helps turn organic matter in the source rock into oil and gas, but if a source or reservoir was too hot for too long, there wouldn't be any oil or gas left. It would have cooked off long before humans ever walked the Earth.

"Part of our research is to locate reservoirs that for geologic reasons might not have been as hot as we previously thought," Russell adds. "In some cases, that means looking deeper than we have gone before, even under existing reservoirs, such as we have done in the Niger Delta, Equatorial Guinea and the Gulf of Mexico."

Of course, it's hard to know just what happened millions of years ago, but the NPC models show how things could have been, based on the information at hand.

"The models allow us to test our theories," Russell says. "And we constantly update the models as new data from exploration wells and seismic surveys come in."



Steve Creaney (left), Michael Deal and Bob Gistri use information generated by the New Play Concepts team to develop upstream business opportunities for ExxonMobil.

Identifying new plays

Bob Gistri is the New Business Identification manager for ExxonMobil Exploration Company (EMEC). His group is a client for much of the work done by the New Play Concepts team. A world map on the conference room wall shows all the familiar continents, but colored to show when the rocks were formed.

"Everything in pink is what we call shield area," Gistri says, pointing to large portions of Canada, the Baltic, Eastern Siberia, and the central parts of India, Africa, Australia and South America. "These are the world's oldest rocks. They are the hardest to rift open, so any cracks in the land tend to form around the edges. This is where basins form. When shield areas drift together, they push up mountain ranges like the Appalachians and Himalayas."

To the untrained eye, Gistri's map is simply colorful, but geologists can read it like a timeline of the Earth.

Moving into new plays

Since its beginnings three years ago, NPC, collaborating with EMEC, has highlighted several new regions for ExxonMobil and its business co-venturers to explore, including the Orphan basin offshore eastern Canada and the Majunga basin offshore Madagascar.

"Identifying a potential new play triggers a business decision to proceed or not," says Michael Deal, an exploration supervisor for Madagascar. "If the answer is 'yes,' we begin acquiring leases, conducting seismic surveys and planning wells."

Information from seismic surveys and new wells brings a broader and deeper understanding of the area.

"Gaining such an understanding is key to our plans in Madagascar," Deal says. "When we drill that first well, we'd love to make a giant high-quality discovery; but if we don't, it's absolutely critical that we capture the data that will tell us where to drill next."

Drilling gives the explorers information that they can't get any other way. Well logs reveal what types of rocks lie below, how the layers are deposited and the temperature and pressure at every depth. Using data from the first well, the NPC team can modify its model and reduce the number of assumptions, so that if there are any hydrocarbons to be found, the next well will be closer to the mark.

"There is always a lot of uncertainty in new plays," Gistri says. "That's the value of NPC. It allows us to adopt a more comprehensive approach to systematically understand the basin and reduce the range of uncertainty, especially in the early part of a basin's exploratory history."

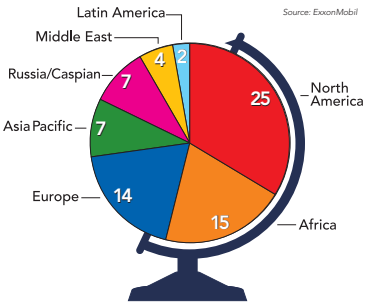
In many of the world's hydrocarbon basins, oil was not discovered until the operators had drilled many wells. NPC's scenarios showing how the hydrocarbons may have formed are helping ExxonMobil's explorers make better decisions about where to drill early on.

"In our effort to find new opportunities, NPC is a great step forward," Gistri says. "We're looking at areas in the world where we have sparse data, so we make decisions using internally consistent, scenario-based models. The better we get at modeling and predicting, the better off we'll be."

Today's energy earnings. To meet tomorrow's energy demands.

When ExxonMobil is financially successful, it's good news for the more than 2.5 million Americans who directly own shares in our company, and the millions more who do through their pension, insurance and mutual funds.

Energy company earnings are also important for meeting the world's future requirements. Because they enable us to continue making sizable and vital investments that benefit everyone in the long run.



ExxonMobil investments 2001-2005
($U.S.Billion)

Developing new energy is expensive. The International Energy Agency estimates that industry needs to invest an average of over $200 billion each year between now and 2030 to meet future oil and gas needs. ExxonMobil is doing its share to reach this goal, investing, on average, almost $50 million a day during 2005.

In the last five years, we have invested $74 billion on six continents to search for new supplies, build new production facilities, expand refining capacity and deploy new environmentally-sound technologies. In fact, over the last fifteen years, we have invested *more* than we have earned.

Our earnings go up and down with the business cycle. But our commitment to plan (and invest) for the future does not.

ExxonMobil
Taking on the world's toughest energy challenges.™

Disciplined success

Don Humphreys joins the Exxon Mobil Corporation Management Committee as senior vice president and treasurer.

Don Humphreys says few companies in the world can match ExxonMobil's financial strength, which can also have a positive effect on a country's debt rating.

For Don Humphreys, few things in life can compare with the experience of standing in the middle of a cold, swiftly flowing trout stream in Alaska with fly rod in hand and preparing to make the next cast.

"It has a way of clearing the mind because, to get the cast to go exactly where you want it to go, you can't be thinking about anything else," says Humphreys, recently elected to the Exxon Mobil Corporation Management Committee as senior vice president and treasurer.

For 30 years, Humphreys has applied that same level of focused, disciplined thinking in managing the fiscal affairs of ExxonMobil operations from Baytown, Texas, to Kuala Lumpur, Malaysia, to Dallas.

Today, Humphreys serves as Management Committee contact executive for a wide range of functions and businesses.

Global Services, including ExxonMobil's worldwide information technology, procurement and real estate activity, reports to Humphreys, as do the corporate departments of Human Resources, Tax and Treasurer's.

His business-line responsibilities cover ExxonMobil Fuels Marketing Company, which retails fuels through about 35,000 service stations in 100 countries.

"It has been exciting to be able to bring my financial and general-management experience to the work of the Management Committee," says Humphreys.

 Story by Mike Long Photography by Jim Reisch

# of a fly fisherman

AAA reputation

From his perspective of working in the financial arena, including a recently completed four-year term on the U.S. Financial Accounting Standards Advisory Council, Humphreys is passionate about the reputation that ExxonMobil enjoys for disciplined, straightforward controls and accounting standards.

"You hear a lot about the major changes that companies had to make to bring their accounting and controls practices up to Sarbanes-Oxley standards," says Humphreys. "That wasn't the case with ExxonMobil."

Humphreys adds that ExxonMobil's outstanding financial strength is a true competitive advantage.

"It's reflected in the AAA/Aaa credit rating the company has maintained for 87 years. Although we have a complex business, the rating agencies recognize our results are transparent and easy to understand."

Indeed, ExxonMobil is one of only seven companies, and the only energy company, rated AAA by the three major credit agencies – Moody's, Standard & Poor's and Fitch. The highest credit rating earns a company the best interest rates, which lowers the cost of borrowing.

Global energy access

Humphreys notes that the AAA rating is a strategic asset in securing access to energy resources for development.

"Host governments and other venture participants can trust that we have the financial means to deliver on our commitments."

That financial wherewithal has allowed ExxonMobil to help governments arrange project-financing structures that attract international investment. A recent example was the $4.6 billion financing of joint-venture LNG facilities in Qatar. Other recent large project financings have occurred in Kazakhstan and Nigeria.

"Our participation has enabled these projects to obtain highly attractive interest rates. Even more impressive is the fact that these project financings have actually helped improve the entire country's debt rating. Few companies can claim that kind of financial strength."

Competing in world markets

Humphreys notes that with today's global energy challenges, it's more important than ever to have U.S. companies that can compete in world markets to provide consumers with greater energy access.

"Yet, it's ironic that we have seen Congressional proposals for windfall-profit taxes that target major integrated oil and gas companies. Such ill-conceived taxes can undermine the ability of U.S. companies to compete, at a time when government should be encouraging increased energy supply."

