

## ExxonMobil Australia – Tax Facts



### \$4.8 billion

in Federal taxes paid for 2022 in helping to fund roads, hospitals and schools across our nation:

- \$845m in Corporate Income Tax
- \$830m in Petroleum Resource Rent Tax
- \$3,180m in other taxes



More than

### \$16 billion

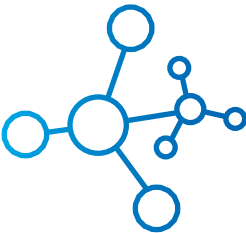
in Petroleum Resource Rent Tax since 1990



Gippsland Basin Joint Venture supplies

### 40%

of the Australian east coast gas market, powering Australian jobs, industry and the economy



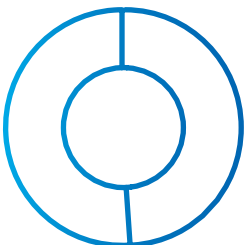
### 100%

of Gippsland gas is sold locally and taxed in Australia, with every single molecule produced going to Australian homes and businesses



### \$41 billion

invested in Australia, including \$19 billion in recent projects, such as West Barracouta (2021), delivering critical domestic gas supplies



ExxonMobil Australia had an effective tax rate of

### 49%

for our Australian operations in 2022 and this helps Australian governments to fund essential services and infrastructure across our nation

## Tax Strategy

In an average year, we pay approximately \$4 billion in total taxes. ExxonMobil Australia Pty Ltd and its affiliates (ExxonMobil Australia) utilised all remaining carried-forward tax losses and paid approximately \$845 million in income tax for 2022.

As a large and high-profile taxpayer, ExxonMobil Australia holds a documented, longstanding reputation with tax authorities for integrity and professionalism, and we have an open and ongoing dialogue with the ATO and other revenue authorities. We file our returns in an accurate and timely manner and stand behind our return positions.

We are continually investing substantial capital in exploring, developing and producing oil and gas as well as distributing and marketing refined products. In addition, ExxonMobil Australia manages its operations by buying new assets and selling pieces of existing businesses that may be worth more to other parties. In each case, we will work to ensure that the correct amount of tax under the law is paid on each of those transactions.

## International Related Party Dealings

The vast majority of our international related party dealings continue to be with affiliates in Singapore, the USA, and PNG. These dealings are predominately for the sale and purchase of refined product, raw materials and LNG, the provision or receipt of services, and the cost of financing.

## Refined Product and Raw Materials

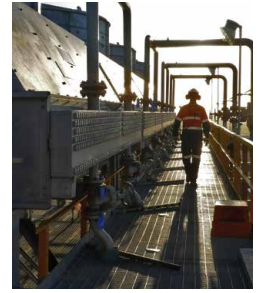
- ExxonMobil Australia continued to purchase refined product for sale in the Australian market from affiliated companies based in Singapore and the USA. These products are globally traded with transparent market prices, and the prices ExxonMobil Australia pays closely match what an independent purchaser would pay for the same products.
- ExxonMobil Australia sells crude oil, condensate and LPG through the same Singapore and US companies.
- ExxonMobil Australia purchased and sold a number of cargo's of LNG from the same Singapore related company during the year.
- ExxonMobil's pricing of inter-affiliate sales and purchases of crude oil and refined product is subject to intensive, ongoing scrutiny by revenue authorities around the world and historically, no adverse findings have been made.

## Services

- The largest single dealing in services is with our affiliate in PNG, for whom ExxonMobil Australia has both provided services and contracted services, thereby bringing revenue into Australia for taxation purposes.
- While ExxonMobil Australia procures services from affiliates in other countries, this is done on an arm's-length commercial basis with prices at or below what could be achieved on the market.
- Further, the total expense incurred from ExxonMobil Australia procuring services is less than the revenue gained from ExxonMobil Australia providing services, creating a net tax revenue benefit for Australia.
- ExxonMobil believes that the global integration of its business lines and functional organisations allows it to capture significant value across the supply chain.

## Finance

- ExxonMobil Australia has historically held very low levels of finance primarily for working capital purposes. We have required borrowings to fund our investments, including to support the \$19 billion invested in recent years.
- ExxonMobil Australia is financed by a mixture of shareholders equity, related party debt, and internal capital.
- The related party debt is predominately term debt denominated in Australian dollars and owed to US incorporated affiliates.
- While debt increased during a period of significant investment up to 2018, we also continued to inject billions of dollars of long-term equity into Australia, and because recent investments have started production we have already repaid billions of dollars of debt.
- Following a review of financing structures and related party loan pricing, on 3rd April 2018 the Australian Taxation Office issued an amended income tax assessments to ExxonMobil Australia Pty Ltd for the 2010 and 2011 income years, which may also have implications for the 2012 to 2017 income years. While we paid an amount of \$42 million to the ATO in 2018 relating to the 2010 and 2011 income years, we stand by the pricing of our loans and resolution of the amended returns may require negotiations extending over a number of years.
- ExxonMobil Australia withholds and remits interest withholding tax at a rate of 10 per cent on interest accruing on these loans. Withholding tax is paid to the ATO at least quarterly.



## Tax Reconciliations

### Reconciliation of Accounting Profit to Income Tax Expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable<sup>1</sup>

2022

Profit / (loss) from continuing operations before tax	5,611
PRRT benefit / (expense)	(1,305)
Profit / (loss) after PRRT expense from operations	4,306
Tax at the Australia Tax Rate of 30%	1,292
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-
Overseas tax differential	26
Capital gains tax losses utilised	-
Impairment charge	-
DIT impact of tax rate change	-
Sundry items	53
Income Tax Expense/(Benefit) charged to P/L	1,371
Under / (over) provision in prior years	(11)
Uncertain tax provision	-
Total income tax expense / (benefit)	1,360
PRRT expense / (benefit)	1,305
Total tax expense / (benefit)	2,665

### Income Tax Expense to Income Tax Payable

(b) Numerical reconciliation of tax expense / (benefit) reported to tax payable (receivable)

	Income Tax \$M	PRRT \$M	TOTAL \$M
<b>Total tax expense / (benefit) reported in ExxonMobil Australia (EMA) 2022 consolidated profit and loss statement</b>	<b>1,360</b>	<b>1,305</b>	<b>2,665</b>
Global Effective Tax Rate <sup>2</sup>	32%	16%	48%
Less: Tax expense / (benefit) recognised by entities in foreign tax jurisdictions	200		200
<b>Tax expense / (benefit) relating to entities within ExxonMobil Australia tax group</b>	<b>1,160</b>	<b>1,305</b>	<b>2,465</b>
Australian Effective Tax Rate <sup>2</sup>	31%	18%	49%
Effects of permanent differences	58		58
Effects of temporary differences	236		236
PRRT (mainly arising from capital expenditure deductions)		(448)	(448)
Tax losses utilised	(420)		(420)
Imputation / Franking credits	(1)		(1)
Non-refundable carry forward tax offsets	(188)		(188)
<b>Tax payable/(loss carried forward) arising from 2022<sup>3</sup></b>	<b>845</b>	<b>857</b>	<b>1,702</b>

<sup>1</sup> As Reported in 2022 EMA Consolidated Financial Statements, Note 5(b)

<sup>2</sup> Accounting income tax expense as a percentage of accounting profit / (loss) before tax, calculated in accordance with Australian accounting standard AASB 112 Income Taxes.

<sup>3</sup> Per EMA tax group 2022 consolidated corporate income tax return and PRRT returns