

Exxon Chief Calls For Climate Change, Economic Development Balance

Sensible strategies that address the risks of climate change while not impacting on other global priorities such as economic development, poverty eradication and public health, need to be developed and implemented, according to Exxon Mobil Chairman and Chief Executive Officer, Rex Tillerson.

Speaking at a conference in Houston hosted by the Cambridge Energy Research Associates, Tillerson acknowledged the climate is changing and greenhouse gas emissions are increasing. "We also know that climate remains an extraordinarily complex area of scientific study", he said.

"While our understanding of the science continues to evolve and improve, there is still much that we do not know and cannot fully recognise in efforts to model and predict future climate system behaviour. Having said that, the risks to society and ecosystems from climate change could prove to be significant."

Tillerson said the oil and gas industry has a responsibility to contribute to policy discussions on climate change and to take concrete actions ourselves to reduce emissions. "As an industry, we are already improving efficiency in our operations, greatly enhancing our energy efficiency while supplying more products than ever before", he said.

He said steps taken at ExxonMobil since 1999 to improve energy efficiency at its facilities resulted in CO₂ emissions savings of 11 million metric tons in 2005, which is the equivalent to taking two million cars off the road.

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"But we must do more", he said. "We must continue to foster and support scientific research into technology breakthroughs to deliver new sources of energy with even lower emissions. One example is Stanford University's Global Climate and Energy Project, which ExxonMobil and other partners are supporting with a collective contribution of \$US 225 million."

Tillerson also called for a global approach that promotes energy efficiency, ensures wider deployment of existing emissions-reducing technologies and supports research into new technologies. He said it is also critical to maintain support for fundamental climate research, recognising that there remains much that is still not understood.

"Specific policy tools should be assessed for their likely effectiveness, scale, and costs,



Exxon Mobil Chairman and Chief Executive Officer, Rex Tillerson.

as well as their implications for economic growth and quality of life", he said. "In that regard, rigorous and informed debate, debate that takes into account the essential role played by energy in advancing social and economic progress, will best support thoughtful policymaking."

"In our view, the most effective approaches will maximise the use of markets. This will help promote global participation and facilitate the rapid spread of successful initiatives. Consistent with a market-based approach, effective policies will ensure a uniform and predictable cost of reducing carbon emissions, maximize transparency, minimize complexity and adjust to new developments in climate science and the economic impacts of policies."

Tillerson said just as technology has continually been the driver of progress in the oil and gas industry, he was confident that future technology advances will provide a greater understanding of the climate system and enable an effective response.

"We must encourage all participating in this debate to frame the discussion in terms of the realities we face, the realities of growing demand and the need for affordable, reliable energy to enable the world's consumers to achieve genuine improvements in their quality of life", he said.

"The policy measures adopted today will have far-reaching implications in the years ahead. We must consider the potential impacts on future economic growth and quality of life for not just the current generation, but those of our children and grandchildren." ■