In any event, it's not that the industry and ExxonMobil aren't already paying their fair share of taxes. The company's worldwide tax bill in 2005 was nearly $99 billion. Its effective tax rate was 41 percent, compared to 38 percent for the oil industry as a whole and 33 percent for the entire U.S. business community.

Focused on managing costs

Cost management is particularly important in the extremely competitive fuels-marketing business. The barriers to entry are quite low for such big retailers as *Wal-Mart* and *Home Depot*, which also are quite efficient at what they do.

"To compete and achieve an acceptable return, we have to remain focused on managing our cost structure," says Humphreys. "At the same time, we will look for opportunities to grow our non-fuels margins, including our convenience-store offerings and car washes."

Humphreys says innovations in information technology (IT) will be essential tools for addressing those objectives.

"IT has become an integral part of all of our businesses. We continue to explore new applications. IT is a competitive advantage, and we intend to keep it that way."

Sound models, on and off the job

Humphreys' ties to the oil industry and the fiscal end of the business started at birth. He grew up in Tulsa, Oklahoma, when it was still called "The Oil Capital of the World." His father worked as a lease and royalty accountant for Amerada Hess Petroleum. He later graduated from Oklahoma State University with a degree in industrial engineering.

Humphreys joined Exxon in 1976, after receiving an MBA degree from the Wharton School of Business. "I started at Exxon Chemical in Houston. I was especially impressed with Exxon's system of supervisors being responsible for developing the people who worked for them. I thought it was a sound model, and I still do."

Balancing work and family life is important to Humphreys. Helping him maintain that balance are his wife, Cathey, and their three daughters.

Then, there's his passion for fishing. For three years straight, Humphreys has traveled to Alaska for fly fishing, a sport he considers somewhat technical and one that requires a lot of disciplined thinking. That focus paid off last summer when he caught a rainbow trout 29 inches long and weighing nearly 13 pounds, although it required 45 minutes of painstaking concentration to avoid breaking the line.

Humphreys reiterates that disciplined thinking is among the values that have made ExxonMobil a model for global success for 124 years.

"On the first page of the 2005 annual report, you will find listed the values we live by – consistency, integrity, discipline, reliability and ingenuity. Those values say a lot about who we are and how we get results. And they will continue to apply to who we are 100 years from now." the**Lamp**


A dream
CALCULUS

come true

With the help of ExxonMobil's West African Controller's scholarship program, Raquel Castro is living her dream.

Raquel Castro felt the first surge of emotion while sitting with her fellow graduates on stage at the University of Houston last December. "I suddenly realized my dream had come true," she says in nearly flawless English, a language that four years ago she could barely speak. "It feels silly saying it, but I cried."

She wasn't the only one with tears in her eyes. From her seat on the stage, Castro saw her mother dab her eyes. Her parents and brother had flown from their home in the African country of Angola to attend the ceremony. When it was her turn to accept her diploma, with *magna cum laude* attached to her name, her father, not prone to bursts of emotion, stood up and clapped and cheered. Her mother cried harder.

Raquel thanks her parents, of course, for that day, as well as many of her professors and friends. But she says it was the support of ExxonMobil's scholarship program, which paid for her last two years of college and provided living expenses, that truly made everything possible. "Being awarded that scholarship was the best thing that ever happened to me," she says.

To appreciate the scope of Castro's achievement, flash back to 2001, when she arrived in Texas from Angola, a 19-year-old determined to get an American education. At the time, the graduation scene was only a dream in a world filled with strange sights, tastes and sounds, another language to learn, a new culture to absorb. "I didn't even know how to use a credit card," she says. "I was so scared. Everything was so fast and huge."

What she hoped for was a business degree in accounting from the University of Houston's Bauer College of Business. But she could only afford to take classes at a community college, and the dream seemed to be slowly dying. Then one day she got a call from ExxonMobil. She had been accepted into the Africa Group Upstream Regional Controller's scholarship program, a program that pays for tuition for a degree from the University of Houston's business school, as well as living expenses, for students from African countries where ExxonMobil has operations and who plan to return to those countries. When they go back, they are offered a job at ExxonMobil's local affiliate. According to Castro, that's one of the best things about the program. "In Angola, ExxonMobil is the best company in the country to work for."

Gerald McElvy, president of the ExxonMobil Foundation, was among the original champions of the scholarship program, which is part of a broader effort by ExxonMobil to hire nationals from countries where the company has operations. McElvy says it's both good for the individual and good for business. "In addition to obtaining individuals with specialized knowledge of the country and local society," he says, "employing nationals is one of the most cost-effective ways to acquire the expertise and the technical and business knowledge we need to operate."

It's also beneficial to ExxonMobil when the local work force includes nationals educated in the home country as well as the United States. "All employees are provided a fair chance to succeed. The U.S. program's value derives from providing quality graduates with fluency in the English language and knowledge of ExxonMobil's business practices," McElvy says.

Castro was a perfect candidate for the program. "From the first time we met her, we were highly impressed with Raquel," says ExxonMobil Production Company Africa Regional Controller John Podraza. "She is smart, poised, ambitious and has exceeded our expectations."

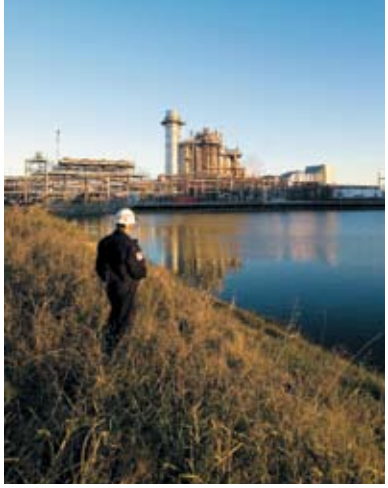
Castro says the program offered more than scholarship money. Podraza and others in ExxonMobil's Africa group invited her to their offices and helped with her studies, helped her adjust to American life, and even took her to University of Houston football games. "They made me feel like I was smart and needed," Castro recalls. "I always had an idea that I could be successful. Now I know I'm going to be."

Castro is now working as an accountant for ExxonMobil affiliate Esso Angola. According to Podraza, she and the three others who received the scholarships before her are all doing extremely well. "We're getting great feedback about Raquel and our other scholarship students," he says. "It's been a very successful program." As for Castro, she's glad to be back home, and she loves her job. "I'm so lucky," she says. theLamp

To learn more

exxonmobil.com/education

With help from ExxonMobil, Raquel Castro earned a degree from the University of Houston's Bauer College of Business last December. Her parents, Adilia and Jose, and her brother, Nuno, traveled from Angola for the graduation ceremony.



Reducing energy use at facilities such as the Baytown, Texas Refinery, Chemical Plant, and Olefins Plant (left) has decreased costs and lowered emissions. Expanded use of cogeneration (the simultaneous production of electricity and steam) from facilities like these at Beaumont, Texas (right), has been a key factor in improving energy efficiency.

Efficiencies up, emissions down

Improving energy efficiency is reducing energy consumption and emissions at ExxonMobil operations worldwide.

It takes lots of energy to produce crude oil and natural gas, convert them into useful products and distribute them to consumers worldwide.

With oil now costing as much as $70 per barrel, the incentive to reduce energy use, and thereby lower operating costs, has never been greater. And less energy consumed means fewer emissions of carbon dioxide, other greenhouse gases, nitrogen oxides and other pollutants.

Efforts to save energy occur daily at every ExxonMobil operation. Because refineries and chemical plants use far more energy than other facilities, much of the energy savings focus is on the company's downstream and chemical businesses.

"Refineries and chemical plants produce heat, so saving energy involves recovering and reusing that heat," explains Brian Flannery, strategy and programs manager in Exxon Mobil Corporation's Safety, Health and Environment Department. "A refinery uses heat to separate crude oil into unfinished components that are then further processed – using more heat – into gasoline, motor oil and other products. Chemical and lube plants operate in much the same way, using heat to turn raw materials into saleable products."

All that heat generates a staggering energy bill – about $7.5 billion in 2005 for ExxonMobil's refineries and chemical plants. That's nearly half the total cash costs of operating these facilities.

