EXXON MOBIL CORP
Form 10-Q
August 07, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2007

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)

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 _X_ No__

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

Large accelerated filer _X_ Accelerated filer __ Non-accelerated filer __

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No_X_

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of June 30, 2007
Common stock, without par value	**5,546,261,560**

EXXON MOBIL CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007

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EXXON MOBIL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(millions of dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
REVENUES AND OTHER INCOME				
Sales and other operating revenue *(1)*	$ 95,059	$ 96,024	$ 179,233	$ 182,341
Income from equity affiliates	2,015	1,687	3,930	3,487
Other income	1,276	1,323	2,410	2,186
Total revenues and other income	98,350	99,034	185,573	188,014
COSTS AND OTHER DEDUCTIONS				
Crude oil and product purchases	47,627	48,180	87,669	91,001
Production and manufacturing expenses	7,678	7,416	14,961	14,840
Selling, general and administrative expenses	3,788	3,557	7,180	7,023
Depreciation and depletion	2,994	2,760	5,936	5,404
Exploration expenses, including dry holes	353	176	625	458
Interest expense	96	107	199	272
Sales-based taxes *(1)*	7,810	8,211	15,094	15,875
Other taxes and duties	9,888	10,170	19,479	19,043
	188	253	438	435

Income applicable to minority interests				
Total costs and other deductions	80,422	80,830	151,581	154,351
INCOME BEFORE INCOME TAXES	17,928	18,204	33,992	33,663
Income taxes	7,668	7,844	14,452	14,903
NET INCOME	**$ 10,260**	**$ 10,360**	**$ 19,540**	**$ 18,760**
NET INCOME PER COMMON SHARE (dollars)	$ 1.85	$ 1.74	$ 3.49	$ 3.12
NET INCOME PER COMMON SHARE - ASSUMING DILUTION (dollars)	$ 1.83	$ 1.72	$ 3.45	$ 3.09
DIVIDENDS PER COMMON SHARE (dollars)	$ 0.35	$ 0.32	$ 0.67	$ 0.64
(1) Sales-based taxes included in sales and other operating revenue	*$ 7,810*	*$ 8,211*	*$ 15,094*	*$ 15,875*

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET

(millions of dollars)

	June 30, 2007	Dec. 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 28,959	$ 28,244
Cash and cash equivalents - restricted (note 3)	4,604	4,604
Notes and accounts receivable - net	30,315	28,942
Inventories		
Crude oil, products and merchandise	10,866	8,979
Materials and supplies	2,029	1,735
Prepaid taxes and expenses	3,947	3,273
Total current assets	80,720	75,777
Property, plant and equipment - net	116,058	113,687
Investments and other assets	31,537	29,551
TOTAL ASSETS	**$ 228,315**	**$ 219,015**
LIABILITIES		
Current liabilities		
Notes and loans payable	$ 2,033	$ 1,702
Accounts payable and accrued liabilities	41,247	39,082
Income taxes payable	8,636	8,033
Total current liabilities	51,916	48,817
Long-term debt	6,757	6,645
Deferred income tax liabilities	21,548	20,851
Other long-term liabilities	31,744	28,858
TOTAL LIABILITIES	**111,965**	**105,171**
Commitments and contingencies (note 3)		
SHAREHOLDERS' EQUITY		
Common stock, without par value:		

Authorized:		
9,000 million shares		
Issued:	4,795	4,786
8,019 million shares		
Earnings reinvested	211,283	195,207
Accumulated other comprehensive income		
Cumulative foreign exchange translation adjustment	5,381	3,733
Postretirement benefits reserves adjustment	(6,655)	(6,495)
Common stock held in treasury:		
2,473 million shares at June 30, 2007	(98,454)	
2,290 million shares at December 31, 2006		(83,387)
TOTAL SHAREHOLDERS' EQUITY	**116,350**	**113,844**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 228,315**	**$ 219,015**

The number of shares of common stock issued and outstanding at June 30, 2007 and December 31, 2006 were 5,546,261,560 and 5,728,702,212, respectively.

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(millions of dollars)

	Six Months Ended June 30, 2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 19,540	$ 18,760
Depreciation and depletion	5,936	5,404
Changes in operational working capital, excluding cash and debt	(366)	1,002
All other items - net	494	761
Net cash provided by operating activities	25,604	25,927
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(6,892)	(7,586)
Sales of subsidiaries, investments, and property, plant and equipment	1,673	1,450
Other investing activities - net	(1,104)	(640)
Net cash used in investing activities	(6,323)	(6,776)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	99	72
Reductions in long-term debt	(75)	(27)
Additions/(reductions) in short-term debt - net	246	106
Cash dividends to ExxonMobil shareholders	(3,786)	(3,883)
Cash dividends to minority interests	(142)	(125)

Changes in minority interests and sales/(purchases) of affiliate stock	(319)	(252)
Tax benefits related to stock-based awards	237	128
Net ExxonMobil shares acquired	(15,421)	(12,394)
Net cash used in financing activities	(19,161)	(16,375)
Effects of exchange rate changes on cash	595	666
Increase/(decrease) in cash and cash equivalents	715	3,442
Cash and cash equivalents at beginning of period	28,244	28,671
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 28,959**	**$ 32,113**
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	$ 12,382	$ 12,221
Cash interest paid	$ 246	$ 988

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.

Basis of Financial Statement Preparation

These unaudited condensed consolidated financial statements should be read in the context of the consolidated financial statements and notes thereto filed with the Securities and Exchange Commission in the Corporation's 2006 Annual Report on Form 10-K. In the opinion of the Corporation, the information furnished herein reflects all known accruals and adjustments necessary for a fair statement of the results for the periods reported herein. All such adjustments are of a normal recurring nature. The Corporation's exploration and production activities are accounted for under the "successful efforts" method.

2.

Accounting Change for Uncertainty in Income Taxes

Effective January 1, 2007, the Corporation adopted the Financial Accounting Standards Board s (FASB) Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes". FIN 48 is an interpretation of FASB Statement No. 109, "Accounting for Income Taxes", and prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Corporation has taken or expects to take in its income tax returns. Upon the adoption of FIN 48, the Corporation recognized a transition gain of $267 million in shareholders equity. The gain reflected the recognition of several refund claims, partly offset by increased liability reserves.

The Corporation is subject to income taxation in many jurisdictions around the world. The total amount of unrecognized income tax benefits in these jurisdictions at January 1, 2007, was $3.7 billion, almost all of which is classified as long term. Resolution of the related tax positions through negotiations with the relevant tax authorities or through litigation will take many years to complete. Accordingly, it is difficult to predict the timing of resolution for individual tax positions. However, the Corporation does not anticipate that the total amount of unrecognized tax benefits will significantly increase or decrease in the next 12 months. Given the long time periods involved in resolving individual tax positions, the Corporation does not expect that the recognition of unrecognized tax benefits will have a material impact on the Corporation s effective income tax rate in any given year.

The unrecognized tax benefits described above will not be included in the Corporation's annual Form 10-K contractual obligations table because the Corporation is unable to make reasonably reliable estimates of the timing of cash settlements with the respective taxing authorities. The total amount of unrecognized tax benefits will be disclosed in a footnote to the contractual obligations table.

