FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

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 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 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, 1999
Common stock, without par value	2,427,785,330

EXXON CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1999

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EXXON CORPORATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EXXON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(millions of dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
REVENUE				
Sales and other operating revenue, including excise taxes	$28,894	$28,808	$55,235	$58,140
Earnings from equity interests and other revenue	528	557	1,071	1,189
Total revenue	29,422	29,365	56,306	59,329
COSTS AND OTHER DEDUCTIONS				
Crude oil and product purchases	12,192	11,390	22,398	23,490
Operating expenses	2,537	2,764	5,265	5,675
Selling, general and administrative expenses	2,276	2,179	4,590	4,183
Depreciation and depletion	1,347	1,346	2,875	2,690
Exploration expenses, including dry holes	145	237	275	421
Interest expense	45	28	139	60
Excise taxes	3,599	3,607	6,958	7,054
Other taxes and duties	5,604	5,534	11,193	10,701
Income applicable to minority and preferred interests	6	22	(61)	88
Total costs and other deductions	27,751	27,107	53,632	54,362
INCOME BEFORE INCOME TAXES	1,671	2,258	2,674	4,967
Income taxes	466	638	449	1,457
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	1,205	1,620	2,225	3,510
Cumulative effect of accounting change	-	-	-	(70)
NET INCOME	$ 1,205	$ 1,620	$ 2,225	$ 3,440
NET INCOME PER COMMON SHARE (DOLLARS)				
Before cumulative effect of accounting change	$ 0.50	$ 0.66	$ 0.92	$ 1.43
Cumulative effect of accounting change	-	-	-	(0.03)
Net Income	$ 0.50	$ 0.66	$ 0.92	$ 1.40
NET INCOME PER COMMON SHARE - ASSUMING DILUTION (DOLLARS)				
Before cumulative effect of accounting change	$ 0.49	$ 0.65	$ 0.91	$ 1.41
Cumulative effect of accounting change	-	-	-	(0.03)
Net Income	$ 0.49	$ 0.65	$ 0.91	$ 1.38
Dividends per common share	$ 0.41	$ 0.41	$ 0.82	$ 0.82

EXXON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(millions of dollars)

	June 30, 1999	Dec. 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,328	$ 1,441
Other marketable securities	20	20
Notes and accounts receivable - net	9,107	9,512
Inventories		
Crude oil, products and merchandise	4,123	4,896
Materials and supplies	664	709
Prepaid taxes and expenses	1,187	1,015
Total current assets	16,429	17,593
Property, plant and equipment - net	65,002	65,199
Investments and other assets	9,804	9,838
TOTAL ASSETS	$91,235	$92,630
LIABILITIES		
Current liabilities		
Notes and loans payable	$ 4,770	$ 4,248
Accounts payable and accrued liabilities	13,734	13,825
Income taxes payable	1,206	1,339
Total current liabilities	19,710	19,412
Long-term debt	4,497	4,530
Annuity reserves, deferred credits and other liabilities	24,199	24,938
TOTAL LIABILITIES	48,406	48,880
SHAREHOLDERS' EQUITY		
Preferred stock, without par value:		
Authorized: 200 million shares		
Outstanding: 1 million shares at June 30, 1999	44	
2 million shares at Dec. 31, 1998		105
Guaranteed LESOP obligation	-	(125)
Common stock, without par value:		
Authorized: 3,000 million shares		
Issued: 2,984 million shares	2,323	2,323
Earnings reinvested	54,807	54,575
Accumulated other nonowner changes in equity		
Cumulative foreign exchange translation adjustment	(1,599)	(641)
Minimum pension liability adjustment	(282)	(282)
Common stock held in treasury:		
556 million shares at June 30, 1999	(12,464)	
556 million shares at Dec. 31, 1998		(12,205)
TOTAL SHAREHOLDERS' EQUITY	42,829	43,750
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$91,235	$92,630

The number of shares of common stock issued and outstanding at June 30, 1999 and December 31, 1998 were 2,427,785,330 and 2,427,787,109, respectively.