"Refineries and chemical plants account for nearly 80 percent of our total energy consumption, and more than half our greenhouse gas emissions," says Sherri Stuewer, ExxonMobil's vice president – Safety, Health and Environment. "Obviously, that gives us a clear incentive to identify economic opportunities to improve our energy efficiency. Every unit of energy we save extends the world's supply, lowers our operating costs, and reduces our emissions."

This isn't a new concept for ExxonMobil. Improving energy efficiency has been a focus of our operations for decades. However, increasing concerns with greenhouse gas emissions and rising energy costs have given new impetus to these efforts.

GEMS saves energy worldwide

A broad range of steps is helping ExxonMobil identify new ways to reduce energy. Some actions are simple and inexpensive, others complex and costly. It's all part of Refining and Chemical's Global Energy Management System (GEMS), which for the past several years has been responsible for tremendous improvements in energy efficiency, particularly in the company's downstream and chemical facilities.

"With input from our global refining and chemical organizations, we developed a comprehensive and rigorous set of energy-saving practices that are achieving outstanding results," says Brian Eidt, ExxonMobil's GEMS initiative leader. "The system addresses key aspects of our operations, from optimization of existing process units and major equipment to project design of new facilities. Everyone has a role to play – from plant management, to process engineers and equipment specialists, to operating personnel. The system features overarching global objectives, site-specific performance targets, and clear accountability for results."

Those results are impressive. According to Exxon Mobil Corporation Senior Vice President Steve Simon, the company achieved its best-ever energy efficiency in 2005. "We're improving at a rate about twice that of the industry average," says Simon. "GEMS is driving our performance, with more than $1.5 billion of annual savings identified since the program was launched in 2000."

Energy efficiencies introduced through GEMS are already avoiding greenhouse gas emissions of about 7 million metric tons each year, which is roughly equivalent to removing a million cars from U.S. roads.

To learn more
exxonmobil.com/efficiency

Story by Thomas L. Torget

In 2005, the American Chemistry Council recognized energy efficiency projects at ExxonMobil Chemical Company manufacturing sites that are saving in excess of 3.9 trillion Btu annually. The improvements at the company's Baton Rouge, Louisiana; Baytown and Beaumont, Texas; and Edison, New Jersey, chemical plants are yielding energy savings equal to the needs of more than 19,000 households, and reductions in carbon dioxide emissions of more than 220,000 tons per year.

Recent GEMS initiatives include:

▶ In Louisiana, the Baton Rouge Refinery improved furnace efficiency through a combination of operational improvements and facilities enhancements, reducing fuel firing by nearly 1 trillion Btu per year, with an associated reduction in greenhouse gas emissions of more than 125 million pounds per year.

▶ In Texas, the Baytown Chemical Plant reconfigured aromatics processing facilities to achieve a 30 percent reduction in energy use.

▶ In England, the Fawley Refinery converted a conventional distillation tower to a dividing wall column (ExxonMobil's first), improving product quality and reducing steam consumption by 50 percent.

▶ In Japan, the Chiba, Kawasaki and Wakayama refineries are implementing advanced control programs to enable real-time optimization of fuel, steam and electricity.

▶ Worldwide, refineries and chemical plants optimize more than 15,000 key energy variables daily, resulting in substantial no-cost or low-cost energy savings. Ongoing investment in energy efficiency projects will provide step-change improvement at many sites over the next several years.

While much of the GEMS activity is focused on refining and chemical processing, there also are energy-efficiency steps being taken in fuels marketing and transportation, lubes blending and packaging, as well as exploration and production. For example, U.S. Fuels Marketing is reducing energy use in retail stores by controlling building and refrigeration temperatures from centralized locations. The result is an average energy savings per site of 11 percent.

Cogeneration a leading energy saver

A strong contributor to ExxonMobil's energy efficiency gains is its growing use of cogeneration technology, often referred to as "cogen" or combined heat and power. Used at refineries, chemical plants and production facilities, cogeneration is the simultaneous production of electricity and steam. The process can be twice as efficient as traditional methods of producing steam in boilers and purchasing electricity from the local power grid. Cogen produces electricity at a much lower cost and with much higher reliability than conventional alternatives.

ExxonMobil is an industry leader in the use of this technology. The company has interests in 85 cogen installations in more than 30 locations around the world representing capacity of approximately 3,700 megawatts, enough to power nearly 3 million U.S. homes.

"In the past two years alone, we've added over 800 megawatts of cogen capacity at our Beaumont and Baytown, Texas integrated complexes, our Sarnia, Canada, facility and our natural gas processing plant in Sublette County, Wyoming," says Rick Meidel, power projects manager for ExxonMobil Gas & Power Marketing Company. "These capacity additions represent an investment of approximately $1 billion, and required four to five years of professional development to design and construct each individual project. These latest investments combine with our existing cogeneration assets to effectively reduce carbon dioxide emissions by 9 million metric tons per year."

Meidel adds that the company is continually considering new initiatives, and has cogeneration projects under development in Belgium, Singapore and several other locations. On a corporatewide basis, ExxonMobil now self-generates about half its energy requirements. That's a remarkable achievement, resulting in improved efficiency, lower costs and reduced emissions. the**Lamp**

In the company of giving people

Wherever ExxonMobil is doing business in the world, you will find employees giving to their communities.

Richard Garry had nearly lost hope. Every time he stood up, shooting pains wracked his body from injuries he had sustained throughout the years. Then, in 2004, he was diagnosed with lung cancer. To top it off, the modest house he and his wife had bought in Houston nine years earlier was crumbling around them, and he was powerless to do anything about it.

Then one Saturday, Garry is visited by an army of Houston-based ExxonMobil employees armed with hammers and saws and paint, and a heap of energy and goodwill. They are volunteers for Rebuilding Together Houston, a nonprofit group that coordinates home repairs for the poor, elderly and disabled. By the time the ExxonMobil employees leave early that evening, the house looks new to Garry.

"It was nothing less than a miracle," he recalls. "You know when you're sick and tired how everything looks hopeless? That's how I felt. But when you get some help, when you see people actually taking time to help, it's so uplifting. It's like we got a new house and a lot of hope."

From African villages to Texas classrooms to the windswept shores of Virginia to Richard Garry's neighborhood, ExxonMobil employees are giving to their communities. On any given day, in any of the more than 200 countries and territories where ExxonMobil does business, company employees are building community centers, caring for orphans and restoring waterways. They're feeding the homeless and helping the elderly and the poor. From top corporate executives to field engineers, they are opening wallets and blocking out days on their calendars to help bring hope to their communities.

Transport yourself halfway around the world to a struggling hospital in the coastal city of Soyo, about 200 miles north of the Angolan capital of Luanda. There a group of about 40 volunteers who work for Esso Angola, an ExxonMobil affiliate, awaits a shipment of goods, funded by ExxonMobil Foundation's Africa Health Initiative, to supply the city's municipal hospital. As soon as the goods are delivered, the volunteers form a long line, and in a short time boxes are unpacked and the supplies are put into place.

Next, head to Malaysia, where ExxonMobil volunteers are distributing school uniforms, toys and books they bought for orphans. Or in the same country, watch them work to help feed and house victims of the tsunami or help rehabilitate a mango forest.

Back in the United States, outside Fairfax, Virginia, more than 100 ExxonMobil employees are spending their Saturday cleaning

 Story by Amanda Coyne Photography by Ed Lallo

Great companies are those that make real differences in the lives of real people. In any of the more than 200 countries and territories where ExxonMobil does business, employees are giving back to their communities and making those real differences.

"We encourage our employees to give to the community. We do so because we understand that we're part of any community where we do business."

the shoreline along Occoquan Bay. Meantime, in Irving, Texas, Paul Sullivan, Exxon Mobil Corporation's vice president and general tax counsel, prepares for a board meeting of Junior Achievement of Dallas, Inc., an organization that brings businesspeople together in public classrooms to teach business and economics to young people throughout the region.