The following table summarizes the tax years that remain subject to examination by major tax jurisdiction:

Country of Operation	Open Tax Years
Abu Dhabi	2000-2006
Angola	2002-2006
Australia	2000-2006
Canada	1990-2006
Equatorial Guinea	1996-2006
Germany	1998-2006
Japan	2002-2006
Malaysia	1983-2006
Nigeria	1998-2006
Norway	1993-2006
United Kingdom	2002-2006
United States	1989-2006

The Corporation classifies interest on income tax related balances as interest expense or interest income and classifies tax related penalties as operating expense.

At January 1, 2007, the Corporation had accrued interest payable of $0.5 billion related to income tax reserve balances.

3.

Litigation and Other Contingencies

Litigation

A variety of claims have been made against ExxonMobil and certain of its consolidated subsidiaries in a number of pending lawsuits and tax disputes. Management has regular litigation and tax reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The Corporation accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Corporation does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Corporation discloses the nature of the contingency and, where feasible, an estimate of the possible loss. ExxonMobil will continue to defend itself vigorously in these matters. Based on a consideration of all relevant facts and circumstances, the Corporation does not believe the ultimate outcome of any currently pending lawsuit against ExxonMobil will have a materially adverse effect upon the Corporation s operations or financial condition.

A number of lawsuits, including class actions, were brought in various courts against Exxon Mobil Corporation and certain of its subsidiaries relating to the accidental release of crude oil from the tanker Exxon Valdez in 1989. All the compensatory claims have been resolved and paid. All of the punitive damage claims were consolidated in the civil trial that began in 1994. The first judgment from the United States District Court for the District of Alaska in the amount of $5 billion was vacated by the United States Court of Appeals for the Ninth Circuit as being excessive under the Constitution. The second judgment in the amount of $4 billion was vacated by the Ninth Circuit panel without argument and sent back for the District Court to reconsider in light of the recent U.S. Supreme Court decision in *Campbell v. State Farm*. The most recent District Court judgment for punitive damages was for $4.5 billion plus interest and was entered in January 2004. The Corporation posted a $5.4 billion letter of credit. ExxonMobil and the plaintiffs appealed this decision to the Ninth Circuit, which ruled on December 22, 2006, that the award be reduced to $2.5 billion. On January 12, 2007, ExxonMobil petitioned the Ninth Circuit Court of Appeals for a rehearing en banc of its appeal. On May 23, 2007, with two dissenting opinions, the Ninth Circuit determined not to re-hear ExxonMobil's appeal before the full court. ExxonMobil will now proceed with a petition for writ of certiorari to the U.S. Supreme Court. While it is reasonably possible that a liability for punitive damages may have been incurred from the Exxon Valdez grounding, it is not possible to predict the ultimate outcome or to reasonably estimate any such potential liability.

In December 2000, a jury in the 15th Judicial Circuit Court of Montgomery County, Alabama, returned a verdict against the Corporation in a dispute over royalties in the amount of $88 million in compensatory damages and $3.4 billion in punitive damages in the case of *Exxon Corporation v. State of Alabama, et al*. The verdict was upheld by the trial court in May 2001. In December 2002, the Alabama Supreme Court vacated the $3.5 billion jury verdict. The case was retried and in November 2003, a state district court jury in Montgomery, Alabama, returned a verdict against Exxon Mobil Corporation. The verdict included $63.5 million in compensatory damages and $11.8 billion in punitive damages. In March 2004, the district court judge reduced the amount of punitive damages to $3.5 billion. ExxonMobil believes the judgment is not justified by the evidence, that any punitive damage award is not justified by either the facts or the law, and that the amount of the award is grossly excessive and unconstitutional. ExxonMobil has appealed the decision to the Alabama Supreme Court. The Alabama Supreme Court heard oral arguments on February 6, 2007. Management believes that the likelihood of the judgment being upheld is remote. While it is reasonably possible that a liability may have been incurred by ExxonMobil from this dispute over royalties, it is not possible to predict the ultimate outcome or to reasonably estimate any such potential liability. In May 2004, the Corporation posted a $4.5 billion supersedeas bond as required by Alabama law to stay execution of the judgment pending appeal. The Corporation has pledged to the issuer of the bond collateral consisting of cash and short-term, high-quality securities with an aggregate value of approximately $4.6 billion. This collateral is reported as restricted cash and cash equivalents on the Condensed Consolidated Balance Sheet. Under the terms of the pledge agreement, the Corporation is entitled to receive the income generated from the cash and securities and to make investment decisions, but is restricted from using the pledged cash and securities for any other purpose until such time the bond is canceled.

In 2001, a Louisiana state court jury awarded compensatory damages of $56 million and punitive damages of $1 billion to a landowner for damage caused by a third party that leased the property from the landowner. The third party provided pipe cleaning and storage services for the Corporation and other entities. The Louisiana Fourth Circuit Court of Appeals reduced the punitive damage award to $112 million in 2005. The Corporation appealed this decision to the Louisiana Supreme Court which, in March 2006, refused to hear the appeal. ExxonMobil has fully accrued and paid the compensatory and punitive damage awards. The Corporation appealed the punitive damage award to the U.S. Supreme Court, which on February 26, 2007, vacated the judgment and remanded the case to the Louisiana Fourth Circuit Court of Appeals for reconsideration in light of the recent U.S. Supreme Court decision in *Williams v. Phillip Morris USA*.

Tax issues for 1989 to 1993 remain pending before the U.S. Tax Court. The ultimate resolution of these issues is not expected to have a materially adverse effect upon the Corporation s operations or financial condition.

Other Contingencies

	As of June 30, 2007		
	Equity Company Obligations	**Other Third Party Obligations**	**Total**
	(millions of dollars)		
Total guarantees	$ 4,030	$ 739	$ 4,769

The Corporation and certain of its consolidated subsidiaries were contingently liable at June 30, 2007, for $4,769 million, primarily relating to guarantees for notes, loans and performance under contracts. Included in this amount were guarantees by consolidated affiliates of $4,030 million, representing ExxonMobil s share of obligations of certain equity companies. These guarantees are not reasonably likely to have a material effect on the Corporation s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Additionally, the Corporation and its affiliates have numerous long-term sales and purchase commitments in their various business activities, all of which are expected to be fulfilled with no adverse consequences material to the Corporation s operations or financial condition. The Corporation's outstanding unconditional purchase obligations at June 30, 2007, were similar to those at the prior year-end period. Unconditional purchase obligations as defined by accounting standards are those long-term commitments that are noncancelable or cancelable only under certain conditions, and that third parties have used to secure financing for the facilities that will provide the contracted goods or services.

The operations and earnings of the Corporation and its affiliates throughout the world have been, and may in the future be, affected from time to time in varying degree by political developments and laws and regulations, such as forced divestiture of assets; restrictions on production, imports and exports; price controls; tax increases and retroactive tax claims; expropriation of property; cancellation of contract rights and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the Corporation vary greatly from country to country and are not predictable.

In accordance with a nationalization decree issued by Venezuela's President Chavez in February of this year, a subsidiary of the Venezuelan National Oil Company (PdVSA) assumed the operatorship of the Cerro Negro heavy oil development on May 1, 2007. This development had been operated and owned by ExxonMobil affiliates holding a 41.67 percent ownership interest in the project. ExxonMobil's net investment in Cerro Negro producing assets is about $750 million, which is less than one percent of ExxonMobil's worldwide property, plant and equipment.

