ExxonMobil Plans Record Number Of 2014 Projects

ExxonMobil

NEW YORK-- BUSINESS WIRE)--Exxon Mobil Corporation [1] (NYSE:XOM) expects to start production at a record 10 major projects in 2014, adding new capacity of approximately 300,000 net oil equivalent barrels per day and contributing to profitable production growth, Rex W. Tillerson, chairman and chief executive officer, said today.

“These projects exemplify our focus on maintaining a diversified portfolio and highlight our ability to grow profitable volumes,” Tillerson said at the company’s annual investment analyst meeting at the New York Stock Exchange.

“We are adding new volumes that improve our profitability mix with higher liquids and liquids linked natural gas volumes. We’re also driving increased unit profitability through better fiscal terms and reducing low-margin barrel production.”

ExxonMobil’s capital spending will decline to $39.8 billion this year from a peak of $42.5 billion in 2013, Tillerson said. Excluding potential acquisitions, capital expenditures are expected to average less than $37 billion per year from 2015 to 2017.

“We have financial flexibility to pursue potential strategic opportunities and maintain a disciplined and selective approach to capital that ensures any new investment will contribute to robust cash flow growth,” Tillerson said.

A liquefied natural gas project in Papua New Guinea and the largest offshore oil and gas platform in Russia are among significant projects scheduled for startup this year. Others include a heavy oil expansion project in Canada and deepwater projects in the Gulf of Mexico.

ExxonMobil anticipates additional project startups in the next few years in several countries, including Australia, Indonesia, Canada, Nigeria and the United States. All of these projects are expected to add about 1 million net oil equivalent barrels per day by 2017. In North America, ExxonMobil’s near-term production outlook is made up of significant high-margin, low-risk liquids growth. The company’s production outlook also reflects strategic choices made to improve unit profitability while maintaining disciplined capital allocation.

“We have a balanced and diversified portfolio that gives us a fundamental competitive advantage,” Tillerson said. “Resource and geographic diversity across the portfolio enables us to mitigate risks in a dynamic market environment and maximize profitability through changing business cycles.”

The company is pursuing more than 120 high-quality projects to develop about 24 billion oil equivalent barrels of oil and natural gas.

ExxonMobil's Downstream and Chemical businesses are focused on strengthening the portfolio and delivering sustained, industry-leading financial performance across the business cycle. Midstream investments in North America will expand ExxonMobil's logistics capabilities to transport crude oil and finished products. Other advantaged projects will increase production of high-value products.

"In the Downstream and Chemical segments, we are diversifying feedstocks through our flexible and integrated system, continuously pursuing operating efficiencies and maximizing sales of higher-margin lubes, diesel and chemical products," Tillerson said.

During the meeting, ExxonMobil reviewed its 2013 performance and outlined future plans. Highlights include:

- For the 20th-consecutive year, ExxonMobil replaced more than 100 percent of production. In 2013, the company added proved oil and gas reserves totaling 1.6 billion oil-equivalent barrels, including a 153 percent replacement ratio for crude oil and other liquids. At yearend 2013, proved reserves totaled 25.2 billion oil equivalent barrels, comprised of 53 percent liquids and 47 percent natural gas.
- ExxonMobil continues to outpace competitors in return on average capital employed at 17.2 percent in 2013, about three-and-a-half percentage points higher than its nearest competitor.
- Liquids production is expected to grow 2 percent in 2014 and 4 percent annually from 2015 to 2017, representing the majority of ExxonMobil's total production increase.
- Liquids and liquids linked natural gas are projected to account for 69 percent of the company's total production by 2017, improving the profitability mix of the portfolio.
- ExxonMobil is pursuing investment opportunities to expand its Chemical business and serve major growth markets. These projects build on unmatched integration with the Upstream and Downstream operations and employ proprietary technologies to increase high-value product sales.

About ExxonMobil

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. ExxonMobil holds an industry-leading inventory of resources, is the largest refiner and marketer of petroleum products, and its chemical company is one of the largest in the world. For more information, visit www.exxonmobil.com *[2] or follow us on Twitter* www.twitter.com/exxonmobil *[3].*

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