Giving time and money

Because of the broad range of voluntary work, only the fraction of time ExxonMobil employees spend giving to their communities through ExxonMobil-managed programs is tracked. During 2005, some 12,000 ExxonMobil employees, retirees and their families volunteered more than 826,000 hours to about 5,800 charitable organizations in 22 countries through company-sponsored volunteer programs – 94 years of volunteer time.

Employees and retirees also donated more than $35 million through ExxonMobil's higher education, cultural and disaster relief matching programs, and employee giving campaigns. When combined with ExxonMobil Foundation's matching grants and Exxon Mobil Corporation contributions, qualified recipients received more than $168 million.

Gerald McElvy, president of the ExxonMobil Foundation, is proud of the employees. "We are elated by those numbers," he says. "Our employees are very generous with their money and time."

Anne Neeson, vice president of United Way of the Texas Gulf Coast, describes ExxonMobil employees as volunteers the community can count on. "I've been with United Way for 21 years, and what constantly amazes me is ExxonMobil employees' amazing generosity with their time and talent," she says. "There hasn't been a time when we called with a need and they said anything but 'yes.'"

Generosity is contagious

ExxonMobil Foundation, the main philanthropic arm of the company, has a long history of giving. In the 50 years since the foundation's inception, it has donated more than $3.5 billion to charitable organizations. That spirit of generosity has come to characterize ExxonMobil employees. It is, in fact, an accepted and integral part of the company culture.

"We are a company that strives to provide positive contributions to communities where we operate facilities and our employees live," says McElvy. "We encourage our employees to give to the community. We do so because we understand that we're part of any community where we do business."

And one strong effort begets another. For ExxonMobil employees, the good feeling they get from volunteering and giving is contagious.

Tom Walters, president of ExxonMobil Global Services Company, serves on the board of Rebuilding Together Houston, the nonprofit organization that helped renovate Richard Garry's home. Walters became involved with the organization after heading ExxonMobil's Houston-area United Way campaign in 2004.

"Seeing the depth of our employees' commitment," he says, "made me want to be more involved. Not only does volunteering feel good, but people at ExxonMobil recognize its value in how the company is perceived. So many employees working on so many projects – it all adds up and makes a terrific impact. Everybody wins – our community, employees and ExxonMobil."

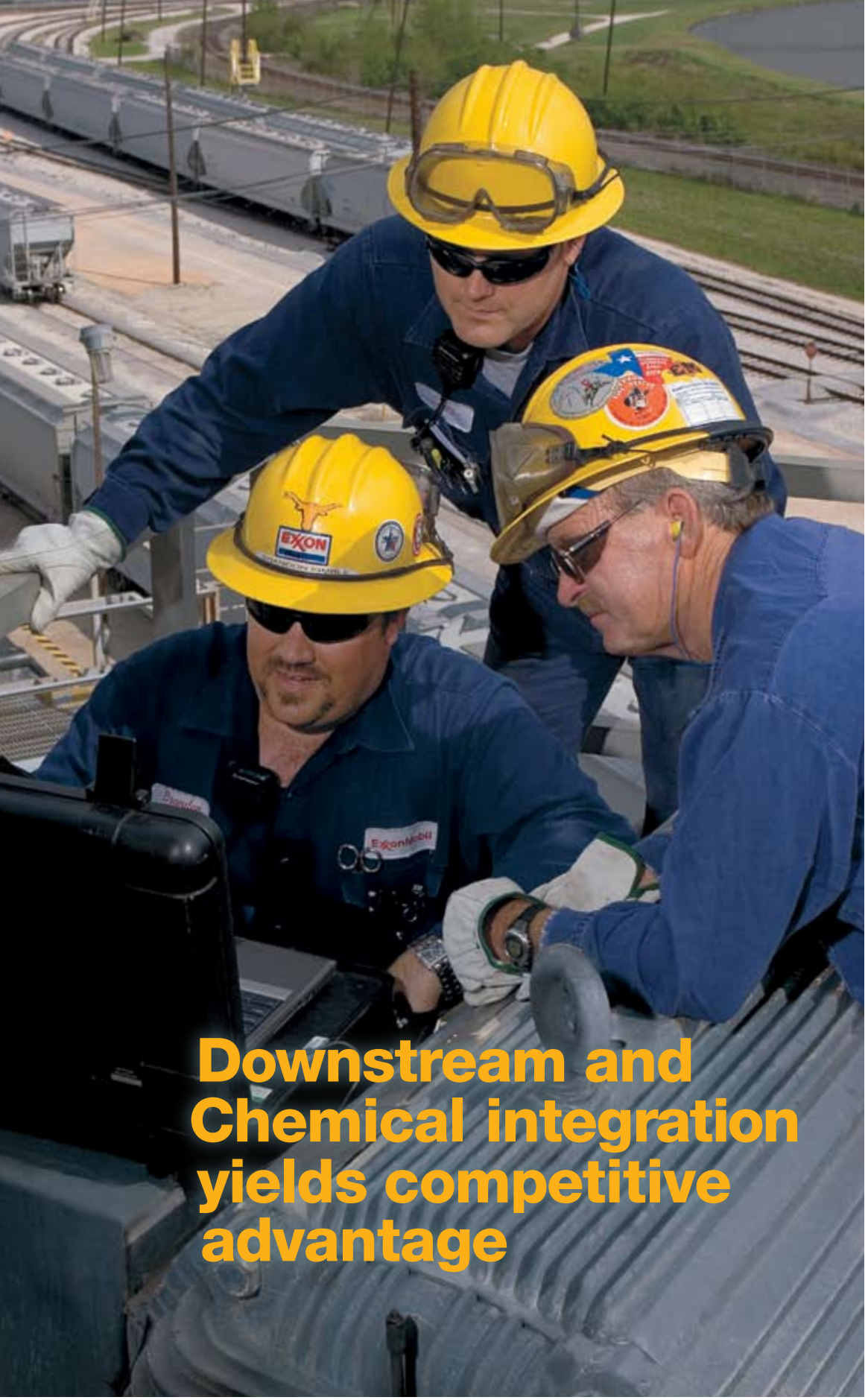
To learn more
exxonmobil.com/community

A company of people

People like the children who benefit from the highly acclaimed Junior Achievement program. "I see those kids coming to our meetings and telling us how much they appreciate what we've done for them," Sullivan says. "And I know it's worth it."

People like the hurricane victims in Louisiana who are being given clothing, and food and shelter.

And people like Richard Garry. "I feel blessed to have gotten a visit from the company. Those people poured their heart and soul into my house. And they passed some of that heart and soul on to me." the**Lamp**



Downstream and Chemical integration yields competitive advantage

ExxonMobil is an innovator in integrating refining, chemical and other downstream operations. Capturing the synergies between them has been a core strategy for many years. The payoff is unmatched operating flexibility, reduced costs versus the competition and higher shareholder value.

Around the globe, most of ExxonMobil's refineries and chemical plants are co-located, providing tremendous opportunities to integrate operations.

"Integrating these sites gives us a unique and significant advantage in the marketplace," says ExxonMobil Vice President for Global Refining Don Daigle. "We're able to capture the benefits of common work practices and share support services across all of our operations, which translates into lower costs and production of more high-demand consumer products such as gasoline, diesel fuel, heating oil, lubricants or chemical feedstocks that will be turned into plastics for fuel-efficient vehicles and other consumer products. Due to the size of our facilities, we are able to benefit from continued economies of scale."

Integration also allows adjacent company operations to share the costs of equipment engineering, maintenance, product testing laboratories, training, safety, environmental protection, energy and utilities coordination, certain areas of technology development, and project management. Overhead costs for such support services as Human Resources, Law, Information Technology, Procurement, Controller's, Public Affairs and office building services are also shared.

"But perhaps the most important benefit of our downstream-chemical integration is the ability it gives us to respond

 Story by Thomas L. Torget Photography by Ed Lallo

All ExxonMobil co-located refining and chemical facilities have achieved major cost reductions by integrating operations and procedures. At the Baytown, Texas Complex (left), electricians use a computer to adjust the operation of a motor. The refinery and chemical plant's maintenance operations (above) and laboratories (right) have been integrated into shared organizations.

so rapidly to changing market conditions," notes Bruce Macklin, ExxonMobil's vice president for Global Operations.