EXXON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(millions of dollars)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$2,225	$3,440
Depreciation and depletion	2,875	2,690
Changes in operational working capital, excluding cash and debt	684	(302)
All other items - net	(744)	16
Net Cash Provided By Operating Activities	5,040	5,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(4,082)	(3,686)
Sales of subsidiaries and property, plant and equipment	441	260
Other investing activities - net	270	363
Net Cash Used In Investing Activities	(3,371)	(3,063)
NET CASH GENERATION BEFORE FINANCING ACTIVITIES	1,669	2,781
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to long-term debt	1	5
Reductions in long-term debt	(74)	(96)
Additions/(reductions) in short-term debt - net	613	(240)
Cash dividends to Exxon shareholders	(1,994)	(2,013)
Cash dividends to minority interests	(44)	(45)
Changes in minority interests and sales/(purchases) of affiliate stock	56	(66)
Acquisitions of Exxon shares - net	(351)	(1,653)
Net Cash Used In Financing Activities	(1,793)	(4,108)
Effects Of Exchange Rate Changes On Cash	11	(32)
Increase/(Decrease) In Cash And Cash Equivalents	(113)	(1,359)
Cash And Cash Equivalents At Beginning Of Period	1,441	4,047
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$1,328	$2,688
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	$ 766	$1,489
Cash interest paid	$ 149	$ 381

EXXON 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 1998 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.

During the fourth quarter of 1998, Exxon de-consolidated the majority owned power companies in Hong Kong and China. These financial statements reflect the de-consolidation of these companies retroactive to January 1, 1998. These affiliates are now accounted for as equity companies in compliance with the Financial Accounting Standards Board Emerging Issues Task Force ruling on Issue No. 96-16, which requires equity company reporting for a majority owned affiliate when minority shareholders possess the right to participate in significant management decisions. Exxon's 1998 net income was not affected by the de-consolidation. The effect on Exxon's January 1, 1998 consolidated balance sheet related to the de-consolidation was a decrease in total assets of $3.6 billion, including $4.2 billion of net property, plant and equipment and a decrease in total liabilities of $3.6 billion, including $2.5 billion of short and long-term debt.

The American Institute of Certified Public Accountants' Statement of Position 98-5, "Reporting on the Costs of Start-up Activities", was implemented in the fourth quarter of 1998, effective as of January 1, 1998. This statement requires that costs of start-up activities and organizational costs be expensed as incurred. The cumulative effect of this accounting change on years prior to 1998 was a charge of $70 million (net of $70 million income tax effect), or $0.03 per common share, that was reflected in the first quarter of 1998. This new accounting requirement did not have a significant effect on 1998 income before the cumulative effect of the accounting change.

2. Recently Issued Statements of Financial Accounting Standards

In June 1998, the Financial Accounting Standards Board released Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities Information." This statement establishes accounting and reporting standards for derivative instruments. The statement requires that an entity recognize all derivatives as either assets or liabilities in the financial statements and measure those instruments at fair value, and it defines the accounting for changes in the fair value of the derivatives depending on the intended use of the derivative. As amended by Financial Accounting Standards Board Statement No. 137 issued in June 1999, Statement No. 133 must be adopted beginning no later than 2001. No decision has been made as to whether the corporation will adopt this standard before 2001. Adoption of this statement is not expected to have a material effect upon the corporation's operations or financial condition.

EXXON CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. Litigation and Other Contingencies

A number of lawsuits, including class actions, were brought in various courts against Exxon Corporation and certain of its subsidiaries relating to the accidental release of crude oil from the tanker Exxon Valdez in 1989. Essentially all of these lawsuits have now been resolved or are subject to appeal.

