SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996
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)

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, WITHOUT PAR VALUE (1,242,175,166 SHARES OUTSTANDING AT FEBRUARY 28, 1997)	NEW YORK STOCK EXCHANGE
REGISTERED SECURITIES GUARANTEED BY REGISTRANT:	
SEARIVER MARITIME FINANCIAL HOLDINGS, INC.	
TWENTY-FIVE YEAR DEBT SECURITIES DUE OCTOBER 1, 2011	NEW YORK STOCK EXCHANGE
EXXON CAPITAL CORPORATION	
TWELVE YEAR 6% NOTES DUE JULY 1, 2005	NEW YORK STOCK EXCHANGE

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of the voting stock held by non-affiliates of the registrant on February 28, 1997, based on the closing price on that date of $100 1/4 on the New York Stock Exchange composite tape, was in excess of $124 billion.

DOCUMENTS INCORPORATED BY REFERENCE:
1996 ANNUAL REPORT TO SHAREHOLDERS (PARTS I, II AND IV)
PROXY STATEMENT DATED MARCH 19, 1997 (PART III)

EXXON CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996

TABLE OF CONTENTS

PART I

ITEM 1. BUSINESS.

Exxon Corporation was incorporated in the State of New Jersey in 1882. Divisions and affiliated companies of Exxon operate or market products in the United States and over 100 other countries. Their principal business is energy, involving exploration for, and production of, crude oil and natural gas, manufacturing of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. Exxon Chemical Company, a division of Exxon, is a major manufacturer and marketer of basic petrochemicals, including olefins and aromatics, and a leading supplier of specialty rubbers and of additives for fuels and lubricants. Other products manufactured include polyethylene and polypropylene plastics, plasticizers, specialty resins, specialty and commodity solvents and performance chemicals for oil field operations. Exxon is engaged in exploration for, and mining and sale of, coal and other minerals. Exxon also has an interest in electric power generation in Hong Kong. Affiliates of Exxon conduct extensive research programs in support of these businesses.

Exxon Corporation has five divisions and hundreds of affiliates, many with names that include Exxon or Esso. For convenience and simplicity, in this report the terms Exxon and Esso, as well as the terms corporation, company, our, we and its, are sometimes used as abbreviated references to specific affiliates or groups of affiliates. The precise meaning depends on the context in question.

The oil and chemical industries are highly competitive. There is competition within the industries and also with other industries in supplying the energy, fuel and chemical needs of commerce, industry and individuals. The corporation competes with other firms in the sale or purchase of various goods or services in many national and international markets and employs all methods of competition which are lawful and appropriate for such purposes.

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; expropriations 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.

The operations and earnings of the corporation and its affiliates throughout the world are also affected by local, regional and global events or conditions that affect supply and demand for oil, natural gas and other Exxon products. These events or conditions are generally not predictable and include, among other things, the development of new supply sources; supply disruptions; weather; international political events; technological advances; changes in demographics and consumer preferences; and the competitiveness of alternative energy sources or product substitutes. See also Page F5 of the accompanying financial section of the 1996 Annual Report to shareholders for discussion of the impact of inflation, changing prices and other uncertainties.

In 1996, the corporation spent $1,561 million (of which $457 million were capital expenditures) on environmental conservation projects and expenses worldwide, mostly dealing with air and water conservation. Total expenditures for such activities are expected to be about $1.6 billion in each year 1997 and 1998 (with capital expenditures representing about 30 percent of the total).

Operating data and industry segment information for the corporation are contained on pages F3, F20 and F27, information on oil and gas reserves is contained on pages F24 and F25 and information on company-sponsored research and development activities is contained on page F12 of the accompanying financial section of the 1996 Annual Report to shareholders.*

- - --------

*Only the data appearing on pages F1 and F3 through F27 of the accompanying financial section of the 1996 Annual Report to shareholders, incorporated in this report as Exhibit 13, are deemed to be filed as part of this Annual Report on Form 10-K as indicated under Items 1, 2, 3, 5, 6, 7 and 8 and on page 13.

Projections, estimates and descriptions of Exxon's plans and objectives included or incorporated in Items 1, 2 and 7 of this report are forward-looking statements. Actual future project dates, production rates, capital expenditures, costs and business plans could differ materially due to, among other things, the outcome of commercial negotiations; changes in operating conditions and costs; technical difficulties; and other factors discussed above and elsewhere in this report.

ITEM 2. PROPERTIES.

Part of the information in response to this item and to the Securities Exchange Act Industry Guide 2 is contained in the accompanying financial section of the 1996 Annual Report to shareholders in Note 7, which note appears on page F13, and on pages F3, and F22 through F27.

Information with regard to oil and gas producing activities follows:

1. NET RESERVES OF CRUDE OIL AND NATURAL GAS LIQUIDS (MILLIONS OF BARRELS) AND NATURAL GAS (BILLIONS OF CUBIC FEET) AT YEAR-END 1996

Estimated proved reserves are shown on pages F24 and F25 of the accompanying financial section of the 1996 Annual Report to shareholders. No major discovery or other favorable or adverse event has occurred since December 31, 1996 that would cause a significant change in the estimated proved reserves as of that date. The oil sands reserves shown separately for Canada represent synthetic crude oil expected to be recovered from Imperial Oil Limited's 25 percent interest in the net reserves set aside for the Syncrude project, as presently defined by government permit. For information on the standardized measure of discounted future net cash flows relating to proved oil and gas reserves, see page F26 of the accompanying financial section of the 1996 Annual Report to shareholders.

2. ESTIMATES OF TOTAL NET PROVED OIL AND GAS RESERVES FILED WITH OTHER FEDERAL AGENCIES

During 1996, the company filed proved reserves estimates with the U.S. Department of Energy on Forms EIA-23 and EIA-28. The information is consistent with the 1995 Annual Report to shareholders with the exception of EIA-23 which covered total oil and gas reserves from Exxon-operated properties in the U.S. and does not include gas plant liquids.

3. AVERAGE SALES PRICES AND PRODUCTION COSTS PER UNIT OF PRODUCTION

Incorporated by reference to page F22 of the accompanying financial section of the 1996 Annual Report to shareholders. Average sales prices have been calculated by using sales quantities from our own production as the divisor. Average production costs have been computed by using net production quantities for the divisor. The volumes of crude oil and natural gas liquids (NGL) production used for this computation are shown in the reserves table on page F24 of the accompanying financial section of the 1996 Annual Report to shareholders. The net production volumes of natural gas available for sale by the producing function used in this calculation are shown on page F27 of the accompanying financial section of the 1996 Annual Report to shareholders. The volumes of natural gas were converted to oil-equivalent barrels based on a conversion factor of six thousand cubic feet per barrel.

4. GROSS AND NET PRODUCTIVE WELLS

	YEAR-END 1996			
	OIL		GAS	
	GROSS	NET	GROSS	NET
United States	18,063	6,337	4,700	1,994
Canada	7,268	4,044	4,108	2,829
Europe	1,629	482	1,006	397
Asia-Pacific	835	409	395	113
Other	745	101	14	5
Total	28,540	11,373	10,223	5,338

5. GROSS AND NET DEVELOPED ACREAGE

	YEAR-END 1996	
	GROSS	NET
	(THOUSANDS OF ACRES)	
United States	5,130	3,631
Canada	3,364	1,618
Europe	10,147	3,393
Asia-Pacific	3,806	1,458
Other	7,345	1,096
Total	29,792	11,196

Note: Separate acreage data for oil and gas are not maintained because, in many instances, both are produced from the same acreage.

6. GROSS AND NET UNDEVELOPED ACREAGE

	YEAR-END 1996	
	GROSS	NET
	(THOUSANDS OF ACRES)	
United States	5,346	3,841
Canada	3,913	2,271
Europe	11,955	4,784
Asia-Pacific	57,244	30,010
Other	52,124	21,612
Total	130,582	62,518

7. SUMMARY OF ACREAGE TERMS IN KEY AREAS

United States

Oil and gas exploration leases are acquired for varying periods of time, ranging from one to ten years. Production leases normally remain in effect until production ceases.

Canada

Exploration permits are granted for varying periods of time with renewals possible. Production leases are held as long as there is production on the lease.

Cold Lake oil sands leases were taken for an initial 21-year term in 1968-1969 and renewed for a second 21-year term in 1989-1990. All undeveloped Athabasca oil sands leases are currently in their second 21-year term after being renewed between 1980 and 1987. They may be renewed for a third term of 15 years if the leaseholder files a development plan with the Alberta regulatory authority. The regulatory approval received for Syncrude has set the expiry date of the current production lease at 2025.

United Kingdom

Licenses issued prior to 1977 were for an initial period of six years with an option to extend the license for a further 40 years on no more than half of the license area. Licenses issued between 1977 and 1979 were for an initial period of four years, after which one-third of the acreage was required to be relinquished, followed by a second period of three years, after which an additional one-third of the acreage was required to be relinquished, with an option to extend for a total license period of 24 to 36 years on no more than half the license area. Recent licenses are typically for an initial period of six to nine years, with a second term of 12 to 15 years which may be extended a further 18 to 24 years.

Netherlands

Onshore: Exploration drilling permits are issued for a period of two to five years. Production concessions are granted after discoveries have been made under conditions which are negotiated with the government. Normally, they are field-life concessions covering an area defined by hydrocarbon occurrences.

Offshore: Prospecting licenses issued prior to March 1976 were for a 15-year period, with relinquishment of about 50 percent of the original area required at the end of ten years. Subsequent licenses are for ten years with relinquishment of about 50 percent of the original area required after six years. For commercial discoveries within a prospecting license, a production license is issued for a 40-year period.

Norway

Licenses issued prior to 1972 were for a total period of 46 years, with relinquishment of at least one-fourth of the original area required at the end of the sixth year and another one-fourth at the end of the ninth year. Subsequent licenses are for a total period of 36 years, with relinquishment of at least one-half of the original area required at the end of the sixth year.

France

Exploration permits are granted for periods of three to five years, renewable up to two times accompanied by substantial acreage relinquishments: 50 percent of the acreage at first renewal; 25 percent of the remaining acreage at second renewal. A 1994 law requires a bidding process prior to granting of an exploration permit. Upon discovery of commercial hydrocarbons, a production concession is granted for up to 50 years, renewable in periods of 25 years each.

Germany

Acreage holdings are generally concessions with indefinite periods subject to minimum work commitments.

Australia

Onshore: Acreage terms are fixed by the individual state and territory governments. These terms and conditions vary significantly between the states and territories. Production licenses are generally granted for an initial term of 21 years, with subsequent renewals, each for 21 years, for the full area.

Offshore: Acreage terms are fixed by the national government. Exploration permits are granted for six years with possible renewals of five-year periods to a total of 26 years. A 50 percent relinquishment of remaining area is mandatory at the end of each renewal period. Production licenses are for 21 years, with one renewal of 21 years. Subsequent 21-year renewals are subject to negotiation.

Malaysia

Exploration and production activities are governed by production sharing contracts negotiated with the national oil company. The more recent contracts have an overall term of 24 to 28 years with possible extensions to the exploration or development periods. The exploration period is five to seven years with the possibility of extensions, after which time areas with no commercial discoveries must be relinquished. The development period is four to six years from commercial discovery, with an option to extend the period for an additional two years and possibly longer under special circumstances. Areas from which commercial production has not started by the end of the development period must be relinquished. The total production period is 15 years from first commercial lifting, not to exceed the overall term of the contract.

Thailand

The Exxon concessions and the Petroleum Act of 1972 allow production for 30 years (through 2021) with a possible ten-year extension at terms generally prevalent at the time.

Azerbaijan

The license is a production sharing contract with an initial period of 30 years from its 1994 execution date.

Republic of Yemen

Production sharing agreements (PSAs) negotiated with the government entitle Exxon to participate in exploration operations within a designated area during the exploration period. In the event of a commercial discovery, the company is entitled to proceed with development and production operations during the development period. The length of these periods and other specific terms are negotiated prior to executing the production sharing agreement. Existing production operations have a development period extending 20 years from first commercial declaration made in November 1985 for the Marib PSA and June 1995 for the Jannah PSA.

8. NUMBER OF NET PRODUCTIVE AND DRY WELLS DRILLED

	1996	1995	1994
A. Net Productive Exploratory Wells Drilled			
United States	7	5	5
Canada	8	5	8
Europe	7	9	6
Asia-Pacific	7	15	9
Other	2	2	3
Total	31	36	31
B. Net Dry Exploratory Wells Drilled			
United States	5	5	3
Canada	4	12	8
Europe	9	7	6
Asia-Pacific	8	7	7
Other	2	2	5
Total	28	33	29
C. Net Productive Development Wells Drilled			
United States	190	152	188
Canada	356	339	135
Europe	36	32	25
Asia-Pacific	31	40	57
Other	11	11	10
Total	624	574	415
D. Net Dry Development Wells Drilled			
United States	13	7	15
Canada	2	3	3
Europe	2	1	1
Asia-Pacific	1	--	--
Other	1	--	--
Total	19	11	19
Total number of net wells drilled	702	654	494

9. PRESENT ACTIVITIES

A. Wells Drilling -- Year-End 1996

	GROSS	NET
United States	76	42
Canada	5	3
Europe	33	13
Asia-Pacific	13	5
Other	6	1
Total	133	64

B. Review of Principal Ongoing Activities in Key Areas

UNITED STATES

During 1996, exploration activities were conducted by Exxon Exploration Company and producing activities by Exxon Company, U.S.A., both divisions of Exxon Corporation. Some of the more significant ongoing activities are:

- Exploration and delineation of additional hydrocarbon resources continued. At year-end 1996, Exxon's inventory of undeveloped acreage totaled 3.8 million net acres. Exxon was active in areas onshore and offshore in the lower 48 states and in Alaska. A total of 12.0 net exploration and delineation wells were completed during 1996.

- During 1996, 138.4 net development wells were completed within and around mature fields in the inland lower 48 states.

- Exxon's net acreage in the Gulf of Mexico at year-end 1996 was 1.4 million acres. A total of 39.9 net exploratory and development wells were completed during the year.

- There were no new major projects which started up in 1996. Fabrication of facilities for the Ram-Powell project, which will involve setting a tension leg platform in approximately 3,200 feet of water, is progressing. Pre-drilling of the development wells began in 1996 and production start-up is scheduled for 1997.

- Development began on two new Gulf of Mexico projects in 1996. The Genesis project, scheduled for start-up in 1999, will utilize a deep draft caisson vessel to develop reserves in 2,600 feet of water. The Ursa project, also scheduled for start-up in 1999, will utilize a tension leg platform development concept in 3,900 feet of water.

- Participation in Alaska production and development continued and a total of 20.8 net development wells were drilled in 1996.

CANADA

During 1996, exploration and production activities in Canada were conducted by the Resources Division of Imperial Oil Limited, which is 69.6 percent owned by Exxon Corporation. Some of the more significant ongoing activities are:

- Gross commercial bitumen production from Cold Lake averaged 85 thousand barrels per day during 1996. Expansion activities associated with development drilling for the 9th and 10th phases were completed in 1996.

- The Syncrude plant, 25 percent owned by Imperial and located in northern Alberta, completed its 18th year of operations. Gross synthetic crude production averaged 200 thousand barrels per day in 1996.

OUTSIDE NORTH AMERICA

During 1996, exploration activities were conducted by Exxon Exploration Company and producing activities by Exxon Company, International, both divisions of Exxon Corporation. Some of the more significant ongoing activities include:

United Kingdom

At year-end, net acreage remained at 1.7 million acres, all offshore. During the year, 25.2 net exploration and development wells were completed. Production started up from the Anasuria, Pelican and Schooner projects. The Curlew, Mallard, Gannet E/F and Kingfisher projects are under way with start-ups anticipated in 1997. The Eastern Trough Area Project moved forward and start-up is expected in 1998.

Netherlands

Exxon's net interest in licenses totaled 1.6 million acres onshore and 1.3 million acres offshore at year-end. During the year, 11.8 net exploration and development wells were completed. The Grijpskerk underground storage project was completed and storage operations commenced in December while construction at Norg continues with start-up anticipated in 1997. Construction is underway for the onshore Anjum and Boerakker Area gas fields with start-up anticipated in 1997 and for the offshore gas fields in the L9 and K14 blocks with start-up anticipated in 1998.

Norway

Exxon acquired an interest in ten new blocks during the year. Total net acreage at year-end was 0.5 million acres, all offshore. During the year, 6.1 net exploration and development wells were completed and production was initiated at the Sleipner West field. Projects for development of the Balder and Vigdis fields are continuing as planned, with first production scheduled for 1997.

France

Exxon's net acreage totaled 0.8 million net acres at the end of 1996. During the year, 4.0 net exploration and development wells were drilled and completed.

Germany

A total of 2.2 million acres were held by Exxon in Germany at year-end, with 6.4 net exploration and development wells drilled and completed during the year. The Uelsen underground natural gas storage project is under construction with start-up anticipated in 1997.

Australia

Exxon's 1996 year-end acreage holdings totaled 6.0 million net acres onshore and 1.0 million net acres offshore, with exploration and production activities underway in both areas. During the year, 17.5 net exploration and development wells were completed. Production from Bream B started in late 1996, and West Tuna started up in early 1997.

