EXXON MOBIL CORP
Form 10-K
February 25, 2015

2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-2256

EXXON MOBIL CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY	**13-5409005**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

5959 LAS COLINAS BOULEVARD, IRVING, TEXAS 75039-2298

(Address of principal executive offices) (Zip Code)

(972) 444-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, without par value (4,194,690,266 shares outstanding at January 31, 2015)	**New York Stock Exchange**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 30, 2014, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of $100.68 on the New York Stock Exchange composite tape, was in excess of $429 billion.

Documents Incorporated by Reference: Proxy Statement for the 2015 Annual Meeting of Shareholders (Part III)

EXXON MOBIL CORPORATION

FORM 10-K

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

PART I

PART II

PART I

ITEM 1. BUSINESS

Exxon Mobil Corporation was incorporated in the State of New Jersey in 1882. Divisions and affiliated companies of ExxonMobil operate or market products in the United States and most other countries of the world. Their principal business is energy, involving exploration for, and production of, crude oil and natural gas, manufacture of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. ExxonMobil is a major manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a wide variety of specialty products. Affiliates of ExxonMobil conduct extensive research programs in support of these businesses.

Exxon Mobil Corporation has several divisions and hundreds of affiliates, many with names that include *ExxonMobil*, *Exxon*, *Esso, Mobil* or *XTO*. For convenience and simplicity, in this report the terms *ExxonMobil, Exxon, Esso, Mobil* and *XTO*, as well as terms like *Corporation*, *Company*, *our*, *we* and *its*, are sometimes used as abbreviated references to specific affiliates or groups of affiliates. The precise meaning depends on the context in question.

Throughout ExxonMobil's businesses, new and ongoing measures are taken to prevent and minimize the impact of our operations on air, water and ground. These include a significant investment in refining infrastructure and technology to manufacture clean fuels, as well as projects to monitor and reduce nitrogen oxide, sulfur oxide and greenhouse gas emissions, and expenditures for asset retirement obligations. Using definitions and guidelines established by the American Petroleum Institute, ExxonMobil's 2014 worldwide environmental expenditures for all such preventative and remediation steps, including ExxonMobil's share of equity company expenditures, were $6.2 billion, of which $3.5 billion were included in expenses with the remainder in capital expenditures. The total cost for such activities is expected to remain in this range in 2015 and 2016 (with capital expenditures approximately 40 percent of the total).

The energy and petrochemical industries are highly competitive. There is competition within the industries and also with other industries in supplying the energy, fuel and chemical needs of both industrial and individual consumers. The Corporation competes with other firms in the sale or purchase of needed goods and services in many national and international markets and employs all methods of competition which are lawful and appropriate for such purposes.

Operating data and industry segment information for the Corporation are contained in the Financial Section of this report under the following: "Quarterly Information", "Note 18: Disclosures about Segments and Related Information" and "Operating Summary". Information on oil and gas reserves is contained in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report.

ExxonMobil has a long standing commitment to the development of proprietary technology. We have a wide array of research programs designed to meet the needs identified in each of our business segments. Information on Company-sponsored research and development spending is contained in "Note 3: Miscellaneous Financial Information" of the Financial Section of this report. ExxonMobil held approximately 11 thousand active patents worldwide at the end of 2014. For technology licensed to third parties, revenues totaled approximately $148 million in 2014. Although technology is an important contributor to the overall operations and results of our Company, the profitability of each business segment is not dependent on any individual patent, trade secret, trademark, license, franchise or concession.

The number of regular employees was 75.3 thousand, 75.0 thousand, and 76.9 thousand at years ended 2014, 2013 and 2012, respectively. Regular employees are defined as active executive, management, professional, technical and wage employees who work full time or part time for the Corporation and are covered by the Corporation's benefit plans and programs. Regular employees do not include employees of the company-operated retail sites (CORS). The

number of CORS employees was 8.4 thousand, 9.8 thousand, and 11.1 thousand at years ended 2014, 2013 and 2012, respectively.

Information concerning the source and availability of raw materials used in the Corporation's business, the extent of seasonality in the business, the possibility of renegotiation of profits or termination of contracts at the election of governments and risks attendant to foreign operations may be found in "Item 1A–Risk Factors" and "Item 2–Properties" in this report.

ExxonMobil maintains a website at exxonmobil.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 are made available through our website as soon as reasonably practical after we electronically file or furnish the reports to the Securities and Exchange Commission. Also available on the Corporation's website are the Company's Corporate Governance Guidelines and Code of Ethics and Business Conduct, as well as the charters of the audit, compensation and nominating committees of the Board of Directors. Information on our website is not incorporated into this report.

ITEM 1A. RISK FACTORS

ExxonMobil's financial and operating results are subject to a variety of risks inherent in the global oil, gas, and petrochemical businesses. Many of these risk factors are not within the Company's control and could adversely affect our business, our financial and operating results or our financial condition. These risk factors include:

Supply and Demand

The oil, gas, and petrochemical businesses are fundamentally commodity businesses. This means ExxonMobil's operations and earnings may be significantly affected by changes in oil, gas and petrochemical prices and by changes in margins on refined products. Oil, gas, petrochemical and product prices and margins in turn depend on local, regional and global events or conditions that affect supply and demand for the relevant commodity.

Economic conditions. The demand for energy and petrochemicals correlates closely with general economic growth rates. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on our results. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, government austerity programs, or currency exchange rate fluctuations, can also impact the demand for energy and petrochemicals. Sovereign debt downgrades, defaults, inability to access debt markets due to credit or legal constraints, liquidity crises, the breakup or restructuring of fiscal, monetary, or political systems such as the European Union, and other events or conditions that impair the functioning of financial markets and institutions also pose risks to ExxonMobil, including risks to the safety of our financial assets and to the ability of our partners and customers to fulfill their commitments to ExxonMobil.

Other demand-related factors. Other factors that may affect the demand for oil, gas and petrochemicals, and therefore impact our results, include technological improvements in energy efficiency; seasonal weather patterns, which affect the demand for energy associated with heating and cooling; increased competitiveness of alternative energy sources that have so far generally not been competitive with oil and gas without the benefit of government subsidies or mandates; and changes in technology or consumer preferences that alter fuel choices, such as toward alternative fueled vehicles.

Other supply-related factors. Commodity prices and margins also vary depending on a number of factors affecting supply. For example, increased supply from the development of new oil and gas supply sources and technologies to enhance recovery from existing sources tend to reduce commodity prices to the extent such supply increases are not offset by commensurate growth in demand. Similarly, increases in industry refining or petrochemical manufacturing capacity tend to reduce margins on the affected products. World oil, gas, and petrochemical supply levels can also be affected by factors that reduce available supplies, such as adherence by member countries to OPEC production quotas and the occurrence of wars, hostile actions, natural disasters, disruptions in competitors' operations, or unexpected unavailability of distribution channels that may disrupt supplies. Technological change can also alter the relative costs for competitors to find, produce, and refine oil and gas and to manufacture petrochemicals.

Other market factors. ExxonMobil's business results are also exposed to potential negative impacts due to changes in interest rates, inflation, currency exchange rates, and other local or regional market conditions. We generally do not use financial instruments to hedge market exposures.

Government and Political Factors

ExxonMobil's results can be adversely affected by political or regulatory developments affecting our operations.

Access limitations. A number of countries limit access to their oil and gas resources, or may place resources off-limits from development altogether. Restrictions on foreign investment in the oil and gas sector tend to increase in times of high commodity prices, when national governments may have less need of outside sources of private capital. Many countries also restrict the import or export of certain products based on point of origin.

Restrictions on doing business. ExxonMobil is subject to laws and sanctions imposed by the U.S. or by other jurisdictions where we do business that may prohibit ExxonMobil or certain of its affiliates from doing business in certain countries, or restricting the kind of business that may be conducted. Such restrictions may provide a competitive advantage to competitors who may not be subject to comparable restrictions.

Lack of legal certainty. Some countries in which we do business lack well-developed legal systems, or have not yet adopted clear regulatory frameworks for oil and gas development. Lack of legal certainty exposes our operations to increased risk of adverse or unpredictable actions by government officials, and also makes it more difficult for us to enforce our contracts. In some cases these risks can be partially offset by agreements to arbitrate disputes in an international forum, but the adequacy of this remedy may still depend on the local legal system to enforce an award.