On September 24, 1996, the United States District Court for the District of Alaska entered a judgment in the amount of $5.058 billion in the Exxon Valdez civil trial that began in May 1994. The District Court awarded approximately $19.6 million in compensatory damages to fisher plaintiffs, $38 million in prejudgment interest on the compensatory damages and $5 billion in punitive damages to a class composed of all persons and entities who asserted claims for punitive damages from the corporation as a result of the Exxon Valdez grounding. The District Court also ordered that these awards shall bear interest from and after entry of the judgment. The District Court stayed execution on the judgment pending appeal based on a $6.75 billion letter of credit posted by the corporation. Exxon has appealed the judgment. Exxon has also appealed the District Court's denial of its renewed motion for a new trial. The Ninth Circuit heard oral arguments on the appeals on May 3, 1999. The corporation continues to believe that the punitive damages in this case are unwarranted and that the judgment should be set aside or substantially reduced by the appellate courts.

On January 29, 1997, a settlement agreement was concluded resolving all remaining matters between Exxon and various insurers arising from the Valdez accident. Under terms of this settlement, Exxon received $480 million. Final income statement recognition of this settlement continues to be deferred in view of uncertainty regarding the ultimate cost to the corporation of the Valdez accident.

The ultimate cost to the corporation from the lawsuits arising from the Exxon Valdez grounding is not possible to predict and may not be resolved for a number of years.

In each of the years 1998, 1997 and 1996, $70 million in payments were made under the October 8, 1991 civil agreement and consent decree with the U.S. and Alaska governments. These payments were charged against the provision that was previously established to cover the costs of the settlement.

German and Dutch affiliated companies are the concessionaires of a natural gas field subject to a treaty between the governments of Germany and the Netherlands under which the gas reserves in an undefined border or common area were to be shared equally. Entitlement to the reserves was to be determined by calculating the amount of gas which could be recovered from the area. Based on the final reserve determination, the German affiliate received more gas than its entitlement. Arbitration proceedings, as provided in the agreements, were conducted to resolve issues concerning the compensation for the overlifted gas.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

By final award, dated July 2, 1999, preceded by an interim award in 1996, an arbitral tribunal established the full amount of the compensation for the excess gas. This amount has now been paid. While this final arbitral ruling on compensation is important, other substantive matters remain outstanding, including recovery of royalties paid on such excess gas and the taxes payable on the final compensation amount. The net financial impact on the corporation of these items is not possible to predict at this time. However, the ultimate outcome is not expected to have a materially adverse effect upon the corporation's operations or financial condition.

The U.S. Tax Court has decided the issue with respect to the pricing of crude oil purchased from Saudi Arabia for the years 1979-1981 in favor of the corporation. This decision is subject to appeal. Certain other issues for the years 1979-1988 remain pending before the 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.

Claims for substantial amounts have been made against Exxon and certain of its consolidated subsidiaries in other pending lawsuits, the outcome of which is not expected to have a materially adverse effect upon the corporation's operations or financial condition.

The corporation and certain of its consolidated subsidiaries are directly and indirectly contingently liable for amounts similar to those at the prior year-end relating to guarantees for notes, loans and performance under contracts, including guarantees of non-U.S. excise taxes and customs duties of other companies, entered into as a normal business practice, under reciprocal arrangements.

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 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.

4. Nonowner Changes in Shareholders' Equity

The total nonowner changes in shareholders' equity for the three months ended June 30, 1999 and 1998 were $922 million and $1,344 million, respectively. The total nonowner changes in shareholders' equity for the six months ended June 30, 1999 and 1998 were $1,267 million and $3,135 million, respectively. Total nonowner changes in shareholders' equity include net income and the change in the cumulative foreign exchange translation adjustment and minimum pension liability adjustment components of shareholders' equity.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. Earnings Per Share