The decree also required conversion of the Cerro Negro project into a "mixed enterprise" structure and an increase in PdVSA's or another Venezuelan state-owned oil company's ownership interest in the project, with the stipulation that if an agreement was not reached for the formation of the mixed enterprise during a specified period of time, the government would "directly take on the activities" carried out by the joint venture. ExxonMobil's affiliate was not able to reach agreement on the formation of a mixed enterprise and on June 27, 2007, the government took over ExxonMobil's 41.67 percent interest in the Cerro Negro project. Discussions with Venezuelan authorities over the compensation to be paid to ExxonMobil have not yet been completed. At this time the net impact of this matter on the Corporation's consolidated financial results cannot be reasonably estimated. However, the Corporation does not expect the resolution to have a material effect upon the Corporation's operations or financial condition.

4.

Comprehensive Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
	(millions of dollars)			
Net income	$ 10,260	$ 10,360	$ 19,540	$ 18,760
Other comprehensive income (net of income taxes)				
Foreign exchange translation adjustment	1,225	1,476	1,648	1,890
Postretirement benefits reserves adjustment (excluding amortization)	(167)	0	(575)	0
Amortization of postretirement benefits reserves adjustment included in net periodic benefit costs	214	0	415	0
Minimum pension liability adjustment (before December 31, 2006, adoption of FAS 158)	0	(81)	0	(98)
Total comprehensive income	$ 11,532	$ 11,755	$ 21,028	$ 20,552

5.

Earnings Per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**

NET INCOME PER COMMON SHARE				
Net income (millions of dollars)	$ 10,260	$ 10,360	$ 19,540	$ 18,760
Weighted average number of common shares outstanding (millions of shares)	5,555	5,971	5,603	6,019
Net income per common share (dollars)	$ 1.85	$ 1.74	$ 3.49	$ 3.12
NET INCOME PER COMMON SHARE - ASSUMING DILUTION				
Net income (millions of dollars)	$ 10,260	$ 10,360	$ 19,540	$ 18,760
Weighted average number of common shares outstanding (millions of shares)	5,555	5,971	5,603	6,019
Effect of employee stock-based awards	65	59	62	57
Weighted average number of common shares outstanding - assuming dilution	5,620	6,030	5,665	6,076
Net income per common share - assuming dilution (dollars)	$ 1.83	$ 1.72	$ 3.45	$ 3.09

6.

Pension and Other Postretirement Benefits

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
	(millions of dollars)			
Pension Benefits - U.S.				
Components of net benefit cost				
Service cost	$ 93	$ 83	$ 190	$ 168
Interest cost	172	158	344	317
Expected return on plan assets	(212)	(155)	(422)	(312)
Amortization of actuarial loss/(gain) and prior service cost	67	67	134	136
Net pension enhancement and curtailment/settlement cost	48	40	95	79
Net benefit cost	$ 168	$ 193	$ 341	$ 388
Pension Benefits - Non-U.S.				
Components of net benefit cost				
Service cost	$ 112	$ 107	$ 221	$ 210
Interest cost	247	221	484	436
Expected return on plan assets	(270)	(245)	(533)	(482)
Amortization of actuarial loss/(gain) and prior service cost	111	127	223	253
Net pension enhancement and curtailment/settlement cost	9	1	9	2
Net benefit cost	$ 209	$ 211	$ 404	$ 419
Other Postretirement Benefits				
Components of net benefit cost				
Service cost	$ 30	$ 19	$ 57	$ 37
Interest cost	98	75	210	152
Expected return on plan assets	(8)	(10)	(23)	(20)

Amortization of actuarial loss/(gain) and prior service cost	80	53	158	106
Net benefit cost	$ 200	$ 137	$ 402	$ 275

7.

Disclosures about Segments and Related Information

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(millions of dollars)			
EARNINGS AFTER INCOME TAX				
Upstream				
United States	$ 1,222	$ 1,644	$ 2,399	$ 2,924
Non-U.S.	4,731	5,490	9,595	10,593
Downstream				
United States	1,745	1,354	2,584	2,033
Non-U.S.	1,648	1,131	2,721	1,723
Chemical				
United States	204	189	550	518
Non-U.S.	809	651	1,699	1,271
All other	(99)	(99)	(8)	(302)
Corporate total	$ 10,260	$ 10,360	$ 19,540	$ 18,760
SALES AND OTHER OPERATING REVENUE ***(1)***				
Upstream				
United States	$ 1,436	$ 1,400	$ 2,798	$ 3,177
Non-U.S.	5,303	8,262	10,796	15,801
Downstream				
United States	25,645	25,656	46,905	46,784
Non-U.S.	53,472	52,277	101,113	99,981
Chemical				
United States	3,460	3,260	6,649	6,485
Non-U.S.	5,740	5,165	10,964	10,105
All other	3	4	8	8
Corporate total	$ 95,059	$ 96,024	$ 179,233	$ 182,341

(1) Includes sales-based taxes

INTERSEGMENT REVENUE				
Upstream				
United States	$ 1,780	$ 2,085	$ 3,343	$ 3,939
Non-U.S.	11,670	10,350	22,265	19,224
Downstream				
United States	3,561	3,294	6,343	6,076
Non-U.S.	12,885	12,349	23,826	23,332
Chemical				
United States	2,217	2,100	3,914	3,923
Non-U.S.	2,166	1,816	3,688	3,398
All other	90	64	169	132

8.

Condensed Consolidating Financial Information Related to Guaranteed Securities Issued by Subsidiaries

Exxon Mobil Corporation has fully and unconditionally guaranteed the deferred interest debentures due 2012 ($1,639 million long-term at June 30, 2007) and the debt securities due 2007-2011 ($52 million long-term and $13 million short-term) of SeaRiver Maritime Financial Holdings, Inc., a 100 percent owned subsidiary of Exxon Mobil Corporation.

The following condensed consolidating financial information is provided for Exxon Mobil Corporation, as guarantor, and for SeaRiver Maritime Financial Holdings, Inc., as issuer, as an alternative to providing separate financial statements for the issuer. The accounts of Exxon Mobil Corporation and SeaRiver Maritime Financial Holdings, Inc. are presented utilizing the equity method of accounting for investments in subsidiaries.

	Exxon Mobil Corporation Parent Guarantor	SeaRiver Maritime Financial Holdings, Inc.	All Other Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
			(millions of dollars)		
Condensed consolidated statement of income for three months ended June 30, 2007					
Revenues and other income					
Sales and other operating revenue, including sales-based taxes	$ 4,142	$ -	$ 90,917	$ -	$ 95,059
Income from equity affiliates	10,151	(1)	1,999	(10,134)	2,015
Other income	60	-	1,216	-	1,276
Intercompany revenue	9,467	25	85,939	(95,431)	-
Total revenues and other income	23,820	24	180,071	(105,565)	98,350
Costs and other deductions					

Crude oil and product purchases	8,619	-	127,760	(88,752)	47,627
Production and manufacturing					
expenses	1,833	-	7,155	(1,310)	7,678
Selling, general and administrative					
expenses	681	-	3,311	(204)	3,788
Depreciation and depletion	397	-	2,597	-	2,994
Exploration expenses, including dry					
holes	42	-	311	-	353
Interest expense	1,570	51	3,844	(5,369)	96
Sales-based taxes	-	-	7,810	-	7,810
Other taxes and duties	11	-	9,877	-	9,888
Income applicable to minority interests	-	-	188	-	188
Total costs and other deductions	13,153	51	162,853	(95,635)	80,422
Income before income taxes	10,667	(27)	17,218	(9,930)	17,928
Income taxes	407	(9)	7,270	-	7,668
Net income	$ 10,260	$ (18)	$ 9,948	$ (9,930)	$ 10,260