Regulatory and litigation risks. Even in countries with well-developed legal systems where ExxonMobil does business, we remain exposed to changes in law (including changes that result from international treaties and accords) that could adversely affect our results, such as:

- increases in taxes or government royalty rates (including retroactive claims);
- price controls;
- changes in environmental regulations or other laws that increase our cost of compliance or reduce or delay available business opportunities (including changes in laws related to offshore drilling operations, water use, or hydraulic fracturing);
- adoption of regulations mandating the use of alternative fuels or uncompetitive fuel components;
- adoption of government payment transparency regulations that could require us to disclose competitively sensitive commercial information, or that could cause us to violate the non-disclosure laws of other countries; and
- government actions to cancel contracts, re-denominate the official currency, renounce or default on obligations, renegotiate terms unilaterally, or expropriate assets.

Legal remedies available to compensate us for expropriation or other takings may be inadequate.

We also may be adversely affected by the outcome of litigation, especially in countries such as the United States in which very large and unpredictable punitive damage awards may occur, or by government enforcement proceedings alleging non-compliance with applicable laws or regulations.

Security concerns. Successful operation of particular facilities or projects may be disrupted by civil unrest, acts of sabotage or terrorism, and other local security concerns. Such concerns may require us to incur greater costs for security or to shut down operations for a period of time.

Climate change and greenhouse gas restrictions. Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These include adoption of cap and trade regimes, carbon taxes, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy. These requirements could make our products more expensive, lengthen project implementation times, and reduce demand for hydrocarbons, as well as shift hydrocarbon demand toward relatively lower-carbon sources such as natural gas. Current and pending greenhouse gas regulations may also increase our compliance costs, such as for monitoring or sequestering emissions.

Government sponsorship of alternative energy. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources. We are conducting our own research efforts into alternative energy, such as through sponsorship of the Global Climate and Energy Project at Stanford University and research into liquid products from algae and biomass that can be further converted to transportation fuels. Our future results may depend in part on the success of our research efforts and on our ability to adapt and apply the strengths of our current business model to providing the energy products of the future in a cost-competitive manner. See “Management Effectiveness” below.

Management Effectiveness

In addition to external economic and political factors, our future business results also depend on our ability to manage successfully those factors that are at least in part within our control. The extent to which we manage these factors will impact our performance relative to competition. For projects in which we are not the operator, we depend on the management effectiveness of one or more co-venturers whom we do not control.

Exploration and development program. Our ability to maintain and grow our oil and gas production depends on the success of our exploration and development efforts. Among other factors, we must continuously improve our ability to identify the most promising resource prospects and apply our project management expertise to bring discovered resources on line on schedule and within budget.

Project management. The success of ExxonMobil's Upstream, Downstream, and Chemical businesses depends on complex, long-term, capital intensive projects. These projects in turn require a high degree of project management expertise to maximize efficiency. Specific factors that can affect the performance of major projects include our ability to: negotiate successfully with joint venturers, partners, governments, suppliers, customers, or others; model and optimize reservoir performance; develop markets for project outputs, whether through long-term contracts or the development of effective spot markets; manage changes in operating conditions and costs, including costs of third party equipment or services such as drilling rigs and shipping; prevent, to the extent possible, and respond effectively to unforeseen technical difficulties that could delay project startup or cause unscheduled project downtime; and influence the performance of project operators where ExxonMobil does not perform that role.

The term “project” as used in this report can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

Operational efficiency. An important component of ExxonMobil’s competitive performance, especially given the commodity-based nature of many of our businesses, is our ability to operate efficiently, including our ability to manage expenses and improve production yields on an ongoing basis. This requires continuous management focus, including technology improvements, cost control, productivity enhancements, regular reappraisal of our asset portfolio, and the recruitment, development and retention of high caliber employees.

Research and development. To maintain our competitive position, especially in light of the technological nature of our businesses and the need for continuous efficiency improvement, ExxonMobil’s research and development organizations must be successful and able to adapt to a changing market and policy environment.

Safety, business controls, and environmental risk management. Our results depend on management’s ability to minimize the inherent risks of oil, gas, and petrochemical operations, to control effectively our business activities and to minimize the potential for human error. We apply rigorous management systems and continuous focus to workplace safety and to avoiding spills or other adverse environmental events. For example, we work to minimize spills through a combined program of effective operations integrity management, ongoing upgrades, key equipment replacements, and comprehensive inspection and surveillance. Similarly, we are implementing cost-effective new technologies and adopting new operating practices to reduce air emissions, not only in response to government requirements but also to address community priorities. We also maintain a disciplined framework of internal controls and apply a controls management system for monitoring compliance with this framework. Substantial liabilities and other adverse impacts could result if our management systems and controls do not function as intended. The ability to insure against such risks is limited by the capacity of the applicable insurance markets, which may not be sufficient.

Business risks also include the risk of cybersecurity breaches. If our systems for protecting against cybersecurity risks prove not to be sufficient, ExxonMobil could be adversely affected such as by having its business systems compromised, its proprietary information altered, lost or stolen, or its business operations disrupted.

Preparedness. Our operations may be disrupted by severe weather events, natural disasters, human error, and similar events. For example, hurricanes may damage our offshore production facilities or coastal refining and petrochemical plants in vulnerable areas. Our ability to mitigate the adverse impacts of these events depends in part upon the effectiveness of our rigorous disaster preparedness and response planning, as well as business continuity planning.

Projections, estimates and descriptions of ExxonMobil’s plans and objectives included or incorporated in Items 1, 1A, 2, 7 and 7A of this report are forward-looking statements. Actual future results, including project completion dates, production rates, capital expenditures, costs and business plans could differ materially due to, among other things, the factors discussed above and elsewhere in this report.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. Properties

Information with regard to oil and gas producing activities follows:

1. Disclosure of Reserves

A. Summary of Oil and Gas Reserves at Year-End 2014

The table below summarizes the oil-equivalent proved reserves in each geographic area and by product type for consolidated subsidiaries and equity companies. The Corporation has reported proved reserves on the basis of the average of the first-day-of-the-month price for each month during the last 12-month period. Gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels. No major discovery or other favorable or adverse event has occurred since December 31, 2014, that would cause a significant change in the estimated proved reserves as of that date.

	Crude Oil	Natural Gas Liquids	Bitumen	Synthetic Oil	Natural Gas	Oil-Equivalent Basis
	(million bbls)	*(million bbls)*	*(million bbls)*	*(million bbls)*	*(billion cubic ft)*	*(million bbls)*
Proved Reserves						
Developed						
Consolidated Subsidiaries						
United States	1,215	287	-	-	14,169	3,864
Canada/South America *(1)*	98	13	2,122	534	615	2,869
Europe	170	35	-	-	1,870	517
Africa	722	172	-	-	764	1,021
Asia	1,481	134	-	-	5,031	2,453
Australia/Oceania	74	38	-	-	2,179	475
Total Consolidated	3,760	679	2,122	534	24,628	11,199
Equity Companies						
United States	259	10	-	-	194	301
Europe	26	-	-	-	6,484	1,107
Asia	822	366	-	-	16,305	3,906
Total Equity Company	1,107	376	-	-	22,983	5,314
Total Developed	4,867	1,055	2,122	534	47,611	16,513
Undeveloped						
Consolidated Subsidiaries						
United States	893	341	-	-	11,818	3,203
Canada/South America *(1)*	184	6	2,111	-	611	2,403
Europe	29	13	-	-	513	127

Africa	380	21	-	-	47	409
Asia	651	-	-	-	429	723
Australia/Oceania	67	32	-	-	5,097	949
Total Consolidated	2,204	413	2,111	-	18,515	7,814
Equity Companies						
United States	69	6	-	-	78	88
Europe	1	-	-	-	1,934	323
Asia	278	53	-	-	1,200	531
Total Equity Company	348	59	-	-	3,212	942
Total Undeveloped	2,552	472	2,111	-	21,727	8,756
Total Proved Reserves	7,419	1,527	4,233	534	69,338	25,269

(1) South America includes proved developed reserves of 0.2 million barrels of crude oil and natural gas liquids and 39 billion cubic feet of natural gas and proved undeveloped reserves of 7 billion cubic feet of natural gas.