Malaysia

Exxon has interests in production sharing contracts covering 4.0 million net acres offshore Peninsular Malaysia. During 1996, a total of 27.9 net exploration and development wells were completed. Development drilling was completed at Tabu B and Tapis D, and continued at the Guntung D platforms. The Lawit gas platform was installed and start-up is anticipated in 1997.

Indonesia

At year-end, Exxon's net acreage in Indonesia totaled 2.2 million acres, all offshore, including the acquisition of an additional 1.7 million acres in 1996.

Thailand

Exxon's net acreage in the Khorat concession onshore Thailand totaled 15,000 acres at year-end.

Azerbaijan

A total of 8,500 acres were held by Exxon in Azerbaijan at year-end, all offshore. During the year, Exxon acquired an additional three percent interest in the megastructure project bringing its total interest to eight percent. Operations during the year included drilling an appraisal well.

Republic of Yemen

Exxon's net acreage in the Republic of Yemen production sharing agreement areas totaled 0.9 million acres onshore at year-end. During the year, 14.7 net exploration and development wells were drilled and completed and production from the Jannah PSA area commenced.

Egypt

Exxon sold its exploration and production operations in Egypt in 1996.

Colombia

At year-end, Exxon's net acreage in Colombia totaled 0.1 million acres.

WORLDWIDE EXPLORATION

Exploration activities were underway in several areas in which Exxon has no established production operations. Exxon continues to selectively build a diverse portfolio of acreage, with positions in offshore West Africa, across the former Soviet Union and onshore China. A total of 39.6 million net acres were held at year-end, and 3.8 net exploration wells were completed during the year.

ITEM 3. LEGAL PROCEEDINGS.

Refer to the relevant portions of Note 13 on page F16 of the accompanying financial section of the 1996 Annual Report to shareholders for information on legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

EXECUTIVE OFFICERS OF THE REGISTRANT [pursuant to Instruction 3 to Regulation S-K, Item 401(b)].

NAME	AGE AS OF MARCH 31, 1997	TITLE (HELD OFFICE SINCE)
L. R. Raymond.......	58	Chairman of the Board (1993)
R. Dahan............	55	Senior Vice President (1995)
E. J. Hess..........	63	Senior Vice President (1993)
H. J. Longwell......	55	Senior Vice President (1995)
R. E. Wilhelm.......	56	Senior Vice President (1990)
A. L. Condray.......	54	Vice President (1995)
W. B. Cook..........	61	Vice President and Controller (1994)
C. W. Matthews......	52	Vice President and General Counsel (1995)
R. B. Nesbitt.......	63	Vice President (1992)
E. A. Robinson......	63	Vice President and Treasurer (1983)
C. D. Roxburgh......	58	Vice President (1995)
P. E. Sullivan......	53	Vice President and General Tax Counsel (1995)
J. L. Thompson......	57	Vice President (1991)
T. P. Townsend......	60	Vice President -- Investor Relations (1990) and Secretary (1995)

For at least the past five years, Messrs. Raymond, Hess, Wilhelm, Robinson and Townsend have been employed as executives of the registrant. Mr. Raymond also holds the title of president.

The following executive officers of the registrant have also served as executives of the subsidiaries, affiliates or divisions of the registrant shown opposite their names during the five years preceding December 31, 1996.

Exxon Chemical Company................................	Nesbitt
Exxon Coal and Minerals Company......................	Roxburgh
Exxon Company, International.........................	Cook, Dahan and Roxburgh
Exxon Company, U.S.A.................................	Condray, Longwell, Matthews and Sullivan
Exxon Exploration Company............................	Thompson

Officers are generally elected by the Board of Directors at its meeting on the day of each annual election of directors, each such officer to serve until his or her successor has been elected and qualified.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

Incorporated by reference to the quarterly information which appears on page F21 of the accompanying financial section of the 1996 Annual Report to shareholders.

On February 26, 1997, the Board of Directors approved a two-for-one stock split to shareholders of record on March 14, 1997. The additional shares will be distributed around April 11, 1997.**

- - --------

** All information in this Annual Report on Form 10-K for 1996 including, but not limited to, information in response to Items 5, 6, 7, 8, 10, 11, 12 and 14(a) and the cover is on a pre-split basis.

ITEM 6. SELECTED FINANCIAL DATA.

Incorporated by reference to page F3 of the accompanying financial section of the 1996 Annual Report to shareholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Incorporated by reference to pages F4 through F7 of the accompanying financial section of the 1996 Annual Report to shareholders.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Reference is made to the Index to Financial Statements on page 13 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Incorporated by reference to the relevant portions of pages 4 through 7 of the registrant's definitive proxy statement dated March 19, 1997.

ITEM 11. EXECUTIVE COMPENSATION.

Incorporated by reference to the fifth through eighth paragraphs under the heading "Board of Directors" on page 2 and to pages 9 through 12 (excluding the portion of page 12 entitled "Board Compensation Committee Report on Executive Compensation") of the registrant's definitive proxy statement dated March 19, 1997.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Incorporated by reference to the relevant portions of pages 4 through 8 (excluding the portion of page 8 entitled "Transactions with Management") of the registrant's definitive proxy statement dated March 19, 1997.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Incorporated by reference to the portion of page 8 entitled "Transactions with Management" of the registrant's definitive proxy statement dated March 19, 1997.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) and (a) (2) Financial Statements:
See Index to Financial Statements on page 13 of this Annual Report on Form 10-K.

(a)(3) Exhibits:
See Index to Exhibits on page 14 of this Annual Report on Form 10-K.

(b)Reports on Form 8-K.
The registrant did not file any reports on Form 8-K during the last quarter of 1996.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 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

/s/ LEE R. RAYMOND
By: ___________________________________
(Lee R. Raymond,
Chairman of the Board)

Dated March 13, 1997

POWER OF ATTORNEY

EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS JAMES I. ALCOCK, RICHARD E. GUTMAN AND FRANK A. RISCH, AND EACH OF THEM, HIS OR HER TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM OR HER AND IN HIS OR HER NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY AND ALL AMENDMENTS TO THIS ANNUAL REPORT ON FORM 10-K, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND OTHER DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE, AS FULLY TO ALL INTENTS AND PURPOSES AS HE OR SHE MIGHT OR COULD DO IN PERSON, HEREBY RATIFYING AND CONFIRMING ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS OR ANY OF THEM, OR THEIR OR HIS OR HER SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

/s/ LEE R. RAYMOND (Lee R. Raymond)	Chairman of the Board (Principal Executive Officer)	March 13, 1997
/s/ MICHAEL J. BOSKIN (Michael J. Boskin)	Director	March 13, 1997
/s/ D. WAYNE CALLOWAY (D. Wayne Calloway)	Director	March 13, 1997

/s/ JESS HAY (Jess Hay)	Director	March 13, 1997
/s/ JAMES R. HOUGHTON (James R. Houghton)	Director	March 13, 1997
/s/ WILLIAM R. HOWELL (William R. Howell)	Director	March 13, 1997
/s/ PHILIP E. LIPPINCOTT (Philip E. Lippincott)	Director	March 13, 1997
/s/ HARRY J. LONGWELL (Harry J. Longwell)	Director	March 13, 1997
/s/ MARILYN CARLSON NELSON (Marilyn Carlson Nelson)	Director	March 13, 1997
/s/ JOHN H. STEELE (John H. Steele)	Director	March 13, 1997
/s/ ROBERT E. WILHELM (Robert E. Wilhelm)	Director	March 13, 1997
/s/ JOSEPH D. WILLIAMS (Joseph D. Williams)	Director	March 13, 1997
/s/ W. BRUCE COOK (W. Bruce Cook)	Controller (Principal Accounting Officer)	March 13, 1997
/s/ EDGAR A. ROBINSON (Edgar A. Robinson)	Treasurer (Principal Financial Officer)	March 13, 1997

INDEX TO FINANCIAL STATEMENTS

The consolidated financial statements, together with the report thereon of Price Waterhouse LLP dated February 26, 1997, appearing on pages F8 to F20; the Quarterly Information appearing on page F21; and the Supplemental Information on Oil and Gas Exploration and Production Activities appearing on pages F22 to F26 of the accompanying financial section of the 1996 Annual Report to shareholders are incorporated in this Annual Report on Form 10-K as Exhibit 13. With the exception of the aforementioned information, no other data appearing in the accompanying financial section of the 1996 Annual Report to shareholders is deemed to be filed as part of this Annual Report on Form 10-K under Item 8. Consolidated Financial Statement Schedules have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the following Prospectuses constituting part of the Registration Statements on:

Form S-3 (No. 33-60677)	--Exxon Corporation Shareholder Investment Program;
Form S-3 (No. 33-48919)	--Guaranteed Debt Securities and Warrants to Purchase Guaranteed Debt Securities of Exxon Capital Corporation;
Form S-3 (No. 33-8922)	--Guaranteed Debt Securities of SeaRiver Maritime Financial Holdings, Inc. (formerly Exxon Shipping Company)

and we hereby consent to the incorporation by reference in the Registration Statements on:

Form S-8 (No. 33-51107)	--1993 Incentive Program of Exxon Corporation (together with 1983 Stock Option and 1988 Long Term Incentive Plans of Exxon Corporation);
Form S-8 (No. 33-19057)	--Thrift Plans of Exxon Corporation and Participating Affiliated Employers

of our report dated February 26, 1997 appearing on page F11 of the accompanying financial section of the 1996 Annual Report to shareholders of Exxon Corporation which is incorporated as Exhibit 13 in this Annual Report on Form 10-K.

Price Waterhouse LLP

Dallas, Texas
March 13 , 1997

INDEX TO EXHIBITS

3(i).	Registrant's Restated Certificate of Incorporation, as restated December 18, 1996 and as amended February 26, 1997.
3(ii).	Registrant's By-Laws, as revised to January 31, 1996 (incorporated by reference to Exhibit 3(ii) to the registrant's Annual Report on Form 10-K for 1995).
10(iii)(a).	Registrant's 1993 Incentive Program, as amended (incorporated by reference to Exhibit 10(iii) to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).*
10(iii)(b).	Registrant's Plan for Deferral of Nonemployee Director Compensation and Fees, as amended (incorporated by reference to Exhibit 10(iii)(b) to the registrant's Annual Report on Form 10-K for 1993).*
10(iii)(c).	Registrant's Restricted Stock Plan for Nonemployee Directors, as amended.*
10(iii)(d).	Supplemental life insurance (incorporated by reference to Exhibit 10(iii)(d) to the registrant's Annual Report on Form 10-K for 1992).*
10(iii)(e).	Registrant's Short Term Incentive Program (incorporated by reference to Exhibit 10(iii)(e) to the registrant's Annual Report on Form 10-K for 1993).*
10(iii)(f).	Registrant's 1997 Nonemployee Director Restricted Stock Plan.*
12.	Computation of ratio of earnings to fixed charges.
13.	Pages F1 and F3 through F27 of the Financial Section of the registrant's 1996 Annual Report to shareholders.
21.	Subsidiaries of the registrant.
23.	Consent of Independent Accountants (contained on page 13 of this Annual Report on Form 10-K).
27.	Financial Data Schedule (included only in the electronic filing of this document).

- - --------

* Compensatory plan or arrangement required to be identified pursuant to Item 14(a)(3) of this Annual Report on Form 10-K.

The registrant has not filed with this report copies of the instruments defining the rights of holders of long-term debt of the registrant and its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

EXHIBIT 3(i)

RESTATED

CERTIFICATE OF INCORPORATION

OF

EXXON CORPORATION

Exxon Corporation, a corporation organized and existing under the laws of the State of New Jersey, restates and integrates its Certificate of Incorporation, as heretofore restated and amended, to read in full as herein set forth:

FIRST. The name of the corporation is:

EXXON CORPORATION

SECOND. The address of the corporation's registered office is 830 Bear Tavern Road, West Trenton, New Jersey 08628-1020. The name of the corporation's registered agent at such address, upon whom process against the corporation may be served, is Corporation Service Company.

THIRD. The purposes for which the corporation is organized are to engage in any or all activities within the purposes for which corporations now or at any time hereafter may be organized under the New Jersey Business Corporation Act and under all amendments and supplements thereto, or any revision thereof or any statute enacted to take the place thereof, including but not limited to the following:

(1) To do all kinds of mining, manufacturing and trading business; transporting goods and merchandise by land or water in any manner; to buy, sell, lease and improve lands; to build houses, structures, vessels, cars, wharves, docks and piers; to lay and operate pipelines; to erect and operate telegraph and telephone lines and lines for conducting electricity; to enter into and carry out contracts of every kind pertaining to its business; to acquire, use, sell and grant licenses under patent rights; to purchase or otherwise acquire, hold, sell, assign and transfer shares of capital stock and bonds or other evidences of indebtedness of corporations, and to exercise all the privileges of ownership including voting upon the securities so held; to carry on its business and have offices and agencies therefor in all parts of the world; and to hold, purchase, mortgage and convey real estate and personal property within or without the State of New Jersey;

(2) To engage in any activities encompassed within this Article Third directly or through a subsidiary or subsidiaries and to take any and all acts deemed appropriate to promote the interests of such subsidiary or subsidiaries, including, without limiting the foregoing, the following: making contracts and incurring liabilities for the benefit of such subsidiary or subsidiaries; transferring or causing to be transferred to any such subsidiary or subsidiaries assets of this corporation; guaranteeing dividends on any shares of the capital stock of any such subsidiary; guaranteeing the principal and interest or either of the bonds, debentures, notes or other evidences of indebtedness issued or obligations incurred by any such subsidiary

or subsidiaries; securing said bonds, debentures, notes or other evidences of indebtedness so guaranteed by mortgage of or security interest in the property of this corporation; and contracting that said bonds, debentures, notes or other evidences of indebtedness so guaranteed, whether secured or not, may be convertible into shares of this corporation upon such terms and conditions as may be approved by the board of directors;

(3) To guarantee the bonds, debentures, notes or other evidences of indebtedness issued, or obligations incurred, by any corporation, partnership, limited partnership, joint venture or other association in which this corporation at the time such guarantee is made has a substantial interest or where such guarantee is otherwise in furtherance of the interests of this corporation; and

(4) To exercise as a purpose or purposes each power granted to corporations by the New Jersey Business Corporation Act or by any amendment or supplement thereto or by any statute enacted to take the place thereof, insofar as such powers authorize or may hereafter authorize corporations to engage in activities.

FOURTH. The aggregate number of shares which the corporation shall have authority to issue is two billion two hundred million (2,200,000,000) shares divided into two hundred million (200,000,000) shares of preferred stock without par value and two billion (2,000,000,000) shares of common stock without par value.

(1) The board of directors of the corporation is authorized at any time or from time to time (i) to divide the shares of preferred stock into classes and into series within any class or classes of preferred stock; (ii) to determine for any such class or series its designation, relative rights, preferences and limitations; (iii) to determine the number of shares in any such class or series (including a determination that such class or series shall consist of a single share); (iv) to increase the number of shares of any such class or series previously determined by it and to decrease such previously determined number of shares to a number not less than that of the shares of such class or series then outstanding; (v) to change the designation or number of shares, or the relative rights, preferences and limitations of the shares, of any theretofore established class or series no shares of which have been issued; and (vi) to cause to be executed and filed without further approval of the shareholders such amendment or amendments to the Restated Certificate of Incorporation as may be required in order to accomplish any of the foregoing. In particular, but without limiting the generality of the foregoing, the board of directors is authorized to determine with respect to the shares of any class or series of preferred stock:

(a) whether the holders thereof shall be entitled to cumulative, non-cumulative or partially cumulative dividends or to no dividends and, with respect to shares entitled to dividends, the dividend rate or rates (which may be fixed or variable and may be made dependent upon facts ascertainable outside of the Restated Certificate of Incorporation) and any other terms and conditions relating to such dividends;

(b) whether the holders thereof shall be entitled to receive dividends payable on a parity with or subordinate or in preference to the dividends payable on any other class or series of shares of the corporation;

(c) whether, and if so to what extent and upon what terms and conditions, the holders thereof shall be entitled to preferential rights upon the liquidation of, or upon any distribution of the assets of, the corporation;

(d) whether, and if so upon what terms and conditions, such shares shall be convertible into other securities;

(e) whether, and if so upon what terms and conditions, such shares shall be redeemable;

(f) the terms and amount of any sinking fund provided for the purchase or redemption of such shares; and

(g) the voting rights, if any, to be enjoyed by such shares and the terms and conditions for the exercise thereof.

(2) Each holder of shares of common stock shall be entitled to one vote for each share of common stock held of record by such holder on all matters on which holders of shares of common stock are entitled to vote.

(3) No holder of any shares of common or preferred stock of the corporation shall have any right as such holder (other than such right, if any, as the board of directors in its discretion may determine) to purchase, subscribe for or otherwise acquire any unissued or treasury shares, or any option rights, or securities having conversion or option rights, of the corporation now or hereafter authorized.

(4) The relative voting, dividend, liquidation and other rights, preferences and limitations of the shares of the class of preferred stock designated "Class A Preferred Stock" and the class of preferred stock designated "Class B Preferred Stock" are as set forth in this Article FOURTH and in Exhibit A to this Restated Certificate of Incorporation.

