EXXON MOBIL CORP
Form 10-K/A
February 28, 2011
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2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

Amendment No. 1

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

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

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 (4,958,598,361 shares outstanding at January 31, 2011)	**New York Stock Exchange**
Registered securities guaranteed by Registrant:	
SeaRiver Maritime Financial Holdings, Inc.	
Twenty-Five Year Debt Securities due October 1, 2011	**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 ü 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 ü

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 ü 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 ü 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. ü

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 ü 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 ü

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 30, 2010, the last business day of the registrant s most recently completed second fiscal quarter, based on the closing price on that date of $57.07 on the New York Stock Exchange composite tape, was in excess of $290 billion.

Documents Incorporated by Reference:

Proxy Statement for the 2011 Annual Meeting of Shareholders (Part III)

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EXPLANATORY NOTE

This Amendment No. 1 is being filed solely for the purpose of inserting the conformed signature of independent auditors on their report on page 63, which was inadvertently omitted from the initial filing, and to correct additional typographical printer s errors in a heading and officer name on page 62. Except for these corrections, there have been no changes in any of the financial or other information contained in the report. For convenience, the entire Annual Report on Form 10-K, as amended, is being re-filed.

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EXXON MOBIL CORPORATION

FORM 10-K

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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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. ExxonMobil also has interests in electric power generation facilities. 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* or *Mobil*. For convenience and simplicity, in this report the terms *ExxonMobil, Exxon, Esso* and *Mobil*, 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.

On June 25, 2010, ExxonMobil acquired XTO Energy Inc. (XTO) by merging a wholly-owned subsidiary of ExxonMobil with and into XTO (the merger), with XTO continuing as the surviving corporation and a wholly-owned subsidiary of ExxonMobil. Each share of XTO common stock was converted into the right to receive 0.7098 shares of common stock of ExxonMobil plus cash in lieu of fractional shares. The merger combines XTO s high-quality unconventional gas and oil shale reserve base and technical expertise in unconventional development with ExxonMobil s research and development expertise, project management and operational skill, global scale, and financial capacity. Details of the merger transactions are contained in the Financial Section of this report under the following: Note 19: Acquisition of XTO Energy Inc.

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. ExxonMobil s 2010 worldwide environmental expenditures for all such preventative and remediation steps, including ExxonMobil s share of equity company expenditures, were about $4.5 billion, of which $1.9 billion were capital expenditures and $2.6 billion were included in expenses. The total cost for such activities is expected to remain in this range in 2011 and 2012 (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 17: 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

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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 2010. For technology licensed to third parties, revenues totaled approximately $125 million in 2010. 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 83.6 thousand, 80.7 thousand and 79.9 thousand at years ended 2010, 2009 and 2008, 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 20.1 thousand, 22.0 thousand and 24.8 thousand at years ended 2010, 2009 and 2008, 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 or periods of civil unrest, also

impact the demand for energy and petrochemicals. Economic 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.

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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 currency exchange rates, interest rates, inflation, 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. As a U.S. company, ExxonMobil is subject to laws prohibiting U.S. companies from doing business in certain countries, or restricting the kind of business that may be conducted. Such restrictions may provide a competitive advantage to our non-U.S. competitors unless their own home countries impose 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

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fracturing); adoption of regulations mandating the use of alternative fuels or uncompetitive fuel components; government actions to cancel contracts or renegotiate terms unilaterally; and expropriation. 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 or other legal proceedings, especially in countries such as the United States in which very large and unpredictable punitive damage awards may occur.

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 shifting 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 and mandates to make alternative energy sources more competitive against oil and gas. 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 hydrogen fuel cells and fuel-producing algae. 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 competitive energy products of the future. 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 coventurers 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.

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

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project downtime; and influence the performance of project operators where ExxonMobil does not perform that role.

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 and regular reappraisal of our asset portfolio.

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 and to control effectively our business activities. 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.

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.

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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 2010

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, 2010, that would cause a significant change in the estimated proved reserves as of that date.

