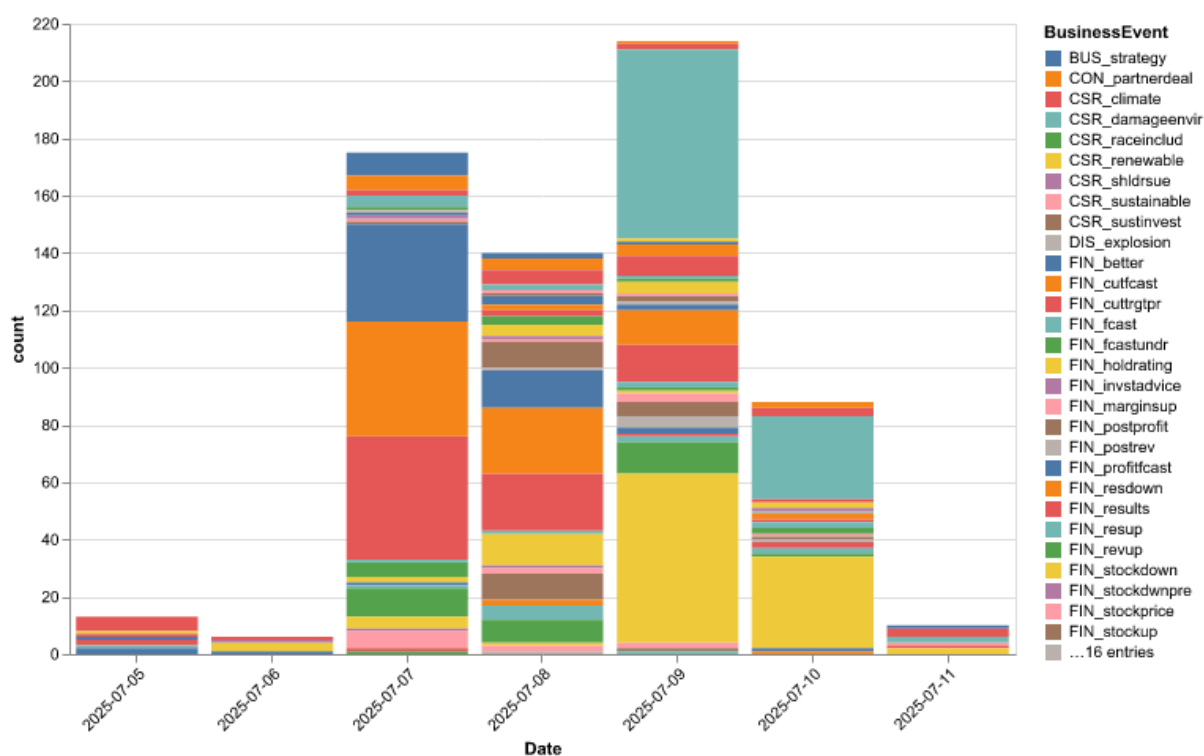


SieraPlex: Iris Recent Risk Events Newsletter

This newsletter provides a summary of recent events (2025-07-05 - 2025-07-11) for Exxon Mobil Corp. [XOM] that are relevant for the Director of Corporate Communications.



Summary

From the perspective of ExxonMobil, the recent news presents a mixed bag of opportunities and risks.

Positive Developments and Opportunities:

- **New Gas Discoveries:** The confirmation of a new natural gas discovery by ExxonMobil off the coast of Cyprus is a significant positive development. This find,

along with the earlier discovery in the same region with Qatar Energy, strengthens the region's potential as a key energy exporter and supports Europe's efforts to diversify its energy supplies. Further assessments will be conducted to determine the field's full potential.

- **Angola Block 17 Extension:** The extension of the production sharing contract for Block 17 in Angola, operated by TotalEnergies in partnership with ExxonMobil, secures operations through 2045. This extension allows for continued production from existing FPSOs and the potential for further development of remaining resources, contributing to ExxonMobil's long-term production portfolio.
- **Hydrogen Project Partnership:** The exclusive MOU between Hy24 and Hynamics UK to co-develop a 120 MW green hydrogen project at ExxonMobil's Fawley refinery is a positive step towards embracing cleaner energy solutions. This project, supported by Hy24's Clean Hydrogen Infrastructure Fund, will supply low-carbon hydrogen to the petrochemical complex, aligning with the company's efforts to reduce its carbon footprint.
- **Analyst Upgrades and Positive Outlook:** Several analysts, including Piper Sandler, have upgraded ExxonMobil's stock price target, reflecting a positive outlook on the company's performance. These upgrades, along with buy ratings from other firms, indicate confidence in ExxonMobil's potential for growth.
- **Billionaire Investor Interest:** The fact that ExxonMobil is a favorite among billionaire investors, as highlighted by Insider Monkey, is a positive indicator of the company's financial strength, strategic approach, and potential for future growth.
- **Strategic Partnerships:** The potential for a USD34 billion memorandum of understanding with Indonesian and US companies, including Pertamina, for expanding trade in energy and agriculture, could provide new avenues for growth and collaboration.

