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U.S. House of Representatives  
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Chairman Markey... Ranking Member Upton... members of the Subcommittee.

Thank you for the opportunity to appear today.

Americans face a critical challenge: continuing to develop affordable, reliable and secure energy supplies needed to grow our economy and create jobs, while also continuing to improve the environmental aspects of energy production and use.

The combination of ExxonMobil and XTO is an important step towards addressing this challenge.

The development of our combined resources will create the opportunity for more jobs and investment in the production of cleaner-burning natural gas spread across many parts of the United States.

It will support our nation's economic recovery, strengthen our nation's energy security, and help meet our nation's environmental goals.

At ExxonMobil, we focus on the long-term. The global scale of our industry, the volatility of the world commodity market in which we compete, and the decades-long timeframes of our projects requires us to plan far into the future.

Our agreement with XTO is consistent with this approach. It combines the complementary strengths of our two companies – XTO’s technical expertise and substantial unconventional natural gas resource base in the United States, and ExxonMobil’s own global resource base, advanced R&D, proven operational capabilities, global scale and financial capacity.

It will better position us to meet Americans’ long-term needs for affordable, reliable, cleaner-burning natural gas.

Enabling a strong and growing U.S. economy requires meeting Americans’ total energy needs – including fuels to power their businesses, heat their homes, and generate electricity.

Increases in domestic natural gas supplies could meet an increasingly important share of these needs. This is due in large part to important technologies pioneered by ExxonMobil, XTO and others which enable us to unlock enormous supplies of unconventional natural gas in the United States.

With recent advances in extended reach horizontal drilling, combined with the time-tested technology of hydraulic fracturing – a process in use for more than 60 years – we can now find and produce unconventional natural gas supplies miles below the surface in a safe, efficient and environmentally responsible manner.

Thanks to innovations such as these, unconventional natural gas is projected to meet most of America’s domestic natural gas demand by 2030, representing a substantial change in the overall energy profile of the United States.

In the five-year span ending in 2008, the U.S. Energy Information Administration estimates that U.S. total proven natural gas reserves increased by about 30 percent to 245 trillion cubic feet, or the equivalent of about 41 billion barrels of oil.

In an eighteen-month span ending in mid-2008, natural gas production in the United States increased 13 percent, to 57 billion cubic feet per day, an amount equivalent to all natural gas production in the United Kingdom.

And total U.S. natural gas resource estimates have increased 35 percent in the last two years. From this, Americans can now count on nearly a century of domestic natural gas supply at current rates of consumption.

In addition to its domestic abundance, natural gas holds several other advantages for Americans.

It is the cleanest-burning of the fossil fuels, emitting up to 60 percent less carbon dioxide than the current leading fuel source used to meet Americans' electricity needs.

Natural gas production is also responsible for significant economic activity, job creation and revenues for local, state and federal governments in the United States.

In 2008, it contributed \$385 billion to our nation's economy and supported more than 2.8 million American jobs. More than 622,000 of these jobs were through direct employment – representing a 20 percent increase since 2006. Significant job growth occurred in many states, including Arkansas, Colorado, North Dakota, South Dakota, Utah and Pennsylvania.

Discovering, developing and delivering cleaner-burning natural gas is integral to the work of the U.S. oil and gas industry, which

in 2007 alone contributed more than \$1 trillion to our nation's economy and supported more than 9 million American jobs.

The challenge Americans face is significant. To reverse our nation's economic difficulties, meet our energy needs, and reach our environmental goals, we must all do our part.

Governments help by upholding stable tax and regulatory policies which encourage competition on a level playing field.

Consumers help by using energy efficiently.

And industry helps by taking the risk to develop new energy technologies and new, cleaner-burning energy resources, such as unconventional natural gas.

In my view, the combination of XTO and ExxonMobil will enable us to more effectively play our part in addressing the challenge our nation faces, and will help create the integrated solutions that provide Americans with the energy supplies, the energy security, the environmental protection, and the economic growth they expect and deserve.

Thank you.