"In literally minutes, our sites can alter the mix of the streams we're running at a chemical plant or its adjacent refinery. It is difficult to overstate how important that flexibility is in today's hyper-competitive and ever-changing market. We believe this is a significant competitive advantage."

Early integration step was safety focus

Integrating refining, lubes and chemical operations is not new to ExxonMobil. With safety a core value of our operating units, it made sense that we started with the integration of our safety, health and environmental programs. Capturing 'best practices' of both the chemical and refining businesses has helped ExxonMobil lead the industry and reduce on-the-job injuries for both our employees and contractors.

The initial attention was focused on improving the coordinated use of raw materials at joint refining-chemical complexes and optimizing the placement of refinery and chemical streams.

More recently, "molecule management," an advanced tool for coordinating the use of raw material, has been used at joint complexes by ExxonMobil's scientists and engineers. It's designed to ensure that every drop of raw material is used in a way that maximizes its potential value, regardless of whether it's used to make a chemical feedstock or a petroleum product. This molecular fingerprinting and modeling technology enables engineers to understand key characteristics of crude oils and other materials, right down to their molecular makeup. The result is more precise selection and blending of crude oils and other streams with properties that produce maximum yields of high-value petroleum and chemical products.

"Molecule management has allowed us to optimize raw material use from the perspective of the entire integrated facility, rather than doing what's best just for refining or just for chemical or lubes," explains Mike Esparza, operations support advisor in ExxonMobil Refining and Supply Company. "That flexibility provides tremendous benefits, and those benefits are difficult for our competitors to replicate if they lack co-located, integrated facilities."

Similarly, the refinery obtains from the adjacent chemical plant various streams that it uses. At ExxonMobil's largest refining-chemical complexes, about 60 streams are continuously exchanged. Because each adjacent facility obtains so many of its needed streams directly from the other, there is less need for storage tanks and other hardware that would be required by a stand-alone facility. And this materials integration allows for lower inventory levels at both the refinery and the chemical plant.

Effective molecule management also results in higher capacity utilization of company plants, which increases supplies and reduces the cost of virtually every product and feedstock made. Lower costs and higher utilization create a more competitive marketplace and translate to higher shareholder value and increased production of consumer products.

Integration efforts accelerate

Beginning in 2003, efforts to take full advantage of 20 identified synergy opportunities at joint refining-chemical complexes were initiated around the world. One key initiative has been the consolidating of mechanical operations, which play a critically important role in plant performance and reliability.

Traditionally, each refinery and chemical plant maintained its own mechanical organization, often with processes, procedures and even tools and vocabulary that were different from the ones used "across the fence." Beginning with the Baytown, Texas complex, company mechanical organizations worldwide are now being fully integrated, with common practices, procedures, tools and training.

"Currently, we have three new major integration programs being rolled out," says Mike Esparza.

"One focuses on increasing the reliability of our global manufacturing operations, another aims to take automation in many of our manufacturing processes to the next level, and the third substantially improves the efficiency of our workforce training programs."

Financial prize is significant

More than 75 percent of ExxonMobil's refining capacity – and more than 90 percent of its owned and operated chemical capacity – is integrated with other company operations.

What's the financial benefit of all that integration?

"The benefits continue increasing each year," Says Steve Simon, senior vice president of Exxon Mobil Corporation. "In just the last four years, we have grown chemical and refining synergy benefits by more than $500 million. And we expect these credits to grow each year in the future. Moreover, integration synergies are a key ingredient in the growth projects we're pursuing in Asia, the Middle East, the Americas and Europe. These synergies give ExxonMobil a real competitive advantage in our downstream and chemical businesses, and that's good news for our shareholders and our customers." the**Lamp**

A safety culture greets a cell-phone world

When you're out driving, how can you tell if the vehicle next to you is being driven by someone working on behalf of ExxonMobil?

The driver won't be talking on a cell phone. It's against company policy.

Why would you notice an *Exxon*, *Mobil* or (outside the United States) *Esso* delivery vehicle at all?

For starters, there are a lot of them out there and they cover a lot of ground. As Global Fuels Marketing Customer Service Manager Deborah DiDonato explains, "In our U.S. operations, more than 250 delivery vehicles travel about 100,000 miles a day to deliver 16 million gallons of fuel. Worldwide, it takes almost 3,000 delivery vehicles and close to a million miles a day to deliver more than 71 million gallons."

But even if you know it's an ExxonMobil vehicle, you won't necessarily see the safety culture that surrounds it.

Risk assessment is key

For example, the driver will be on a pre-approved, risk-assessed route that considers the safest, most efficient approach to the customer's location. Routes are reviewed for many risk factors such as road condition, visibility, traffic, flooding possibility and school crossings. Each route is reviewed annually to be sure it remains the best and safest way to bring fuel to customers.

ExxonMobil fleets practice this approach in more than 80 countries. A driver bringing fuel to a mine high in the Andes Mountains benefits from the same risk-assessment procedures (from sea level to thousands of feet high in the mountains) as an ExxonMobil driver delivering fuel to a service station in the United States.

Finally, by seeing a company vehicle on the road, you wouldn't know that the incident rate of company vehicles is less than one per million miles driven. That's the best record in the industry. If you were an average motorist driving 20,000 miles per year and wanted to equal this rate, you would have to drive 50 years – without a ding.

Without a ding? "That's right." says DiDonato. "We count everything, everywhere – even incidents found to be caused by other parties."

Why no cell phones while driving?

Nobody disputes the importance of safety. But some people might wonder what is so bad about using cell phones while driving. Many drivers use cell phones frequently. At any given intersection, it seems more people are using cell phones than not. So, what's the problem?

According to ExxonMobil Global Fuels Marketing Safety, Health and Environment Advisor Shelly Mark, "Many things can impair a driver's effectiveness. For example, the effects of blood-alcohol content have been known for years. Since 2004," she continues, "more documentation has become available about cell-phone usage and other distractions."

After ExxonMobil weighed the evidence on cell phone use, some startling conclusions appeared. Among the findings:

- A delay in brake activation three times longer than the reaction deterioration found in drivers under the influence of alcohol;

▶ A fourfold increase in risk associated with the use of a cell phone while driving as compared to not using a cell phone;

▶ A compromise in the safety margin (the following distance in adverse driving conditions) provided by a fully aware and responsive driver; and

▶ No difference in the level of safety for the use of hands-free compared to hand-held design cell phones.

"For many of us," says Global Fuels Marketing Fleet Manager Alan Iafrate, "the surprising conclusion was that hand-held and hands-free devices were equally risky. But the numbers tell the story."

Iafrate points to another subtle issue. "When you're driving," he says, "it's just as distracting to get messages as it is to have a conversation. When you focus on dialing or listening for phone numbers or try to hear over road noise, you are actually forcing yourself to shut out the very things on the road that you should be paying the most attention to."

▶ To learn more
exxonmobil.com/safety

To appreciate the distraction issue, think of having the same conversation on a cell phone as you might have with a person sitting next to you. In the same car, both of you are aware of the traffic and road conditions. But when one party is not aware of the traffic – and is taking the attention of the other at the same time – it adds up to real distraction.

No resistance from the professionals

Given how commonplace cell phone usage has become, was there any push-back from drivers or contractors because of the ExxonMobil cell-phone ban?

"Not really," says Deborah DiDonato. "We only work with contractors who are willing to adopt our operational commitments – which are usually more stringent than those of the industry in general. The cell-phone ban is now part of all of our contracts."

"But above all," Shelly Mark adds, "our professional haulers and drivers responded to the information behind this policy rather than just to the policy itself. In our communications with drivers, we work to ensure they understand the reasons behind a policy or procedure. We also stress the personal benefit of making certain that they will get home safely each day."