In the preceding reserves information, consolidated subsidiary and equity company reserves are reported separately. However, the Corporation operates its business with the same view of equity company reserves as it has for reserves from consolidated subsidiaries.

The Corporation's overall volume capacity outlook, based on projects coming on stream as anticipated, is for production capacity to grow over the coming years. However, actual volumes will vary from year to year due to the timing of individual project start-ups, operational outages, reservoir performance, regulatory changes, the impact of fiscal and commercial terms, asset sales, weather events, price effects on production sharing contracts and other factors as described in Item 1A—Risk Factors of this report.

The estimation of proved reserves, which is based on the requirement of reasonable certainty, is an ongoing process based on rigorous technical evaluations, commercial and market assessments and detailed analysis of well and reservoir information such as flow rates and reservoir pressure declines. Furthermore, the Corporation only records proved reserves for projects which have received significant funding commitments by management made toward the development of the reserves. Although the Corporation is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals and significant changes in projections of long-term oil and gas price levels.

B. Technologies Used in Establishing Proved Reserves Additions in 2014

Additions to ExxonMobil's proved reserves in 2014 were based on estimates generated through the integration of available and appropriate geological, engineering and production data, utilizing well-established technologies that have been demonstrated in the field to yield repeatable and consistent results.

Data used in these integrated assessments included information obtained directly from the subsurface via wellbores, such as well logs, reservoir core samples, fluid samples, static and dynamic pressure information, production test data, and surveillance and performance information. The data utilized also included subsurface information obtained through indirect measurements including high-quality 3-D and 4-D seismic data, calibrated with available well control information. The tools used to interpret the data included proprietary seismic processing software, proprietary reservoir modeling and simulation software, and commercially available data analysis packages.

In some circumstances, where appropriate analog reservoirs were available, reservoir parameters from these analogs were used to increase the quality of and confidence in the reserves estimates.

C. Qualifications of Reserves Technical Oversight Group and Internal Controls over Proved Reserves

ExxonMobil has a dedicated Global Reserves group that provides technical oversight and is separate from the operating organization. Primary responsibilities of this group include oversight of the reserves estimation process for compliance with Securities and Exchange Commission (SEC) rules and regulations, review of annual changes in reserves estimates, and the reporting of ExxonMobil's proved reserves. This group also maintains the official company reserves estimates for ExxonMobil's proved reserves of crude and natural gas liquids, bitumen, synthetic oil and natural gas. In addition, the group provides training to personnel involved in the reserves estimation and reporting process within ExxonMobil and its affiliates. The Manager of the Global Reserves group has more than 30 years of experience in reservoir engineering and reserves assessment and has a degree in Engineering. He is an active member of the Society of Petroleum Engineers (SPE) and previously served on the SPE Oil and Gas Reserves Committee. The group is managed by and staffed with individuals that have an average of more than 20 years of technical experience in the petroleum industry, including expertise in the classification and categorization of reserves under the SEC guidelines. This group includes individuals who hold advanced degrees in either Engineering or Geology. Several

members of the group hold professional registrations in their field of expertise, and members have served on the SPE Oil and Gas Reserves Committee.

The Global Reserves group maintains a central database containing the official company reserves estimates. Appropriate controls, including limitations on database access and update capabilities, are in place to ensure data integrity within this central database. An annual review of the system's controls is performed by internal audit. Key components of the reserves estimation process include technical evaluations and analysis of well and field performance and a rigorous peer review. No changes may be made to the reserves estimates in the central database, including additions of any new initial reserves estimates or subsequent revisions, unless these changes have been thoroughly reviewed and evaluated by duly authorized personnel within the operating organization. In addition, changes to reserves estimates that exceed certain thresholds require further review and approval of the appropriate level of management within the operating organization before the changes may be made in the central database. Endorsement by the Global Reserves group for all proved reserves changes is a mandatory component of this review process. After all changes are made, reviews are held with senior management for final endorsement.

2. Proved Undeveloped Reserves

At year-end 2014, approximately 8.8 billion oil-equivalent barrels (GOEB) of ExxonMobil's proved reserves were classified as proved undeveloped. This represents 35 percent of the 25.3 GOEB reported in proved reserves. This compares to the 8.5 GOEB of proved undeveloped reserves reported at the end of 2013. During the year, ExxonMobil conducted development activities in over 100 fields that resulted in the transfer of approximately 0.8 GOEB from proved undeveloped to proved developed reserves by year-end. The largest transfers were related to Papua New Guinea (PNG) LNG start-up and drilling activity in the United States.

One of ExxonMobil's requirements for reporting proved reserves is that management has made significant funding commitments toward the development of the reserves. ExxonMobil has a disciplined investment strategy and many major fields require long lead-time in order to be developed. Development projects typically take two to four years from the time of recording proved undeveloped reserves to the start of production. However, the development time for large and complex projects can exceed five years. During 2014, discoveries and extensions related to new projects added approximately 0.6 GOEB of proved undeveloped reserves. The largest of these additions were related to planned drilling in the United States and project funding in Angola, Russia and Kazakhstan. Overall, investments of $24.2 billion were made by the Corporation during 2014 to progress the development of reported proved undeveloped reserves, including $22.4 billion for oil and gas producing activities and an additional $1.8 billion for other non-oil and gas producing activities such as the construction of support infrastructure and other related facilities. These investments represented 74 percent of the $32.7 billion in total reported Upstream capital and exploration expenditures.

Proved undeveloped reserves in Australia, the United States, Kazakhstan, Nigeria, and the Netherlands have remained undeveloped for five years or more primarily due to constraints on the capacity of infrastructure, the pace of co-venturer/government funding, as well as the time required to complete development for very large projects. The Corporation is reasonably certain that these proved reserves will be produced; however, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals, and significant changes in long-term oil and gas price levels. Of the proved undeveloped reserves that have been reported for five or more years, 84 percent are contained in the aforementioned countries. The largest of these is related to LNG/Gas projects in Australia, where construction of the Gorgon LNG project is under way. In Kazakhstan, the proved undeveloped reserves are related to the remainder of the initial development of the offshore Kashagan field which is included in the North Caspian Production Sharing Agreement and the Tengizchevroil joint venture which includes a production license in the Tengiz – Korolev field complex. The Tengizchevroil joint venture is producing, and proved undeveloped reserves will continue to move to proved developed as approved development phases progress. In the Netherlands, the Groningen gas field has proved undeveloped reserves reported that are related to installation of future stages of compression. These reserves will move to proved developed when the additional stages of compression are installed to maintain field delivery pressure.

3. Oil and Gas Production, Production Prices and Production Costs

A. Oil and Gas Production

The table below summarizes production by final product sold and by geographic area for the last three years.

	2014		2013		2012	
	(thousands of barrels daily)					
Crude oil and natural gas liquids production	Crude Oil	NGL	Crude Oil	NGL	Crude Oil	NGL
Consolidated Subsidiaries						
United States	304	85	283	85	274	81
Canada/South America *(1)*	52	9	57	10	49	10
Europe	151	28	157	27	170	33
Africa	469	20	451	18	472	15
Asia	293	26	313	30	319	43
Australia/Oceania	39	20	29	19	32	18
Total Consolidated Subsidiaries	1,308	188	1,290	189	1,316	200
Equity Companies						
United States	63	2	61	2	61	2
Europe	5	-	6	-	4	-
Asia	236	69	373	68	345	65
Total Equity Companies	304	71	440	70	410	67
Total crude oil and natural gas liquids production	1,612	259	1,730	259	1,726	267
Bitumen production						
Consolidated Subsidiaries						
Canada/South America	180		148		123	
Synthetic oil production						
Consolidated Subsidiaries						
Canada/South America	60		65		69	
Total liquids production	2,111		2,202		2,185	
	(millions of cubic feet daily)					
Natural gas production available for sale						
Consolidated Subsidiaries						
United States	3,374		3,530		3,819	
Canada/South America *(1)*	310		354		362	
Europe	1,226		1,294		1,446	
Africa	4		6		17	
Asia	1,067		1,180		1,445	
Australia/Oceania	512		351		363	
Total Consolidated Subsidiaries	6,493		6,715		7,452	

Equity Companies			
United States	30	15	3
Europe	1,590	1,957	1,774
Asia	3,032	3,149	3,093
Total Equity Companies	4,652	5,121	4,870
Total natural gas production available for sale	11,145	11,836	12,322
	(thousands of oil-equivalent barrels daily)		
Oil-equivalent production	3,969	4,175	4,239

(1) South America includes liquids production for 2012 of one thousand barrels daily and natural gas production available for sale for 2014, 2013 and 2012 of 21 million, 28 million, and 38 million cubic feet daily, respectively.