	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
	(millions of dollars, except per share amounts and shares in millions)			
NET INCOME PER COMMON SHARE				
Income before cumulative effect of accounting change	$1,205	$1,620	$2,225	$3,510
Less: Preferred stock dividends	(1)	(3)	(3)	(6)
Income available to common shares	$1,204	$1,617	$2,222	$3,504
Weighted average number of common shares outstanding	2,428	2,443	2,428	2,447
Net income per common share				
Before cumulative effect of accounting change	$ 0.50	$ 0.66	$ 0.92	$ 1.43
Cumulative effect of accounting change	-	-	-	(0.03)
Net income	$ 0.50	$ 0.66	$ 0.92	$ 1.40
NET INCOME PER COMMON SHARE - ASSUMING DILUTION				
Income before cumulative effect of accounting change	$1,205	$1,620	$2,225	$3,510
Weighted average number of common shares outstanding	2,428	2,443	2,428	2,447
Plus: Issued on assumed exercise of stock options	27	28	25	26
Plus: Assumed conversion of preferred stock	2	4	2	4
Weighted average number of common shares outstanding	2,457	2,475	2,455	2,477
Net income per common share				
Before cumulative effect of accounting Change	$ 0.49	$ 0.65	$ 0.91	$ 1.41
Cumulative effect of accounting change	-	-	-	(0.03)
Net income	$ 0.49	$ 0.65	$ 0.91	$ 1.38

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. Disclosures about Segments and Related Information

	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
	(millions of dollars)			
EARNINGS AFTER INCOME TAX (Before the cumulative effect of accounting change)				
Exploration and Production				
United States	$ 269	$ 187	$ 405	$ 414
Non-U.S.	500	497	925	1,180
Refining and Marketing				
United States	124	226	96	326
Non-U.S.	34	412	188	908
Chemicals				
United States	200	166	358	398
Non-U.S.	74	129	221	271
All Other	4	3	32	13
Corporate Total	$ 1,205	$ 1,620	$ 2,225	$ 3,510
SALES AND OTHER OPERATING REVENUE				
Exploration and Production				
United States	$ 552	$ 583	$ 1,034	$ 1,179
Non-U.S.	1,708	1,791	3,404	4,086
Refining and Marketing				
United States	4,403	4,107	7,853	8,251
Non-U.S.	19,626	19,467	37,935	38,742
Chemicals				
United States	1,184	1,168	2,287	2,423
Non-U.S.	1,207	1,482	2,327	3,039
All Other	214	210	395	420
Corporate Total	$28,894	$28,808	$55,235	$58,140
INTERSEGMENT REVENUE				
Exploration and Production				
United States	$ 712	$ 611	$ 1,261	$ 1,284
Non-U.S.	649	688	1,323	1,307
Refining and Marketing				
United States	472	396	695	748
Non-U.S.	583	515	1,026	1,060
Chemicals				
United States	330	437	601	806
Non-U.S.	195	182	333	373
All Other	28	37	56	69

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7. Restructuring Charge

In the first quarter of 1999 the company recorded a $120 million after-tax charge for the restructuring of Japanese refining and marketing operations in its wholly owned Esso Sekiyu K.K. and 50.1 percent owned General Sekiyu K.K. affiliates. The restructuring resulted in the reduction of approximately 700 administrative, financial, logistics and marketing service employee positions during the quarter. The Japanese affiliates recorded a combined charge of $216 million (before tax) to selling, general and administrative expenses for the employee related costs. Cash outlays of $140 million were charged against this provision through June 30, 1999. General Sekiyu also recorded a $211 million (before tax) charge to depreciation and depletion for the write-off of costs associated with the cancellation of a power plant project at the Kawasaki terminal.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FUNCTIONAL EARNINGS SUMMARY

	Second Quarter		First Six Months	
	1999	1998	1999	1998
	(millions of dollars)			
Petroleum and natural gas				
Exploration and production				
United States	$ 269	$ 187	$ 405	$ 414
Non-U.S.	500	497	925	1,180
Refining and marketing				
United States	124	226	96	326
Non-U.S.	34	412	188	908
Total petroleum and natural gas	927	1,322	1,614	2,828
Chemicals				
United States	200	166	358	398
Non-U.S.	74	129	221	271
Other operations	85	103	182	192
Corporate and financing	(81)	(100)	(150)	(179)
Earnings before accounting change	$1,205	$1,620	$2,225	$3,510
Cumulative effect of accounting change	0	0	0	(70)
NET INCOME	$1,205	$1,620	$2,225	$3,440

SECOND QUARTER 1999 COMPARED WITH SECOND QUARTER 1998

Exxon Corporation estimated second quarter 1999 net income of $1,205 million, down from $1,620 million in the second quarter of 1998. On a per share basis, second quarter 1999 net income declined 25 percent to $0.49.