	Liquids[1] (million bbls)	Bitumen (million bbls)	Synthetic Oil (million bbls)	Natural Gas (billion cubic ft)	Oil-Equivalent Basis (million bbls)
Proved Reserves					
Developed					
Consolidated Subsidiaries					
United States	1,478			15,344	4,035
Canada/South America[2]	133	519	681	1,077	1,512
Europe	361			3,516	947
Africa	1,055			711	1,174
Asia	1,306			6,593	2,405
Australia/Oceania	139			1,174	335
Total Consolidated	4,472	519	681	28,415	10,408
Equity Companies					
United States	271			97	287
Europe	21			8,167	1,382
Asia	1,623			20,494	5,039
Total Equity Company	1,915			28,758	6,708
Total Developed	6,387	519	681	57,173	17,116
Undeveloped					
Consolidated Subsidiaries					
United States	474			10,650	2,249
Canada/South America[2]	30	1,583		181	1,643
Europe	62			526	150
Africa	744			197	777
Asia	717			667	828
Australia/Oceania	136			6,177	1,165

Total Consolidated	2,163	1,583		18,398	6,812
Equity Companies					
United States	80			20	83
Europe	10			2,579	440
Asia	250			645	358
Total Equity Company	340			3,244	881
Total Undeveloped	2,503	1,583		21,642	7,693
Total Proved Reserves	8,890	2,102	681	78,815	24,809

(1) Liquids includes crude, condensate and natural gas liquids.
(2) South America includes developed proved reserves of 0.6 million barrels of liquids and 97 billion cubic feet of natural gas and undeveloped proved reserves of 0.6 million barrels of liquids and 66 billion cubic feet of natural gas.

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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 period 2011-2015. However, actual volumes will vary from year to year due to the timing of individual project start-ups, operational outages, reservoir performance, regulatory changes, 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 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 2010

Additions to ExxonMobil s proved reserves in 2010 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 2-D and 3-D seismic data, calibrated with available well control information. Where applicable, surface geological information was also utilized. 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 Reserves Technical Oversight group that 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 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 several individuals who hold advanced degrees in either Engineering or Geology, as well as individuals who hold Bachelor s degrees in various technical disciplines. Several members of the group hold professional registrations in their field of expertise and several have served on the Oil and Gas Reserves Committee of the Society of Petroleum Engineers.

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The Reserves Technical Oversight group maintains a central computerized database containing the official company global reserves estimates. Appropriate controls, including limitations on database access and update capabilities, are in place to ensure data integrity within this central computerized 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 Reserves Technical Oversight 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 2010, approximately 7.7 billion oil-equivalent barrels (GOEB) of ExxonMobil s proved reserves were classified as proved undeveloped. This represents 31 percent of the 24.8 GOEB reported in proved reserves and includes approximately 1.0 GOEB of new proved undeveloped reserves related to the acquisition of XTO. This compares to the 7.5 GOEB proved undeveloped or 33 percent of the proved reserves reported at the end of 2009. The net reduction in the percentage of proved undeveloped reserves from 2009 is reflective of our active development programs on many projects worldwide which made significant progress in converting proved undeveloped reserves into proved developed reserves in 2010. During the year, ExxonMobil completed development work in over 80 fields and participated in major project start-ups that resulted in the transfer of approximately 1.4 GOEB from proved undeveloped to proved developed reserves by year-end. This represented the movement of 18 percent of the proved undeveloped reserves into the proved developed category or an average turnover time of about five years. The largest individual transfer was associated with the completion and startup of the Ras Laffan (3) Train 7 liquefied natural gas (LNG) train in Qatar.

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 a long lead-time in order to be developed. Development projects typically take two to four years from the time of first recording of proved reserves to the start of production of these reserves. However, the development time for large and complex projects can exceed five years. During 2010, new approved projects added approximately 0.2 GOEB of proved undeveloped reserves. The largest of these was the Sakhalin 1 Arkutun Dagi development in Russia. Overall, investments of $19.4 billion were made by the Corporation during 2010 to progress the development of reported proved undeveloped reserves, including $16.8 billion for oil and gas producing activities and an additional $2.6 billion for other non-oil and gas producing activities such as the construction of LNG trains, tankers and regasification facilities that were undertaken to progress the development of proved undeveloped reserves. These investments represented 71 percent of the $27.3 billion in total reported Upstream capital and exploration expenditures.