B. Production Prices and Production Costs

The table below summarizes average production prices and average production costs by geographic area and by product type for the last three years.

	United States	Canada/ S. America	Europe	Africa	Asia	Australia/ Oceania	Total
During 2014			*(dollars per unit)*				
Consolidated Subsidiaries							
Average production prices							
Crude oil, per barrel	84.00	86.46	96.43	97.46	95.27	95.56	93.21
NGL, per barrel	39.70	51.86	53.68	65.21	40.81	56.77	47.07
Natural gas, per thousand cubic feet	3.61	3.96	8.18	2.61	3.71	5.87	4.68
Bitumen, per barrel	-	62.68	-	-	-	-	62.68
Synthetic oil, per barrel	-	89.76	-	-	-	-	89.76
Average production costs, per oil-equivalent barrel - total	13.35	33.03	22.29	12.58	8.64	11.05	15.94
Average production costs, per barrel - bitumen	-	32.66	-	-	-	-	32.66
Average production costs, per barrel - synthetic oil	-	55.32	-	-	-	-	55.32
Equity Companies							
Average production prices							
Crude oil, per barrel	91.24	-	88.68	-	93.42	-	92.89
NGL, per barrel	38.77	-	-	-	65.31	-	64.41
Natural gas, per thousand cubic feet	4.54	-	8.28	-	10.00	-	9.38
Average production costs, per oil-equivalent barrel - total	24.34	-	6.10	-	1.85	-	4.22
Total							
Average production prices							
Crude oil, per barrel	85.23	86.46	96.17	97.46	94.44	95.56	93.15
NGL, per barrel	39.68	51.86	53.68	65.21	58.52	56.77	51.84
Natural gas, per thousand cubic feet	3.62	3.96	8.23	2.61	8.36	5.87	6.64
Bitumen, per barrel	-	62.68	-	-	-	-	62.68
Synthetic oil, per barrel	-	89.76	-	-	-	-	89.76
Average production costs, per oil-equivalent barrel - total	14.10	33.03	15.59	12.58	4.44	11.05	12.55
Average production costs, per barrel - bitumen	-	32.66	-	-	-	-	32.66
Average production costs, per barrel - synthetic oil	-	55.32	-	-	-	-	55.32
During 2013							
Consolidated Subsidiaries							
Average production prices							

Crude oil, per barrel	93.56	98.91	106.75	108.73	106.18	107.92	104.13
NGL, per barrel	44.30	44.96	65.36	75.24	40.83	59.55	51.12
Natural gas, per thousand cubic feet	2.99	2.80	10.07	2.79	4.10	4.20	4.60
Bitumen, per barrel	-	59.63	-	-	-	-	59.63
Synthetic oil, per barrel	-	93.96	-	-	-	-	93.96
Average production costs, per oil-equivalent barrel - total	12.02	32.02	19.57	13.95	8.95	16.81	15.42
Average production costs, per barrel - bitumen	-	34.30	-	-	-	-	34.30
Average production costs, per barrel - synthetic oil	-	50.94	-	-	-	-	50.94
Equity Companies							
Average production prices							
Crude oil, per barrel	102.24	-	99.26	-	103.96	-	103.66
NGL, per barrel	42.02	-	-	-	70.90	-	69.96
Natural gas, per thousand cubic feet	4.37	-	9.28	-	10.19	-	9.82
Average production costs, per oil-equivalent barrel - total	22.77	-	3.79	-	1.87	-	3.36
Total							
Average production prices							
Crude oil, per barrel	95.11	98.91	106.49	108.73	104.98	107.92	104.01
NGL, per barrel	44.24	44.96	65.36	75.24	61.64	59.55	56.26
Natural gas, per thousand cubic feet	3.00	2.80	9.59	2.79	8.53	4.20	6.86
Bitumen, per barrel	-	59.63	-	-	-	-	59.63
Synthetic oil, per barrel	-	93.96	-	-	-	-	93.96
Average production costs, per oil-equivalent barrel - total	12.72	32.02	12.42	13.95	4.41	16.81	11.48
Average production costs, per barrel - bitumen	-	34.30	-	-	-	-	34.30
Average production costs, per barrel - synthetic oil	-	50.94	-	-	-	-	50.94

During 2012	United States	Canada/ S. America	Europe	Africa	Asia	Australia/ Oceania	Total
			(dollars per unit)				
Consolidated Subsidiaries							
Average production prices							
Crude oil, per barrel	94.71	98.67	110.91	111.19	109.95	112.12	107.05
NGL, per barrel	50.32	57.84	68.08	76.63	43.65	56.85	54.71
Natural gas, per thousand cubic feet	2.15	1.98	8.92	2.77	3.91	4.39	3.90
Bitumen, per barrel	-	58.91	-	-	-	-	58.91
Synthetic oil, per barrel	-	92.77	-	-	-	-	92.77
Average production costs, per oil-equivalent barrel - total	11.14	26.94	15.06	13.35	7.27	12.11	13.02
Average production costs, per barrel - bitumen	-	23.71	-	-	-	-	23.71
Average production costs, per barrel - synthetic oil	-	47.45	-	-	-	-	47.45
Equity Companies							
Average production prices							
Crude oil, per barrel	105.02	-	104.59	-	106.59	-	106.33
NGL, per barrel	58.38	-	-	-	75.24	-	74.87
Natural gas, per thousand cubic feet	3.22	-	9.66	-	9.38	-	9.48
Average production costs, per oil-equivalent barrel - total	20.15	-	3.36	-	1.43	-	2.80
Total							
Average production prices							
Crude oil, per barrel	96.60	98.67	110.74	111.19	108.22	112.12	106.88
NGL, per barrel	50.46	57.84	68.08	76.63	62.61	56.85	59.74
Natural gas, per thousand cubic feet	2.15	1.98	9.33	2.77	7.64	4.39	6.11
Bitumen, per barrel	-	58.91	-	-	-	-	58.91
Synthetic oil, per barrel	-	92.77	-	-	-	-	92.77
Average production costs, per oil-equivalent barrel - total	11.68	26.94	10.34	13.35	3.74	12.11	9.91
Average production costs, per barrel - bitumen	-	23.71	-	-	-	-	23.71
Average production costs, per barrel - synthetic oil	-	47.45	-	-	-	-	47.45

Average production prices have been calculated by using sales quantities from the Corporation’s own production as the divisor. Average production costs have been computed by using net production quantities for the divisor. The volumes of crude oil and natural gas liquids (NGL) production used for this computation are shown in the oil and gas production table in section 3.A. The volumes of natural gas used in the calculation are the production volumes of natural gas available for sale and are also shown in section 3.A. The natural gas available for sale volumes are different from those shown in the reserves table in the “Oil and Gas Reserves” part of the “Supplemental Information on Oil and Gas Exploration and Production Activities” portion of the Financial Section of this report due to volumes consumed or flared. Gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels.