Exxon's net income of $1.2 billion was down $415 million from the second quarter of 1998. Depressed refining margins and weaker natural gas prices drove the decline in earnings. Weaker chemical margins, lower copper and coal prices, and unfavorable foreign exchange effects also lowered earnings. This year's second quarter results benefited from higher crude oil prices, increased chemical sales volumes and reduced operating expenses in all segments. Although second quarter results declined, Exxon's absolute level of net income has remained healthy over the last two years despite very weak industry conditions. With the improvement in oil prices, second quarter net income increased 18 percent from the first quarter of 1999, in contrast to the seasonal earnings decline that we usually see from the first to the second quarter of each year.

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Second quarter crude oil prices recovered over $4 per barrel from the 20-year lows experienced in the first quarter and were up about $2 per barrel from the second quarter of last year. Natural gas prices were lower in the U.S. and were much lower in Europe reflecting the impact and lag of declining petroleum product reference prices and weaker local currencies. Overall, gas prices outside of North America were 16 percent lower than the prior year and were at their lowest level in over a decade. Liquids production declined from the second quarter of 1998. As crude prices increased, downstream earnings decreased substantially versus the same period last year, reflecting the inability to raise product prices as rapidly as crude prices increased. Refining margins in all major markets were depressed and international downstream earnings were also adversely affected by weaker marketing margins and a stronger U.S. dollar. Chemicals earnings were down slightly, as lower prices and higher feedstock costs depressed commodity margins. Chemicals earnings benefited from record second quarter sales volumes and lower operating expenses. Earnings from other operations were down slightly as lower copper and coal prices were largely offset by reduced operating expenses.

During the quarter, Exxon continued its active investment program, spending $2.5 billion on capital and exploration projects.

OTHER COMMENTS ON SECOND QUARTER COMPARISON

Exploration and production earnings benefited from rising crude oil prices, averaging about $2 per barrel more than the second quarter of 1998. Natural gas prices were lower in the U.S. and were much lower in Europe. Exploration and producing expenses were reduced versus the prior year.

Liquids production decreased to 1,512 kbd (thousand barrels per day) compared to 1,609 kbd in the second quarter of 1998, primarily due to natural field declines and lower liftings in Alaska. The decline was partly offset by production from new developments in the North Sea and Azerbaijan. Natural gas production of 5,542 mcfd (million cubic feet per day) was essentially unchanged from the prior year.

Earnings from U.S. exploration and production were $269 million compared with $187 million last year. Outside the U.S., earnings from exploration and production were $500 million, versus $497 million in the second quarter of 1998.

Petroleum product sales of 5,406 kbd were essentially even with last year's record second quarter. Downstream earnings declined due to a significant drop in worldwide refining margins. Downstream earnings outside the U.S. were also adversely affected by higher scheduled maintenance, lower marketing margins and unfavorable foreign exchange effects.

In the U.S., refining and marketing earnings were $124 million, down $102 million from the prior year. Refining and marketing operations outside the U.S. earned $34 million, a decrease of $378 million from 1998.

Chemicals earnings were $274 million compared with $295 million in the same quarter a year ago. Margins were compressed by lower commodity prices and higher feedstock costs. Prime product sales volumes of 4,455 kt (thousand metric tons) established a quarterly record.

Earnings from other operations, including coal, minerals and power, totaled $85 million, compared to $103 million in the second quarter 1998. Both copper and international coal prices were lower.

Corporate and financing expenses of $81 million compared with $100 million in the second quarter of last year, reflecting lower tax-related charges.