Risks and Challenges:

- **Q2 Earnings Headwinds:** ExxonMobil has signaled that lower oil and gas prices will negatively impact its second-quarter earnings, potentially by USD1.5 billion. This is due to an 11% decline in Brent crude prices and a 9% decline in U.S. natural gas prices. This could lead to investor concerns and impact the company's stock price in the short term.
- **Lawsuits and Legal Challenges:** ExxonMobil is facing a climate change wrongful death lawsuit from the family of a Seattle woman, alleging that the company knowingly fueled climate change and misled the public. This lawsuit, along with the ongoing legal dispute with Allen Parish over carbon capture sequestration (CCS)

projects, poses a significant legal and reputational risk. The Supreme Court's rejection of ExxonMobil's request to dismiss citizen lawsuits further increases the risk of legal challenges.

- **Hess Acquisition Dispute:** The legal dispute between ExxonMobil and Hess over the Chevron acquisition could impact ExxonMobil's strategic plans. The arbitrators' decision will determine whether Chevron can proceed with its planned acquisition of Hess, which could affect ExxonMobil's operations in the Guyana's Stabroek block.
- **Reputational Risks and Public Perception:** The lawsuit blaming oil companies for a woman's death due to a heat wave, along with the broader narrative of corporate emissions and climate change, poses a reputational risk. The company's past actions, such as promoting the concept of personal carbon footprints, are being criticized, potentially damaging public perception.
- **Regulatory Scrutiny:** The Allen Parish Police Jury's initial ordinance targeting CCS projects and the EPA's initial proposal for new TSCA rules for pyrolysis of waste plastic indicate potential regulatory scrutiny of ExxonMobil's operations.
- **Bass Strait Gas Discovery Revision:** The downward revision of the estimated size of a gas discovery in the Bass Strait, Australia, is a setback, tempering initial enthusiasm and potentially impacting the company's reputation.
- **Market Volatility:** The energy sector is experiencing volatility, with fluctuations in oil and gas prices. This volatility can impact ExxonMobil's earnings and financial performance.
- **Focus on Decarbonization:** The increasing focus on decarbonization and the emerging hydrogen economy present both opportunities and challenges. While ExxonMobil is investing in hydrogen projects, it must navigate the transition to cleaner energy sources while managing its existing fossil fuel assets.
- **Criticism of Corporate Emissions:** The fact that a small group of fossil fuel companies, including ExxonMobil, are responsible for a significant portion of global emissions, as highlighted by Earth Org, could lead to increased pressure from investors, regulators, and the public to reduce emissions

Descriptions of the Business Event taxonomy:

BUS_strategy: Explicit mentions of the Subject Company strategy and strategic moves
CON_partnerdeal: Company signs partnership/cooperation deal
CSR_climate: Company's climate change/global warming policy
CSR_damageenvir: Company's activities damaging the environment
CSR_renewable: Company providing/using alternative energy/renewable sources
CSR_raceinclud: Company supports racial and ethnic diversity and inclusion initiatives
CSR_shldrsue: Shareholders suing the Company
CSR_sustainable: Company's sustainability reports/projects/efforts mentioned
CSR_sustinvest: Sustainability/environmental investment
DIS_explosion: Company experiences an explosion/ fire/ blast in production facilities
FIN_better: Better than expected results
FIN_cutfcst: Company financial forecast is cut
FIN_cuttrgtpr: Company's target price is cut
FIN_fcst: Financial results forecast
FIN_fcstundr: Company financial forecast below analysts' expectations
FIN_holdrating: 'Hold' or 'Neutral' rating is assigned to the Subject Company's
FIN_investadvice: Analysts comment company's stock performance on the market and provide investment advice
FIN_marginsup: Company profit/operating/gross margins rise
FIN_postprofit: Company reports profit
FIN_postrev: Company reports revenues
FIN_profitfcst: Company forecasts profit
FIN_results: Subject Company posts results
FIN_resdown: Financial results fall
FIN_resup: Financial results rise
FIN_revup: Revenues/sales rise
FIN_stockdown: Company share price down
FIN_stockdwnpre: Company's share price down in after-hours/premarket trading
FIN_stockprice: Company shares traded at specific prices
FIN_stockup: Company share price up
FIN_strongfcst: Company forecasts strong results
FIN_trgtpr: Target price estimates
FIN_uprating: Subject Company is upgraded
FIN_updividend: Company raises dividends
FIN_uptrgtpr: Company's target price is raised
FIN_weakfcst: Company forecasts weak results
LIT_sued: Company is being sued by other Companies/ customers /shareholders/ employees/ individual/ organizations (or is subject to a class-action lawsuit)
NEW_rndcontract: Company signs contracts with other companies for R&D/exploration/development of gas/oil
OPR_upprod: Company increases/expands production/operations
PSM_demandup: Product/service demand rise
PSM_safety: Safety concerns around a product/service
REG_changelaw: Regulators/legislators change a law;Regulators/legislators ease a law;Regulators/legislators tighten a law
REG_getbuilperm: Company receives a permit to build by a regulator
REG_newlaw: Regulators/legislators vote/Approve/Introduce a new law
REG_rejectlaw: Regulators/legislators reject/delay a law
TOP_resignation: Board Member/Executive in the Company resigns/retires