FIFTH. The following is a list of the names and residences of the original shareholders, and of the number of shares held by each:

H. M. Flagler	of New York City,	one share.
Paul Babcock, Jr.	of Jersey City,	one share.
James McGee	of Plainfield, New Jersey,	one share.
Thos. C. Bushnell	of Morristown, New Jersey,	one share.
John D. Rockefeller	of Cleveland, Ohio,	}
Wm. Rockefeller	of New York City,	}
J. A. Bostwick	of New York City,	}
John D. Archbold	of New York City,	}
O. H. Payne	of Cleveland, Ohio,	}
Wm. G. Warden	of Philadelphia, Pa.,	}
Benj. Brewster	of New York City,	}
Chas. Pratt	of Brooklyn, N.Y.,	}
and H. M. Flagler	of New York City.	}

Trustees of Standard Oil Trust, twenty-nine thousand nine hundred and ninety-six shares (29,996), of which twenty-one thousand seven hundred and twenty-four shares (21,724) were issued for property purchased and necessary for the business of this corporation.

SIXTH. The number of directors of the corporation as of December 1, 1996 is 12 and their names and business office addresses are:

Dr. Michael J. Boskin
Hoover Institution
Stanford University
Stanford, California 94305-6010

Mr. D. Wayne Calloway
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Mr. Jess Hay
Texas Commerce Tower
2200 Ross Avenue
Dallas, Texas 75201-2764

Mr. James R. Houghton
Corning Incorporated
80 E. Market Street
Corning, New York 14830

Mr. William R. Howell
J. C. Penney Company, Inc.
6501 Legacy Drive
Plano, Texas 75024-3698

Mr. Philip E. Lippincott
P.O. Box 2159
Park City, Utah 84060

Mr. Harry J. Longwell
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Mrs. Marilyn Carlson Nelson
Carlson Holdings, Inc.
12755 Highway 55
Minneapolis, Minnesota 55441

Mr. Lee R. Raymond
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Dr. John H. Steele
Woods Hole Oceanographic Institution
Woods Hole, Massachusetts 02543

Mr. Robert E. Wilhelm
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

Mr. Joseph D. Williams
Warner-Lambert Company
182 Tabor Road
Morris Plains, New Jersey 07950

SEVENTH. The number of directors at any time may be increased or diminished by vote of the board of directors, and in case of any such increase the board of directors shall have power to elect each such additional director to hold office until the next succeeding annual meeting of shareholders and until his successor shall have been elected and qualified.

The board of directors, by the affirmative vote of a majority of the directors in office, may remove a director or directors for cause where, in the judgment of such majority, the continuation of the director or directors in office would be harmful to the corporation and may suspend the director or directors for a reasonable period pending final determination that cause exists for such removal.

The board of directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to the inspection of the shareholders; and no shareholder shall have any right of inspecting any account or book or document of the corporation, except as conferred by statute or authorized by the board of directors, or by a resolution of the shareholders.

EIGHTH. The following action may be taken by the affirmative vote of a majority of the votes cast by the holders of shares of the corporation entitled to vote thereon:

(1) The adoption by the shareholders of a proposed amendment of the certificate of incorporation of the corporation;

(2) The adoption by the shareholders of a proposed plan of merger or consolidation involving the corporation;

(3) The approval by the shareholders of a sale, lease, exchange, or other disposition of all, or substantially all, the assets of the corporation otherwise than in the usual and regular course of business as conducted by the corporation; and

(4) Dissolution.

NINTH. Except as otherwise provided by statute or by this certificate of incorporation or the by-laws of the corporation as in each case the same may be amended from time to time, all corporate powers may be exercised by the board of directors. Without limiting the foregoing, the board of directors shall have power, without shareholder action:

(1) To authorize the corporation to purchase, acquire, hold, lease, mortgage, pledge, sell and convey such property, real, personal and mixed, without as well as within the State of New Jersey, as the board of directors may from time to time determine, and in payment for any property to issue, or cause to be issued, shares of the corporation, or bonds, debentures, notes or other obligations or evidence of indebtedness thereof secured by pledge, security interest or mortgage, or unsecured; and

(2) To authorize the borrowing of money, the issuance of bonds, debentures, notes and other obligations or evidences of indebtedness of the corporation, secured or unsecured, and the inclusion of provisions as to redeemability and convertibility into shares of stock of the corporation or otherwise, and, as security for money borrowed or bonds, debentures, notes and other obligations or evidences of indebtedness issued by the corporation, the mortgaging or pledging of any property, real, personal, or mixed, then owned or thereafter acquired by the corporation.

TENTH. To the full extent from time to time permitted by law, no director or officer of the corporation shall be personally liable to the corporation or its shareholders for damages for breach of any duty owed to the corporation or its shareholders. Neither the amendment or repeal of this Article, nor the adoption of any provision of this certificate of incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer of the corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, Exxon Corporation has caused this Restated Certificate of Incorporation to be duly executed as of December 16, 1996.

EXXON CORPORATION

L. R. RAYMOND
Chairman of the Board

FILED AND RECORDED

December 18, 1996
Lonna R. Hooks
Secretary of State New Jersey

EXHIBIT A

PART I

CLASS A PREFERRED STOCK

Section 1. Designation and Amount; Special Purpose Restricted Transfer Issue.

(A) The shares of this class of preferred stock shall be designated as "Class A Preferred Stock" (referred to herein as the "Class A Preferred Stock") and the aggregate number of shares constituting such class which the Corporation shall have the authority to issue is 16,500,000. The shares of this class shall have a stated value of $61.50 per share (the "Stated Value").

(B) Shares of Class A Preferred Stock shall be issued only to a trustee acting on behalf the Plan (as defined in Section 9(F)(vii)). In the event of any transfer of shares of Class A Preferred Stock to any person other than the Corporation or the trustee of the Plan, the shares of Class A Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder, shall be automatically converted into shares of the Corporation's Common Stock without par value (the "Common Stock") pursuant to Section 5 hereof and no such transferee shall have any of the voting powers, preferences and relative, participating, optional or special rights ascribed to shares of Class A Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of Class A Preferred Stock shall be so converted. In the event of such a conversion, the transferee of the shares of Class A Preferred Stock shall be treated for all purposes as the record holder of the shares of Common Stock into which such shares of Class A Preferred Stock have been automatically converted as of the date of such transfer; *provided, however*, that the pledge of Class A Preferred Stock as collateral under any credit agreement for the financing or refinancing of the initial purchase of the Class A Preferred Stock by the Plan shall not constitute a transfer for purposes of this Section 1. Certificates representing shares of Class A Preferred Stock shall be legended to reflect such restrictions on transfer. Notwithstanding the foregoing provisions of this Section 1(B), shares of Class A Preferred Stock (i) upon allocation to the account of a participant in the Plan, shall be converted into shares of Common Stock or Class B Preferred Stock, as the case may be, pursuant to Section 5 hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law and the shares of Class B Preferred Stock issued upon such conversion may be transferred by the holder only as permitted by Part II hereof and (ii) shall be redeemable by the Corporation upon the terms and conditions provided by Sections 6, 7 and 8 hereof.

Section 2. Dividends and Distributions.

(A) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of Class A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds available under applicable law and the Certificate of Incorporation, cumulative cash dividends ("Preferred Dividends") in an amount per share equal to $4.68 per annum and no more, payable (x) monthly in arrears, one-twelfth on the 20th day of each month, commencing on July 20, 1989 and ending on June 20, 1990, and thereafter (y) quarterly in arrears, one-quarter on the 20th day of each March, June, September and December in each year (each such monthly and quarterly date a "Dividend Payment Date"), to holders of record at the start of business on such Dividend Payment Date. In the event that any Dividend Payment Date shall occur on any day other than a "Business Day" (as defined in Section 9(F)(i)), the dividend payment due on such Dividend Payment Date shall be paid on the Business Day immediately succeeding such Dividend Payment Date. Preferred Dividends shall begin to accrue on outstanding shares of Class A Preferred Stock from the date of issuance of such shares of Class A Preferred Stock. Preferred Dividends shall accrue on a daily basis whether or not the Corporation shall have earnings or surplus at the time. Preferred Dividends accrued after the date of issuance for any period less than a full monthly or quarterly period, as the case may be, between Dividend Payment Dates shall be computed on the basis of a 360-day year consisting of twelve 30-day months and such a proportional dividend shall accrue for the period from the date of issuance until the end of the dividend payment period in which such issuance occurs. Accumulated but unpaid Preferred Dividends shall accumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends.

(B) So long as any Class A Preferred Stock shall be outstanding, no dividend shall be declared or paid or set apart for payment on any other class of stock ranking on a parity with the Class A Preferred Stock as to dividends ("Parity Stock"), unless there shall also be or have been declared and paid or set apart for payment on the Class A Preferred Stock dividends ratably in proportion to the respective amounts of dividends (a) accumulated and unpaid through all dividend payment periods for the Class A Preferred Stock ending on or before the dividend payment date of such Parity Stock and (b) accumulated and unpaid on such Parity Stock through the dividend payment period on such Parity Stock next preceding such dividend payment date. So long as any Class A Preferred Stock shall be outstanding, in the event that full cumulative dividends on the Class A Preferred Stock have not been declared and paid or set apart for payment for all prior dividend payment periods, the Corporation shall not declare or pay or set apart for payment any dividends or make any other distributions on, or make any payment on account of the purchase, redemption or other retirement of, any other class of stock or series thereof of the Corporation ranking as to dividends junior to the Class A Preferred Stock ("Junior Stock") until full cumulative and unpaid dividends on the Class A Preferred Stock shall have been paid or declared and set apart for payment; *provided, however*, that the foregoing shall not apply to (i) any dividend payable solely in any shares of any Junior Stock, or (ii) the acquisition of shares of any Junior Stock either (x) pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted or (y) in exchange solely for shares of any other Junior Stock.

Section 3. *Voting Rights.* The holders of shares of Class A Preferred Stock shall have the following voting rights:

(A) The holders of Class A Preferred Stock shall be entitled to vote on all matters submitted to a vote of the holders of Common Stock of the Corporation, voting together as one class with the holders of Common Stock and any other class or series of preferred stock so voting as one class. Each share of the Class A Preferred Stock shall entitle the holder thereof to a number of votes equal to the number of shares of Common Stock into which such share of Class A Preferred Stock could be converted pursuant to the first sentence of Section 5(A) hereof on the record date for determining the shareholders entitled to vote, rounded to the nearest one-tenth of a vote; it being understood that whenever the "Conversion Ratio" (as defined in Section 5 hereof) is adjusted pursuant to Section 9 hereof, the voting rights of the Class A Preferred Stock shall also be similarly adjusted.

(B) Except as otherwise required by law, holders of Class A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock or any other class or series of preferred stock) for the taking of any corporate action.

Section 4. Liquidation, Dissolution or Winding-Up.

(A) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Class A Preferred Stock shall be entitled to receive out of assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to shareholders, and subject to the rights of the holders of any class of stock of the Corporation ranking senior to or on a parity with the Class A Preferred Stock in respect of distributions upon liquidation, dissolution or winding-up of the Corporation, before any amount shall be paid or distributed among the holders of Common Stock or any other class of stock ranking junior to the Class A Preferred Stock in respect of distributions upon liquidation, dissolution or winding-up of the Corporation, liquidating distributions in an aggregate amount of $61.50 per share of Class A Preferred Stock plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for distribution, and no more. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the Class A Preferred Stock and any other class of stock ranking as to any such distribution on a parity with the Class A Preferred Stock are not paid in full, the holders of the Class A Preferred Stock and such other class of stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount to which they are entitled as provided by the foregoing provisions of this Section 4(A), the holders of shares of Class A Preferred Stock shall not be entitled to any further right or claim to any of the remaining assets of the Corporation.

(B) Neither the merger, consolidation or combination of the Corporation with or into any other corporation, nor the sale, lease, transfer or other exchange of all or any portion of the assets of the Corporation (or any purchase or redemption of some or all of the shares of any class or series of stock of the Corporation), shall be deemed to be a dissolution, liquidation or winding-up of the affairs of the Corporation for purposes of this Section 4, but the holders of Class A Preferred Stock shall nevertheless be entitled in the event of any such transaction to the rights provided by Section 8 hereof.

(C) Written notice of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of Class A Preferred Stock and any other class or series of preferred stock in such circumstances shall be payable, and stating that, except in the case of Class A Preferred Stock represented by uncertificated shares, such payment will be made only after the surrender (or submission for notation of any partial payment) of such holder's certificates representing shares of Class A Preferred Stock, shall be given by first class mail, postage prepaid, mailed not less than twenty (20) days prior to any payment date stated therein, to the holders of Class A Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the Class A Preferred Stock.

Section 5. Conversion into Common Stock or Class B Preferred Stock.

(A) A holder of shares of Class A Preferred Stock shall be entitled at any time, but not later than the close of business on the Redemption Date (as hereinafter defined) of such shares pursuant to Section 6, 7 or 8 hereof, to cause any or all of such shares to be converted into a number of shares of Common Stock for each share of Class A Preferred Stock which initially shall be one and which shall be adjusted as hereinafter provided (and, as so adjusted, is hereinafter sometimes referred to as the "Conversion Ratio"). In addition to the foregoing and subject to Section 5(B) hereof, a holder of shares of Class A Preferred Stock upon allocation of such shares to the account of a participant in the Plan shall be required to convert each such share of Class A Preferred Stock into the greater of (i) that number of shares of Common Stock or Class B Preferred Stock, as the case may be, which shall be the quotient obtained by dividing the Stated Value of each share of Class A Preferred Stock by the greater of (x) $15 divided by the Conversion Ratio or (y) the average of the high and low sales prices for a share of Common Stock on the trading day next preceding the Conversion Date (as hereinafter defined) on which one or more sales of shares of Common Stock occur, all as reported on the Composite Tape (as hereinafter defined), or (ii) that number of shares of Common Stock or Class B Preferred Stock equal to the Conversion Ratio. The Corporation's determination in good faith in respect of the number of shares to be issued upon any and all conversions pursuant to the preceding sentence shall be conclusive.

(B) Any holder of shares of Class A Preferred Stock desiring or required to convert such shares into shares of Common Stock or Class B Preferred Stock, as the case may be, shall surrender the certificate or certificates representing the shares of Class A Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) in case of a request for registration in a name other than that of such holder, at the offices of the Corporation or the transfer agent for the Common Stock or Class B Preferred Stock, as the case may be, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of Class A Preferred Stock to be converted, and the name or names in which such holder wishes the certificate or certificates for Common Stock or Class B Preferred Stock, as the case may be, and for any shares of Class A Preferred Stock not to be so converted to be issued (or the name or names in which ownership of such shares is to be registered in the event that they are to be uncertificated), (ii) the address or addresses to which such holder wishes delivery to be made of such new certificates to be issued upon such conversion, and (iii) whether the conversion is being effected pursuant to the second sentence of Section 5(A) hereof, and if so, whether the shares issued upon conversion will be shares of Common Stock or Class B Preferred Stock. In the case of a conversion of shares of Class A Preferred Stock required pursuant to the second sentence of Section 5(A), if such notice fails to specify the class of stock desired, the holder thereof shall receive shares of Class B Preferred Stock.

(C) A conversion of shares of Class A Preferred Stock into shares of Common Stock or Class B Preferred Stock, as the case may be, pursuant to Section 5(A) shall be effective immediately before the close of business on the day of the later of (i) the surrender to the Corporation of the certificate or certificates for the shares of Series A Preferred Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) in case of a request for registration in a name other than that of such holder and (ii) the giving of the notice of conversion as provided herein (the "Conversion Date"). On and after such Conversion Date, the person or persons entitled to receive the Common Stock or Class B Preferred Stock, as the case may be, issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock or Class B Preferred Stock, as the case may be.

(D) Promptly after the Conversion Date for shares of Class A Preferred Stock to be converted, the Corporation or the transfer agent for the Common Stock or the Class B Preferred Stock, as the case may be, shall issue and send by hand delivery (with receipt to be acknowledged) or by first class mail, postage prepaid, to the holder of such shares or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock or Class B Preferred Stock, to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of Class A Preferred Stock only part of which are to be converted, the Corporation or the transfer agent for the Common Stock or Class B Preferred Stock, as the case may be, shall issue and deliver to such holder or such holder's designee a new certificate or certificates representing the number of shares of Class A Preferred Stock which shall not have been converted.

(E) The Corporation shall not be obligated to deliver to holders of Class A Preferred Stock any fractional share or shares of Common Stock or Class B Preferred Stock, as the case may be, issuable upon any conversion of such shares of Class A Preferred Stock, but in lieu thereof may make a cash payment in respect thereof in any manner permitted by law. The determination in good faith by the Corporation of the amount of any such cash payments shall be conclusive.

(F) The Corporation shall at all times reserve and keep available out of its authorized and unissued and/or treasury Common Stock and Class B Preferred Stock solely for issuance upon the conversion of shares of Class A Preferred Stock as herein provided, free from any preemptive rights, the maximum number of shares of Common Stock and Class B Preferred Stock as shall from time to time be issuable upon the conversion of all the shares of Class A Preferred Stock then outstanding.

Section 6. Redemption at the Option of the Corporation.