During the second quarter of 1999, Exxon purchased 4.1 million shares of Exxon common stock for the treasury at a cost of $325 million, representing a continuation of purchases to offset shares issued in conjunction with the company's benefit plans and programs. Purchases are made in open market and negotiated transactions and may be discontinued at any time. As a consequence of the proposed merger of Exxon and Mobil, the repurchase program to reduce the number of Exxon shares outstanding was discontinued in December 1998.

FIRST SIX MONTHS 1999 COMPARED WITH FIRST SIX MONTHS 1998

Net income was $2,225 million in the first half of 1999, a decrease of 35 percent from the $3,440 million earned in 1998. Net income for the first half of 1999 included a $120 million charge for the restructuring of Japanese operations, while the prior year period included a $70 million charge relating to an accounting change. Excluding non-recurring items, first half 1999 net income declined 33 percent to $2,345 million or $0.96 per share, compared to $3,510 million or $1.41 per share last year.

Exploration and production earnings declined due to the significant drop in gas prices in the U.S. and Europe. Crude oil realizations were up slightly versus the first half of 1998. Liquids production of 1,539 kbd compared to 1,616 kbd in the first half of 1998, primarily due to natural field declines and steps to curtail marginal volumes in the low price environment of the first quarter. Partly offsetting this was increased production from new developments in the North Sea and Azerbaijan. With the anticipated start-up of two North Sea developments in the second half of the year, full year liquids production levels for 1999 should be similar to 1998. Worldwide natural gas production of 6,527 mcfd was up 145 mcfd from 1998 due to colder European weather. Exploration and producing expenses were reduced from prior year levels.

Earnings from U.S. exploration and production operations for the first six months were $405 million, a decrease of $9 million from 1998. Outside the U.S., exploration and production earnings were $925 million, down $255 million from last year, largely due to lower gas prices.

Petroleum product sales of 5,449 kbd increased 44 kbd over last year, principally due to volume growth in North America. Earnings from U.S. refining and marketing operations were $96 million, down $230 million from 1998, reflecting the significant deterioration in industry refining margins and higher planned maintenance activities. Outside the U.S., first half 1999 refining and marketing earnings, excluding non-recurring items, decreased $600 million to $308 million, driven by much lower refining margins, weaker marketing margins and higher planned maintenance activities.

Chemicals earnings totaled $579 million in the first half of 1999 compared with $669 million last year. Industry commodity prices and margins have declined from last year's levels. Prime product sales volumes of 8,832 kt were a first half record and increased 3 percent from last year.

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Earnings from other operations totaled $182 million, a decrease of $10 million from the first half of 1998, reflecting depressed copper and coal prices, offset by reduced operating expenses. Corporate and financing expenses decreased $29 million to $150 million, reflecting lower tax-related charges. During the period, the company's operating segments continued to benefit from the impact of lower effective tax rates and the favorable resolution of tax-related issues.

Net cash generation before financing activities was $1,669 million in the first six months of 1999 versus $2,781 million in the same period last year. Operating activities provided net cash of $5,040 million, a decrease of $804 million from the prior year, influenced by lower net income. Investing activities used net cash of $3,371 million or $308 million more than a year ago, reflecting a higher level of capital investment.

Net cash used in financing activities was $1,793 million in the first six months of 1999 versus $4,108 million for the year-ago period, the decrease due to lower purchases of shares of Exxon common stock and an increase in the debt level in the current year versus a reduction in the debt level in the prior year period. During the first half of 1999, Exxon purchased 6.4 million shares of its common stock for the treasury at a cost of $495 million, representing a continuation of purchases to offset shares issued in conjunction with the Company's benefit plans and programs.

Capital and exploration expenditures in this year's first half were $4,620 million versus $4,526 million a year ago.

Total debt of $9.3 billion at June 30, 1999 increased $0.5 billion from year-end 1998. The corporation's debt to total capital ratio was 17.2 percent at the end of the second quarter of 1999, compared to 16.2 percent at year-end 1998.