	Exxon Mobil Corporation Parent Guarantor	SeaRiver Maritime Financial Holdings, Inc.	All Other Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
			(millions of dollars)		
Condensed consolidated statement of income for three months ended June 30, 2006					
Revenues and other income					
Sales and other operating revenue, including sales-based taxes	$ 3,929	$ -	$ 92,095	$ -	$ 96,024
Income from equity affiliates	9,901	3	1,685	(9,902)	1,687
Other income	217	-	1,106	-	1,323
Intercompany revenue	11,047	23	84,441	(95,511)	-
Total revenues and other income	25,094	26	179,327	(105,413)	99,034
Costs and other deductions					
Crude oil and product purchases	10,273	-	128,037	(90,130)	48,180
Production and manufacturing expenses	1,752	-	6,951	(1,287)	7,416
Selling, general and administrative expenses	669	-	3,039	(151)	3,557
Depreciation and depletion	342	-	2,418	-	2,760
Exploration expenses, including dry holes	49	-	127	-	176
Interest expense	1,083	46	2,924	(3,946)	107
Sales-based taxes	-	-	8,211	-	8,211
Other taxes and duties	10	-	10,160	-	10,170
Income applicable to minority interests	-	-	253	-	253
	14,178	46	162,120	(95,514)	80,830

Total costs and other deductions					
Income before income taxes	10,916	(20)	17,207	(9,899)	18,204
Income taxes	556	(8)	7,296	-	7,844
Net income	$ 10,360	$ (12)	$ 9,911	$ (9,899)	$ 10,360

Condensed consolidated statement of income for six months ended June 30, 2007

Revenues and other income					
Sales and other operating revenue,					
including sales-based taxes	$ 7,999	$ -	$ 171,234	$ -	$ 179,233
Income from equity affiliates	19,318	6	3,903	(19,297)	3,930
Other income	282	-	2,128	-	2,410
Intercompany revenue	17,748	51	163,828	(181,627)	-
Total revenues and other income	45,347	57	341,093	(200,924)	185,573
Costs and other deductions					
Crude oil and product purchases	16,499	-	240,006	(168,836)	87,669
Production and manufacturing					
expenses	3,547	-	13,947	(2,533)	14,961
Selling, general and administrative					
expenses	1,272	-	6,297	(389)	7,180
Depreciation and depletion	785	-	5,151	-	5,936
Exploration expenses, including dry					
holes	142	-	483	-	625
Interest expense	3,016	101	7,332	(10,250)	199
Sales-based taxes	-	-	15,094	-	15,094
Other taxes and duties	24	-	19,455	-	19,479
Income applicable to minority interests	-	-	438	-	438
Total costs and other deductions	25,285	101	308,203	(182,008)	151,581
	20,062	(44)	32,890	(18,916)	33,992

Income before income taxes					
Income taxes	522	(17)	13,947	-	14,452
Net income	$ 19,540	$ (27)	$ 18,943	$ (18,916)	$ 19,540

	Exxon Mobil Corporation Parent Guarantor	SeaRiver Maritime Financial Holdings, Inc.	All Other Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
			(millions of dollars)		
Condensed consolidated statement of income for six months ended June 30, 2006					
Revenues and other income					
Sales and other operating revenue, including sales-based taxes	$ 8,150	$ -	$ 174,191	$ -	$ 182,341
Income from equity affiliates	18,344	12	3,482	(18,351)	3,487
Other income	408	-	1,778	-	2,186
Intercompany revenue	19,816	43	162,244	(182,103)	-
Total revenues and other income	46,718	55	341,695	(200,454)	188,014
Costs and other deductions					
Crude oil and product purchases	18,727	-	244,236	(171,962)	91,001
Production and manufacturing expenses	3,789	-	13,567	(2,516)	14,840
Selling, general and administrative expenses	1,355	-	5,959	(291)	7,023
Depreciation and depletion	653	-	4,751	-	5,404
Exploration expenses, including dry holes	155	-	303	-	458
Interest expense	2,076	91	5,445	(7,340)	272
Sales-based taxes	-	-	15,875	-	15,875
Other taxes and duties	16	-	19,027	-	19,043
	-	-	435	-	435

Income applicable to minority interests					
Total costs and other deductions	26,771	91	309,598	(182,109)	154,351
Income before income taxes	19,947	(36)	32,097	(18,345)	33,663
Income taxes	1,187	(17)	13,733	-	14,903
Net income	$ 18,760	$ (19)	$ 18,364	$ (18,345)	$ 18,760

	Exxon Mobil Corporation Parent Guarantor	SeaRiver Maritime Financial Holdings, Inc.	All Other Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
			(millions of dollars)		
Condensed consolidated balance sheet as of June 30, 2007					
Cash and cash equivalents	$ 6,272	$ -	$ 22,687	$ -	$ 28,959
Cash and cash equivalents - restricted	-	-	4,604	-	4,604
Notes and accounts receivable - net	4,159	6	28,253	(2,103)	30,315
Inventories	1,383	-	11,512	-	12,895
Prepaid taxes and expenses	459	-	3,488	-	3,947
Total current assets	12,273	6	70,544	(2,103)	80,720
Property, plant and equipment - net	16,397	-	99,661	-	116,058
Investments and other assets	225,671	429	409,650	(604,213)	31,537
Intercompany receivables	10,527	1,918	461,048	(473,493)	-
Total assets	$ 264,868	$ 2,353	$ 1,040,903	$ (1,079,809)	$ 228,315
Notes and loan payables	$ 135	$ 13	$ 1,885	$ -	$ 2,033
Accounts payable and accrued liabilities	2,807	1	38,439	-	41,247
Income taxes payable	-	-	10,739	(2,103)	8,636
Total current liabilities	2,942	14	51,063	(2,103)	51,916
Long-term debt	276	1,691	4,790	-	6,757
Deferred income tax liabilities	1,679	227	19,642	-	21,548
Other long-term liabilities	11,773	-	19,971	-	31,744
Intercompany payables	131,848	383	341,262	(473,493)	-
Total liabilities	148,518	2,315	436,728	(475,596)	111,965
Earnings reinvested	211,283	(431)	163,152	(162,721)	211,283
	(94,933)	469	441,023	(441,492)	(94,933)

Other shareholders' equity					
Total shareholders' equity	116,350	38	604,175	(604,213)	116,350
Total liabilities and					
shareholders' equity	$ 264,868	$ 2,353	$ 1,040,903	$ (1,079,809)	$ 228,315