(A) The Class A Preferred Stock shall be redeemable, in whole or in part, at the option of the Corporation at any time at the Stated Value, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption (the close of business on such date being referred to as the "Redemption Date"); provided that such redemption may be made on or after December 20, 1990 and prior to July 20, 1995 only if (i) the Corporation shall have requested that the trustee of the Plan repay the indebtedness incurred by such trustee to purchase the shares of Class A Preferred Stock and (ii) either (x) Section 404(k) of the Code (as hereinafter defined) is repealed or amended or the Internal Revenue Service or the Treasury Department promulgates a Revenue Ruling or Regulation or a federal Court of Appeals issues a decision involving the Corporation, at any time on or after December 20, 1990 and prior to July 20, 1995 with the effect that less than 100% of the dividends payable on the shares of any capital stock of the Corporation including, without limitation, Class A Preferred Stock, Class B Preferred Stock or Common Stock held in the Plan is deductible by the Corporation, when paid to participants in the Plan or their beneficiaries or used to repay indebtedness as described in Section 404(k) of the Code, from its gross income for purposes of determining its liability for the federal income tax imposed by Section 11 of the Code or (y) the Code is amended at any time on or after December 20, 1990 and prior to July 20, 1995 (other than to change the rate of any existing tax imposed by the Code) or the Internal Revenue Service or the Treasury Department promulgates a Revenue Ruling or Regulation or a federal Court of Appeals issues a decision involving the Corporation, with the effect that the Corporation's liability for the alternative minimum tax imposed by Section 55 of the Code, the general federal income tax imposed by Section 11 of the Code or any other tax hereafter imposed by the Code is increased solely by reason of its claiming a deduction in respect of dividends paid on the shares of any capital stock of the Corporation including, without limitation, Class A Preferred Stock, Class B Preferred Stock or Common Stock held in the Plan in a manner consistent with Section 404(k) of the Code. Payment of the redemption price shall be made by the Corporation in cash or shares of Common Stock or a combination thereof, as permitted by paragraph (C) of this Section 6. From and after the Redemption Date, dividends on shares of Class A Preferred Stock called for redemption will cease to accrue, such shares will no longer be deemed to be outstanding and all rights in respect of such shares of the Corporation shall cease, except the right to receive the redemption price. No interest shall accrue on the redemption price after the Redemption Date. If less than all of the outstanding shares of Class A Preferred Stock are to be redeemed, the Corporation shall either redeem a portion of the shares of each holder determined pro rata based on the number of shares held by each holder or shall select the shares to be redeemed by lot or as may be otherwise determined by the Board of Directors of the Corporation.

(B) Unless otherwise required by law, notice of redemption pursuant to paragraph (A) of this Section 6 will be sent to the holders of Class A Preferred Stock at the address shown on the books of the Corporation or any transfer agent for the Class A Preferred Stock by first class mail, postage prepaid, mailed not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date. Such Class A Preferred Stock shall continue to be entitled to the conversion rights provided in Section 5 hereof through such Redemption Date. Each such notice shall state: (i) the Redemption Date; (ii) the total number of shares of the Class A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the redemption price and the intended form of payment; (iv) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on such Redemption Date; and (vi) a summary of the conversion rights of the shares to be redeemed, the period within which conversion rights may be exercised, and the Conversion Ratio in effect at the time. Upon surrender of the certificate for any shares so called for redemption and not previously converted (or upon giving the notice of redemption in the case of uncertificated shares), but not earlier than the Redemption Date, the Corporation shall pay to the holder of such shares or its designee the redemption price set forth pursuant to this Section 6.

(C) The Corporation, at its option, may make payment of the redemption price required upon redemption of shares of Class A Preferred Stock pursuant to Section 6 or 7 hereof in cash or in shares of Common Stock or in a combination of such shares and cash, any such shares of Common Stock to be valued for such purpose at their Fair Market Value (as defined in Section 9(F)(iii)) on the Redemption Date. Any shares of Common Stock so issued or delivered (or issued or delivered pursuant to Section 7) shall be deemed to have been issued or delivered to the holder of the Class A Preferred Stock as of the Redemption Date and such holder shall be deemed to have become the record holder thereof as of the Redemption Date.

Section 7. Other Redemption Rights.

Shares of Class A Preferred Stock shall be redeemed by the Corporation for cash or, if the Corporation so elects, in shares of Common Stock, or a combination of such shares and cash (any such shares of Common Stock to be valued for such purpose in accordance with Section 6(C)), at a redemption price equal to the Stated Value plus accrued and unpaid dividends thereon to the date fixed for redemption, at the option of the holder, at any time and from time to time upon notice to the Corporation given not less than five (5) Business Days prior to the Redemption Date fixed by the holder in such notice (i) in the event that the Plan is determined by the Internal Revenue Service not to be qualified within the meaning of Sections 401(a) and 4975(e)(7) of the Internal Revenue Code of 1986, as amended from time to time (the "Code") or (ii) in the event that the Plan is terminated in accordance with its terms.

Section 8. Consolidation, Combination, Merger, etc.

(A) In the event that the Corporation shall consummate any consolidation, combination, merger or substantially similar transaction, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the Corporation) that constitutes "qualifying employer securities" with respect to a holder of Class A Preferred Stock within the meaning of Section 409(1) of the Code and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of Class A Preferred Stock of such holder shall in connection therewith be exchanged for or converted into preferred stock of such successor or resulting corporation, having in respect of such corporation insofar as possible the same powers, preferences and relative, participating, optional or other special rights (including the redemption rights provided by Sections 6, 7 and 8 hereof), and the qualifications, limitations or restrictions thereon, that the Class A Preferred Stock had immediately prior to such transaction, except that after such transaction each share of the Class A Preferred Stock shall be convertible, otherwise on the terms and conditions provided by Section 5 hereof, into the number and kind of qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such shares of Class A Preferred Stock could have been converted pursuant to the first sentence of Section 5(A) hereof immediately prior to such transaction; provided, however, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, such holder of shares of Class A Preferred Stock shall be entitled to make an equivalent election as to the nature and kind of consideration it shall receive, and if such election cannot practicably be made by the holders of the Class A Preferred Stock, then the shares of Class A Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be convertible into or exchangeable for the aggregate amount of qualifying employer securities (payable in like kind and proportion) receivable by a holder of the number of shares of Common Stock into which such shares of Class A Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of qualifying employer securities receivable upon such transaction (provided that, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount of qualifying employer securities receivable upon such transaction for each such non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares). The conversion rights of the class of preferred stock of such successor or resulting corporation for which the Class A Preferred Stock is exchanged or into which it is converted, shall successively be subject to adjustments pursuant to Section 9 hereof after any such transactions as nearly equivalent as practicable to the adjustments provided for by such Section prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless the successor or resulting corporation shall have agreed to recognize and honor the rights of the holders of Series A Preferred Stock set forth in this Section 8(A).

(B) In the event that the Corporation shall consummate any consolidation, combination, merger or substantially similar transaction, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than solely qualifying employer securities (as referred to in Section 8(A)) and cash payments, if applicable, in lieu of fractional shares, outstanding shares of Class A Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to Section 8(C)), be deemed to have been converted pursuant to the first sentence of Section 5(A) hereof immediately prior to the consummation of such merger, consolidation, combination or similar business combination transaction into the number of shares of Common Stock into which such shares of Class A Preferred Stock could have been converted pursuant to the first sentence of Section 5(A) hereof at such time so that each share of Class A Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind and proportion) receivable by a holder of the number of shares of Common Stock into which such share of Class A Preferred Stock could have been converted pursuant to the first sentence of Section 5(A) hereof immediately prior to such transaction; *provided, however*, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, the holder of Class A Preferred Stock shall be entitled to make an equivalent election as to the kind of consideration it shall receive, and if such election cannot practicably be made by the holders of the Class A Preferred Stock, then the shares of Class A Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind and proportion) receivable by a holder of the number of shares of Common Stock into which such shares of Class A Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (*provided that*, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for each such non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(C) In the event the Corporation shall enter into any agreement providing for any consolidation, combination, merger or substantially similar transaction described in Section 8(B), then the Corporation shall as soon as practicable thereafter (and in any event at least twenty (20) business days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of Class A Preferred Stock and each holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation, in redemption and retirement of such Class A Preferred Stock, a cash payment equal to the amount payable in respect of shares of Class A Preferred Stock upon redemption pursuant to Section 6(A) hereof as if the date of the consummation of such transaction was the Redemption Date. No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the second Business Day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the second Business Day prior to consummation of such transaction.

Section 9. Anti-dilution Adjustments.

(A) In the event the Corporation shall, at any time or from time to time while any of the shares of the Class A Preferred Stock are outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization effected by a merger or consolidation to which Section 8 hereof does not apply) or otherwise, the Conversion Ratio in effect immediately prior to such action shall be adjusted by multiplying such Conversion Ratio by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock outstanding immediately before such event. An adjustment made pursuant to this Section 9(A) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of shareholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(B) In the event the Corporation shall, at any time or from time to time while any shares of Class A Preferred Stock are outstanding, issue rights, options or warrants to all holders of its outstanding Common Stock, without any charge to such holders, entitling them (for a period expiring within forty-five (45) days after the record date mentioned below) to subscribe for or purchase shares of Common Stock at a price per share which is more than 2% lower at the record date mentioned below than the then Current Market Price per share of Common Stock, the Conversion Ratio in effect immediately prior to such action shall, subject to paragraphs (D) and (E) of this Section 9, be adjusted by multiplying such Conversion Ratio by a fraction (i) the numerator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of additional shares of Common Stock issued upon exercise thereof, and (ii) the denominator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights, options or warrants plus the number of shares which the aggregate offering price of the total number of shares of Common Stock so issued would purchase at the then Current Market Price per share of Common Stock. Such adjustment shall be made whenever such rights, options or warrants have expired, and shall become effective retroactively immediately after the record date for the determination of shareholders entitled to receive such rights, options or warrants on the basis of the number of rights, options or warrants actually exercised.

(C) In the event the Corporation shall, at any time or from time to time while any of the shares of Class A Preferred Stock are outstanding, make an Extraordinary Distribution (as defined in Section 9(F)(ii)) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (other than a recapitalization or reclassification effected by a merger, combination or consolidation to which Section 8 hereof applies), the Conversion Ratio in effect immediately prior to such Extraordinary Distribution shall, subject to paragraphs (D) and (E) of this Section 9, be adjusted by multiplying such Conversion Ratio by a fraction, the numerator of which shall be the product of (i) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution and (ii) the Fair Market Value of a share of Common Stock on the Valuation Date (as defined in Section 9(F)(vi)) with respect to an Extraordinary Distribution, and the denominator of which shall be (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution and (y) the Fair Market Value of a share of Common

Stock on the Valuation Date with respect to an Extraordinary Distribution, *minus* (ii) the Fair Market Value of the Extraordinary Distribution on the Valuation Date. The Corporation shall send each holder of Class A Preferred Stock notice of its intent to make any Extraordinary Distribution at the same time as, or as soon as practicable after, such intent is first communicated (including by announcement of a record date in accordance with the rules of the principal stock exchange on which the Common Stock is listed or admitted to trading) to holders of Common Stock. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, and the Conversion Ratio in effect at such time.

(D) Notwithstanding any other provisions of this Section 9, the Corporation shall not be required to make any adjustment of the Conversion Ratio unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Ratio. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1%) in the Conversion Ratio.

(E) The Corporation shall be entitled to make such additional adjustments in the Conversion Ratio, in addition to those required by the foregoing provisions of this Section 9, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to holders of the Common Stock.

(F) For purposes of this Exhibit A, the following definitions shall apply:

(i) "Business Day" shall mean each day that is not a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York are required or authorized to be closed.

(ii) "Extraordinary Distribution" shall mean any dividend or other distribution (effected while any of the shares of Class A Preferred Stock are outstanding) of (x) cash to the extent that such dividend or distribution when added to the amount of all cash dividends and distributions paid during the preceding period of twelve (12) calendar months exceeds fifteen percent (15%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the declaration date for such Extraordinary Distribution and/or (y) any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation), or any combination thereof, but excluding rights, options or warrants to which Section 9(B) refers (without regard to the subscription or purchase price provided for therein).

(iii) "Fair Market Value" shall mean, as to shares of Common Stock or any other class of publicly traded capital stock or securities of the Corporation or any other issuer which are publicly traded, the average of the Current Market Prices of such shares or securities for each day of the Adjustment Period. The "Fair Market Value" of any security which is not publicly traded or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property, which firm shall be selected in good faith by the Board of Directors of the Corporation or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors of the Corporation or such committee.

(iv) "Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer shall mean (I) the last reported sales price, regular way, or, if no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the Composite Tape for New York Stock Exchange transactions (the "Composite Tape") or, (II) if such security is not listed or admitted to trading on the New York Stock Exchange (the "NYSE"), on the principal national securities exchange on which such security is listed or admitted to trading or, (III) if not listed or admitted to trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ National Market System") or, (IV) if such security is not quoted on the NASDAQ National Market System, the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by NASDAQ or, (V) if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Board of Directors of the Corporation or a committee thereof, in each case, on each trading day during the Adjustment Period; _provided, however_, in determining the Current Market Price, the value (as reasonably determined by the Board of Directors of the Corporation or a committee thereof) of any "due-bill" or similar instrument which is then associated with a share of Common Stock or any other class of capital stock or other security, shall be deducted.

(v) "Adjustment Period" shall mean the period of five (5) consecutive trading days preceding, and including, the date as of which the Fair Market Value of a security is to be determined.

(vi) "Valuation Date" with respect to an Extraordinary Distribution shall mean the date that is five (5) business days prior to the record date for such Extraordinary Distribution.

(vii) "Plan" shall mean collectively the Corporation's Thrift and ESOP plans and its Thrift and ESOP Trust.

(G) Whenever an adjustment to the Conversion Ratio and the related voting rights of the Class A Preferred Stock is required pursuant hereto, the Corporation shall forthwith deliver to the transfer agent(s) for the Common Stock, the Class A Preferred Stock and Class B Preferred Stock, as the case may be, and file with the Secretary of the Corporation, a statement signed by an officer of the Corporation stating the adjusted Conversion Ratio determined as provided herein, and the voting rights (as appropriately adjusted), of the Class A Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Ratio and the related voting rights of the Class A Preferred Stock, the Corporation shall mail a notice thereof and of the then prevailing Conversion Ratio to each holder of Class A Preferred Stock.

Section 10. Ranking; Cancellation of Shares.

(A) The Class A Preferred Stock shall rank senior to the Common Stock and the Class B Preferred Stock as to the payment of dividends and senior to the Common Stock as to the distribution of assets on liquidation, dissolution and winding-up of the Corporation, and, unless otherwise provided in the Certificate of Incorporation, as the same may be amended, the Class A Preferred Stock shall rank on a parity with all other classes or series of the Corporation's preferred stock, as to payment of dividends and the distribution of assets on liquidation, dissolution or winding-up.

(B) Any shares of Class A Preferred Stock acquired by the Corporation by reason of the conversion or redemption of such shares as provided hereby, or otherwise so acquired, shall be cancelled as shares of Class A Preferred Stock and restored to the status of authorized but unissued shares of preferred stock of the Corporation, undesignated as to classes or series, and may thereafter be reissued as part of a new class or series of such preferred stock as permitted by law.

PART II

CLASS B PREFERRED STOCK

Section 1. Designation and Amount; Special Purpose Restricted Transfer Issue.

(A) The shares of this class of preferred stock shall be designated as "Class B Preferred Stock" and the aggregate number of shares constituting such class which the Corporation shall have the authority to issue is 100,000,000.

(B) Shares of Class B Preferred Stock shall be issued only to a trustee acting on behalf the Plan. In the event of any transfer of shares of Class B Preferred Stock to any person other than the Corporation or the trustee of the Plan, the shares of Class B Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder, shall be automatically converted into shares of the Corporation's Common Stock (the "Common Stock") pursuant to Section 5 hereof and no such transferee shall have any of the voting powers, preferences or relative, participating, optional or special rights ascribed to shares of Class B Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of Class B Preferred Stock shall be so converted. In the event of such a conversion, the transferee of the shares of Class B Preferred Stock shall be treated for all purposes as the record holder of the shares of Common Stock into which such shares of Class B Preferred Stock have been automatically converted as of the date of such transfer. Certificates representing shares of Class B Preferred Stock shall be legended to reflect such restrictions on transfer. Notwithstanding the foregoing provisions of this Section 1(B), shares of Class B Preferred Stock may be converted into shares of Common Stock pursuant to Section 5 hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law.

Section 2. Dividends and Distributions.

(A) Class B Preferred Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor, but only to the extent hereinafter provided and no more. If at any time a dividend or other distribution is declared on the Common Stock (whether in cash, property or other securities), including as a result of recapitalization or reclassification, a dividend or distribution shall simultaneously be declared on each share of Class B Preferred Stock in an amount per share equal to 115% of the dividend or distribution declared on each share of Common Stock and shall be payable on the same date as such Common Stock dividend or distribution is payable. The record date for holders of shares of Class B Preferred Stock for any such dividend or distribution shall be the same as the record date for holders of shares of Common Stock for the related dividend or distribution. Notwithstanding the foregoing, the Corporation shall not at any time after the first issuance of a share of Class B Preferred Stock (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of such shares, unless in each such case shares of Class B Preferred Stock shall become entitled to a dividend in Class B Preferred Stock, be subdivided or be combined in the same proportion as of the effective date of such event.

Section 3. Voting Rights. The holders of shares of Class B Preferred Stock shall have the following voting rights:

(A) The holders of Class B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the holders of Common Stock of the Corporation, voting together as one class with the holders of Common Stock and any other class or series of preferred stock so voting as one class. Each share of the Class B Preferred Stock shall entitle the holder thereof to one vote.

