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Chairman and Founder, XTO Energy Inc.  
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Subcommittee on Energy and Environment Hearing  
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Chairman Markey... Ranking Member Upton... members of the Subcommittee.

Thank you for the opportunity to appear today to discuss XTO's merger agreement with ExxonMobil.

Our agreement builds on XTO's nearly quarter-century of success in developing affordable, reliable, cleaner-burning U.S. unconventional natural gas supplies for use by Americans.

From an humble upbringing in west Texas, I learned a lot about hard work and long hours with my family on our farm. I also got smart enough to realize that our great American education system could open up far reaching opportunities ... beyond those sandy cotton and peanut fields. The government was there to help. With the support of one of my heroes, the iconic President John F. Kennedy, a generation of kids got the financial assistance to pursue their academic dreams during the '60's. I was one of them. My dreams took me to Baylor University where I earned two degrees with honors. From that strong foundation, I am proud to have built a career in the exciting, challenging and critical industry of energy in the United States.

Some of you may not be familiar with XTO, so let me share with you a little of our history. I believe it is a great American

success story. We started in 1986 as Cross Timbers Oil Company, with a handful of people, no oil and gas assets, some big aspirations and \$35 million of investor money.

In the early lean years, the company did not make enough for me to justify a salary. In 1993 we went public with an initial market cap of about \$200 million. In 2001 we changed our name to XTO because too many investors thought Cross Timbers was in the timber business. XTO had been our New York Stock Exchange (NYSE) ticker symbol since we went public.

We focused on hiring talented people, encouraging innovation, and turning low-producing oil and natural gas resources into high-producing ones. Later, we turned our attention to U.S. unconventional natural gas – before many others did.

As a relatively abundant, cost effective, cleaner-burning U.S. energy resource, we felt unconventional natural gas had enormous potential in supporting the United States' growing demand for energy. I believe we made the right call.

Today we are one of the leading producers of natural gas in America with a total resource base equivalent to 45 trillion cubic feet of gas. Our shareholder equity has grown from \$35 million in 1986 to \$31 billion in our proposed merger. For the last decade our stock performance was number two for all stocks on the New York Stock Exchange (NYSE) increasing on average 42% a year. Our production grew by 714% and our full-time workforce now numbers more than 3300 men and women, nearly all of them working in the U.S.

Throughout our history we have focused on developing technology and operating practices that enable us to

produce energy resources safely, efficiently and in an environmentally responsible manner. Every employee of XTO shares in our commitment to operational excellence.

And this commitment has led to success for our company and our country. There is growing evidence that at current consumption rates America now enjoys a more than 100 year supply of natural gas. And, with changes in technology and constantly evolving production innovations, we may have only scratched the surface.

As we have grown and developed, we have always been mindful of the future – and how we could continue to best develop the opportunities that we have been able to identify.

In reviewing our future path, we realized that we needed to look at options to take what we have achieved and bring it to a new level. We recognized that the opportunities before us could best reach their potential if we could find an organization that could bring additional scale, technology and financial capacity to the work we have been doing.

I am pleased to say that we found that organization in ExxonMobil. Our proposed merger would enable us to continue to apply the technical expertise and operational excellence we are known for to a greater number of unconventional natural gas opportunities throughout the United States.

It will combine our strengths with ExxonMobil strengths, including its R&D, project management, operational integrity, environmental performance and financial capacity.

Moving forward, ExxonMobil intends to establish a new upstream organization to manage global development and

production of unconventional resources, enabling the rapid development and deployment of technologies and operating practices to increase production. The new organization will be located in Fort Worth, Texas, at XTO's current offices.

Additional production of domestic unconventional gas will result in increased supplies of energy, which will lead to expanding markets, all of which significantly enhance our energy security.

I strongly believe this proposed merger agreement is a good deal for our shareholders, our employees and our consumers here in the United States. It will support our nation's economic recovery and energy security while also helping meet our nation's environmental goals.

I am proud of our company's success over the years, and look forward to continuing that success with ExxonMobil in the years to come.

Thank you.