<u>Condensed consolidated balance sheet as of December 31, 2006</u>

Cash and cash equivalents	$ 6,355	$ -	$ 21,889	$ -	$ 28,244
Cash and cash equivalents - restricted	-	-	4,604	-	4,604
Notes and accounts receivable - net	2,057	-	26,885	-	28,942
Inventories	1,213	-	9,501	-	10,714
Prepaid taxes and expenses	357	-	2,916	-	3,273
Total current assets	9,982	-	65,795	-	75,777
Property, plant and equipment - net	16,730	-	96,957	-	113,687
Investments and other assets	201,257	423	415,910	(588,039)	29,551
Intercompany receivables	16,501	1,883	435,221	(453,605)	-
Total assets	$ 244,470	$ 2,306	$ 1,013,883	$ (1,041,644)	$ 219,015
Notes and loan payables	$ 90	$ 13	$ 1,599	$ -	$ 1,702
Accounts payable and accrued liabilities	3,025	1	36,056	-	39,082
Income taxes payable	548	1	7,484	-	8,033
Total current liabilities	3,663	15	45,139	-	48,817
Long-term debt	274	1,602	4,769	-	6,645
Deferred income tax liabilities	1,975	237	18,639	-	20,851
Other long-term liabilities	8,044	-	20,814	-	28,858
Intercompany payables	116,670	387	336,548	(453,605)	-
Total liabilities	130,626	2,241	425,909	(453,605)	105,171
Earnings reinvested	195,207	(404)	144,607	(144,203)	195,207
Other shareholders' equity	(81,363)	469	443,367	(443,836)	(81,363)
Total shareholders' equity	113,844	65	587,974	(588,039)	113,844

Total liabilities and shareholders' equity	$ 244,470	$ 2,306	$ 1,013,883	$ (1,041,644)	$ 219,015

	Exxon Mobil Corporation Parent Guarantor	SeaRiver Maritime Financial Holdings, Inc.	All Other Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
			(millions of dollars)		
Condensed consolidated statement of cash flows for six months ended June 30, 2007					
Cash provided by/(used in) operating activities	$ 1,135	$ 39	$ 24,879	$ (449)	$25,604
Cash flows from investing activities					
Additions to property, plant and equipment	(622)	-	(6,270)	-	(6,892)
Sales of long-term assets	156	-	1,517	-	1,673
Net intercompany investing	18,178	(35)	(18,189)	46	-
All other investing, net	-	-	(1,104)	-	(1,104)
Net cash provided by/(used in) investing activities	17,712	(35)	(24,046)	46	(6,323)
Cash flows from financing activities					
Additions to long-term debt	-	-	99	-	99
Reductions in long-term debt	-	-	(75)	-	(75)
Additions/(reductions) in short-term debt - net	40	-	206	-	246
Cash dividends	(3,786)	-	(449)	449	(3,786)
Net ExxonMobil shares sold/(acquired)	(15,421)	-	-	-	(15,421)
Net intercompany financing activity	-	(4)	50	(46)	-
All other financing, net	237	-	(461)	-	(224)
Net cash provided by/(used in) financing activities	(18,930)	(4)	(630)	403	(19,161)
Effects of exchange rate changes on cash	-	-	595	-	595

Increase/(decrease) in cash and cash equivalents	$ (83)	$ -	$ 798	$ -	$ 715

Condensed consolidated statement of cash flows for six months ended June 30, 2006

Cash provided by/(used in) operating activities	$ 1,687	$ 54	$ 25,330	$ (1,144)	$ 25,927
Cash flows from investing activities					
Additions to property, plant and equipment	(755)	-	(6,831)	-	(7,586)
Sales of long-term assets	96	-	1,354	-	1,450
Net intercompany investing	12,576	(55)	(12,611)	90	-
All other investing, net	-	-	(640)	-	(640)
Net cash provided by/(used in) investing activities	11,917	(55)	(18,728)	90	(6,776)
Cash flows from financing activities					
Additions to long-term debt	-	-	72	-	72
Reductions in long-term debt	-	-	(27)	-	(27)
Additions/(reductions) in short-term debt - net	(122)	-	228	-	106
Cash dividends	(3,883)	-	(1,144)	1,144	(3,883)
Net ExxonMobil shares sold/(acquired)	(12,394)	-	-	-	(12,394)
Net intercompany financing activity	-	1	89	(90)	-
All other financing, net	128	-	(377)	-	(249)
Net cash provided by/(used in) financing activities	(16,271)	1	(1,159)	1,054	(16,375)
Effects of exchange rate changes on cash	-	-	666	-	666
Increase/(decrease) in cash and cash equivalents	$ (2,667)	$ -	$ 6,109	$ -	$ 3,442

EXXON MOBIL CORPORATION

Item 2.

Management's Discussion and Analysis of Financial Condition

and Results of Operations

FUNCTIONAL EARNINGS SUMMARY

	Second Quarter		First Six Months	
	2007	2006	2007	2006
	(millions of dollars)			
Net Income (U.S. GAAP)				
Upstream				
United States	$ 1,222	$ 1,644	$ 2,399	$ 2,924
Non-U.S.	4,731	5,490	9,595	10,593
Downstream				
United States	1,745	1,354	2,584	2,033
Non-U.S.	1,648	1,131	2,721	1,723
Chemical				
United States	204	189	550	518
Non-U.S.	809	651	1,699	1,271
Corporate and financing	(99)	(99)	(8)	(302)
Net Income (U.S. GAAP)	**$ 10,260**	**$ 10,360**	**$ 19,540**	**$ 18,760**
Net income per common share (dollars)	$ 1.85	$ 1.74	$ 3.49	$ 3.12
Net income per common share				
- assuming dilution (dollars)	$ 1.83	$ 1.72	$ 3.45	$ 3.09

REVIEW OF SECOND QUARTER AND FIRST SIX MONTHS 2007 RESULTS

Exxon Mobil Corporation reported second quarter 2007 net income of $10,260 million. Earnings per share were up 6 percent from the second quarter of 2006 to $1.83 reflecting the reduced number of shares outstanding. Lower natural gas realizations were mostly offset by higher refining, marketing and chemical margins. Excluding cumulative entitlement and divestment impacts, as well as OPEC quota effects, liquids production increased by 5 percent.

Record first half net income of $19,540 million increased by 4 percent versus 2006. Earnings per share of $3.45 increased by 12 percent due to strong earnings and the reduction in the number of shares outstanding. Excluding cumulative entitlement and divestment impacts, as well as OPEC quota effects, liquids production increased by 6 percent.

	Second Quarter		**First Six Months**	
	2007	**2006**	**2007**	**2006**
	(millions of dollars)			
Upstream earnings				
United States	$ 1,222	$ 1,644	$ 2,399	$ 2,924
Non-U.S.	4,731	5,490	9,595	10,593
Total	$ 5,953	$ 7,134	$ 11,994	$ 13,517

Upstream earnings in the second quarter of 2007 were $5,953 million, down $1,181 million from 2006, primarily reflecting lower gas realizations, lower gains on asset sales and the absence of prior period tax items. On an oil-equivalent basis, production decreased by 1 percent from the second quarter of 2006. Excluding the cumulative impact of entitlements and divestments, as well as OPEC quota effects, production was up nearly 4 percent.

Liquids production of 2,668 kbd (thousands of barrels per day) was 34 kbd lower. Mature field decline was partly offset by increased production from projects in Russia and Qatar. Excluding cumulative entitlement and divestment effects, as well as OPEC quota impacts, liquids production increased by 5 percent.

Second quarter natural gas production was 8,711 mcfd (millions of cubic feet per day) compared with 8,754 mcfd last year. The impact of mature field decline and lower European demand was offset by higher volumes from projects in Qatar, Canada and Malaysia and the absence of planned maintenance activity in 2006. Excluding cumulative entitlement and divestment effects natural gas production increased by nearly 1 percent.