Proved undeveloped reserves in Kazakhstan, Netherlands, United States, Nigeria, and Canada have remained undeveloped for five years or more primarily due to constraints on the capacity of infrastructure and the pace of co-venture/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 and regulatory approvals.

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Approximately one third of the proved undeveloped reserves that have been reported for five or more years are in Kazakhstan and are related to two separate developments. The first is the initial development of the giant offshore Kashagan field which is included in the North Caspian Production Sharing Agreement in which ExxonMobil participates. The second is the Tengizchevroil joint venture which includes a production license in the Tengiz field and the nearby Korolev field. The joint venture is producing and proved undeveloped reserves will continue to move to proved developed as approved development phases progress.

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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.

	2010	2009	2008
	(thousands of barrels daily)		
Crude oil and natural gas liquids production			
Consolidated Subsidiaries			
United States	339	311	289
Canada/South America[1]	81	82	106
Europe	330	374	423
Africa	628	685	652
Asia	326	287	319
Australia/Oceania	58	65	67
Total Consolidated Subsidiaries	1,762	1,804	1,856
Equity Companies			
United States	69	73	78
Europe	5	5	5
Asia	404	320	280
Total Equity Companies	478	398	363
Total crude oil and natural gas liquids production	2,240	2,202	2,219
Bitumen production			
Consolidated Subsidiaries			
Canada/South America	115	120	124
Synthetic oil production			
Consolidated Subsidiaries			
Canada/South America	67	65	62
Total liquids production	2,422	2,387	2,405
	(millions of cubic feet daily)		
Natural gas production available for sale			
Consolidated Subsidiaries			
United States	2,595	1,274	1,245
Canada/South America[1]	569	643	640
Europe	1,859	2,071	2,253
Africa	14	19	32
Asia	1,847	1,414	1,437
Australia/Oceania	332	315	358

Total Consolidated Subsidiaries	7,216	5,736	5,965
Equity Companies			
United States	1	1	1
Europe	1,977	1,618	1,696
Asia	2,954	1,918	1,433
Total Equity Companies	4,932	3,537	3,130
Total natural gas production available for sale	12,148	9,273	9,095

	(thousands of oil-equivalent barrels daily)		
Oil-equivalent production	4,447	3,932	3,921

(1) South America includes liquids production for 2010, 2009 and 2008 of one thousand barrels daily for each year respectively and natural gas production available for sale for 2010, 2009 and 2008 of 52 million, 58 million, and 63 million cubic feet daily for each year respectively.

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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.