Over the twelve months ended June 30, 1999, return on average shareholders' equity was 12.0 percent. Return on average capital employed, which includes debt, was 10.2 percent over the same time period.

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.

Litigation and other contingencies are discussed in note 3 to the unaudited condensed consolidated financial statements. There are no events or uncertainties known to management beyond those already included in reported financial information that would indicate a material change in future operating results or future 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.

EXXON CORPORATION

YEAR 2000 ISSUE

The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define a specific year. Absent corrective actions, a computer program that has date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failures or miscalculations causing disruptions to various activities and operations.

The corporation initiated assessments in prior years to identify the work efforts required to assure that systems supporting the business successfully operate beyond the turn of the century. The scope of this work effort encompasses business information systems, infrastructure, and technical and field systems, including systems utilizing embedded technology, such as microcontrollers. The program places particular emphasis on mission critical systems, defined as those which could have a significant safety, environmental or financial impact, should Year 2000 issues arise.

Plans for achieving Year 2000 compliance were finalized during 1997, and implementation work has been underway since then. The initial phases of this work, an inventory and assessment of potential problem areas, have been essentially completed. Modification and testing phases continue, with more than 95 percent of required system modifications to mission critical systems completed. Some work is continuing into 1999, including final testing of some systems and scheduled implementation of new systems with Year 2000 impacts. Attention has also been focused on compliance attainment efforts of vendors and others, including key system interfaces with customers and suppliers. Most key suppliers and business partners have been contacted for clarification of their Year 2000 plans and over three-fourths have confirmed that compliance plans are in place. Follow-up discussions are being held with key suppliers when necessary to gain satisfaction on their state of readiness. These reviews will continue through 1999. Testing of critical third party products and services is underway, including such areas as process control systems, credit card processing, banking transactions and telecommunications.

Notwithstanding the substantive work efforts described above, the corporation could potentially experience disruptions to some mission critical operations or deliveries to customers as a result of Year 2000 issues, particularly in the first few weeks of the year 2000. Such disruptions could include impacts from potentially non-compliant systems utilized by suppliers, customers, government entities or others. Given the diverse nature of Exxon's operations, the varying state of readiness of different countries and suppliers, and the interdependence of Year 2000 impacts, the potential financial impact or liability associated with such disruptions cannot be reasonably estimated.

Exxon operating sites around the world, including those in developing countries, are working with key suppliers in their respective countries to address Year 2000 issues. In addition, Year 2000 Business Contingency Guidelines are being used by all operating organizations and affiliates, and include specific reference to areas such as transportation, telecommunications and utility services. Existing site contingency plans are being updated in order to attempt to mitigate the extent of potential disruption to business operations. This work is essentially complete with refinement of contingency plans continuing through 1999.

EXXON CORPORATION

Through June 30, 1999, about $210 million of costs had been incurred in the corporation's efforts to achieve Year 2000 compliant systems. The total cost to the corporation of achieving Year 2000 compliant systems is currently estimated to be $225 to $250 million, primarily over the 1997-1999 timeframe, and is not expected to be a material incremental cost impacting Exxon's operations, financial condition or liquidity.

FORWARD-LOOKING STATEMENTS

Statements in this report regarding future events or conditions are forward-looking statements. Actual results, including projections of liquids production levels and the impact of the Year 2000 Issue, could differ materially due to, among other things, factors discussed in this report and in Item 1 of the corporation's most recent Annual Report on Form 10-K.

