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David S. Rosenthal
Vice President, Investor Relations
and Secretary

March 31, 2014

Natasha Lamb
Director of Equity Research
& Shareholder Engagement
Arjuna Capital
204 Spring Street
Marion, MA 02738

Ryan Salmon
Manager, Oil and Gas Program
Ceres
99 Chauncy Street
6th Floor
Boston, MA 02111

Danielle Fugere
President
As You Sow
1611 Telegraph Avenue
Suite 1450
Oakland, CA 94612

Re: Dialogue on Carbon Asset Risk

Dear Natasha, Danielle and Ryan,

Attached please find ExxonMobil's report on "Energy and Carbon – Managing the Risks." For ease of reference, we have also included a list of the items we agreed with Arjuna Capital and As You Sow, and the key information requested from Ceres and where they are addressed in the report.

We are at the same time posting the report on ExxonMobil's website.

We appreciate the opportunity to engage with your groups on the important issues of energy, climate and carbon asset risk. We value the insights we have gained and hope our dialogue has aided in your understanding of ExxonMobil's views on the topics. We look forward to a continued and constructive dialogue, as society seeks to address the risk of climate change in balance with its other needs and priorities.

Sincerely,

David S. Rosenthal

/ral
Attachments

c: Andrew Logan
Director, Oil & Gas Industry Programs
Ceres
99 Chauncy Street, 6th Floor
Boston, MA 02111

<u>ExxonMobil Agreement with Arjuna Capital / As You Sow</u>

We agreed to address the following concerns / questions:

- **How ExxonMobil assesses the risk of a low carbon scenario, other than placing a price on carbon.**

  Our assessment of the "low carbon scenario" is addressed generally in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12), and more specifically in the "Managing the Risk" (pp. 12–16), the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **Why the Company, in assessing the economic viability of proved developed and undeveloped reserves, fails to conduct a scenario analysis based on a scenario consistent with reducing GHG emissions 80% by 2050 to achieve the 2 degree goal.**

  Our assessment of the "low carbon scenario" is addressed generally in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12), and more specifically in the "Managing the Risk" (pp. 12–16), the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **How the Company stress tests its capital investment opportunities.**

  The approach we use in applying robust stress tests to our investment opportunities is addressed in the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **How ExxonMobil's base case scenario tracks with the IPCC.**

  This is addressed in the sections, entitled "World Energy Needs Keep Growing" (pp. 3-7) and "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12).

- **How ExxonMobil plans for scenarios that diverge from the Energy Outlook. Whether or not the Company includes a factor of safety and how that factor is determined.**

  This is addressed in the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **How the Company incorporates a low carbon assessment into capital allocation plans and the implications for capital expenditure plans.**

  This is addressed in the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **Why the Company believes current investments in new reserves are not particularly exposed to the risk of stranded assets.**

  The "low carbon scenario" is addressed generally in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12), and more specifically in the "Managing the Risk" (pp. 12–16), the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections. See also page 1 of the report.

- **How current capital expenditure is affected by any considerations the Company makes with regards to future short-to-long term risk of stranded assets.**

  The "low carbon scenario" is addressed generally in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12), and more specifically in the "Managing the Risk" (pp. 12–16), the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 1) sections. See also page 1 of the report.

  The probability / likelihood assigned to that risk.

  This is addressed primarily in the "Carbon Budget and Carbon Asset Risk Implications" (pp. 8–12) section, as well as page 1 of the report.

- **The breakdown of the resource base by resource type and location, i.e. oil, gas, heavy oil, bitumen, conventional, deep-water, acid / sour gas, etc.**

  This is addressed in the Appendix to the report.

- **Unit profitability by type of production, consistent with SEC public reporting definitions.**

  This is addressed in the Appendix to the report.

- **How the Company assesses capital projects versus alternative uses such as buybacks and dividends.**

  This is addressed in the "Capital Allocation" (p. 19) section.

- **The relative carbon intensity of owned assets using third-party information on relative carbon intensities of sources.**

  This is addressed in the Appendix to the report.

- **The Company's production forecast based upon prices remaining flat.**

  This is addressed in the Appendix to the report.

- **The CAPEX outlook for the next several years.**

  This is addressed in the Appendix to the report.

<u>Ceres letters Dated September 9, 2013 and January 23, 2014</u>

Key information requests from Ceres:

<u>Ceres Letters</u>

- **ExxonMobil's reserve exposure to the risks associated with current and probable future policies for reducing GHG emissions by 80% by 2050 to achieve the 2°C goal.**

  Our response to this question is contained primarily in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12) and on page 1 of the report.

- **Risks to ExxonMobil's operations as well as the economy as a whole of increasing extreme weather associated with the world's current path to a warming of 3.6°C or more.**

  Our response to this question is addressed primarily in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12) and on page 1 of the report.

- **What options are there for ExxonMobil to manage these risks by, for example, reducing the carbon intensity of its assets, divesting its most carbon intensive assets, diversifying its business by investing in lower carbon energy sources, or returning capital to shareholders.**

  Our assessment of such "low carbon scenario" is primarily addressed in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12) and on page 1 of the report. Our approaches to investment opportunities and capital allocation are addressed in the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **Capital expenditure plans for finding and developing new reserves, including consideration of rates of return and payback periods and alternative uses of capital.**

  Our approaches to investment opportunities and capital allocation are addressed in the "Planning Bases and Investments" (pp. 16-18) and the "Capital Allocation" (p. 19) sections.

- **The potential GHG emissions associated with the production of all unproduced reserves categorized by resource type, e.g., onshore conventional, tight oil, shale gas, oil sands, offshore, etc.**

We discuss the emissions profile associated with our Outlook for Energy in the "World Energy Needs Keep Growing" (pp. 3-7) section. We address the "low carbon scenario" in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12). A break-down of our reserves and resources, as we agreed to provide another stakeholder, is addressed in the Appendix to the report. While we do not project in our Outlook for Energy the GHG emissions associated with our unproduced reserves, we have included in the Appendix a third-party assessment of GHG intensities associated with crude oils that are refined in the United States. The company also provides an emissions profile associated with its Outlook for Energy, which can be compared against the emissions forecast of others (see page 6 of the report).

- **The risks to unproduced reserves, due to factors such as carbon pricing, pollution and efficiency standards, removal of subsidies and / or reduced demand.**

  Our response to this question is addressed primarily in the section, entitled "Carbon Budget and Carbon Asset Risk Implications" (pp. 8-12) and on page 1 of the report.

- **The risks to assets, particularly oil and gas infrastructure, posed by the physical impacts of climate change, including extreme weather, water stress, and sea level rise.**

  Our response to this question is addressed in the sections, entitled "Managing the Risk" (pp. 12–16) and "Planning Bases and Investments" (pp. 16-18).

- **Consider as a disclosure option, item 1202 of SEC Regulation S-K, which specifies optional disclosure of the price sensitivities of reserves.**

  Our response to this question is addressed in the section, entitled "Optional Reserves Disclosure under SEC Rules" (pp. 19-21).