(B) Except as otherwise required by law or set forth herein, holders of Class B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock and any other class or series of Preferred Stock as set forth herein) for the taking of any corporate action.

Section 4. Liquidation, Dissolution or Winding-Up.

(A) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Class B Preferred Stock shall be entitled to receive out of assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to shareholders, and subject to the rights of the holders of any stock of the Corporation ranking senior to or on a parity with the Class B Preferred Stock in respect of distributions upon liquidation, dissolution or winding-up of the Corporation, before any amount shall be paid or distributed among the holders of Common Stock or any other shares ranking junior to the Class B Preferred Stock in respect of distributions upon liquidation, dissolution or winding-up of the Corporation, liquidating distributions in an amount of $45 per share (the "Liquidation Amount") of Class B Preferred Stock plus an amount equal to all required and unpaid dividends thereon to the date fixed for distribution and no more. In the event shares of Class B Preferred Stock are subdivided or combined or any dividend is declared in such shares to holders thereof, then the Liquidation Amount shall be proportionately adjusted as of the effective date of such event. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the Class B Preferred Stock and any other stock ranking as to a distribution on such event on a parity with the Class B Preferred Stock are not paid in full, the holders of the Class B Preferred Stock and such other stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled.

(B) Neither the merger, consolidation or combination of the Corporation with or into any other corporation, nor the sale, lease, transfer or other exchange of all or any portion of the assets of the Corporation (or any purchase or redemption of some or all of the shares of any class or series of stock of the Corporation), shall be deemed to be a dissolution, liquidation or winding-up of the affairs of the Corporation for purposes of this Section 4, but the holders of Class B Preferred Stock shall nevertheless be entitled in the event of any such transaction to the rights provided by Section 6 hereof.

(C) Written notice of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of Class B Preferred Stock and any other class or series of preferred stock in such circumstances shall be payable, and stating that such payment will be made only after the surrender (or submission for notation of any partial payment) of such holder's certificates representing shares of Class B Preferred Stock, except in the case of Class B Preferred Stock represented by uncertificated shares, shall be given by first class mail, postage prepaid, mailed not less than twenty (20) days prior to any payment date stated therein, to the holders of Class B Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the Class B Preferred Stock.

Section 5. Conversion into Common Stock.

(A) A holder of shares of Class B Preferred Stock shall be entitled at any time to cause any or all of such shares to be converted into one share of Common Stock for each share of Class B Preferred Stock.

(B) Any holder of shares of Class B Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates representing the shares of Class B Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) in case of a request for registration in a name other than that of such holder, at the offices of the transfer agent for the Common Stock, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of Class B Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for Common Stock and for any shares of Class B Preferred Stock not to be so converted to be issued (or the name or names in which such shares are to be registered in the event that they are to be uncertificated) and (ii) the address or addresses to which such holder wishes delivery to be made of such new certificates to be issued upon such conversion.

(C) A conversion of shares of Class B Preferred Stock into shares of Common Stock made at the option of the holder thereof shall be effective immediately before the close of business on the day of the later of (i) the surrender to the Corporation of the certificate or certificates for the shares of Series B Preferred Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) in case of a request for registration in a name other than that of such holder and (ii) the giving of the notice of conversion as provided herein (the "Conversion Date"). On and after the Conversion Date, the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock.

(D) Promptly after the Conversion Date for shares of Class B Preferred Stock to be converted, the Corporation or the transfer agent for the Common Stock shall issue and send by hand delivery (with receipt to be acknowledged) or by first class mail, postage prepaid, to the holder of such shares or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of Class B Preferred Stock, only part of which are to be converted, the Corporation or the transfer agent for the Common Stock shall issue and deliver to such holder or such holder's designee a new certificate or certificates representing the number of shares of Class B Preferred Stock which shall not have been converted.

(E) The Corporation shall at all times reserve and keep available out of its authorized and unissued and/or treasury Common Stock solely for issuance upon the conversion of shares of Class B Preferred Stock as herein provided, free from any preemptive rights, the maximum number of shares of Common Stock as shall from time to time be issuable upon the conversion of all the shares of Class B Preferred Stock then outstanding.

(F) At the option of the Corporation, all shares of the Class B Preferred Stock may be converted at any time into Common Stock as provided in this Section 5. Unless otherwise required by law, notice of conversion pursuant to this paragraph will be sent to the holders of Class B Preferred Stock at the address shown on the books of the Corporation or any transfer agent for the Class B Preferred Stock by first class mail, postage prepaid, mailed not less than one (1) day prior to the conversion date. Each such notice shall state: (i) the date when such conversion shall be effective; and (ii) the place or places where certificates for such shares are to be surrendered in exchange for certificates for Common Stock. As of the commencement of business on the conversion date, a holder shall be treated for all purposes as the holder of the number of shares of Common Stock issuable upon conversion, without any of the powers, preferences or rights of a holder of Class B Preferred Stock. Upon surrender of the certificate for shares so converted, the Corporation shall issue a certificate representing the shares of Common Stock into which such shares of Class B Preferred Stock have been converted.

Section 6. Consolidation, Combination, Merger, etc.

(A) In the event that the Corporation shall consummate any consolidation, combination, merger or substantially similar transaction, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the Corporation) that constitutes "qualifying employer securities" with respect to a holder of Class B Preferred Stock within the meaning of Section 409(1) of the Code and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of Class B Preferred Stock of such holder shall in connection therewith be exchanged for or converted into preferred stock of such successor or resulting corporation, having in respect of such corporation insofar as possible the same powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereon, that the Class B Preferred Stock had immediately prior to such transaction, except that after such transaction each share of the Class B Preferred Stock shall be convertible, otherwise on the terms and conditions provided by Section 5 hereof, into the number and kind of qualifying employee securities so receivable by a holder of one share of Common Stock; provided, however, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, such holder of shares of Class B Preferred Stock shall be entitled to make an equivalent election as to the nature and kind of consideration it shall receive, and if such election cannot practicably be made by the holders of the Class B Preferred Stock, then the shares of Class B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be convertible into or exchangeable for the aggregate amount of qualifying employer securities (payable in like kind and proportion) receivable by a holder of one share of Common Stock if such holder of Common Stock failed to exercise any rights of election to receive any kind or amount of qualifying employer securities receivable upon such transaction (provided that if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount of qualifying employer securities receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares). The Corporation shall not consummate any such merger, consolidation or similar transaction unless the successor or resulting corporation shall have agreed to recognize and honor the rights of the holders of Class B Preferred Stock set forth in this Section 6(A).

(B) In the event that the Corporation shall consummate any consolidation, combination, merger or substantially similar transaction, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than solely qualifying employer securities (as referred to in Section 6(A)) and cash payments, if applicable, in lieu of fractional shares, each outstanding share of Class B Preferred Stock shall, without any action on the part of the Corporation or any holder thereof, be deemed to have been converted immediately prior to the consummation of such merger, consolidation, combination or similar transaction into one share of Common Stock so that each share of Class B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind and proportion) receivable by a holder of one share of Common Stock; *provided, however*, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, such holder of shares of Class B Preferred Stock shall be entitled to make an equivalent election as to the nature and kind of consideration it shall receive, and if such election cannot practicably be made by the holders of the Class B Preferred Stock, then each share of Class B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind and proportion) receivable by a holder of one share of Common Stock if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (*provided* that if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for such non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

Section 7. *Ranking; Cancellation of Shares.*

(A) The Class B Preferred Stock shall rank on a parity with the Common Stock as to the payment of dividends and senior to the Common Stock as to the distribution of assets on liquidation, dissolution and winding-up of the Corporation, and, unless otherwise provided in the Certificate of Incorporation, as the same may be amended, the Class B Preferred Stock shall rank junior to all other classes or series of the Corporation's preferred stock as to payment of dividends and on a parity with all other such classes or shares of preferred stock as to the distribution of assets on liquidation, dissolution or winding-up.

(B) Any shares of Class B Preferred Stock acquired by the Corporation by reason of the conversion of such shares as provided hereby, or otherwise so acquired, shall be cancelled as shares of Class B Preferred Stock and restored to the status of authorized but unissued shares of preferred stock, without par value, of the Corporation, undesignated as to classes or series, and may thereafter be reissued as part of a new class or series of such preferred stock as permitted by law.

PART III

MISCELLANEOUS

Section 1. Miscellaneous.

(A) All notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three (3) Business Days after the mailing thereof if sent by registered mail (unless first class mail shall be specifically permitted for such notice under the terms of this Exhibit A) with postage prepaid, addressed: (i) if to the Corporation, to its office at 1251 Avenue of the Americas, New York, NY 10020 (Attention: Treasurer) or to the transfer agent (if any) for the Class A Preferred Stock or Class B Preferred Stock, as the case may be or (ii) if to any holder of the Class A Preferred Stock, the Class B Preferred Stock or the Common Stock, as the case may be, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of any transfer agent for the Class A Preferred Stock, the Class B Preferred Stock or the Common Stock, as the case may be) or (iii) to such other address as the Corporation shall have designated by notice similarly given.

(B) In the event that, at any time as a result of an adjustment made pursuant to Section 8 or 9 of Part I, the holder of any share of the Class A Preferred Stock upon thereafter surrendering such shares for conversion shall become entitled to receive any shares or other securities of the Corporation other than shares of Common Stock, the Conversion Ratio in respect of such other shares or securities so receivable upon conversion of shares of Class A Preferred Stock shall thereafter be adjusted, and shall be subject to further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in Sections 8 or 9 of Part I, and the provisions of each of the other Sections hereof with respect to the Common Stock shall apply on like or similar terms to any such other shares or securities. Any determination in good faith by the Corporation as to any adjustment of the Conversion Ratio pursuant to this Section 1(B) shall be conclusive.

(C) The Corporation shall pay any and all issuance, stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Class A Preferred Stock, Class B Preferred Stock or Common Stock or other securities issued upon conversion of Class A Preferred Stock or Class B Preferred Stock, as the case may be, pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Class B Preferred Stock or Common Stock or other securities in a name other than that in which the shares of Class A Preferred Stock or Class B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person with respect to any such shares or securities other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax for issuance, transfer or documentary stamp taxes or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(D) In the event that a holder of shares of Class A Preferred Stock or Class B Preferred Stock, as the case may be, shall not by written notice designate the name in which (i) shares of Common Stock or Class B Preferred Stock in the case of Class A Preferred Stock, (ii) shares of Common Stock in the case of Class B Preferred Stock and (iii) any other securities in accordance with this Exhibit A, to be issued upon conversion of such shares should be registered or to whom payment upon redemption of shares of Class A Preferred Stock should be made or the address to which the certificate or certificates representing such shares, or such payment, should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the holder of such Class A Preferred Stock or Class B Preferred Stock, as the case may be, as shown on the records of the Corporation and to send the certificate or certificates representing such shares, or such payment, to the address of such holder shown on the records of the Corporation.

(E) Unless otherwise provided in the Certificate of Incorporation, as the same may be amended, all payments of (x) dividends upon the shares of any class of stock and upon any other class of stock ranking on a parity with such first class of stock with respect to such dividends shall be made pro rata, so that amounts paid per share on such first class of stock and such other class of stock shall in all cases bear to each other the same ratio that the required dividends then payable per share on the shares of such first class of stock and such other class of stock bear to each other and (y) distributions on voluntary or involuntary dissolution, liquidation or winding-up or otherwise made upon the shares of any class of stock and upon any other class of stock ranking on a parity with such first class of stock with respect to such distributions shall be made pro rata, so that amounts paid per share on such first class of stock and such other class of stock shall in all cases bear to each other the same ratio that the required distributions then payable per share on the shares of such first class of stock and such other class of stock bear to each other.

(F) The Corporation may appoint, and from time to time discharge and change, a transfer agent for the Class A Preferred Stock or Class B Preferred Stock, as the case may be. Upon any such appointment or discharge of a transfer agent, the Corporation shall send notice thereof by first class mail, postage prepaid, to each holder of record of Class A Preferred Stock or Class B Preferred Stock, as the case may be. So long as there is a transfer agent for a class of stock, a holder thereof shall give any notices to the Corporation required hereunder to the transfer agent at the address of the transfer agent last given by the Corporation.

(G) All references to Section numbers in any Part in this Exhibit A shall refer only to that Part unless otherwise indicated. All terms defined within a Part of this Exhibit A shall have the same meanings when used in any other Part hereof, unless otherwise indicated.

(H) If the Corporation and the holder so agree, any shares of Class A Preferred Stock or Class B Preferred Stock or any shares of Common Stock into which the shares of Class A Preferred Stock or Class B Preferred Stock shall be converted, may be uncertificated shares, *provided that* the names of the holders of all uncertificated shares and the number of such shares held by each holder shall be registered at the offices of the Corporation or the transfer agent for such shares. In the event that any shares shall be uncertificated, all references herein to the surrender or issuance of stock certificates shall have no application to such uncertificated shares.

CERTIFICATE OF AMENDMENT OF
RESTATED CERTIFICATE OF INCORPORATION OF
EXXON CORPORATION

Pursuant to N.J.S. 14A:7-15.1(3)
Effective Date: March 14, 1997

Exxon Corporation, a New Jersey corporation, to amend its Restated Certificate of Incorporation to effect a share division, hereby certifies:

1. The name of the corporation is Exxon Corporation.

2. The date of adoption by the Board of Directors of the corporation of the resolutions approving the share division was February 26, 1997.

3. This amendment to the Restated Certificate of Incorporation will not adversely affect the rights or preferences of the holders of outstanding shares of any class or series of the corporation and will not result in the percentage of authorized shares that remains unissued after the share division exceeding the percentage of authorized shares that was unissued before the share division.

4. The class of shares of the corporation subject to the division is the common stock without par value. The number of shares of common stock of the corporation subject to the division is 1,491,818,048. All the issued shares of common stock without par value shall be divided into two shares of common stock without par value.

5. To effect an amendment of the corporation's Restated Certificate of Incorporation to increase the number of authorized shares of the corporation's common stock without par value from two billion (2,000,000,000) to three billion (3,000,000,000), the first sentence of Article Fourth of the corporation's Restated Certificate of Incorporation is hereby to read, in its entirety, as follows:

> "The aggregate number of shares which the corporation shall have authority to issue is three billion two hundred million (3,200,000,000) shares, divided into two hundred million (200,000,000) shares of preferred stock without par value and three billion (3,000,000,000) shares of common stock without par value."

6. This amendment and the share division shall become effective at 5:00 p.m. New Jersey time on March 14, 1997.

IN WITNESS WHEREOF, Exxon Corporation has caused this certificate to be executed on its behalf by its duly authorized officer as of the 26th day of February, 1997.

EXXON CORPORATION

By: /s/ Lee R. Raymond

L.R. Raymond, Chairman

EXXON CORPORATION
RESTRICTED STOCK PLAN FOR NONEMPLOYEE DIRECTORS
(As last amended on January 29, 1997)

I. Purpose. The purpose of the Restricted Stock Plan of Nonemployee Directors is to provide ownership of the Corporation's common stock to nonemployee members of the Board of Directors in order to improve the Corporation's ability to attract and retain highly qualified individuals to serve as directors of the Corporation; to provide competitive remuneration for Board service; to enhance the breadth of nonemployee director remuneration; and to strengthen the commonality of interest between directors and shareholders.

II. Effective Date. The effective date of the Plan shall be January 1, 1989, contingent upon shareholder approval. The Plan shall be submitted to the shareholders of the Corporation for their approval at the annual meeting of shareholders to be held in 1989.

III. Definitions. In this Plan, the following definitions apply:

(1) "Award" means a restricted stock award granted under this Plan.

(2) "Board" means Board of Directors of the Corporation.

(3) "Common Stock" means Corporation common stock without par value.

(4) "Corporation" means Exxon Corporation, a New Jersey corporation.

(5) "Disability" means a medically determinable physical or mental impairment which renders a participant substantially unable to function as a director of the Corporation.

(6) "Nonemployee Director" means any member of the Corporation's Board of Directors who is not also an employee of the Corporation or of any affiliate of the Corporation.

(7) "Participant" means each nonemployee director to whom a restricted stock award is granted under the Plan.

(8) "Plan" means this Exxon Corporation Restricted Stock Plan for Nonemployee Directors.

(9) "Restricted Period" means the period of time from the date of grant of an award until the restrictions lapse.

(10) "Restricted Stock" means any share of common stock granted under the Plan while subject to restrictions.

(11) "Share" means a share of common stock of the Corporation issued and reacquired by the Corporation or previously authorized but unissued.

IV. Administration. The Board shall administer the Plan. The Chairman of the Board shall have responsibility to conclusively interpret the provisions of the Plan and decide all questions of fact arising in its application. Determinations made with respect to any individual participant shall be made without participation by that director.

This Plan and all action taken under it shall be governed, as to construction and administration, by the law of the State of New York.

During the restricted period shares of common stock granted under the Plan are not subject in whole or in part, to attachment, execution, or levy of any kind.

V. Eligibility and Awards. Each nonemployee director on the effective date of the Plan shall be granted an award of one thousand five hundred (1,500) shares of restricted stock. Each person who becomes a nonemployee director for the first time after the effective date of the Plan shall be granted an award of one thousand five hundred (1,500) shares of restricted stock effective as of the date such person becomes a nonemployee director.

Commencing with 1990, each incumbent nonemployee director shall be granted an award as of the beginning of each year of two hundred (200) shares of restricted stock.