According to DiDonato, 2005 was the first full year with the cell-phone ban, and the results are significant and encouraging. "We've already had a 50 percent incident improvement since 2000," says DiDonato. "So I have no doubt that our drivers can extend this reduction with better observations and improved technology."

Future safety improvements

DiDonato also says ExxonMobil is testing satellite-directed GPS (global positioning systems) to know exactly where its vehicles are at any point in time. "As that technology expands, we'll be using it to further improve our safety and security on the road."

Hal Cramer, president of ExxonMobil Fuels Marketing Company, describes the cell phone policy as an extension of the company's safety culture. "Banning cell-phones," he says, "is one piece of an extraordinary safety story. We have achieved a record of less than one accident per million miles driven in our global operations – in more than 80 countries. That is over a wide range of driving conditions, including places where well-marked roads, traffic signs, driver testing, and all the things we take for granted are rare or nonexistent."

Cramer also sees supporting safety practices as an integral part of good citizenship. "We encourage teaching road safety skills in schools in developing countries and support changes that will make traffic more standard and safe."

Corporate Safety Program Manager Mike Henderek says that a total safety culture doesn't happen by chance. "We used to gauge our success by whether we beat industry averages or whether we were the industry leader. And we had a pretty good record.

"But today," Henderek says, "we have only one goal: Nobody gets hurt. That goal may have seemed out of reach in the 1990s when lost-time incidents were 10 times what they are now. And while we haven't totally met our goal, we are moving steadily in the right direction. More and more people are conscious of safety and taking responsibility for it. And fewer and fewer people are getting hurt. That's what gives ExxonMobil a strong safety culture." the**Lamp**

Educating women and

Last year, the company expanded its efforts through a program targeting the most powerful investment tool of all.

From building and upgrading schools in Angola and Chad, to helping girls stay in school in Nigeria, to providing entrepreneurship training classes in Kazakhstan or computer training in Indonesia, ExxonMobil's new program is targeting the most powerful investment of all: educating women and girls.

Women have succeeded in attaining equal access to educational opportunities throughout much of the world. But cultural barriers and meager economic resources still keep women out of the classroom in many developing countries. As a result, these countries have paid a high price in terms of women's health, the health of their children, and ultimately, the economic health of their nations.

The irony is that many of these developing countries would greatly benefit if more women were afforded the chance to learn. Studies show that when women are educated, they are less likely to die during childbirth. Children are more likely to grow up healthy because their mothers are more aware of the importance of nutrition and immunization. Educating women also helps prevent diseases associated with poor sanitation and reduces the spread of HIV/AIDS.

The ExxonMobil Foundation has long recognized the benefits of greater access to education, and has established and supported programs to improve that access. And last year, the foundation expanded its efforts through a program targeting the most powerful investment tool of all: educating women and girls.

From building and upgrading schools in Angola and Chad, to providing entrepreneurship training classes in Kazakhstan and computer training in Indonesia, the ExxonMobil Foundation is breaking down barriers and helping women achieve economic empowerment. Since the Educating Women and Girls program was launched in July 2005, the ExxonMobil Foundation has helped support 15 initiatives aimed at reaching hundreds of women in several countries where ExxonMobil does business.

"The World Bank and others have demonstrated that working with women and girls can produce more improvement in social indices and greater gains in gross domestic product than almost any other program that can be brought to these countries," says Gerald McElvy, president of the ExxonMobil Foundation. "ExxonMobil has always been interested in education. This program is an extension of the foundation's long-standing commitment to education around the world."

Changing the world, one community at a time

The program supports numerous projects at all levels, from school construction to building wells at schools, from midwifery training to English and computer skills. Last year, for instance, the ExxonMobil Foundation brought together 25 leading women from community organizations in the developing world. They attended a month-long training workshop in Washington, D.C., called "Global Women in Management: Building Leaders for Development." The Center for Development and Population Activities (CEDPA) hosted the workshop, offering training in career development, leadership, fundraising and management skills.

Story by Amanda Coyne

girls

Daisy Amdany, from Kenya, says the program helped her and other women to see themselves as leaders. “At the end of the day, we’re going back home, implementing our plans, using the skills we’ve learned here to better the community, so it changes, and another community changes, and guess what? The world changes,” she says.

Neil Duffin, vice president of ExxonMobil Production Africa, spoke with the women who attended the CEDPA workshop. “I was very impressed. That was a wonderful example of a great program that’s consistent with ExxonMobil’s philosophy to educate and help the communities we do work in.”

Because the needs in every country are different, the ExxonMobil Foundation is partnering with local agencies and non-governmental organizations to ensure the program’s success. “Each country has a unique situation,” Duffin says. “It’s only through dialogue with local authorities and communities that you understand the issues in each country that will help educate women and children.”

Duffin recalls a time when he was in Chad and a community was asking for a fence to be built around a school. He had no idea why the fence was so important until he visited the school.

“There was a herd of cattle coming through the schoolyard,” he says. “There are all sorts of issues like that unique to individual communities. For instance, girls might not be comfortable going to the same school as boys. Or the latrine situation might keep them away from school. Each situation is different. That’s why it’s important to have people on the ground to understand the key issues.”

Empowering women

In developing nations, girls have tended to lag behind boys when it comes to educational opportunities. Historically, it wasn’t always seen as beneficial to educate girls. The emphasis was put on early marriage and starting families. But with each educated girl, a bit of the culture changes.

▶ To learn more
exxonmobil.com/womenandgirls

Zuaidah Mian, who lives in Malaysia and attended the CEDPA workshop, describes it as evolutionary, passing from mother to daughter. “It’s so hard to break through this condition we are in now,” she says. But education is the key. Her mother, she says, didn’t read or write and had only a few years of schooling. But that provided her a little bit of vision to empower her daughter. “Now, from me to my daughter, I have empowered her not to think about gender,” says Mian.

McElvy says educating women and girls is one of the best ways to help the developing world and to contribute to that empowerment. “We hope this will have a profound and lasting impact on individuals, their families and the communities where we operate around the world,” he says.

Around the world with ExxonMobil

Mobil 1 lubricants add power to Team *McLaren Mercedes* MP4-21 *Formula One* car

Throughout 2006, ExxonMobil will continue to develop and prove *Mobil 1* products through its technical partnership with Team *McLaren Mercedes* and other race teams in motorsports as diverse as *Indycar*, *NASCAR* and *DTM*. Such a variety of testing conditions enables ExxonMobil to offer performance and protection for almost any driving condition, something that benefits all motorists through the supply of products that help reduce engine wear and improve fuel economy and performance.

The *Mobil 1* lubricants are available from *Exxon*, *Esso* and *Mobil* service stations, leading franchised car dealerships, automotive stores and other independent retailers.

***Mobil 1* lubricants are delivering a boost to the *Mercedes-Benz* V8 engines of Team *McLaren Mercedes*.**

On May 28, 2006, David C. "Tiger" Durr celebrated his 55-year anniversary as an ExxonMobil employee. At age 81, Durr, an instrument technician at ExxonMobil's Baton Rouge refinery, says his age is just a number.

Historic pipeline reversal project a first

Mobil Pipe Line Company (MPLCO), an affiliate of ExxonMobil Pipeline Company, has started delivering Canadian crude to the U.S. Gulf Coast through an 858-mile crude oil pipeline that runs from Patoka, Illinois, to Nederland, Texas. Deliveries to Beaumont, Texas-area refineries began in early April. A first for the U.S. Gulf Coast region and Canadian crude producers, the successful completion of the 20-Inch Pipeline Reversal Project gives shippers of western Canadian crude oil direct pipeline access to U.S. Gulf Coast refining markets. The project reversed a MPLCO crude oil pipeline that had historically run south-to-north from Nederland, Texas, to Patoka, Illinois.

ExxonMobil and Pertamina sign Joint Operating Agreement for Cepu block

ExxonMobil and its subsidiaries, Mobil Cepu Ltd. and Ampolex (Cepu) Pte. Ltd., have signed a Joint Operating Agreement (JOA) with P.T. Pertamina EP Cepu, a subsidiary of P.T. Pertamina, for the Cepu Contract Area located in East and Central Java, Indonesia.