Earnings from U.S. Upstream operations were $1,222 million, $422 million lower than the second quarter of 2006. Non-U.S. Upstream earnings were $4,731 million, down $759 million from 2006.

Upstream earnings for the first six months of 2007 were $11,994 million, a decrease of $1,523 million from 2006 due to lower liquids and natural gas realizations and lower gains from asset sales. On an oil-equivalent basis, production decreased 2 percent from last year. Excluding cumulative entitlement and divestment effects, as well as OPEC quota impacts, production increased by 2 percent.

Liquids production of 2,707 kbd increased by 7 kbd from 2006. Higher production from projects in West Africa and Russia was partly offset by mature field decline. Excluding cumulative entitlement and divestment effects, as well as OPEC quota impacts, liquids production increased 6 percent.

Natural gas production of 9,409 mcfd decreased 549 mcfd from 2006. Lower volumes from mature field decline and lower European demand were partly offset by projects in Qatar, Canada and Malaysia.

Earnings from U.S. Upstream operations for 2007 were $2,399 million, a decrease of $525 million. Earnings outside the U.S. were $9,595 million, $998 million lower than 2006.

	Second Quarter		First Six Months	
	2007	**2006**	**2007**	**2006**
		(millions of dollars)		
Downstream earnings				

United States	$ 1,745	$ 1,354	$ 2,584	$ 2,033
Non-U.S.	1,648	1,131	2,721	1,723
Total	$ 3,393	$ 2,485	$ 5,305	$ 3,756

Downstream earnings in the second quarter of 2007 were $3,393 million, up $908 million from 2006, driven by higher refining and marketing margins and the sale of the Ingolstadt refinery in Germany. Petroleum product sales were 6,974 kbd, 86 kbd lower than last year's second quarter.

U.S. Downstream earnings were $1,745 million, up $391 million from the second quarter of 2006. Non-U.S. Downstream earnings of $1,648 million were $517 million higher.

Downstream earnings in the first six months of 2007 were $5,305 million, an increase of $1,549 million from 2006 reflecting stronger worldwide refining and marketing margins and the sale of the Ingolstadt refinery in Germany. Petroleum product sales of 7,085 kbd decreased from 7,118 kbd in 2006.

U.S. Downstream earnings were $2,584 million, up $551 million. Non-U.S. Downstream earnings were $2,721 million, $998 million higher than last year.

	Second Quarter		First Six Months	
	2007	2006	2007	2006
	(millions of dollars)			
Chemical earnings				
United States	$ 204	$ 189	$ 550	$ 518
Non-U.S.	809	651	1,699	1,271
Total	$ 1,013	$ 840	$ 2,249	$ 1,789

Chemical earnings in the second quarter of 2007 were $1,013 million, up $173 million from 2006 due to improved margins. Prime product sales of 6,897 kt (thousands of metric tons) in the second quarter of 2007 were up 42 kt from the prior year.

Chemical earnings for the first six months of 2007 were $2,249 million, up $460 million from 2006 driven by higher margins. Prime product sales were 13,702 kt, down 69 kt from 2006.

	Second Quarter		First Six Months	
	2007	2006	2007	2006
	(millions of dollars)			
Corporate and financing earnings	$ (99)	$ (99)	$ (8)	$ (302)

Corporate and financing expenses in the second quarter of 2007 of $99 million were flat with 2006.

Corporate and financing expenses for the first six months of 2007 were $8 million, a decrease of $294 million, mainly due to favorable tax items.

LIQUIDITY AND CAPITAL RESOURCES

	Second Quarter		First Six Months	
	2007	**2006**	**2007**	**2006**
	(millions of dollars)			
Net cash provided by/(used in)				
Operating activities			$ 25,604	$ 25,927
Investing activities			(6,323)	(6,776)
Financing activities			(19,161)	(16,375)
Effect of exchange rate changes			595	666
Increase/(decrease) in cash and cash equivalents			$ 715	$ 3,442
Cash and cash equivalents			$ 28,959	$ 32,113
Cash and cash equivalents - restricted (note 3)			4,604	4,604
Total cash and cash equivalents (at end of period)			$ 33,563	$ 36,717
Cash flow from operations and asset sales				
Net cash provided by operating activities (U.S. GAAP)	$ 11,318	$ 11,296	$ 25,604	$ 25,927
Sales of subsidiaries, investments and property, plant and equipment	1,135	1,056	1,673	1,450
Cash flow from operations and asset sales	$ 12,453	$ 12,352	$ 27,277	$ 27,377

Because of the ongoing nature of our asset management and divestment program, we believe it is useful for investors to consider asset sales proceeds together with cash provided by operating activities when evaluating cash available for investment in the business and financing activities.

Total cash and cash equivalents, including the $4.6 billion of restricted cash, was $33.6 billion at the end of the second quarter of 2007.

Cash provided by operating activities totaled $25,604 million for the first six months of 2007, similar to 2006. The major source of funds was net income of $19,540 million, adjusted for the noncash provision of $5,936 million for depreciation and depletion, both of which increased. Net changes in operational working capital in 2007 compared to 2006 provided an offset. For additional details, see the Condensed Consolidated Statement of Cash Flows on page 5.

Investing activities for the first six months of 2007 used net cash of $6,323 million compared to $6,776 million in the prior year. Spending for additions to property, plant and equipment decreased $694 million to $6,892 million. Proceeds from asset divestments of $1,673 million in 2007 were higher.

Cash flow from operations and asset sales in the first six months of 2007 of $27.3 billion, including asset sales of $1.7 billion, was comparable to the prior year period. Cash flow from operations and asset sales in the second quarter of 2007 was $12.5 billion, including asset sales of $1.1 billion.

Net cash used in financing activities of $19,161 million in the first six months of 2007 increased $2,786 million reflecting a higher level of purchases of shares of ExxonMobil stock.

During the second quarter of 2007, Exxon Mobil Corporation purchased 99 million shares of its common stock for the treasury at a gross cost of $8.1 billion. These purchases included $7.0 billion to reduce the number of shares outstanding, with the balance used to offset shares issued in conjunction with the company's benefit plans and programs. Shares outstanding were reduced from 5,633 million at the end of the first quarter to 5,546 million at the end of the second quarter.

Gross share purchases in 2007 were $16.0 billion which reduced shares outstanding by 3.2 percent. Purchases may be made in both the open market and through negotiated transactions, and may be increased, decreased or discontinued at any time without prior notice.

The Corporation distributed a total of $9.0 billion to shareholders in the second quarter through dividends of $2.0 billion and share purchases to reduce shares outstanding of $7.0 billion, an increase of 14 percent versus the second quarter of 2006. For the first half of 2007, distributions to shareholders totaled $17.8 billion, an increase of $2.9 billion versus 2006.

Total debt of $8.8 billion at June, 30, 2007, increased from $8.3 billion at year-end 2006. The Corporation's debt to total capital ratio was 6.8 percent at the end of the second quarter of 2007 compared to 6.6 percent at year-end 2006.

Although the Corporation issues long-term debt from time to time and maintains a revolving commercial paper program, internally generated funds cover the majority of its financial requirements.