Each award shall be evidenced by a written agreement executed by or on behalf of the Corporation and the participant.

The Board may at any time discontinue granting awards under the Plan.

VI. Restricted Period. The Restricted Period shall commence on the date an award is granted and shall expire upon the earlier to occur of the participant's termination of service on the Board

after reaching the age, as determined by the Board, at which the participant is no longer eligible to stand for election, or

by reason of disability or death.

Upon recommendation of the Chairman, the Board shall have the right in its sole and absolute discretion to bring the restricted period to an earlier expiration with respect to some or all of the restricted stock of any individual participant.

VII. Terms and Conditions of Restricted Stock. A stock certificate representing the number of shares of restricted stock granted shall be registered in the participant's name but shall be held in custody by the Corporation for the participant's account. Each restricted stock certificate shall bear a legend giving notice of the restrictions. Each participant must also endorse in blank and return to the Corporation a stock power for each restricted stock certificate.

During the restricted period the participant shall not be entitled to delivery of the certificate and cannot sell, transfer, assign, pledge, or otherwise encumber or dispose of the restricted stock. Otherwise during the restricted period the participant shall have all rights and privileges of a shareholder with respect to the restricted stock including the rights to vote the shares and to receive dividends paid (other than in stock). If the participant has remained a member of the Board for the entire restricted period, restrictions shall lapse at the end of the restricted period. If the participant ceases to be a member of the Board prior to the expiration of the restricted period, all of the shares of restricted stock shall be forfeited and all right, title, and interest of the participant to such shares shall terminate without further obligation on the part of the Corporation.

At the expiration of the restricted period, a stock certificate free of all restrictions for the number of shares of restricted stock registered in the name of a participant shall be delivered to that participant or that participant's estate.

VII. Regulatory Compliance and Listing. The issuance or delivery of any shares of restricted stock may be postponed by the Corporation for such period as may be required to comply with any applicable requirements under the Federal securities laws, any applicable listing requirements of any national securities exchange, or any requirements under any other law or regulation applicable to the issuance or delivery of such shares. The Corporation shall not be obligated to issue or deliver any such shares if the issuance or delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

IX. Adjustments. Whenever a stock split, stock dividend, or other relevant change in capitalization occurs:

the number of shares specified to be granted under this Plan upon first entitlement and annually thereafter shall be appropriately adjusted, and

any new, additional, or different shares or securities issued with respect to restricted stock previously awarded under the Plan will be delivered to and held by the Corporation for the participant's account and will be deemed included within the term restricted stock.

X. Amendment of the Plan. Upon recommendation of the Chairman, the Board can from time to time amend this Plan or any provision thereof prospectively or retroactively except that as established in Section V:

the eligibility for awards cannot be changed,

the number of shares that may be granted cannot be increased,

the timing of each award cannot be materially modified, and

the Plan provisions relating to the number of shares granted, the price to be paid, if any, and the timing of awards may not in any event be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder.

Office of the Secretary
Revised January 29, 1997

EXHIBIT 10(iii)(f)

EXXON CORPORATION
1997 NONEMPLOYEE DIRECTOR RESTRICTED STOCK PLAN

I. Purpose. The purpose of the 1997 Nonemployee Director Restricted Stock Plan is to provide ownership of the Corporation's common stock to nonemployee members of the Board in order to improve the Corporation's ability to attract and retain highly qualified individuals to serve as directors of the Corporation; to provide competitive remuneration for Board service; to enhance the breadth of nonemployee director remuneration; and to strengthen the commonality of interest between directors and shareholders.

II. Effective Date. The effective date of the Plan shall be the date the Plan is approved and adopted by the Board.

III. Definitions. In this Plan, the following definitions apply:

(1) "Award" means a restricted stock award granted under this Plan.

(2) "Board" means the Board of Directors of the Corporation.

(3) "Common stock" means Corporation common stock without par value.

(4) "Corporation" means Exxon Corporation, a New Jersey corporation.

(5) "Disability" means a medically determinable physical or mental impairment which renders a participant substantially unable to function as a director of the Corporation.

(6) "Nonemployee director" means any member of the Corporation's Board who is not also an employee of the Corporation or of any affiliate of the Corporation.

(7) "Participant" means each nonemployee director to whom a restricted stock award is granted under the Plan.

(8) "Plan" means this Exxon Corporation 1997 Nonemployee Director Restricted Stock Plan.

(9) "Restricted period" means the period of time from the date of grant of an award until the restrictions lapse.

(10) "Restricted stock" means any share of common stock granted under the Plan while subject to restrictions.

(11) "Share" means a share of common stock of the Corporation issued and reacquired by the Corporation or previously authorized but unissued.

IV. Administration. The Board shall administer the Plan. The Chairman of the Board shall have responsibility to conclusively interpret the provisions of the Plan and decide all questions of fact arising in its application. Determinations made with respect to any individual participant shall be made without participation by that director.

This Plan and all action taken under it shall be governed, as to construction and administration, by the law of the State of New York.

During the restricted period shares of common stock granted under the Plan are not subject in whole or in part to attachment, execution, or levy of any kind.

V. Eligibility and Awards. Each nonemployee director on the effective date of the Plan shall be granted an award of three hundred (300) shares of restricted stock representing the annual grant for 1997, together with an additional award of five hundred (500) shares of restricted stock.

Each person who becomes a nonemployee director for the first time after the effective date of the Plan shall be granted an award of two thousand (2,000) shares of restricted stock, effective as of the date such person becomes a nonemployee director.

Commencing with 1998, each incumbent nonemployee director shall be granted an award as of the beginning of each year of three hundred (300) shares of restricted stock.

Each award shall be evidenced by a written instrument or agreement executed by or on behalf of the Corporation and the participant.

VI. Restricted Period. The restricted period shall commence on the date an award is granted and shall expire upon the earlier to occur of the participant's termination of service on the Board

after reaching the age, as determined by the Board, at which the participant is no longer eligible to stand for election, or

by reason of disability or death.

Upon recommendation of the Chairman, the Board shall have the right in its sole and absolute discretion to bring the restricted period to an earlier expiration with respect to some or all of the restricted stock of any individual participant.

VII. Terms and Conditions of Restricted Stock. A stock certificate representing the number of shares of restricted stock granted shall be registered in the participant's name but shall be held in custody by the Corporation or its agent for the participant's account. Each restricted stock certificate shall bear a legend giving notice of the restrictions. Alternatively, in the sole discretion of the Corporation, shares of restricted stock may be held in book-entry form by the Corporation or its agent for the participant's account, with appropriate notation of the restrictions made in the custodian's records. Each participant must also endorse in blank and return to the Corporation a stock power for the shares of restricted stock.

During the restricted period the participant shall not be entitled to delivery of certificates for the restricted stock and cannot sell, transfer, assign, pledge, or otherwise encumber or dispose of the restricted stock. Otherwise during the restricted period the participant shall have all rights and privileges of a shareholder with respect to the restricted stock, including the rights to vote the shares and to receive dividends paid (other than in stock). If the participant has remained a member of the Board for the entire restricted period, restrictions shall lapse at the end of the restricted period. If the participant ceases to be a member of the Board prior to the expiration of the restricted period, all of the shares of restricted stock shall be forfeited and all right, title, and interest of the participant to such shares shall terminate without further obligation on the part of the Corporation.

At the expiration of the restricted period, one or more stock certificates free of all restrictions for the number of shares of restricted stock registered in the name of a participant shall be delivered to that participant or that participant's estate.

VIII. Regulatory Compliance and Listing. The issuance or delivery of any shares of restricted stock may be postponed by the Corporation for such period as may be required to comply with any applicable requirements under the federal securities laws, any applicable listing requirements of any national securities exchange, or any requirements under any other law or regulation applicable to the issuance or delivery of such shares. The Corporation shall not be obligated to issue or deliver any such shares if the issuance or delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

IX. Adjustments. Whenever a stock split, stock dividend, or other relevant change in capitalization occurs:

the number of shares specified to be granted under this Plan upon first entitlement and annually thereafter shall be appropriately adjusted, and

any new, additional, or different shares or securities issued with respect to restricted stock previously awarded under the Plan will be delivered to and held by the Corporation or its agent for the participant's account and will be deemed included within the term restricted stock.

X. Amendment of the Plan. Upon recommendation of the Chairman, the Board can from time to time amend this Plan or any provision thereof prospectively or retroactively, or can cease making further awards hereunder.

EXHIBIT 12

EXXON CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(MILLIONS OF DOLLARS)

	YEAR ENDED DECEMBER 31,				
	1996	1995	1994	1993	1992
Income before cumulative effect of accounting changes..................	$ 7,510	$ 6,470	$5,100	$5,280	$4,810
Excess/(shortfall) of dividends over earnings of affiliates owned less than 50% accounted for by the equity method..............................	33	25	(20)	(24)	(28)
Provision for income taxes(1)........	4,893	4,428	3,025	3,113	2,811
Capitalized interest.................	(389)	(418)	(306)	(291)	(287)
Minority interests in earnings of consolidated subsidiaries...........	382	299	231	246	229
	12,429	10,804	8,030	8,324	7,535
Fixed Charges:(1)					
Interest expense--borrowings........	359	478	530	533	580
Capitalized interest................	520	533	405	374	364
Rental expense representative of interest factor....................	447	416	401	387	382
Dividends on preferred stock........	3	3	3	7	29
	1,329	1,430	1,339	1,301	1,355
Total adjusted earnings available for payment of fixed charges............	$13,758	$12,234	$9,369	$9,625	$8,890
Number of times fixed charges are earned..............................	10.4	8.6	7.0	7.4	6.6

- - ---------------------

Note:

(1) The provision for income taxes and the fixed charges include Exxon Corporation's share of non-consolidated companies 50% owned.

- - ---
FINANCIAL SECTION
- - ---

FINANCIAL SUMMARY

	1996	1995	1994	1993	1992
	(millions of dollars, except per share amounts)				
Sales and other operating revenue					
Petroleum and natural gas	$ 118,012	$ 107,749	$ 100,409	$ 98,808	$ 104,282
Chemicals	11,430	11,737	9,544	8,641	9,131
Other and eliminations	2,101	2,318	2,175	2,083	2,259
Total sales and other operating revenue	$ 131,543	$ 121,804	$ 112,128	$ 109,532	$ 115,672
Earnings from equity interests and other revenue	2,706	2,116	1,776	1,679	1,434
Revenue	$ 134,249	$ 123,920	$ 113,904	$ 111,211	$ 117,106
Earnings					
Petroleum and natural gas					
Exploration and production	$ 5,058	$ 3,412	$ 2,782	$ 3,313	$ 3,374
Refining and marketing	885	1,272	1,389	2,015	1,574
Total petroleum and natural gas	$ 5,943	$ 4,684	$ 4,171	$ 5,328	$ 4,948
Chemicals	1,199	2,018	954	411	451
Other operations	433	479	409	138	254
Corporate and financing	(65)	(711)	(434)	(597)	(843)
Earnings before cumulative effect of accounting changes	$ 7,510	$ 6,470	$ 5,100	$ 5,280	$ 4,810
Cumulative effect of accounting changes	--	--	--	--	(40)
Net income	$ 7,510	$ 6,470	$ 5,100	$ 5,280	$ 4,770
Net income per common share	$ 6.02	$ 5.18	$ 4.07	$ 4.21	$ 3.79
- before cumulative effect of accounting changes	$ 6.02	$ 5.18	$ 4.07	$ 4.21	$ 3.82
Cash dividends per common share	$ 3.12	$ 3.00	$ 2.91	$ 2.88	$ 2.83
Net income to average shareholders' equity (percent)	17.9	16.6	14.1	15.4	13.9
Net income to total revenue (percent)	5.6	5.2	4.5	4.7	4.1
Working capital	$ 405	$ (1,418)	$ (3,033)	$ (3,731)	$ (3,239)
Ratio of current assets to current liabilities	1.02	0.92	0.84	0.80	0.84
Total additions to property, plant and equipment	$ 7,132	$ 7,201	$ 6,568	$ 6,919	$ 7,138
Property, plant and equipment, less allowances	$ 66,607	$ 65,446	$ 63,425	$ 61,962	$ 61,799
Total assets	$ 95,527	$ 91,296	$ 87,862	$ 84,145	$ 85,030
Exploration expenses, including dry holes	$ 763	$ 693	$ 666	$ 648	$ 808
Research and development costs	$ 520	$ 525	$ 558	$ 593	$ 624
Long-term debt	$ 7,236	$ 7,778	$ 8,831	$ 8,506	$ 8,637
Total debt	$ 9,746	$ 10,025	$ 12,689	$ 12,615	$ 13,424
Fixed charge coverage ratio	10.4	8.6	7.0	7.4	6.6
Debt to capital (percent)	17.7	19.0	24.3	25.3	26.8
Shareholders' equity at year-end	$ 43,542	$ 40,436	$ 37,415	$ 34,792	$ 33,776
Shareholders' equity per common share	$ 35.06	$ 32.56	$ 30.13	$ 28.02	$ 27.20
Average number of common shares outstanding (millions)	1,242	1,242	1,242	1,242	1,242
Number of registered shareholders at year-end (thousands)	610	603	608	622	629
Wages, salaries and employee benefits	$ 5,710	$ 5,799	$ 5,881	$ 5,916	$ 5,985
Number of employees at year-end (thousands)	79	82	86	91	95

- - ---

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- - ---

REVIEW OF 1996 RESULTS

Record net income of $7,510 million in 1996 compared with the previous record of $6,470 million in 1995. Earnings growth resulted from increased natural gas, petroleum product and chemical sales, stronger crude oil and natural gas prices, and continued progress in reducing unit operating expenses. These factors more than offset weaker industry margins in the chemicals, downstream and minerals businesses. Results for 1996 included $535 million in non-recurring credits ($410 million in the fourth quarter) as a result of the resolution of outstanding tax issues with a number of governments, while 1995 included $90 million of non-recurring credits (all in the fourth quarter). This is the sixth consecutive year in which non-recurring items benefited earnings and cash flow.

Revenue for 1996 totaled $134 billion, up 8 percent from 1995, and the cost of crude oil and product purchases increased 12 percent. The combined total of operating costs (including Exxon's share of equity company costs) increased only 1% in 1996 despite higher volumes. Unit operating expenses were reduced in all operating segments after excluding the effects of higher fuel prices and the generally stronger U.S. dollar. Interest expense in 1996 declined from the prior year as impacts of lower debt levels and interest rates more than offset foreign exchange effects.

Exploration and Production

Worldwide crude oil prices were on average about $3.75 per barrel above the prior year, and natural gas prices were stronger, particularly in North America. Liquids production was 1,615 kbd (thousand barrels per day) compared with 1,726 kbd in 1995. Increased production from new developments in the North Sea was offset by the near-term effect of a revised production sharing agreement in Malaysia and lower volumes in North America and Australia. Natural gas production of 6,577 mcfd (million cubic feet per day) was the highest level in the last 15 years and up 9 percent from 1995, due to colder weather in Europe and the U.S. and increased sales in Malaysia. Earnings from U.S. exploration and production operations were $1,781 million, up from $1,061 million in 1995, as a result of stronger crude oil and natural gas prices and reduced operating expenses. Outside the U.S., earnings from exploration and production operations were $3,277 million versus $2,351 million in 1995. Non-U.S. results benefited from higher gas sales as well as increased crude oil and natural gas prices.

Refining and Marketing

Petroleum product sales of 5,211 kbd were the highest in 17 years and up 3 percent from 1995, on the strength of increased clean product volumes in most major geographic areas. Refinery throughput was 3,792 kbd, up 4 percent from 1995, and the highest level since 1982. U.S. refining and marketing earnings were $169 million, compared with $229 million in 1995. Industry refining margins in the U.S. improved relative to 1995's low level, but were offset by increases in scheduled refinery maintenance activity and higher costs for fuel consumed. Refining and marketing operations outside the U.S. earned $716 million, down from $1,043 million in 1995, and were affected by weak industry conditions in the U.K. and Japan.

Chemicals

Earnings from chemical operations totaled $1,199 million, down from 1995's record of $2,018 million. Exxon achieved record prime product sales of 15,712 thousand metric tons in 1996, up 9 percent from the prior year, but industry product prices were lower and feedstock costs higher than year ago levels.

Other Operations

Earnings from other operating segments were $433 million, down from $479 million in 1995. Copper and coal production from continuing operations were at record levels. International coal prices were higher, but copper prices were down significantly from the prior year.

Corporate and Financing

Corporate and financing expenses of $65 million declined from $711 million in 1995 due to $305 million in non-recurring credits and lower tax-related charges and interest costs.

REVIEW OF 1995 RESULTS

Net income of $6,470 million in 1995 compared with $5,100 million in 1994. Production and sales volumes increased in all business segments and progress continued in reducing operating costs. Upstream earnings benefited from stronger worldwide crude prices, but downstream margins were depressed throughout the year. Chemicals earnings were more than double those achieved in 1994, and earnings from the coal, minerals and power businesses were up significantly. Results in 1995 included $90 million of credits for settlement of outstanding natural gas contract claims (all in the fourth quarter), while 1994 included $489 million of credits from asset sales and tax-related items ($423 million for the fourth quarter).

Revenue for 1995 totaled $124 billion, up 9 percent from 1994, and the cost of crude oil and product purchases increased 7 percent.