The signing of the JOA follows the execution of the Cepu Cooperation Contract in September 2005 and enables the parties to begin the activities and make the investments required to develop the discovered resources and further explore the block during the 30-year contract period. The JOA provides the basis for joint development of the block, which will be managed by the parties under a Joint Operating Committee. Pertamina and ExxonMobil each will provide management oversight, technology and human resources.

In March 2001, Pertamina and ExxonMobil announced the Banyu Urip discovery in the Cepu Contract Area. Banyu Urip is estimated to contain more than 250 million barrels of recoverable oil. At its peak, the field is expected to produce 165,000 barrels of oil per day.

Affiliates of Exxon Mobil Corporation have been operating in Indonesia for more than 100 years. Since 1968, the company has invested more than $17 billion in the country and it currently has 600 employees, more than 95 percent of whom are Indonesian.

Lee Raymond honored by The Netherlands

In the name of Her Majesty Queen Beatrix of The Netherlands, Economic Affairs Minister Laurens Jan Brinkhorst honored former ExxonMobil Chairman Lee Raymond with the Royal Distinction of Commander in the Order of Oranje-Nassau at a January 31, 2006 ceremony in The Hague.

Port Allen facility achieves OSHA safety recognition

ExxonMobil's Lubricant & Specialties' Port Allen Lube Oil Blending Plant has been awarded Star status in the U.S. Occupational Safety and Heath Administration's (OSHA) Voluntary Protection Program. The OSHA recognition certifies that the Port Allen facility has implemented comprehensive, successful safety and health management systems, and achieved injury and illness rates below the industry's national average. "ExxonMobil's Port Allen Lube Oil Blending Plant has demonstrated excellence in effective safety and health management," said OSHA Area Director Greg Honaker. "Their outstanding achievement includes almost four years without a lost-time incident."

More than 20 major upstream project start-ups anticipated from 2006 to 2008

Exxon Mobil Corporation expects to start-up more than 20 new major upstream projects in the next three years to produce additional energy to fuel vehicles, light and heat homes, and power businesses around the world. On March 8, Chairman and CEO Rex Tillerson told industry analysts at the New York Stock Exchange that ExxonMobil's financial strength, technological expertise and superior resource base allow it to meet the challenges of today's increasing demand for energy while continuing to deliver industry-leading returns.

"The world's energy needs are expected to be nearly 50 percent greater by 2030 than they are today," said Tillerson. "Our industry remains massive and very much a long-term, capital-intensive business. Projects require years to develop, cost billions of dollars to bring on stream, and they operate for decades." Tillerson noted that ExxonMobil invested nearly $18 billion in the business during 2005. "Our investment strategy has remained consistent over the years. It is not driven by short-term swings in commodity prices or earnings. We are long-term driven and patient and we are not opportunity constrained. Standing back from the annual spending patterns confirms the consistency of our approach, as we have invested more than we have earned over the last 15 years."

The Intrepid Fallen Heroes Fund is constructing a world-class state-of-the-art advanced training skills facility at Brooke Army Medical Center in San Antonio, Texas. The center will serve military personnel who have been catastrophically disabled in operations in Iraq and Afghanistan.

ExxonMobil supports Intrepid Fallen Heroes Fund

The ExxonMobil Foundation announced a grant for $250,000 to the Intrepid Fallen Heroes Fund. Since 2000, the fund has provided financial assistance to the families of those who lost their lives in the service of their country in Iraq and Afghanistan. The fund also supports "The Center for the Intrepid," a world-class physical rehabilitation center at Brooke Army Medical Center at Fort Sam Houston in San Antonio, Texas. The center will offer the best-available cutting-edge technology and techniques for military personnel who have been catastrophically disabled in operations in Iraq and Afghanistan, as well as for veterans who suffered injuries in previous conflicts.

The Fund has raised approximately 80 percent of its goal of $35 million for a 60,000-square-foot facility, including components such as family living accommodations, a prosthetics workshop and various simulators where patients can readjust to daily activities using their new limbs.

You may donate to the Intrepid Fallen Heroes Fund through its Web site at fallenheroesfund.org or by calling (800) 340-HERO.

ExxonMobil wins SOAR and Mineral Revenues Stewardship awards

The U.S. Department of the Interior Minerals Management Service selected Exxon Mobil Corporation to receive two of its highest honors for 2005 – the Safe Operations and Accurate Reporting (SOAR) Award and the Mineral Revenues Stewardship Award. The SOAR Award honors ExxonMobil for the company's outstanding offshore operating performance and its fiscal responsibility. The agency recognized ExxonMobil as one of the best performing companies operating on the Outer Continental Shelf for its safety and fiscal management and reporting practices. The Mineral Revenues Stewardship Award was given for the company's commitment to the sound and responsible administration of its oil and gas leases, the proper reporting of production volumes and the detailed management of ongoing payments to the company's royalty owners.

ExxonMobil volunteers donate 826,000 hours to charities

More than 12,000 employees, retirees and their families volunteered 826,000 hours to more than 5,800 charitable organizations in 22 countries during 2005 through company-sponsored volunteer programs. Employees and retirees also donated $35 million of their own money to charity and relief organizations through company-sponsored programs. Exxon Mobil Corporation and its affiliates donated $9 million to the charitable organizations where employees and retirees volunteered.

"Bandag Bullet" breaks world speed record

An Australian truck using *Mobil Delvac* heavy-duty engine oil has been recognized by the *Guinness World Records* as the World's Fastest Diesel-Powered Truck. Driven by Frank Gaffiero, the "Bandag Bullet," a Kenworth T400 truck powered by two V8 *Detroit Diesel* engines, is the only conventionally powered truck to achieve an average speed of 113.184 miles per hour over 1 mile from a standing start.

The "Bandag Bullet" broke the Guinness World Record for diesel truck speed on July 16, 2005, at the Queensland International Air Show, held at the Bundaberg Airport in Australia.

ExxonMobil's molecule management technology is being used throughout the company's global refining system to optimize the yield of high-value products.

ExxonMobil signs agreements for Upper Zakum oil field participation

Exxon Mobil Corporation and subsidiaries have signed agreements with Abu Dhabi National Oil Company (ADNOC) through which ExxonMobil Abu Dhabi Offshore Petroleum Company Limited (EMAD) receives a 28 percent undivided interest in the Upper Zakum oil field. ExxonMobil was selected from an initial field of six competing companies based on demonstration of its technical capabilities.

Upper Zakum is one of the world's largest oil fields, contributing significantly to Abu Dhabi's current production, and with potential for substantial production growth. ExxonMobil will provide support to the joint operating company, Zakum Development Company (ZADCO), in pursuing the objective of increasing production by about 50 percent, from today's production of 500,000 barrels per day to a target of 750,000 barrels per day. ExxonMobil has participated in Abu Dhabi's petroleum business for more than 65 years.

ExxonMobil will provide support for training and personnel development, including access to its world-class Upstream Training and Technology Center in Houston. ExxonMobil also will assist in establishing a specialized research and development facility at the Petroleum Institute, the leading technical university in Abu Dhabi.

Thailand refinery reaches molecule-management milestone

The Sriracha refinery in Thailand was recognized on May 9 by the ExxonMobil Refining Leadership Team as the first ExxonMobil refinery to fully embed molecule management technologies and work practices into the way it does business. ExxonMobil has developed technology in both molecular fingerprinting and process modeling, which are combined with real-time unit optimization tools to make the most of every hydrocarbon molecule that comes into its refineries. Understanding the key characteristics of raw materials enables refiners to do a better job of blending and processing them into the refined products and chemical feedstocks that bring the highest value and satisfy market demand. "Through this program, Sriracha made a significant contribution to the $500 million prize that was captured through the end of last year," said Director of Asia Pacific Refining Gary Pruessing. "As we continue to leverage the benefits of the molecule management system, we expect to capture even more."

ExxonMobil's Tonen Chemical affiliate in Japan commercialized and produces a thin, polyethylene-based porous film that is used as a separator in many rechargeable lithium ion battery applications for small electronics such as cell phones and laptop computers.