EXXON CORPORATION

SPECIAL ITEMS

	Second Quarter 1999	Second Quarter 1998	First Six Months 1999	First Six Months 1998
	(millions of dollars)			
REFINING & MARKETING				
Non-U.S.				
Restructuring	$ 0	$ 0	$ (120)	$ 0
TOTAL INCLUDED IN EARNINGS BEFORE ACCOUNTING CHANGE	0	0	(120)	0
CUMULATIVE EFFECT OF ACCOUNTING CHANGE	0	0	0	(70)
TOTAL INCLUDED IN NET INCOME	$ 0	$ 0	$ (120)	$ (70)

EXXON CORPORATION

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information about market risks for the six months ended June 30, 1999 does not differ materially from that discussed under Item 7A of the registrant's Annual Report on Form 10-K for 1998.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

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

At the annual meeting of shareholders on May 27, 1999, the following proposals were voted upon:

Concerning Approval of the Merger and Related Issuance of Exxon Stock

Votes Cast For:	1,796,760,491
Votes Cast Against:	13,273,080
Abstentions:	11,915,726
Broker Non-Votes:	265,812,843

Concerning Amendment of Exxon Charter

Votes Cast For:	1,793,931,068
Votes Cast Against:	12,941,270
Abstentions:	15,076,954
Broker Non-Votes:	265,812,848

Concerning Election of Directors

Nominees for Directors	Votes Cast For	Votes Withheld
Michael J. Boskin	2,070,166,123	17,596,017
Rene Dahan	2,070,978,615	16,783,525
William T. Esrey	2,069,829,030	17,933,110
Jess Hay	2,069,072,482	18,689,658
James R. Houghton	2,070,550,595	17,211,545
William R. Howell	2,069,540,260	18,221,880
Reatha Clark King	2,070,023,741	17,738,399
Philip E. Lippincott	2,070,637,881	17,124,259
Harry J. Longwell	2,070,631,307	17,130,833
Marilyn Carlson Nelson	2,070,293,017	17,469,123
Lee R. Raymond	2,069,945,928	17,816,212
Walter V. Shipley	2,070,486,059	17,276,081
Robert E. Wilhelm	2,070,638,563	17,123,577

EXXON CORPORATION

Concerning Ratification of Independent Accountants

Votes Cast For:	2,070,568,418
Votes Cast Against:	5,266,864
Abstentions:	11,926,858
Broker Non-Votes:	N/A

Concerning Term Limit for Nonemployee Directors

Votes Cast For:	84,344,954
Votes Cast Against:	1,675,954,054
Abstentions:	39,981,797
Broker Non-Votes:	287,481,335

Concerning Limitation on Shareholder Voting

Votes Cast For:	97,955,865
Votes Cast Against:	1,631,010,822
Abstentions:	71,316,597
Broker Non-Votes:	287,478,856

Concerning Additional Report on Climate Change

Votes Cast For:	90,903,808
Votes Cast Against:	1,610,183,452
Abstentions:	99,194,019
Broker Non-Votes:	287,480,861

Concerning Sexual Orientation Principles

Votes Cast For:	97,916,459
Votes Cast Against:	1,565,706,544
Abstentions:	136,660,284
Broker Non-Votes:	287,478,853

See also page I-14, pages IV-1 through IV-5 and pages IV-19 through IV-26 of the registrant's definitive proxy statement dated April 5, 1999.

EXXON CORPORATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit 27 - Financial Data Schedule (included only in the electronic filing of this document).

b) Reports on Form 8-K

The registrant filed a Form 8-K dated May 6, 1999 concerning announcement by Exxon Corporation and Mobil Corporation of their expectation that the antitrust reviews of their proposed merger would be completed by around the end of the third quarter.

EXXON 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 CORPORATION

Date: August 13, 1999 /s/ DONALD D. HUMPHREYS

Donald D. Humphreys, Vice President, Controller
and Principal Accounting Officer

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONDENSED CONSOLIDATED BALANCE SHEET AT 6/30/99 AND EXXON'S CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED 6/30/99, THAT ARE CONTAINED IN EXXON'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED 6/30/99. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
DEC-31-1999
JUN-30-1999
1,328
20
6,548
95
4,787
16,429
129,053
64,051
91,235
19,710
4,497
0
44
2,323
40,462
91,235
55,235
56,306
22,398
22,398
8,415
0
139
2,674
449
2,225
0
0
0
2,225
0.92
0.91