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Exxon's chief urges allowing more drilling

Federal approvals could lift oil supply, cut prices, he says

By Peter J. Howe, Globe Staff
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[Exxon](#) Mobil Corp.'s chief executive, making a Boston appearance yesterday, said the best hope for lowering gasoline prices is for federal officials to allow more oil exploration off US coasts and under federal lands and national parks.

Rex W. Tillerson, speaking at the Boston College Chief Executives Club at the Boston Harbor Hotel, said: "It really is supply and demand driven. If you want to bring the price down, you've got to increase supply, and access to our own resources would provide lower-cost supply" that could reduce gasoline prices.

Currently, Tillerson said, government policies ban exploration of areas of the United States containing 31 billion barrels of oil and 105 trillion cubic feet of gas. Companies like Exxon could tap them "safely and with a minimal environmental imprint," Tillerson said, but "what we lack is permission to access them."

"Ours is the only country in the world with major oil and natural gas resources that, as a matter of policy, denies its own citizens the economic benefits of developing and utilizing those resources that belong to its citizens," Tillerson said.

In a later question and answer session, Tillerson elaborated on the potential environmental impact. "Are we going to have mishaps? Yes, but we're able to manage them, mitigate the effects, and move on," he said.

Exxon Mobil has been criticized by environmental groups for downplaying the possibility of catastrophic climate change induced by growing fossil-fuel consumption.

Tillerson, a 32-year company veteran who became chief executive in January, stressed yesterday Exxon thinks "we should continue to fund ongoing scientific research, without conditions or preconceived outcomes," aimed at documenting what climate change is happening and how best to deal with it.

Tillerson scoffed, however, at the idea that wind, solar power, or plant-derived ethanol will substantially replace oil, gas, and coal anytime soon. "Fossil fuels will remain the dominant energy source for the foreseeable future," Tillerson said.

Tillerson also defended Exxon's recent record profits, including \$36 billion last year, which are prompting some congressional Democrats to call for windfall profit taxes, which Tillerson called "a terrible idea" that will deter exploration and raise prices.

"We won't make this kind of money forever," Tillerson said, adding that boom-year profits are necessary to sustain long-term investments in oil exploration that can include "a \$180 million dry hole in the Gulf of Mexico" Exxon experienced this year.

"If you look at it over 20 years," Tillerson added, "it's kind of an average business."

Peter J. Howe can be reached at howe@globe.com.
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