The combined total of operating costs (including operating, selling, general, administrative, exploration, depreciation and depletion expenses from the consolidated statement of income and Exxon's share of similar costs for equity companies) increased 3 percent in 1995. Excluding the impacts of the weaker U.S. dollar and volume growth, operating expenses were reduced by about $600 million from 1994 reflecting ongoing cost reduction efforts. Unit operating costs in 1995 were lower than 1994 in all major operating segments. Interest expense in 1995 was $240 million lower than in 1994 as lower debt levels and foreign exchange effects offset the impact of higher interest rates.

Exploration and Production

Worldwide crude prices during 1995 were on average about $1.25 per barrel above the prior year. Liquids production of 1,726 kbd was the highest level achieved since 1989, and was up from 1,709 kbd in 1994, principally as a result of increased production from new developments in the U.S. and North Sea. Natural gas production of 6,013 mcfd increased from 5,978 mcfd in 1994 and was the highest level since 1981. Increased production in the Asia-Pacific region and the U.S. was partially offset by lower demand in Europe, as a result of unseasonably warm temperatures during the first half of 1995. Excluding special items, earnings from U.S. exploration and production operations were $971 million, up from $852 million in 1994. Outside the U.S., earnings from exploration and production operations were $2,351 million versus $1,864 million in 1994, after excluding special items.

Refining and Marketing

Refining and marketing earnings were lower in 1995 than in 1994 due to much weaker industry refining margins. However, petroleum product sales of 5,076 kbd were the highest since 1979 and up from 5,028 kbd in 1994, with most of the growth in the Asia-Pacific region. U.S. refining and marketing earnings were $229 million compared with $243 million in the prior year. The impact of weaker product margins was offset by increased motor gasoline sales and lower refinery maintenance expense in 1995. Earnings from refining and marketing operations outside the U.S. were $1,043 million, down from $1,146 million in 1994, due principally to extremely weak refining margins in Europe.

Chemicals

Earnings from chemical operations totaled $2,018 million, more than double 1994 earnings. Higher product margins and sales volumes produced the earnings improvement. In 1995 prime product sales of 14,377 thousand metric tons were up 408 thousand metric tons versus the prior year.

Other Operations

Earnings from other operating segments were $479 million, up from $302 million in 1994 after excluding gains on asset sales. Prices for both copper and coal were higher, and copper and coal production from ongoing operations were also up from 1994.

Corporate and Financing

Corporate and financing expenses in 1995 of $711 million were down $39 million from the prior year, after excluding non-recurring credits in 1994. Lower debt levels offset the impact of higher interest rates.

IMPACT OF INFLATION, CHANGING PRICES AND OTHER AND OTHER UNCERTAINTIES

The general rate of inflation in most major countries of operation has been relatively low in recent years, and the associated impact on operating costs has been countered by cost reductions from efficiency and productivity improvements.

In the past, crude oil and product prices have fluctuated widely in response to changing market forces. The impacts of these price fluctuations on earnings from exploration and production operations, refining and marketing operations and chemical operations have been varied, tending at times to be offsetting.

Aggregate foreign exchange transaction gains/losses included in net income are discussed in note 2 to the consolidated financial statements. The corporation makes limited use of currency exchange contracts to reduce the risk of adverse foreign currency movements related to certain foreign currency debt obligations.

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.

SITE RESTORATION AND OTHER ENVIRONMENTAL COSTS

Over the years the corporation has accrued provisions for estimated site restoration costs to be incurred at the end of the operating life of certain of its facilities and properties. In addition, the corporation accrues provisions for environmental liabilities in the many countries in which it does business when it is probable that obligations have been incurred and the amounts can be reasonably estimated. This policy applies to assets or businesses currently owned or previously disposed. The corporation has accrued provisions for probable environmental remediation obligations at various sites, including multi-party sites where Exxon has been identified as one of the potentially responsible parties by the U.S. Environmental Protection Agency. The involvement of other financially responsible companies at these multi-party sites mitigates Exxon's actual joint and several liability exposure. At present, no individual site is expected to have losses material to Exxon's operations, financial condition or liquidity.

Charges made against income for site restoration and environmental liabilities were $146 million in 1996, $215 million in 1995 and $160 million in 1994. At the end of 1996, accumulated site restoration and environmental provisions, after reduction for amounts paid, amounted to $2.6 billion. Exxon believes that any cost in excess of the amounts already provided for in the financial statements would not have a materially adverse effect upon the corporation's operations, financial condition or liquidity.

In 1996, the corporation spent $1,561 million (of which $457 million were capital expenditures) on environmental conservation projects and expenses worldwide, mostly dealing with air and water conservation. Total expenditures for such activities are expected to be about $1.6 billion in each year 1997 and 1998 (with capital expenditures representing about 30 percent of the total).

TAXES

Income, excise and all other taxes and duties totaled $43.8 billion in 1996, an increase of $2.6 billion, or 6 percent. Income tax expense, both current and deferred, was $4.4 billion compared to $4.0 billion in 1995, reflecting higher pre-tax income in 1996 and a lower effective tax rate - 39.9 percent in 1996 versus 41.4 percent in 1995. Excise and all other taxes and duties were $2.1 billion higher reflecting increased sales.

Income, excise and all other taxes and duties totaled $41.2 billion in 1995, an increase of $4.9 billion, or 13 percent. Income tax expense, both current and deferred, was $4.0 billion compared to $2.7 billion in 1994, reflecting higher pre-tax income in 1995 and a higher effective tax rate - 41.4 percent in 1995 versus 38.5 percent in 1994. Excise taxes and all other taxes and duties were $3.6 billion higher reflecting increased sales.

LIQUIDITY AND CAPITAL RESOURCES

In 1996, cash provided by operating activities totaled $13.2 billion, down $0.6 billion from 1995. Major sources of funds were net income of $7.5 billion and non-cash provisions of $5.3 billion for depreciation and depletion.

Cash used in investing activities totaled $6.5 billion, up $0.1 billion from 1995 primarily as a result of higher additions to property, plant and equipment.

Cash used in financing activities was $5.2 billion. Dividend payments on common shares were increased from $3.00 per share to $3.12 per share and totaled $3.9 billion, a payout of 52 percent. Total consolidated debt decreased by $0.3 billion to $9.7 billion.

Shareholders' equity increased by $3.1 billion to $43.5 billion. The ratio of debt to capital decreased to 18 percent in 1996 compared to 19 percent in 1995.

In 1995, cash provided by operating activities totaled $13.8 billion, up $4.0 billion from 1994. Major sources of funds were net income of $6.5 billion and non-cash provisions of $5.4 billion for depreciation and depletion.

Cash used in investing activities totaled $6.4 billion in 1995, up from $5.4 billion in 1994, primarily as a result of higher additions to property, plant and equipment and lower asset sales.

Cash used in financing activities was $7.1 billion in 1995. Dividend payments on common shares were increased from $2.91 per share to $3.00 per share and totaled $3.7 billion, a payout of 58 percent. Total consolidated debt decreased $2.7 billion to $10.0 billion.

Shareholders' equity increased by $3.0 billion to $40.4 billion. The ratio of debt to capital decreased to 19 percent in 1995 compared to 24 percent in 1994.

In 1996 and 1995, the corporation strengthened its financial position and flexibility to meet future financial needs. 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.

As discussed in note 10 to the consolidated financial statements, the corporation's financial derivative activities are limited to simple risk management strategies. The corporation does not trade in financial derivatives nor does it use financial derivatives with leveraged features. The corporation maintains a system of controls that includes a policy covering the authorization, reporting and monitoring of derivative activity. The corporation's derivative activities pose no material credit or market risks to Exxon's operations, financial condition or liquidity.

As discussed in note 13 to the consolidated financial statements, 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. 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. Since it is impossible to estimate what the ultimate earnings impact will be, no charge was taken in 1995 or 1996 related to these verdicts.

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. Income statement recognition of this settlement will be deferred in view of uncertainty regarding the ultimate cost to the corporation of the Valdez accident.

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. Ultimate resolution of this issue and several other tax and legal issues, notably a settlement of gas lifting imbalances in the common border area between the Netherlands and Germany, is not expected to have a materially adverse effect upon the corporation's operations, financial condition or liquidity.

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.

CAPITAL AND EXPLORATION EXPENDITURES

Capital and exploration expenditures in 1996 were $9.2 billion compared to $9.0 billion in 1995.

Exploration and production expenditures totaled $4.9 billion in 1996, up 4 percent from $4.7 billion in 1995, reflecting higher spending for exploration and development drilling and for several projects in the Gulf of Mexico. Capital investments in refining and marketing totaled $2.0 billion in 1996, essentially the same as in 1995.

Chemicals capital expenditures were $1.6 billion in 1996, up 49% from $1.1 billion in 1995, on investments to increase plant capacity in the U.S. and acquisitions in Europe.

Investments in the power segment were $0.4 billion in 1996, down $0.3 billion from 1995 when the Hong Kong Black Point Power Station construction activities peaked.

Capital and exploration expenditures in the U.S. totaled $2.4 billion in 1996, an increase of 15 percent from 1995. Spending outside the U.S. of $6.8 billion in 1996 was essentially unchanged from 1995. Total capital and exploration expenditures in 1997 should be at similar levels to 1996, as attractive investment opportunities continue to be developed in each of the major business segments.

Firm commitments related to capital projects underway at year-end 1996 totaled approximately $2.4 billion, with the largest single commitment being $0.5 billion associated with the Black Point Power project. Similar commitments were $3.2 billion at the end of 1995. The corporation expects to fund the majority of these commitments through internally generated funds.

```
++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++
++++++     +++++++              ++++++     +++++++            ++++++     +++++++
+                +              +                +            +                +
+                +              +                +            +                +
+    GRAPH #1    +              +    GRAPH #2    +            +    GRAPH #3    +
+                +              +                +            +                +
+                +              +                +            +                +
++++++++++++++++++              ++++++++++++++++++            ++++++++++++++++++
```

GRAPH #1 - FUNCTIONAL EARNINGS. Five-year history of earnings by function (Exploration & Production, Refining & Marketing, Chemicals and Other) and net income.

GRAPH #2 - SOURCES AND USES OF CASH. Five-year history of cash sources (Cash from Operations and Asset Sales) compared to cash uses (Plant Additions and Dividends/Changes in Debt/Other).

GRAPH #3 - CAPITAL AND EXPLORATION EXPENDITURES. Five-year history of capital and exploration expenditures by function (Exploration & Production, Refining & Marketing, Chemicals and Other).

CONSOLIDATED BALANCE SHEET

	Dec. 31 1996	Dec. 31 1995
	(millions of dollars)	
Assets		
Current assets		
Cash and cash equivalents	$ 2,951	$ 1,508
Other marketable securities	18	281
Notes and accounts receivable, less estimated doubtful amounts	10,499	8,925
Inventories		
Crude oil, products and merchandise	4,501	4,865
Materials and supplies	784	816
Prepaid taxes and expenses	1,157	923
Total current assets	$19,910	$17,318
Investments and advances	6,010	5,697
Property, plant and equipment, at cost, less accumulated depreciation and depletion	66,607	65,446
Other assets, including intangibles, net	3,000	2,835
Total assets	$95,527	$91,296
Liabilities		
Current liabilities		
Notes and loans payable	$ 2,510	$ 2,247
Accounts payable and accrued liabilities	14,510	14,113
Income taxes payable	2,485	2,376
Total current liabilities	$19,505	$18,736
Long-term debt	7,236	7,778
Annuity reserves and accrued liabilities	9,195	8,770
Deferred income tax liabilities	13,475	12,431
Deferred credits	660	975
Equity of minority and preferred shareholders in affiliated companies	1,914	2,170
Total liabilities	$51,985	$50,860
Shareholders' Equity		
Preferred stock without par value (authorized 200 million shares)	$ 303	$ 454
Guaranteed LESOP obligation	(345)	(501)
Common stock without par value (authorized 2,000 million shares, 1,813 million issued)	2,822	2,822
Earnings reinvested	57,156	53,539
Cumulative foreign exchange translation adjustment	1,126	1,339
Common stock held in treasury (571 million shares in 1996 and 1995)	(17,520)	(17,217)
Total shareholders' equity	$43,542	$40,436
Total liabilities and shareholders' equity	$95,527	$91,296

The information on pages F11 through F20 is an integral part of these statements.

CONSOLIDATED STATEMENT OF INCOME

	1996	1995	1994
	(millions of dollars)		
Revenue			
Sales and other operating revenue, including excise taxes	$131,543	$121,804	$112,128
Earnings from equity interests and other revenue	2,706	2,116	1,776
Total revenue	$134,249	$123,920	$113,904
Costs and other deductions			
Crude oil and product purchases	$ 56,406	$ 50,320	$ 46,867
Operating expenses	13,255	12,772	12,703
Selling, general and administrative expenses	7,961	7,802	7,745
Depreciation and depletion	5,329	5,386	5,015
Exploration expenses, including dry holes	763	693	666
Interest expense	464	485	725
Excise taxes	14,815	13,911	12,445
Other taxes and duties	22,956	21,808	19,701
Income applicable to minority and preferred interests	384	301	233
Total costs and other deductions	$122,333	$113,478	$106,100
Income before income taxes	$ 11,916	$ 10,442	$ 7,804
Income taxes	4,406	3,972	2,704
Net income	$ 7,510	$ 6,470	$ 5,100
Net income per common share (dollars)	$ 6.02	$ 5.18	$ 4.07

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	1996		1995		1994	
	Shares	Dollars	Shares	Dollars	Shares	Dollars
	(millions)					
Preferred stock outstanding at end of year	5	$ 303	7	$ 454	9	$ 554
Guaranteed LESOP obligation		(345)		(501)		(613)
Common stock issued at end of year	1,813	2,822	1,813	2,822	1,813	2,822
Earnings reinvested						
At beginning of year		$ 53,539		$ 50,821		$ 49,365
Net income for year		7,510		6,470		5,100
Dividends - common and preferred shares		(3,893)		(3,752)		(3,644)
At end of year		$ 57,156		$ 53,539		$ 50,821
Cumulative foreign exchange translation adjustment						
At beginning of year		$ 1,339		$ 848		$ (370)
Change during the year		(213)		491		1,218
At end of year		$ 1,126		$ 1,339		$ 848
Common stock held in treasury						
At beginning of year	(571)	$(17,217)	(571)	$(17,017)	(571)	$(16,977)
Acquisitions, at cost	(9)	(801)	(9)	(628)	(4)	(220)
Dispositions	9	498	9	428	4	180
At end of year	(571)	$(17,520)	(571)	$(17,217)	(571)	$(17,017)
Shareholders' equity at end of year		$ 43,542		$ 40,436		$ 37,415
Common shares outstanding at end of year	1,242		1,242		1,242	

The information on pages F11 through F20 is an integral part of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	1996	1995	1994
	(millions of dollars)		
Cash flows from operating activities			
Net income			
Accruing to Exxon shareholders	$ 7,510	$ 6,470	$ 5,100
Accruing to minority and preferred interests	384	301	233
Adjustments for non-cash transactions			
Depreciation and depletion	5,329	5,386	5,015
Deferred income tax charges	835	1,043	260
Annuity and accrued liability provisions	514	843	(662)
Dividends received greater than/(less than) equity in current earnings of equity companies	11	(22)	(3)
Changes in operational working capital, excluding cash and debt			
Reduction/(increase) - Notes and accounts receivable	(1,702)	(702)	(923)
- Inventories	246	37	180
- Prepaid taxes and expenses	(81)	109	(111)
Increase/(reduction) - Accounts and other payables	495	546	565
All other items - net	(379)	(164)	197
Net cash provided by operating activities	$13,162	$ 13,847	$ 9,851
Cash flows from investing activities			
Additions to property, plant and equipment	$(7,209)	$(7,128)	$(6,643)
Sales of subsidiaries and property, plant and equipment	719	666	1,359
Additional investments and advances	(810)	(530)	(309)
Sales of investments and collection of advances	522	285	158
Additions to other marketable securities	(159)	(380)	(1,341)
Sales of other marketable securities	422	732	1,354
Net cash used in investing activities	$(6,515)	$(6,355)	$(5,422)
Net cash generation before financing activities	$ 6,647	$ 7,492	$ 4,429
Cash flows from financing activities			
Additions to long-term debt	$ 659	$ 1,092	$ 1,221
Reductions in long-term debt	(806)	(1,492)	(377)
Additions to short-term debt	261	423	330
Reductions in short-term debt	(607)	(901)	(1,205)
Additions/(reductions) in debt with less than 90 day maturity	239	(1,827)	5
Cash dividends to Exxon shareholders	(3,902)	(3,765)	(3,659)
Cash dividends to minority interests	(291)	(282)	(420)
Changes in minority interests and sales/(redemptions) of affiliate preferred stock	(338)	(84)	25
Common stock acquired	(801)	(628)	(220)
Common stock sold	347	328	66
Net cash used in financing activities	$(5,239)	$(7,136)	$(4,234)
Effects of exchange rate changes on cash	$ 35	$ (5)	$ (21)
Increase in cash and cash equivalents	$ 1,443	$ 351	$ 174
Cash and cash equivalents at beginning of year	1,508	1,157	983
Cash and cash equivalents at end of year	$ 2,951	$ 1,508	$ 1,157

The information on pages F11 through F20 is an integral part of these statements.

