

**WHEREAS:**

ExxonMobil has significant investments in the Canadian oil sands.

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

According to ExxonMobil's 2010 10-K, oil sands represent approximately 11 percent of proved reserves, demonstrating our company's significant reliance on Canada's oil sands for long term growth.

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

The resource-intensive and environmentally damaging nature of oil sands development have introduced 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. While companies are required to provide reclamation costs to the Alberta government, investors still have very limited information on the full costs associated with the reclamation liabilities companies carry.

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

Developing 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.

In its 2010 10-K, Nexen, another company in the oil sands, states, "[o]ur oil sands projects face additional risks compared to conventional oil and gas production," and references 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 short and 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 2012.

**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 and requirements that might hinder or penalize operations, including those associated with water, land, non-carbon air emissions, reclamation and tailings;
- Aboriginal lawsuits against the Canadian government; and
- Public opposition throughout the lifecycle of oil sands operations –from exploration, to extraction, to transportation of the extracted bitumen.