Film production boosted for high-growth battery market

Tonen Chemical Corporation, an ExxonMobil affiliate in Japan, announced that its microporous film production capacity at its Nasu facility has been increased by more than 50 percent to satisfy strong demand and high growth in the lithium ion battery separator market. "The added film lines enable us to pursue potential demand growth for customers developing new-generation lithium ion batteries for hybrid vehicles," said ExxonMobil Chemical Company Polymers Senior Vice President Jim Harris. Tonen Chemical Corporation commercialized and produces a thin, polyethylene-based, porous film that is used as a separator in rechargeable lithium ion batteries used in small electronics such as cell phones, laptop computers and digital cameras. The film is thin, yet strong, helping to increase the stability and reliability of lithium ion batteries. Tonen Chemical Corporation is a leading supplier of separators for lithium ion batteries. The company's product was adopted for the world's first commercial lithium ion battery in 1991.

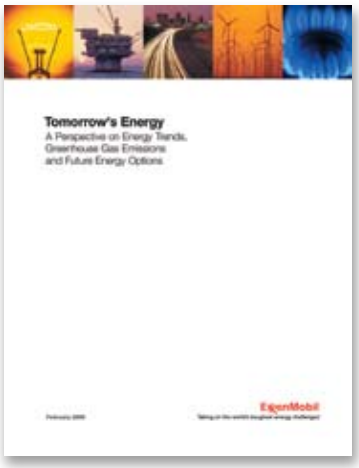
Pausing to recognize the Baytown complex for winning the 2006 Energy Star CHP Award are (left to right) Zeb Nash, ExxonMobil Chemical plant manager; Chris Erickson, ExxonMobil refinery manager; Katrina Pielli, U.S. Environmental Protection Agency; Texas State Representative Wayne Smith; and Bob Bailes, ExxonMobil Olefins plant manager.

Baytown complex wins 2006 Energy Star CHP Award

The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) have recognized ExxonMobil's Baytown complex with the 2006 Energy Star Combined Heat and Power (CHP) Award for the site's cogeneration facilities. Combined Heat and Power is an efficient, clean and reliable approach to generating power and thermal energy from a single fuel source. ExxonMobil's cogeneration facilities increase the energy efficiency at the complex's refinery, two chemical plants and research center, and help decrease the region's emissions of greenhouse gases. The facilities, located at the Baytown Olefins Plant, include a 160-megawatt gas-turbine generator, coupled with a heat-recovery unit that can produce 560,000 pounds-per-hour of steam for use in manufacturing processes. Using the most efficient technology available today, the new cogeneration unit produces both steam and electricity from clean-burning natural gas at an efficiency rate of about twice that of traditional power generation. The generator is large enough to supply the average energy needs of at least 100,000 homes in the United States.

Palmisano and Simon elected to ExxonMobil Board

Exxon Mobil Corporation announced on January 25, 2006, that its Board of Directors has elected Samuel J. Palmisano and J. Stephen Simon to the Board of Directors. Mr. Palmisano is Chairman of the Board, President and Chief Executive Officer of IBM Corporation. Mr. Simon is Senior Vice President of Exxon Mobil Corporation.



Two new publications describe ExxonMobil's views and actions

Recent events have caused many people to take a growing interest in issues surrounding energy supply, energy prices and the effect of energy use on the environment. Two new publications describe ExxonMobil's views and actions.

Tomorrow's Energy: A Perspective on Energy Trends, Greenhouse Gas Emissions and Future Energy Options explores the relationship between rapidly rising energy demand, economic progress and the risks associated with greenhouse gas emissions. The publication highlights the corporation's actions to meet the challenges that these trends pose to the global energy industry.

The 2005 Corporate Citizenship Report is a comprehensive report on ExxonMobil's efforts to meet the global energy challenges in an economically, environmentally and socially responsible manner. It describes the corporation's approach to corporate citizenship and reports on progress in areas ranging from safety and environmental performance to transparency and human rights.

Both publications can be found on the company's exxonmobil.com Web site.

Requests for printed copies should be sent to publications@exxonmobil.com.

Exxon Mobil Corporation announces 2005 reserves replacement

ExxonMobil announced that additions to its worldwide proved oil and gas reserves totaled 1.7 billion oil-equivalent barrels in 2005, excluding the effects of using single-day, year-end pricing. Production totaled 1.5 billion oil-equivalent barrels in 2005, with 917 million barrels of liquids and 3.7 trillion cubic feet of gas produced. The corporation replaced 112 percent of production including property sales, and 129 percent excluding property sales.

"This represents the 12th consecutive year of greater than 100 percent reserves replacement," said ExxonMobil Chairman Rex Tillerson. "The annual reporting of proved reserves is the product of our long-standing, rigorous process within the corporation, which ensures consistency and management accountability with respect to all reserves bookings. This process, combined with our disciplined investment strategy and strong project portfolio and execution capabilities, is making it possible for ExxonMobil to continue to develop our globally diverse resource base to meet the world's growing energy needs."

First-Quarter Earnings

Exxon Mobil Corporation's first-quarter 2006 net income of $8,400 million increased $540 million from the first quarter of 2005. First-quarter 2005 net income included a positive special item of $460 million from the sale of ExxonMobil's interest in Sinopec. Excluding this impact, first-quarter 2006 earnings increased by $1,000 million.

Earnings per share excluding special items were $1.37, an increase of 19 percent, reflecting strong earnings and the reduction in the number of shares outstanding.

Upstream earnings were $6,383 million, up $1,329 million from the first quarter of 2005, mainly due to higher realizations. Liquids production of 2,696 kbd (thousands of barrels per day) was 152 kbd higher. Higher production from projects in West Africa and increased volumes in Abu Dhabi were partly offset by mature field decline, and the impact of entitlements and divestments. On an oil-equivalent basis, production increased by 5 percent from the first quarter of 2005.

Downstream earnings excluding special items were $1,271 million, up $128 million from the first quarter 2005, primarily due to higher marketing margins, improved refining operations and positive foreign exchange effects.

Chemical earnings excluding special items were $949 million, down $333 million from the record quarter a year ago primarily due to reduced margins.

The Corporation distributed a total of $7.0 billion to shareholders in the first quarter through dividends of $2.0 billion and share purchases to reduce shares outstanding of $5.0 billion, an increase of 67 percent versus the first quarter of 2005.

As a consequence of the continued strengthening of our financial position, share purchases to reduce shares outstanding will be increased to $6.0 billion in the second quarter.

ExxonMobil quarterly financial summary

	First Quarter	
Millions of dollars, except per-share amounts	**2006**	**2005**
Functional Earnings		
Upstream	$ 6,383	$ 5,054
Downstream	1,271	1,453
Chemical	949	1,432
Corporate and financing	(203)	(79)
Net income (U.S. GAAP)	$ 8,400	$ 7,860
Net income per common share – assuming dilution	$ 1.37	$ 1.22
Special items	$ 0	$ 460
Earnings excluding special items	$ 8,400	$ 7,400
Other Financial Data		
Total revenues and other income	$ 88,980	$ 82,051
Income and other taxes	$ 25,772	$ 23,225
Capital and exploration expenditures	$ 4,824	$ 3,417
Dividends on common stock	$ 1,957	$ 1,728
Dividends per common share	$ 0.32	$ 0.27
Thousands of barrels daily, except natural gas and chemical		
Operating Data		
Net production of crude oil and natural gas liquids	2,696	2,544
Natural gas production available for sale (millions of cubic feet daily)	11,199	10,785
Petroleum product sales	7,865	8,229
Refinery throughput	5,548	5,749
Chemical prime product sales (thousands of metric tons)	6,916	6,938

Shimmering in the night offshore Nigeria
an awe-inspiring energy complex attests to Africa's brightening future

Cover photo
by Keith Wood

ExxonMobil

Taking on the world's toughest energy challenges.™

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Shareholder Services
P.O. Box 140369
Irving, TX 75014-0369

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