During 2010	United States	Canada/ S. America	Europe	Africa	Asia	Australia/ Oceania	Total
Consolidated Subsidiaries							
Average production prices							
Crude oil and NGL, per barrel	$ 70.22	$ 69.92	$ 73.37	$ 78.08	$ 72.96	$ 68.91	$ 74.04
Natural gas, per thousand cubic feet	3.92	3.41	6.44	2.15	3.19	3.31	4.31
Bitumen, per barrel		56.61					56.61
Synthetic oil, per barrel		78.42					78.42
Average production costs, per oil-equivalent barrel - total	9.92	20.07	11.62	9.63	5.65	11.20	10.54
Average production costs, per barrel - bitumen		17.81					17.81
Average production costs, per barrel - synthetic oil		42.79					42.79
Equity Companies							
Average production prices							
Crude oil and NGL, per barrel	74.70		74.14		72.67		72.98
Natural gas, per thousand cubic feet	8.30		6.91		5.42		6.02
Average production costs, per oil-equivalent barrel - total	19.11		2.41		0.98		2.31
Total							
Average production prices							
Crude oil and NGL, per barrel	70.98	69.92	73.38	78.08	72.80	68.91	73.81
Natural gas, per thousand cubic feet	3.92	3.41	6.68	2.15	4.56	3.31	5.00
Bitumen, per barrel		56.61					56.61
Synthetic oil, per barrel		78.42					78.42
Average production costs, per oil-equivalent barrel - total	10.67	20.07	8.46	9.63	2.91	11.20	8.14
Average production costs, per barrel - bitumen		17.81					17.81
Average production costs, per barrel - synthetic oil		42.79					42.79
During 2009							
Consolidated Subsidiaries							
Average production prices							
Crude oil and NGL, per barrel	$ 53.43	$ 54.07	$ 56.88	$ 60.10	$ 60.38	$ 54.84	$ 57.86
Natural gas, per thousand cubic feet	3.10	3.19	5.61	1.70	3.07	2.97	4.00
Bitumen, per barrel		45.22					45.22
Synthetic oil, per barrel		61.26					61.26
Average production costs, per oil-equivalent barrel - total	11.80	17.75	10.19	8.07	6.55	8.98	10.25
Average production costs, per barrel - bitumen		14.77					14.77
Average production costs, per barrel - synthetic oil		37.47					37.47
Equity Companies							
Average production prices							
Crude oil and NGL, per barrel	56.54		58.20		56.12		56.22
Natural gas, per thousand cubic feet	5.75		8.20		3.79		5.81
Average production costs, per oil-equivalent barrel - total	18.07		2.48		1.07		2.72
Total							
Average production prices							
Crude oil and NGL, per barrel	54.02	54.07	56.89	60.10	58.18	54.84	57.56
Natural gas, per thousand cubic feet	3.10	3.19	6.74	1.70	3.48	2.97	4.69
Bitumen, per barrel		45.22					45.22
Synthetic oil, per barrel		61.26					61.26
Average production costs, per oil-equivalent barrel - total	12.57	17.75	8.06	8.07	3.53	8.98	8.36
Average production costs, per barrel - bitumen		14.77					14.77

Average production costs, per barrel - synthetic oil	37.47	37.47

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During 2008	United States	Canada/ S. America	Europe	Africa	Asia	Australia/ Oceania	Total
Consolidated Subsidiaries							
Average production prices							
Crude oil and NGL, per barrel	$ 87.41	$ 89.46	$ 89.65	$ 92.69	$ 94.04	$ 86.08	$ 90.96
Natural gas, per thousand cubic feet	7.22	7.82	10.12	3.33	4.88	2.97	7.54
Bitumen, per barrel		65.45					65.45
Synthetic oil, per barrel		100.35					100.35
Average production costs, per oil-equivalent barrel - total	11.80	18.03	8.97	6.66	5.37	7.18	9.38
Average production costs, per barrel - bitumen		19.55					19.55
Average production costs, per barrel - synthetic oil		41.47					41.47
Equity Companies							
Average production prices							
Crude oil and NGL, per barrel	89.94		85.08		91.16		90.80
Natural gas, per thousand cubic feet	13.97		11.09		8.46		9.89
Average production costs, per oil-equivalent barrel - total	18.55		4.06		1.54		3.86
Total							
Average production prices							
Crude oil and NGL, per barrel	87.95	89.46	89.59	92.69	92.72	86.08	90.93
Natural gas, per thousand cubic feet	7.23	7.82	10.54	3.33	6.67	2.97	8.35
Bitumen, per barrel		65.45					65.45
Synthetic oil, per barrel		100.35					100.35
Average production costs, per oil-equivalent barrel - total	12.72	18.03	7.67	6.66	3.53	7.18	8.14
Average production costs, per barrel - bitumen		19.55					19.55
Average production costs, per barrel - synthetic oil		41.47					41.47

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.

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4. Drilling and Other Exploratory and Development Activities

A. Number of Net Productive and Dry Wells Drilled

	2010	2009	2008
Net Productive Exploratory Wells Drilled			
Consolidated Subsidiaries			
United States	17	10	10
Canada/South America	12	4	
Europe	3	2	3
Africa	1	2	3
Asia			2
Australia/Oceania	2	1	
Total Consolidated Subsidiaries	35	19	18
Equity Companies			
United States			
Europe	2	1	1
Asia			
Total Equity Companies	2	1	1
Total productive exploratory wells drilled	3		