In accordance with a nationalization decree issued by Venezuela's President Chavez in February of this year, a subsidiary of the Venezuelan National Oil Company (PdVSA) assumed the operatorship of the Cerro Negro heavy oil development on May 1, 2007. This development had been operated and owned by ExxonMobil affiliates holding a 41.67 percent ownership interest in the project. ExxonMobil's net investment in Cerro Negro producing assets is about $750 million, which is less than one percent of ExxonMobil's worldwide property, plant and equipment.

The decree also required conversion of the Cerro Negro project into a "mixed enterprise" structure and an increase in PdVSA's or another Venezuelan state-owned oil company's ownership interest in the project, with the stipulation that if an agreement was not reached for the formation of the mixed enterprise during a specified period of time, the government would "directly take on the activities" carried out by the joint venture. ExxonMobil's affiliate was not able to reach agreement on the formation of a mixed enterprise and on June 27, 2007, the government took over ExxonMobil's 41.67 percent interest in the Cerro Negro project. Discussions with Venezuelan authorities over the compensation to be paid to ExxonMobil have not yet been completed. At this time the net impact of this matter on the Corporation's consolidated financial results cannot be reasonably estimated. However, the Corporation does not expect the resolution to have a material effect upon the Corporation's operations or financial condition.

The Corporation, as part of its ongoing asset management program, continues to evaluate its mix of assets for potential upgrade. Because of the ongoing nature of this program, dispositions will continue to be made from time to time which will result in either gains or losses.

TAXES

	Second Quarter		First Six Months	
	2007	2006	2007	2006
	(millions of dollars)			
Taxes				
Income taxes	$ 7,668	$ 7,844	$ 14,452	$ 14,903
Sales-based taxes	7,810	8,211	15,094	15,875
All other taxes and duties	10,665	11,033	21,073	20,780
Total	$ 26,143	$ 27,088	$ 50,619	$ 51,558
Effective income tax rate	44 %	44 %	44 %	46 %

Income, sales-based and all other taxes and duties for the second quarter of 2007 of $26,143 million were down $945 million compared to 2006. In the second quarter of 2007 income tax expense was $7,668 million and the effective income tax rate was 44 percent, compared to $7,844 million and 44 percent, respectively, in the prior year period.

Income, sales-based and all other taxes and duties for the first six months of 2007 of $50,619 million were down $939 million compared to 2006. In the first six months of 2007 income tax expense was $14,452 million and the effective income tax rate was 44 percent, compared to $14,903 million and 46 percent, respectively, in the prior year period. Resolution of income tax related issues resulted in charges in the first six months of 2006.

CAPITAL AND EXPLORATION EXPENDITURES

	Second Quarter		First Six Months	
	2007	2006	2007	2006
	(millions of dollars)			
Capital and exploration expenditures				
Upstream (including exploration expenses)	$ 3,866	$ 3,932	$ 7,335	$ 8,019
Downstream	874	742	1,405	1,323

Chemical	276	186	495	330
Other	23	41	26	53
Total	$ 5,039	$ 4,901	$ 9,261	$ 9,725

ExxonMobil continued to actively invest in the second quarter, spending $5.0 billion on capital and exploration projects. For the first six months of 2007, spending on capital and exploration projects was $9.3 billion.

Capital and exploration expenditures for full year 2006 were $19.9 billion and are expected to continue in this range for the next several years. Actual spending could vary depending on the progress of individual projects.

FORWARD-LOOKING STATEMENTS

Statements in this report relating to future plans, projections, events or conditions are forward-looking statements. Actual results, including project plans and related expenditures, resource recoveries, timing and capacities, could differ materially due to changes in long-term oil or gas prices or other market conditions affecting the oil and gas industry; political events or disturbances; reservoir performance; the outcome of commercial negotiations; potential liability resulting from pending or future litigation; wars and acts of terrorism or sabotage; changes in technical or operating conditions; and other factors discussed under the heading "Factors Affecting Future Results" on our website and in Item 1A of ExxonMobil's 2006 Form 10-K. We assume no duty to update these statements as of any future date.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information about market risks for the six months ended June 30, 2007, does not differ materially from that discussed under Item 7A of the registrant's Annual Report on Form

10-K for 2006.

Item 4. Controls and Procedures

As indicated in the certifications in Exhibit 31 of this report, the Corporation s chief executive officer, principal financial officer and principal accounting officer have evaluated the Corporation s disclosure controls and procedures as of June 30, 2007. Based on that evaluation, these officers have concluded that the Corporation s disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Corporation in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to them in a manner that allows for timely decisions regarding required disclosures and are effective in ensuring that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms. There were no changes during the Corporation's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Regarding previously reported matters, the Corporation and Chalmette Refining, L.L.C. (which is fifty-percent owned by the Corporation) have identified and reported noncompliance with certain air pollution control provisions for certain streams at their U.S. refineries under their respective 2005 and 2006 consent decrees with the U.S. Environmental Protection Agency ("EPA") et al. relating to EPA's New Source Review Enforcement Initiative. Although penalties have not yet been assessed and no formal enforcement proceedings have been commenced under these consent decrees, the total penalties associated with disclosed noncompliance items are likely to exceed $100,000.

Regarding another previously reported matter, on June 15, 2007, ExxonMobil Oil Corporation ("EMOC") entered into a Consent Order with the New York State Department of Environmental Conservation ("NYSDEC") to resolve the penalty phase of an enforcement action that had commenced in 2002. In June 2002, the NYSDEC issued a Notice of

Hearing and Complaint with respect to EMOC's distribution terminal in New Windsor, New York, alleging discharges of petroleum into waters of the State that were allegedly neither timely reported nor immediately contained. In 2003, EMOC entered into a Consent Order with the State and agreed to a scope of work, with the issue of penalties reserved. The present Consent Order settles the outstanding penalty issue for $250,000.

Regarding the previously reported matter concerning the Corporation's Brooklyn, New York, terminal, on July 17, 2007, the New York Attorney General ("AG") filed a civil lawsuit against the Corporation in U.S. District Court for the Eastern District of New York. The AG alleges that (1) the Corporation wrongfully discharged, and has failed to timely investigate and remediate, several million gallons of petroleum and non-petroleum pollutants, which have contaminated air, subsurface soils, groundwater, wetlands and surface water in Greenpoint; (2) the plume continues to migrate into Newtown Creek; (3) the Corporation has wrongfully discharged certain petroleum constituents from its remediation system into Newtown Creek; (4) the Corporation violated its Consent Orders (and state law) by suspending operation of its remediation system in 2007; and (5) the discharge has placed area residents at risk due to potential toxic vapors from the contamination. The complaint alleges that the Corporation violated several federal laws (RCRA, CWA, CERCLA and the Oil Pollution Act) and state statutes (i.e., New York Navigation Law and Environmental Conservation Law) and that the Corporation is liable under common law theories of public nuisance, indemnification and restitution. The State seeks, among other things, reimbursement of past and future remediation expenses, civil penalties under various state and federal statutes, natural resource damages and costs of restoration, injunctive relief and attorney fees. The complaint does not specify an amount of penalties or damages sought.

On May 16, 2007, the ExxonMobil Baytown Olefins Plant received a proposed Agreed Order from the Texas Commission on Environmental Quality ("TCEQ") relating to two alleged unauthorized air emissions events (January 1, 2006, and December 10, 2005), and one alleged violation of the related release reporting requirements for the December event. The Corporation is contesting the enforcement relating to the January 1, 2006, emissions event. TCEQ has argued for a total administrative penalty of $170,190, of which $160,000 is related to the contested issues. The TCEQ referred the matter to its litigation division in July.