10

4. Drilling and Other Exploratory and Development Activities

A. Number of Net Productive and Dry Wells Drilled

	2014	2013	2012
Net Productive Exploratory Wells Drilled			
Consolidated Subsidiaries			
United States	3	8	7
Canada/South America	3	4	2
Europe	1	-	1
Africa	2	2	2
Asia	-	-	1
Australia/Oceania	-	-	2
Total Consolidated Subsidiaries	9	14	15
Equity Companies			
United States	-	-	-
Europe	2	1	1
Asia	-	1	-
Total Equity Companies	2	2	1
Total productive exploratory wells drilled	11	16	16
Net Dry Exploratory Wells Drilled			
Consolidated Subsidiaries			
United States	2	2	2
Canada/South America	1	4	-
Europe	1	1	2
Africa	1	-	-
Asia	-	-	2
Australia/Oceania	-	-	1
Total Consolidated Subsidiaries	5	7	7
Equity Companies			
United States	2	1	-
Europe	-	-	1
Asia	-	-	-
Total Equity Companies	2	1	1
Total dry exploratory wells drilled	7	8	8

	2014	2013	2012
Net Productive Development Wells Drilled			
Consolidated Subsidiaries			
United States	721	755	867
Canada/South America	178	201	73
Europe	8	13	10
Africa	41	33	39
Asia	19	30	28
Australia/Oceania	5	3	-
Total Consolidated Subsidiaries	972	1,035	1,017
Equity Companies			
United States	340	328	282
Europe	2	2	4
Asia	1	8	7
Total Equity Companies	343	338	293
Total productive development wells drilled	1,315	1,373	1,310
Net Dry Development Wells Drilled			
Consolidated Subsidiaries			
United States	6	5	5
Canada/South America	3	-	-
Europe	1	2	1
Africa	-	-	-
Asia	-	-	2
Australia/Oceania	-	-	-
Total Consolidated Subsidiaries	10	7	8
Equity Companies			
United States	-	-	-
Europe	1	1	-
Asia	-	-	-
Total Equity Companies	1	1	-
Total dry development wells drilled	11	8	8
Total number of net wells drilled	1,344	1,405	1,342

B. Exploratory and Development Activities Regarding Oil and Gas Resources Extracted by Mining Technologies

Syncrude Operations. Syncrude is a joint venture established to recover shallow deposits of oil sands using open-pit mining methods to extract the crude bitumen, and then upgrade it to produce a high-quality, light (32 degrees API), sweet, synthetic crude oil. Imperial Oil Limited is the owner of a 25 percent interest in the joint venture. Exxon Mobil Corporation has a 69.6 percent interest in Imperial Oil Limited. In 2014, the company's share of net production of synthetic crude oil was about 60 thousand barrels per day and share of net acreage was about 63 thousand acres in the Athabasca oil sands deposit.

Kearl Project. The Kearl project is a joint venture established to recover shallow deposits of oil sands using open-pit mining methods to extract the crude bitumen. Imperial Oil Limited holds a 70.96 percent interest in the joint venture and ExxonMobil Canada Properties holds the other 29.04 percent. Exxon Mobil Corporation has a 69.6 percent interest in Imperial Oil Limited and a 100 percent interest in ExxonMobil Canada Properties. Kearl is comprised of six oil sands leases covering about 48 thousand acres in the Athabasca oil sands deposit.

The Kearl project is located approximately 40 miles north of Fort McMurray, Alberta, Canada. Bitumen is extracted from oil sands produced from open-pit mining operations, and processed through a bitumen extraction and froth treatment train. The product, a blend of bitumen and diluent, is shipped to our refineries and to other third parties. Diluent is natural gas condensate or other light hydrocarbons added to the crude bitumen to facilitate transportation by pipeline. During 2014, average net production at Kearl was 66 thousand barrels per day. The Kearl Expansion project was essentially complete at the end of 2014, and the commissioning of facilities commenced in preparation for start-up.

5. Present Activities

A. Wells Drilling

	Year-End 2014		Year-End 2013	
	Gross	Net	Gross	Net
Wells Drilling				
Consolidated Subsidiaries				
United States	1,120	442	1,199	480
Canada/South America	35	29	107	95
Europe	18	8	29	10
Africa	33	12	38	11
Asia	90	26	112	32
Australia/Oceania	10	4	18	5
Total Consolidated Subsidiaries	1,306	521	1,503	633
Equity Companies				
United States	31	6	9	4
Europe	4	1	8	3
Asia	1	-	11	1
Total Equity Companies	36	7	28	8
Total gross and net wells drilling	1,342	528	1,531	641

B. Review of Principal Ongoing Activities

UNITED STATES

ExxonMobil's year-end 2014 acreage holdings totaled 14.6 million net acres, of which 1.7 million net acres were offshore. ExxonMobil was active in areas onshore and offshore in the lower 48 states and in Alaska.

During the year, 1,048.3 net exploration and development wells were completed in the inland lower 48 states. Development activities focused on liquids-rich opportunities in the onshore U.S., primarily in the Permian Basin of West Texas and New Mexico, the Bakken oil play in North Dakota and Montana, and the Woodford and Caney Shales in the Ardmore and Marietta basins of Oklahoma. In addition, gas development activities continued in the Marcellus Shale of Pennsylvania and West Virginia, the Utica Shale of Ohio, the Haynesville Shale of Texas and Louisiana, the Barnett Shale of North Texas, and the Fayetteville Shale of Arkansas.

ExxonMobil's net acreage in the Gulf of Mexico at year-end 2014 was 1.5 million acres. A total of 2.6 net exploration and development wells were completed during the year. Development activities were completed on the deepwater Hadrian South project and the non-operated Lucius project. ExxonMobil continued development activities on the Heidelberg and Julia Phase 1 projects. Offshore California 5.0 net development wells were completed.

Participation in Alaska production and development continued with a total of 18.3 net development wells completed. Development activities continued on the Point Thomson project.

CANADA / SOUTH AMERICA

Canada

Oil and Gas Operations: ExxonMobil's year-end 2014 acreage holdings totaled 5.4 million net acres, of which 1.0 million net acres were offshore. A total of 89.2 net development wells were completed during the year.

In Situ Bitumen Operations: ExxonMobil's year-end 2014 in situ bitumen acreage holdings totaled 0.7 million net onshore acres. A total of 90.0 net development wells were completed during the year.

Argentina

ExxonMobil's net acreage totaled 0.9 million onshore acres at year-end 2014, and there were 4.6 net exploration and development wells completed during the year.

EUROPE

Germany

A total of 4.9 million net onshore acres were held by ExxonMobil at year-end 2014, with 2.6 net exploration and development wells completed during the year.

Netherlands

ExxonMobil's net interest in licenses totaled approximately 1.5 million acres at year-end 2014, of which 1.2 million acres were onshore. A total of 5.1 net exploration and development wells were completed during the year.

Norway

ExxonMobil's net interest in licenses at year-end 2014 totaled approximately 0.4 million acres, all offshore. A total of 4.9 net exploration and development wells were completed in 2014.

United Kingdom

ExxonMobil's net interest in licenses at year-end 2014 totaled approximately 0.6 million acres, all offshore. A total of 2.1 net development wells were completed during the year.

AFRICA

Angola

ExxonMobil's net acreage totaled 0.4 million offshore acres at year-end 2014, with 6.7 net exploration and development wells completed during the year. On Block 15, development activities continued at Kizomba Satellites Phase 2. The Kaombo project on Block 32 was funded in 2014. The Cravo-Lirio-Orquidea-Violeta project, on the non-operated Block 17, started up in 2014.

Chad

ExxonMobil's net year-end 2014 acreage holdings consisted of 46 thousand onshore acres, with 30.0 net development wells completed during the year.

Equatorial Guinea

ExxonMobil's acreage totaled 0.1 million net offshore acres at year-end 2014, with 1.5 net development wells completed during the year.

Nigeria

ExxonMobil's net acreage totaled 0.8 million offshore acres at year-end 2014, with 3.6 net exploration and development wells completed during the year. In 2014, ExxonMobil continued development drilling on the deepwater Usan and Erha North Phase 2 projects. Satellite Field Development Phase 1 development drilling was completed, and the Bonga Northwest deepwater project started up in 2014.

ASIA

Azerbaijan

At year-end 2014, ExxonMobil's net acreage totaled 9 thousand offshore acres. A total of 0.9 net development wells were completed during the year. The Chirag Oil project was completed, and the sixth producing platform, West Chirag, started up in 2014.

Indonesia

At year-end 2014, ExxonMobil had 1.7 million net acres, 1.3 million net acres offshore and 0.4 million net acres onshore, with 7.7 net development wells completed during the year.

