

Oil Sands Resolution

WHEREAS:

ExxonMobil has significant investments in the Canadian oil sands.

ExxonMobil owns 69.6% of Imperial Oil, one of Canada's largest oil companies. Imperial is 100% owner of the Cold Lake oil sands project and also owns 25% of Syncrude. ExxonMobil and Imperial jointly own and operate 100% of the Kearn oil sands project.

According to ExxonMobil's 2009 10-K, the oil sands represent approximately 11% of proved reserves, demonstrating our company's dependence on Canada's oil sands for long term growth.

There are significant environmental, social and economic challenges associated with the oil sands.

The resource-intensive and environmentally damaging nature of oil sands development may introduce regulatory, operational, liability and reputational risks to oil sands companies.

The persistence of tailing ponds, which can leak toxic pollutants into groundwater, may present risks along with significant reclamation costs not currently carried on our balance sheet.

Lawsuits filed by Aboriginal peoples against the Canadian government challenge oil sands and pipeline projects even after approval. 1500 project components related to ExxonMobil are included in the Beaver Lake Cree case, one of the most high-profile cases which could potentially shut down oil sands operations.

Mining the oil sands' tar-like bitumen is expensive, with multi-decade payback horizons. Volatile oil prices and changing demand can impact the viability of these projects. Between oil's price drop in July 2008 and June 2009, 85% of deferred or cancelled non-OPEC production capacity was located in the oil sands. According to *Ernst & Young's 2009 Business Risk Report: Oil and Gas*, "[c]ompanies that invest in long term oil projects with a high marginal cost of production, such as... oil sands, are likely to be the most vulnerable."

Nexen, another company in the oil sands, dedicates over three pages of its 2009 10-K to risks associated specifically with its oil sands projects, including risks related to "Aboriginal claims" and "Public perception of oil sands development."

Shareholders believe ExxonMobil has not adequately reported on how possible risks associated with oil sands projects may impact our company's long term financial performance, given our company's significant investments in this area.

RESOLVED:

Shareholders request that the Board prepare a report discussing possible long term risks to the company's finances and operations posed by the environmental, social and economic challenges associated with the oil sands. The report should be prepared at reasonable cost, omit proprietary and legal strategy information, address risks other than those associated with or attributable to climate change, and be available to investors by August 2011.

SUPPORTING STATEMENT:

The Board shall determine the scope of the report. Proponents believe risk information of interest to shareholders could include, among other things, assessing the impact of worst-case along with reasonably likely scenarios regarding:

- Environmentally-related restrictions that might hinder or penalize operations, including those associated with water, land and tailings;
- Potential effects of Aboriginal lawsuits against the Canadian government;
- Vulnerabilities to market forces that might lead to oil sands project cancellations.