The U.S. Coast Guard, U.S. Environmental Protection Agency and the Department of Justice have alleged that the Company is responsible for a spill that occurred on or about January 10, 2006, on the Island End River near the Company's Everett Terminal facility in Everett, Massachusetts. The Department of Justice has indicated that it intends to seek corrective action and penalties in excess of $100,000.

Refer to the relevant portions of note 3 on pages 7 and 8 of this Quarterly Report on Form 10-Q for further information on legal proceedings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchase of Equity Securities for the Quarter Ended June 30, 2007

Period	Total Number Of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number Of Shares that May Yet Be Purchased Under the Plans or Programs
April, 2007	31,928,312	$78.12	31,928,312	
May, 2007	34,594,451	$81.73	34,594,451	
June, 2007	32,952,608	$83.79	32,952,608	

Total	99,475,371	$81.25	99,475,371	(See Note 1)

Note 1 -- On August 1, 2000, the Corporation announced its intention to resume purchases of shares of its common stock for the treasury both to offset shares issued in conjunction with company benefit plans and programs and to gradually reduce the number of shares outstanding. The announcement did not specify an amount or expiration date. The Corporation has continued to purchase shares since this announcement and to report purchased volumes in its quarterly earnings releases. Purchases may be made in both the open market and through negotiated transactions, and purchases may be increased, decreased or discontinued at any time without prior notice.

Item 4. Submission of Matters to a Vote of Security Holders

At the annual meeting of shareholders on May 30, 2007, the following proposals were voted upon. Percentages are based on the total of the shares voted For and Against.

Concerning Election of Directors

Nominees	Votes Cast For		Votes Withheld
Michael J. Boskin	4,450,845,595	93.0%	332,662,710
William W. George	4,680,858,322	97.9%	102,649,983
James R. Houghton	4,618,790,650	96.6%	164,717,655
William R. Howell	4,594,185,591	96.0%	189,322,714
Reatha Clark King	4,645,666,846	97.1%	137,841,459
Philip E. Lippincott	4,624,158,297	96.7%	159,350,008
Marilyn Carlson Nelson	4,654,418,611	97.3%	129,089,694
Samuel J. Palmisano	4,682,322,635	97.9%	101,185,670
Steven S Reinemund	4,689,466,769	98.0%	94,041,536
Walter V. Shipley	4,666,385,008	97.6%	117,123,297
J. Stephen Simon	4,661,892,049	97.5%	121,616,256
Rex W. Tillerson	4,650,935,732	97.2%	132,572,573

Concerning Ratification of Independent Auditors

Votes Cast For:	4,629,664,471	98.0%
Votes Cast Against:	95,430,383	2.0%
Abstentions:	58,413,451	
Broker Non-Votes:	0	

Concerning Cumulative Voting

Votes Cast For:	1,188,070,531	31.9%
Votes Cast Against:	2,536,616,551	68.1%
Abstentions:	84,426,805	
Broker Non-Votes:	974,394,418	

Concerning Special Shareholder Meetings

Votes Cast For:	1,776,227,449	47.7%
Votes Cast Against:	1,944,489,736	52.3%
Abstentions:	88,396,702	
Broker Non-Votes:	974,394,418	

Concerning Board Chairman and CEO		
Votes Cast For:	1,490,198,067	40.0%
Votes Cast Against:	2,231,565,469	60.0%
Abstentions:	87,350,351	
Broker Non-Votes:	974,394,418	
Concerning Dividend Strategy		
Votes Cast For:	211,258,526	5.7%
Votes Cast Against:	3,504,312,677	94.3%
Abstentions:	93,542,684	
Broker Non-Votes:	974,394,418	
Concerning Shareholder Advisory Vote on Executive Compensation		
Votes Cast For:	1,487,477,280	41.3%
Votes Cast Against:	2,118,376,225	58.7%
Abstentions:	203,260,382	
Broker Non-Votes:	974,394,418	

Concerning CEO Compensation Decisions		
Votes Cast For:	261,431,225	7.1%
Votes Cast Against:	3,404,006,556	92.9%
Abstentions:	143,676,106	
Broker Non-Votes:	974,394,418	
Concerning Executive Compensation Report		
Votes Cast For:	430,534,450	11.6%
Votes Cast Against:	3,275,987,445	88.4%
Abstentions:	102,591,992	
Broker Non-Votes:	974,394,418	
Concerning Executive Compensation Limit		
Votes Cast For:	188,478,071	5.1%
Votes Cast Against:	3,517,698,843	94.9%
Abstentions:	102,936,973	
Broker Non-Votes:	974,394,418	
Concerning Incentive Pay Recoupment		
Votes Cast For:	1,754,228,659	47.2%
Votes Cast Against:	1,965,507,487	52.8%
Abstentions:	89,377,741	
Broker Non-Votes:	974,394,418	
Concerning Political Contributions Report		
Votes Cast For:	826,910,014	25.4%
Votes Cast Against:	2,422,502,196	74.6%
Abstentions:	559,701,677	
Broker Non-Votes:	974,394,418	
Concerning Amendment of EEO Policy		
Votes Cast For:	1,342,391,658	37.7%
Votes Cast Against:	2,219,078,352	62.3%
Abstentions:	247,643,877	
Broker Non-Votes:	974,394,418	
Concerning Community Environmental Impact		
Votes Cast For:	318,824,219	9.8%
Votes Cast Against:	2,932,668,098	90.2%

Abstentions:	557,621,570	
Broker Non-Votes:	974,394,418	

Concerning Greenhouse Gas Emissions Goals

Votes Cast For:	1,020,056,278	31.1%
Votes Cast Against:	2,257,532,822	68.9%
Abstentions:	531,224,787	
Broker Non-Votes:	974,694,418	

Concerning CO2 Information at the Pump

Votes Cast For:	234,982,362	7.1%
Votes Cast Against:	3,071,486,949	92.9%
Abstentions:	502,644,576	
Broker Non-Votes:	974,394,418	

Concerning Renewable Energy Investment Levels		
Votes Cast For:	237,673,643	7.3%
Votes Cast Against:	3,020,099,642	92.7%
Abstentions:	551,340,602	
Broker Non-Votes:	974,394,418	

For additional information, see the registrant's definitive proxy statement dated April 11, 2007, "Item 1 - Election of Directors" (beginning on page 12) and the items beginning with "Item 2 - Ratification of Independent Auditors", on page 44, through "Item 17 - Renewable Energy Investment Levels", ending on page 64.

Item 6. Exhibits

Exhibit

Description

3(ii)

By-Laws, as revised to July 31, 2002.

31.1

Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Chief

Executive Officer.

31.2

Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Principal

Financial Officer.

31.3

Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Principal

Accounting Officer.

32.1

Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief

Executive Officer.

32.2

Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by

Principal Financial Officer.

32.3

Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by

Principal Accounting Officer.

EXXON MOBIL CORPORATION

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXXON MOBIL CORPORATION

Date: August 7, 2007

By: /s/ Patrick T. Mulva

Name: Patrick T. Mulva

Title: Vice President, Controller and

Principal Accounting Officer

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