Iraq

At year-end 2014, ExxonMobil's onshore acreage was 0.7 million net acres. A total of 3.0 net development wells were completed at the West Qurna Phase I oil field during the year. Field rehabilitation activities continued during 2014 and across the life of this project will include drilling of new wells, working over of existing wells, and optimization and debottlenecking of existing facilities. In the Kurdistan Region of Iraq, ExxonMobil continued its seismic program and exploration drilling until operations were temporarily suspended due to security concerns in the region.

Kazakhstan

ExxonMobil's net acreage totaled 0.1 million acres onshore and 0.2 million acres offshore at year-end 2014. A total of 1.2 net development wells were completed during 2014. Following a brief production period in 2013, Kashagan operations were suspended due to a leak in the onshore section of the gas pipeline. Working with our partners, activities are under way to replace both the oil and gas pipelines.

Malaysia

ExxonMobil has interests in production sharing contracts covering 0.2 million net acres offshore at year-end 2014. During the year, a total of 4.5 net development wells were completed. The Tapis Enhanced Oil Recovery and Damar projects started up in 2014.

Qatar

Through our joint ventures with Qatar Petroleum, ExxonMobil's net acreage totaled 65 thousand acres offshore at year-end 2014. During the year, a total of 0.3 net development wells were completed. ExxonMobil participated in 61.8 million tonnes per year gross liquefied natural gas capacity and 2.0 billion cubic feet per day of flowing gas capacity at year end. Development activities continued on the Barzan project.

Republic of Yemen

ExxonMobil's net acreage in the Republic of Yemen production sharing areas totaled 10 thousand acres onshore at year-end 2014.

Russia

ExxonMobil's net acreage holdings in Sakhalin at year-end 2014 were 85 thousand acres, all offshore. A total of 1.2 net development wells were completed. Development activities continued on the Arkutun-Dagi project, and the Odoptu Stage 2 project was funded in 2014.

At year-end 2014, ExxonMobil's net acreage in the Rosneft joint venture agreements for the Kara, Laptev, Chukchi and Black Seas was 63.6 million acres, all offshore. ExxonMobil and Rosneft formed a joint venture to evaluate the development of tight-oil reserves in western Siberia in 2013. Refer to the relevant portion of "Note 7: Equity Company Information" of the Financial Section of this report for additional information on the Corporation's participation in Rosneft joint venture activities.

Thailand

ExxonMobil's net onshore acreage in Thailand concessions totaled 21 thousand acres at year-end 2014.

United Arab Emirates

ExxonMobil's net acreage in the Abu Dhabi offshore Upper Zakum oil concession was 81 thousand acres at year-end 2014. During the year, a total of 1.7 net development wells were completed. Development activities continued on the Upper Zakum 750 project.

ExxonMobil's onshore oil concession expired in January 2014.

AUSTRALIA / OCEANIA

Australia

ExxonMobil's year-end 2014 acreage holdings totaled 1.7 million net acres, of which 1.6 million net acres were offshore. During the year, a total of 3.8 net exploration and development wells were completed. Construction activities continued on the Gas Conditioning Plant at Longford.

Project construction activity for the co-venturer operated Gorgon liquefied natural gas (LNG) project progressed in 2014. The project consists of a subsea infrastructure for offshore production and transportation of the gas, a 15.6 million tonnes per year LNG facility and a 280 million cubic feet per day domestic gas plant located on Barrow Island, Western Australia.

Papua New Guinea

A total of 1.1 million net onshore acres were held by ExxonMobil at year-end 2014, with 1.6 net development wells completed during the year. The Papua New Guinea (PNG) LNG project started up in 2014. The PNG LNG integrated development includes gas production and processing facilities in the southern PNG Highlands, a 6.9 million tonnes per year LNG facility near Port Moresby and approximately 434 miles of onshore and offshore pipelines.

WORLDWIDE EXPLORATION

At year-end 2014, exploration activities were under way in several areas in which ExxonMobil has no established production operations and thus are not included above. A total of 33.4 million net acres were held at year-end 2014 and 3.8 net exploration wells were completed during the year in these countries.

6. Delivery Commitments

ExxonMobil sells crude oil and natural gas from its producing operations under a variety of contractual obligations, some of which may specify the delivery of a fixed and determinable quantity for periods longer than one year. ExxonMobil also enters into natural gas sales contracts where the source of the natural gas used to fulfill the contract can be a combination of our own production and the spot market. Worldwide, we are contractually committed to deliver approximately 18 million barrels of oil and 2,800 billion cubic feet of natural gas for the period from 2015 through 2017. We expect to fulfill the majority of these delivery commitments with production from our proved developed reserves. Any remaining commitments will be fulfilled with production from our proved undeveloped reserves and spot market purchases as necessary.

16

7. Oil and Gas Properties, Wells, Operations and Acreage

A. Gross and Net Productive Wells

	Year-End 2014				Year-End 2013			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Gross and Net Productive Wells								
Consolidated Subsidiaries								
United States	24,242	9,249	36,095	21,571	23,395	8,487	38,392	23,839
Canada/South America	5,012	4,659	4,577	1,782	5,486	4,990	4,478	1,762
Europe	1,215	347	642	259	1,254	352	649	269
Africa	1,299	513	19	8	1,186	472	16	6
Asia	804	267	207	150	756	270	207	151
Australia/Oceania	669	157	43	21	661	147	38	19
Total Consolidated Subsidiaries	33,241	15,192	41,583	23,791	32,738	14,718	43,780	26,046
Equity Companies								
United States	14,571	5,605	4,365	494	14,362	5,529	4,369	496
Europe	57	20	567	179	49	17	555	173
Asia	110	27	125	30	1,329	143	122	29
Total Equity Companies	14,738	5,652	5,057	703	15,740	5,689	5,046	698
Total gross and net productive wells	47,979	20,844	46,640	24,494	48,478	20,407	48,826	26,744

There were 35,446 gross and 29,870 net operated wells at year-end 2014 and 37,661 gross and 31,823 net operated wells at year-end 2013. The number of wells with multiple completions was 1,219 gross in 2014 and 1,531 gross in 2013.

.

B. Gross and Net Developed Acreage

	Year-End 2014		Year-End 2013	
	Gross	Net	Gross	Net
	(thousands of acres)			
Gross and Net Developed Acreage				
Consolidated Subsidiaries				
United States	14,777	9,367	16,504	10,061
Canada/South America *(1)*	3,515	2,242	3,413	2,041
Europe	3,337	1,506	3,355	1,511
Africa	2,286	815	2,105	780
Asia	1,817	551	1,828	557
Australia/Oceania	2,123	758	2,123	758
Total Consolidated Subsidiaries	27,855	15,239	29,328	15,708
Equity Companies				
United States	949	208	968	241
Europe	4,342	1,356	4,341	1,356
Asia	628	156	5,731	640
Total Equity Companies	5,919	1,720	11,040	2,237
Total gross and net developed acreage	33,774	16,959	40,368	17,945

(1) Includes developed acreage in South America of 213 gross and 109 net thousands of acres for 2014 and 214 gross and 109 net thousands of acres for 2013.

Separate acreage data for oil and gas are not maintained because, in many instances, both are produced from the same acreage.

C. Gross and Net Undeveloped Acreage

	Year-End 2014		Year-End 2013	
	Gross	Net	Gross	Net
	(thousands of acres)			
Gross and Net Undeveloped Acreage				
Consolidated Subsidiaries				
United States	10,262	4,894	7,645	4,722
Canada/South America *(1)*	16,100	12,250	16,267	9,232
Europe	10,601	5,636	13,461	6,585
Africa	22,143	15,020	20,877	13,446
Asia	17,437	13,016	18,639	13,979
Australia/Oceania	6,653	2,013	7,144	1,991
Total Consolidated Subsidiaries	83,196	52,829	84,033	49,955
Equity Companies				
United States	350	118	363	121
Europe	-	-	-	-
Asia	191,146	63,632	34,147	11,352
Total Equity Companies	191,496	63,750	34,510	11,473

Total gross and net undeveloped acreage	274,692	116,579	118,543	61,428

(1) Includes undeveloped acreage in South America of 9,056 gross and 8,083 net thousands of acres for 2014 and 8,795 gross and 4,674 net thousands of acres for 2013.

Note: Year-end 2013 gross developed and undeveloped acreage in Canada/South America was restated.

ExxonMobil's investment in developed and undeveloped acreage is comprised of numerous concessions, blocks and leases. The terms and conditions under which the Corporation maintains exploration and/or production rights to the acreage are property-specific, contractually defined and vary significantly from property to property. Work programs are designed to ensure that the exploration potential of any property is fully evaluated before expiration. In some instances, the Corporation may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for extension. In cases where additional time may be required to fully evaluate acreage, the Corporation has generally been successful in obtaining extensions. The scheduled expiration of leases and concessions for undeveloped acreage over the next three years is not expected to have a material adverse impact on the Corporation.

D. Summary of Acreage Terms

UNITED STATES

Oil and gas leases have an exploration period ranging from one to ten years, and a production period that normally remains in effect until production ceases. Under certain circumstances, a lease may be held beyond its exploration term even if production has not commenced. In some instances, a “fee interest” is acquired where both the surface and the underlying mineral interests are owned outright.

CANADA / SOUTH AMERICA

Canada

Exploration licenses or leases in onshore areas are acquired for varying periods of time with renewals or extensions possible. These licenses or leases entitle the holder to continue existing licenses or leases upon completing specified work. In general, these license and lease agreements are held as long as there is production on the licenses and leases. Exploration licenses in offshore eastern Canada and the Beaufort Sea are held by work commitments of various amounts and rentals. They are valid for a maximum term of nine years. Production licenses in the offshore are valid for 25 years, with rights of extension for continued production. Significant discovery licenses in the offshore, relating to currently undeveloped discoveries, do not have a definite term.

Argentina

The Federal Hydrocarbon Law was amended in December 2014. The onshore concession terms granted prior to the amendment are up to six years, divided into three potential exploration periods, with an optional extension for up to one year depending on the classification of the area. Pursuant to the amended law, the production term for a conventional production concession would be 25 years, and 35 years for an unconventional concession, with unlimited ten-year extensions possible, once a field has been developed.

EUROPE

Germany

Exploration concessions are granted for an initial maximum period of five years, with an unlimited number of extensions of up to three years each. Extensions are subject to specific, minimum work commitments. Production licenses are normally granted for 20 to 25 years with multiple possible extensions as long as there is production on the license.

Netherlands

Under the Mining Law, effective January 1, 2003, exploration and production licenses for both onshore and offshore areas are issued for a period as explicitly defined in the license. The term is based on the period of time necessary to perform the activities for which the license is issued. License conditions are stipulated in the license and are based on the Mining Law.

Production rights granted prior to January 1, 2003, remain subject to their existing terms, and differ slightly for onshore and offshore areas. Onshore production licenses issued prior to 1988 were indefinite; from 1988 they were issued for a period as explicitly defined in the license, ranging from 35 to 45 years. Offshore production licenses issued before 1976 were issued for a fixed period of 40 years; from 1976 they were again issued for a period as

explicitly defined in the license, ranging from 15 to 40 years.

Norway

Licenses issued prior to 1972 were for an initial period of six years and an extension period of 40 years, with relinquishment of at least one-fourth of the original area required at the end of the sixth year and another one-fourth at the end of the ninth year. Licenses issued between 1972 and 1997 were for an initial period of up to six years (with extension of the initial period of one year at a time up to ten years after 1985), and an extension period of up to 30 years, with relinquishment of at least one-half of the original area required at the end of the initial period. Licenses issued after July 1, 1997, have an initial period of up to ten years and a normal extension period of up to 30 years or in special cases of up to 50 years, and with relinquishment of at least one-half of the original area required at the end of the initial period.

United Kingdom

Acreage terms are fixed by the government and are periodically changed. For example, many of the early licenses issued under the first four licensing rounds provided for an initial term of six years with relinquishment of at least one-half of the original area at the end of the initial term, subject to extension for a further 40 years. At the end of any such 40-year term, licenses may continue in producing areas until cessation of production; or licenses may continue in development areas for periods agreed on a case-by-case basis until they become producing areas; or licenses terminate in all other areas. The licensing regime was last updated in 2002, and the majority of licenses issued have an initial term of four years with a second term extension of four years and a final term of 18 years with a mandatory relinquishment of 50 percent of the acreage after the initial term and of all acreage that is not covered by a development plan at the end of the second term.

AFRICA

Angola

Exploration and production activities are governed by production sharing agreements with an initial exploration term of four years and an optional second phase of two to three years. The production period is for 25 years, and agreements generally provide for a negotiated extension.

Chad

Exploration permits are issued for a period of five years, and are renewable for one or two further five-year periods. The terms and conditions of the permits, including relinquishment obligations, are specified in a negotiated convention. The production term is for 30 years and may be extended at the discretion of the government.

Equatorial Guinea

Exploration and production activities are governed by production sharing contracts negotiated with the State Ministry of Mines, Industry and Energy. The exploration periods are for 10 to 15 years with limited relinquishments in the absence of commercial discoveries. The production period for crude oil is 30 years, while the production period for gas is 50 years. Under the Hydrocarbons Law enacted in 2006, the exploration terms for new production sharing contracts are four to five years with a maximum of two one-year extensions, unless the Ministry agrees otherwise.

Nigeria

Exploration and production activities in the deepwater offshore areas are typically governed by production sharing contracts (PSCs) with the national oil company, the Nigerian National Petroleum Corporation (NNPC). NNPC holds the underlying Oil Prospecting License (OPL) and any resulting Oil Mining Lease (OML). The terms of the PSCs are generally 30 years, including a ten-year exploration period (an initial exploration phase that can be divided into multiple optional periods) covered by an OPL. Upon commercial discovery, an OPL may be converted to an OML. Partial relinquishment is required under the PSC at the end of the ten-year exploration period, and OMLs have a 20-year production period that may be extended.

Some exploration activities are carried out in deepwater by joint ventures with local companies holding interests in an OPL. OPLs in deepwater offshore areas are valid for ten years, while in all other areas the licenses are for five years. Demonstrating a commercial discovery is the basis for conversion of an OPL to an OML.

OMLs granted prior to the 1969 Petroleum Act (i.e., under the Mineral Oils Act 1914, repealed by the 1969 Petroleum Act) were for 30 years onshore and 40 years in offshore areas and have been renewed, effective December 1, 2008, for a further period of 20 years, with a further renewal option of 20 years. Operations under these pre-1969 OMLs are conducted under a joint venture agreement with NNPC rather than a PSC. Commercial terms applicable to the existing joint venture oil production are defined by the Petroleum Profits Tax Act.

OMLs granted under the 1969 Petroleum Act, which include all deepwater OMLs, have a maximum term of 20 years without distinction for onshore or offshore location and are renewable, upon 12 months' written notice, for another period of 20 years. OMLs not held by NNPC are also subject to a mandatory 50-percent relinquishment after the first ten years of their duration.

ASIA

Azerbaijan

The production sharing agreement (PSA) for the development of the Azeri-Chirag-Gunashli field is established for an initial period of 30 years starting from the PSA execution date in 1994.

Other exploration and production activities are governed by PSAs negotiated with the national oil company of Azerbaijan. The exploration period consists of three or four years with the possibility of a one to three-year extension. The production period, which includes development, is for 25 years or 35 years with the possibility of one or two five-year extensions.

Indonesia

Exploration and production activities in Indonesia are generally governed by cooperation contracts, usually in the form of a production sharing contract (PSC), negotiated with BPMIGAS, a government agency established in 2002 to manage upstream oil and gas activities. In 2012, Indonesia's Constitutional Court ruled certain articles of law relating to BPMIGAS to be unconstitutional, but stated that all existing PSCs signed with BPMIGAS should remain in force until their expiry, and the functions and duties previously performed by BPMIGAS are to be carried out by the relevant Ministry of the Government of Indonesia until the promulgation of a new oil and gas law. By presidential decree, SKKMIGAS became the interim successor to BPMIGAS. The current PSCs have an exploration period of six years, which can be extended up to 10 years, and an exploitation period of 20 years. PSCs generally require the contractor to relinquish 10 percent to 20 percent of the contract area after three years and generally allow the contractor to retain no more than 50 percent to 80 percent of the original contract area after six years, depending on the acreage and terms.

Iraq

Development and production activities in the state-owned oil and gas fields are governed by contracts with regional oil companies of the Iraqi Ministry of Oil. An ExxonMobil affiliate entered into a contract with South Oil Company of the Iraqi Ministry of Oil for the rights to participate in the development and production activities of the West Qurna Phase I oil and gas field effective March 1, 2010. The term of the contract is 20 years with the right to extend for five years. The contract provides for cost recovery plus per-barrel fees for incremental production above specified levels.

Exploration and production activities in the Kurdistan Region of Iraq are governed by production sharing contracts negotiated with the regional government of Kurdistan in 2011. The exploration term is for five years with the possibility of two-year extensions. The production period is 20 years with the right to extend for five years.

Kazakhstan

Onshore exploration and production activities are governed by the production license, exploration license and joint venture agreements negotiated with the Republic of Kazakhstan. Existing production operations have a 40-year production period that commenced in 1993.

Offshore exploration and production activities are governed by a production sharing agreement negotiated with the Republic of Kazakhstan. The exploration period is six years followed by separate appraisal periods for each discovery. The production period for each discovery, which includes development, is for 20 years from the date of declaration of commerciality with the possibility of two ten-year extensions.

Malaysia

Production activities are governed by production sharing contracts (PSCs) negotiated with the national oil company. The PSCs have terms ranging up to 29 years. All extensions are subject to the national oil company's prior written approval. The total production period is 15 to 29 years, depending on the date of the execution of the contract and the date of first commercial lifting.

Qatar

The State of Qatar grants gas production development project rights to develop and supply gas from the offshore North Field to permit the economic development and production of gas reserves sufficient to satisfy the gas and LNG sales obligations of these projects.

Republic of Yemen

The Jannah production sharing agreement has a development period extending 20 years from first commercial declaration, which was made in June 1995.

Russia

Terms for ExxonMobil's Sakhalin acreage are fixed by the production sharing agreement (PSA) that became effective in 1996 between the Russian government and the Sakhalin-1 consortium, of which ExxonMobil is the operator. The term of the PSA is 20 years from the Declaration of Commerciality, which would be 2021. The term may be extended thereafter in ten-year increments as specified in the PSA.

Exploration and production activities in the Kara, Laptev, Chukchi and Black Seas are governed by joint venture agreements concluded with Rosneft in 2013 and 2014 that cover certain of Rosneft's offshore licenses. The Kara Sea licenses covered by the joint venture agreements concluded in 2013 extend through 2040 and include an exploration period through 2020. Additional licenses in the Kara, Laptev and Chukchi Seas covered by the joint venture agreements concluded in 2014 extend through 2043 and include an exploration period through 2023. The Kara, Laptev and Chukchi Sea licenses require development plan submission within eight years of a discovery and development activities within five years of plan approval. The Black Sea exploration license extends through 2017 and a discovery is the basis for obtaining a license for production. Refer to the relevant portion of "Note 7: Equity Company Information" of the Financial Section of this report for additional information on the Corporation's participation in Rosneft joint venture activities.

Thailand

The Petroleum Act of 1971 allows production under ExxonMobil's concession for 30 years with a ten-year extension at terms generally prevalent at the time.

United Arab Emirates

Exploration and production activities for the major onshore oil fields in the Emirate of Abu Dhabi were governed by a 75-year oil concession agreement executed in 1939, which expired in January 2014. An interest in the development and production activities of the Upper Zakum field, a major offshore field, was acquired effective as of January 2006, for a term expiring March 2026, and in 2013 the governing agreements were extended to 2041.

AUSTRALIA/OCEANIA

Australia

Exploration and production activities conducted offshore in Commonwealth waters are governed by Federal legislation. Exploration permits are granted for an initial term of six years with two possible five-year renewal periods. Retention leases may be granted for resources that are not commercially viable at the time of application, but are expected to become commercially viable within 15 years. These are granted for periods of five years and renewals may be requested. Prior to July 1998, production licenses were granted initially for 21 years, with a further renewal of 21 years and thereafter "indefinitely", i.e., for the life of the field. Effective from July 1998, new production licenses are granted "indefinitely". In each case, a production license may be terminated if no production operations have been carried on for five years.

Papua New Guinea

Exploration and production activities are governed by the Oil and Gas Act. Petroleum Prospecting licenses are granted for an initial term of six years with a five-year extension possible (an additional extension of three years is possible in certain circumstances). Generally, a 50-percent relinquishment of the license area is required at the end of the initial six-year term, if extended. Petroleum Development licenses are granted for an initial 25-year period. An extension of

up to 20 years may be granted at the Minister's discretion. Petroleum Retention licenses may be granted for gas resources that are not commercially viable at the time of application, but may become commercially viable within the maximum possible retention time of 15 years. Petroleum Retention licenses are granted for five-year terms, and may be extended, at the Minister's discretion, twice for the maximum retention time of 15 years. Extensions of Petroleum Retention licenses may be for periods of less than one year, renewable annually, if the Minister considers at the time of extension that the resources could become commercially viable in less than five years.

Information with regard to the Downstream segment follows:

ExxonMobil's Downstream segment manufactures and sells petroleum products. The refining and supply operations encompass a global network of manufacturing plants, transportation systems, and distribution centers that provide a range of fuels, lubricants and other products and feedstocks to our customers around the world.

Refining Capacity At Year-End 2014 *(1)*

		ExxonMobil Share KBD *(2)*	ExxonMobil Interest %
United States			
Torrance	California	150	100
Joliet	Illinois	238	100
Baton Rouge	Louisiana	502	100
Baytown	Texas	561	100
Beaumont	Texas	345	100
Other (2 refineries)		155	
Total United States		1,951	
Canada			
Strathcona	Alberta	189	69.6
Nanticoke	Ontario	113	69.6
Sarnia	Ontario	119	69.6
Total Canada		421	
Europe			
Antwerp	Belgium	307	100
Fos-sur-Mer	France	133	82.9
Gravenchon	France	236	82.9
Karlsruhe	Germany	78	25
Augusta	Italy	198	100
Trecate	Italy	127	74.9
Rotterdam	Netherlands	191	100
Slagen	Norway	116	100
Fawley	United Kingdom	260	100
Total Europe		1,646	
Asia Pacific			
Jurong/PAC	Singapore	592	100
Sriracha	Thailand	167	66
Other (7 refineries)		256	
Total Asia Pacific		1,015	
Other Non-U.S.			
Yanbu	Saudi Arabia	200	50
Laffan	Qatar	15	10
Total Other Non-U.S.		215	
Total Worldwide		5,248	

(1) Capacity data is based on 100 percent of rated refinery process unit stream-day capacities under normal operating conditions, less the impact of shutdowns for regular repair and maintenance activities, averaged over an extended period of time.

(2) Thousands of barrels per day (KBD). ExxonMobil share reflects 100 percent of atmospheric distillation capacity in operations of ExxonMobil and majority-owned subsidiaries. For companies owned 50 percent or less, ExxonMobil share is the greater of ExxonMobil's interest or that portion of distillation capacity normally available to ExxonMobil.

The marketing operations sell products and services throughout the world through our *Exxon*, *Esso* and *Mobil* brands.

Retail Sites At Year-End 2014

United States		
Owned/leased		-
Distributors/resellers		9,436
	Total United States	9,436
Canada		
Owned/leased		473
Distributors/resellers		1,256
	Total Canada	1,729
Europe		
Owned/leased		3,209
Distributors/resellers		3,049
	Total Europe	6,258
Asia Pacific		
Owned/leased		653
Distributors/resellers		757
	Total Asia Pacific	1,410
Latin America		
Owned/leased		15
Distributors/resellers		734
	Total Latin America	749
Middle East/Africa		
Owned/leased		404
Distributors/resellers		231
	Total Middle East/Africa	635
Worldwide		
Owned/leased		4,754
Distributors/resellers		15,463
	Total Worldwide	20,217

Information with regard to the Chemical segment follows:

ExxonMobil's Chemical segment manufactures and sells petrochemicals. The Chemical business supplies olefins, polyolefins, aromatics, and a wide variety of other petrochemicals.

Chemical Complex Capacity At Year-End 2014 *(1)(2)*