- - --
REPORT OF INDEPENDENT ACCOUNTANTS
- - --

Price Waterhouse LLP

Dallas, Texas
February 26, 1997

To the Shareholders of Exxon Corporation

In our opinion, the consolidated financial statements appearing on pages F8 through F20 present fairly, in all material respects, the financial position of Exxon Corporation and its subsidiary companies at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP

- - --
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- - --

The company's principal business is energy involving the worldwide exploration, production, transportation and sale of crude oil and natural gas and the manufacture, transportation and sale of petroleum products. The company is also a major worldwide manufacturer and marketer of petrochemicals, and participates in coal and minerals mining and electric power generation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Certain costs and other deductions in the consolidated statement of income for prior years have been reclassified to conform to the 1996 presentation.

The accompanying consolidated financial statements and the supporting and supplemental material are the responsibility of the management of Exxon Corporation.

1. Summary of Accounting Policies

Principles of Consolidation. The consolidated financial statements include the accounts of those significant subsidiaries owned directly or indirectly more than 50 percent.

Amounts representing the corporation's percentage interest in the underlying net assets of less than majority-owned companies in which a significant equity ownership interest is held are included in "Investments and advances." The corporation's share of the net income of these companies is included in the consolidated statement of income caption "Earnings from equity interests and other revenue."

Investments in all other companies, none of which is significant, are included in "Investments and advances" at cost or less. Dividends from these companies are included in income as received.

Financial Instruments. Interest rate swap agreements are used to modify the interest rates on certain debt obligations. The interest differentials to be paid or received under such swaps are recognized over the life of the agreements as adjustments to interest expense. Currency exchange contracts are used to reduce the risk of adverse foreign currency movements related to certain foreign currency debt obligations. The gains or losses arising from currency exchange contracts offset foreign exchange gains or losses on the underlying assets or liabilities and are recognized as offsetting adjustments to the carrying amounts. Commodity swap and futures contracts are used to mitigate the risk of unfavorable price movements on certain crude and petroleum product purchases and sales. Gains or losses on these contracts are recognized as adjustments to purchase costs or to sales revenue. Related amounts payable to or receivable from counterparties are included in current assets and liabilities.

Investments in marketable debt securities are expected to be held to maturity and are stated at amortized cost.

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate.

Inventories. Crude oil, products and merchandise inventories are carried at the lower of current market value or cost (generally determined under the last-in, first-out method-LIFO). Costs include applicable purchase costs and operating expenses, but not general and administrative expenses or research and development costs. Inventories of materials and supplies are valued at cost or less.

Property, Plant and Equipment. Depreciation, depletion and amortization, based on cost less estimated salvage value of the asset, are primarily determined under either the unit-of-production method or the straight-line method. Unit-of-production rates are based on oil, gas and other mineral reserves estimated to be recoverable from existing facilities. The straight-line method of depreciation is based on estimated asset service life taking obsolescence into consideration.

Maintenance and repairs are expensed as incurred. Major renewals and improvements are capitalized, and the assets replaced are retired.

The corporation's exploration and production activities are accounted for under the "successful efforts" method. Under this method, costs of productive wells and development dry holes, both tangible and intangible, as well as productive acreage are capitalized and amortized on the unit-of-production method. Costs of that portion of undeveloped acreage likely to be unproductive, based largely on historical experience, are amortized over the period of exploration. Other exploratory expenditures, including geophysical costs, other dry hole costs and annual lease rentals, are expensed as incurred.

Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" was implemented in January 1996. This Statement had no impact on the corporation's 1996 results of operations or financial position.

Environmental Conservation and Site Restoration Costs. Liabilities for environmental conservation are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. These liabilities are not reduced by possible recoveries from third parties, and projected cash expenditures are not discounted.

Site restoration costs that may be incurred by the corporation at the end of the operating life of certain of its facilities and properties are reserved ratably over the asset's productive life.

Foreign Currency Translation. The "functional currency" for translating the accounts of the majority of refining, marketing and chemical operations outside the U.S. is the local currency. Local currency is also used for exploration and production operations that are relatively self-contained and integrated within a particular country, such as in Australia, Canada, the United Kingdom, Norway and Continental Europe. The U.S. dollar is used for operations in highly inflationary economies and for some exploration and production operations, primarily in Malaysia and the Middle East.

2. Miscellaneous Financial Information

Research and development costs totaled $520 million in 1996, $525 million in 1995 and $558 million in 1994.

Net income included aggregate foreign exchange transaction losses of $37 million in 1996, gains of $26 million in 1995, and losses of $30 million in 1994.

In 1996, 1995 and 1994, net income included gains of $14 million, $12 million, and $8 million, respectively, attributable to the combined effects of LIFO inventory accumulations and draw-downs. The aggregate replacement cost of inventories was estimated to exceed their LIFO carrying values by $4,151 million and $2,902 million at December 31, 1996 and 1995, respectively.

3. Cash Flow Information

The consolidated statement of cash flows provides information about changes in cash and cash equivalents. All short-term marketable securities, with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates, are classified as cash equivalents.

Cash payments for interest were: 1996 - $669 million; 1995 - $776 million; and 1994 - $839 million. Cash payments for income taxes were: 1996 - $3,420 million; 1995 - $2,797 million; and 1994 - $2,548 million.

4. Additional Working Capital Data

	Dec. 31 1996	Dec. 31 1995
	(millions of dollars)	
Notes and accounts receivable		
Trade, less reserves of $81 million and $76 million	$ 7,993	$ 6,979
Other, less reserves of $17 million and $28 million	2,506	1,946
	$10,499	$ 8,925
Notes and loans payable		
Bank loans	$ 1,359	$ 1,194

Commercial paper	645	525
Long-term debt due within one year	463	495
Other	43	33
	$ 2,510	$ 2,247
Accounts payable and accrued liabilities		
Trade payables	$ 8,343	$ 8,470
Obligations to equity companies	926	813
Accrued taxes other than income taxes	2,880	2,662
Other	2,361	2,168
	$14,510	$14,113

On December 31, 1996, unused credit lines for short-term financing totaled approximately $6.3 billion. Of this total, $4.5 billion support commercial paper programs under terms negotiated when drawn. The weighted average interest rate on short-term borrowings outstanding at December 31, 1996 and 1995 was 5.9 percent and 6.2 percent, respectively.

5. Equity Company Information

The summarized financial information below includes those less than majority-owned companies for which Exxon's share of net income is included in consolidated net income (see note 1). These companies are primarily engaged in natural gas production and distribution in the Netherlands and Germany, refining and marketing operations in Japan and several chemical operations.

	1996		1995		1994	
	Total	Exxon share	Total	Exxon share	Total	Exxon share
	(millions of dollars)					
Total revenues						
Percent of revenues from companies included in the Exxon consolidation was 16% in 1996, 16% in 1995 and 18% in 1994	$33,719	$10,901	$32,187	$10,506	$26,078	$8,535
Income before income taxes	$ 3,852	$ 1,831	$ 4,227	$ 1,974	$ 3,099	$1,396
Less: Related income taxes	(1,229)	(576)	(1,306)	(596)	(1,101)	(487)
Net income	$ 2,623	$ 1,255	$ 2,921	$ 1,378	$ 1,998	$ 909
Current assets	$ 9,231	$ 3,097	$ 9,789	$ 3,261	$ 9,692	$3,254
Property, plant and equipment, less accumulated depreciation	15,586	5,987	14,272	5,671	13,230	5,380
Other long-term assets	3,695	1,400	3,633	1,312	3,219	1,127
Total assets	$28,512	$10,484	$27,694	$10,244	$26,141	$9,761
Short-term debt	$ 1,661	$ 541	$ 1,233	$ 371	$ 1,343	$ 390
Other current liabilities	8,736	3,111	8,128	2,864	7,368	2,651
Long-term debt	2,857	918	2,660	839	2,543	817
Other long-term liabilities	4,319	1,820	4,424	1,818	4,274	1,832
Advances from shareholders	1,006	469	1,000	577	881	448
Net assets	$ 9,933	$ 3,625	$10,249	$ 3,775	$ 9,732	$3,623

6. Investments and Advances

	Dec. 31 1996	Dec. 31 1995
	(millions of dollars)	
In less than majority-owned companies		
Carried at equity in underlying assets		
Investments	$3,625	$3,775
Advances	751	577
	$4,376	$4,352
Carried at cost or less	154	139
	$4,530	$4,491
Long-term receivables and miscellaneous investments at cost or less	1,480	1,206
Total	$6,010	$5,697

7. Investment in Property, Plant and Equipment

	Dec. 31, 1996		Dec. 31, 1995	
	Cost	Net	Cost	Net
	(millions of dollars)			
Petroleum and natural gas				
Exploration and production	$ 69,748	$32,685	$ 66,797	$32,170
Refining and marketing	31,524	17,858	32,106	18,152
Total petroleum and natural gas	$101,272	$50,543	$ 98,903	$50,322
Chemicals	10,785	5,880	10,018	5,370
Other	14,309	10,184	13,416	9,754
Total	$126,366	$66,607	$122,337	$65,446

Accumulated depreciation and depletion totaled $59,759 million at the end of 1996 and $56,891 million at the end of 1995. Interest capitalized in 1996, 1995 and 1994 was $520 million, $533 million and $405 million, respectively.

8. Incentive Program

The 1993 Incentive Program provides for grants of stock options, stock appreciation rights (SARs), restricted stock and other forms of award. Awards may be granted over the 10-year period ending April 28, 2003 to eligible employees of the corporation and those affiliates at least 50 percent owned. The number of shares of stock which may be awarded each year under the 1993 Incentive Program may not exceed seven tenths of one percent (0.7%) of the total number of shares of common stock of the corporation outstanding (excluding shares held by the corporation) on December 31 of the preceding year. If the total number of shares effectively granted in any year is less than the maximum number of shares allowable, the balance may be carried over thereafter. Outstanding awards are subject to certain forfeiture provisions contained in the program or award instrument.

As under earlier programs, options and SARs may be granted at prices not less than 100 percent of market value on the date of grant and have a maximum life of 10 years. Most of the options and SARs thus far granted first become exercisable after one year of continuous employment following the date of grant. Of the options outstanding at December 31, 1996 and 1995, 2,497 thousand and 4,310 thousand, respectively, included SARs. Exercise of either a related option or a related SAR cancels the other to the extent exercised. No SARs have been granted since 1992.

Shares available for granting at the beginning of 1996 were 16,945 thousand and 10,782 thousand at the end of 1996. At December 31, 1996 and 1995, respectively, 208 thousand and 171 thousand shares of restricted common stock were outstanding.

Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation" was implemented in January 1996. As permitted by the Standard, Exxon retained its prior method of accounting for stock compensation. If the accounting provisions of Statement No. 123 had been adopted, the net impact on 1996 and 1995 income would not have been material.

The effect on net income per common share from the assumed exercise of stock options outstanding at year-end 1996, 1995 or 1994 would be insignificant.

Changes that occurred in options outstanding in 1996, 1995 and 1994 are summarized below (shares in thousands):

	1996		1995		1994	
	Shares	Avg. Exercise Price	Shares	Avg. Exercise Price	Shares	Avg. Exercise Price
Outstanding at beginning of year	37,755	$59.40	39,035	$54.08	35,063	$52.36
Granted	5,984	94.13	5,893	78.94	5,780	60.50
Exercised	(6,647)	51.38	(6,992)	46.24	(1,613)	38.85
Expired/Canceled	(143)	75.26	(181)	57.38	(195)	60.75
Outstanding at end of year	36,949	66.40	37,755	59.40	39,035	54.08
Exercisable at end of year	30,970	61.05	31,862	55.79	33,290	52.98

The following table summarizes information about stock options outstanding at December 31, 1996 (shares in thousands):

	Options Outstanding			Options Exercisable	
Exercise Price Range	Shares	Avg. Remaining Contractual Life	Avg. Exercise Price	Shares	Avg. Exercise Price
$40.00-60.50	20,124	5.2 years	$55.34	20,124	$55.34
63.56-94.13	16,825	8.6	79.64	10,846	71.65
Total	36,949	6.8	66.40	30,970	61.05

9. Leased Facilities

At December 31, 1996, the corporation and its consolidated subsidiaries held non-cancelable operating charters and leases covering drilling equipment, tankers, service stations and other properties with minimum lease commitments as follows:

	Minimum commitment	Related rental income
	(millions of dollars)	
1997	$ 795	$ 42
1998	554	34

1999	389	27
2000	309	18
2001	241	16
2002 and beyond	1,129	100

Net rental expenditures for 1996, 1995 and 1994 totaled $1,284 million, $1,212 million and $1,173 million, respectively, after being reduced by related rental income of $133 million, $157 million and $147 million, respectively. Minimum rental expenditures totaled $1,330 million in 1996, $1,280 million in 1995 and $1,239 million in 1994.

10. Interest Rate Swap, Currency Exchange and Commodity Contracts

The corporation limits its use of financial derivative instruments to simple risk management activities. The corporation does not hold or issue financial derivative instruments for trading purposes nor does it use financial derivatives with leveraged features. Derivative instruments are matched to existing assets, liabilities or transactions with the objective of mitigating the impact of adverse movements in interest rates, currency exchange rates or commodity prices. These instruments normally equal the amount of the underlying assets, liabilities or transactions and are held to maturity. Instruments are either traded over authorized exchanges or with counterparties of high credit standing. As a result of the above factors, the corporation's exposure to market and credit risks from financial derivative instruments is considered to be negligible.

Interest rate swap agreements are used to adjust the ratio of fixed and floating rates in the corporation's debt portfolio. Interest rate swap agreements, maturing 1997-1999, had an aggregate notional principal amount of $500 million and $510 million at year-end 1996 and 1995, respectively. Currency exchange contracts are used to reduce the risk of adverse foreign currency movements related to certain foreign currency debt obligations. Currency exchange contracts, maturing 1997-2005, totaled $1,585 million at year-end 1996 and $1,795 million at year-end 1995. These amounts included contracts in which affiliates held positions which were effectively offsetting totaling $794 million in 1996 and $810 million in 1995. Excluding these, the remaining currency exchange contracts totaled $791 million and $985 million at year-end 1996 and 1995, respectively.

The corporation makes limited use of commodity swap and futures contracts of short duration to mitigate the risk of unfavorable price movements on certain crude and petroleum product purchases and sales. The aggregate notional amount for these contracts at year-end 1996 and 1995 was not material.

11. Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Long-term debt is the only category of financial instruments whose fair value differs materially from the recorded book value. The estimated fair value of total long-term debt, including capitalized lease obligations, at December 31, 1996 and 1995 was $7.8 billion and $8.8 billion, respectively, as compared to recorded book values of $7.2 billion and $7.8 billion.

12. Long-Term Debt

At December 31, 1996, long-term debt consisted of $6,387 million due in U.S. dollars and $849 million representing the U.S. dollar equivalent at year-end exchange rates of amounts payable in foreign currencies. These amounts exclude that portion of long-term debt, totaling $463 million, which matures within one year and is included in current liabilities. The amounts of long-term debt maturing, together with sinking fund payments required, in each of the four years after December 31, 1997, in millions of dollars, are: 1998 - $781; 1999 - $646; 2000 - $224; 2001 - $686. Certain of the borrowings described may from time to time be assigned to other Exxon affiliates. At December 31, 1996, the corporation had $858 million in unused long-term credit lines.

In 1996, debt totaling $434 million was removed from the balance sheet as a result of the deposit of U.S. government securities in irrevocable trusts. Together with amounts defeased prior to 1996, the total outstanding balance of defeased debt at year-end 1996 was $929 million.

Summarized long-term borrowings at year-end 1996 and 1995 were as follows:

	Dec. 31 1996	Dec. 31 1995
	(millions of dollars)	
Exxon Capital Corporation		
8.25% Guaranteed notes due 1999	$ 0	$ 26
7.45% Guaranteed notes due 2001	246	246
6.625% Guaranteed notes due 2002	0	217
6.15% Guaranteed notes due 2003	0	196
Guaranteed zero coupon notes due 2004		
- Face value ($1,146) net of unamortized discount	482	432
6.0% Guaranteed notes due 2005	246	246
6.125% Guaranteed notes due 2008	250	250
Exxon Funding B.V.		
8.0% Guaranteed notes due 1998	250	249
SeaRiver Maritime Financial Holdings, Inc.		
Guaranteed debt securities due 1997-2011	150	150
Guaranteed deferred interest debentures due 2012		
- Face value ($771) net of unamortized discount	526	472
Exxon Energy Limited		
8.3% Hong Kong dollar loan due 1997-2008	159	174
7.16% Export credit loans due 1997-2012	763	437
8.5% British pound loans due 1999-2002	70	70
Floating rate term loan due 2000-2006	565	531
6.87% notes due 2003	173	173
Imperial Oil Limited		
9.875% Canadian dollar notes due 1999	173	174
8.3% notes due 2001	200	200
Variable rate notes due 2004	650	1,000
8.75% notes due 2019	219	219
Industrial revenue bonds due 2012-2033	926	926
Guaranteed LESOP notes due 1997-1999	235	386

Other U.S. dollar obligations	506	405
Other foreign currency obligations	402	542
Capitalized lease obligations*	45	57
Total long-term debt	$7,236	$7,778

*At an average imputed interest rate of 9.3% in 1996 and 9.1% in 1995.

13. 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. 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.

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.

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. Income statement recognition of this settlement will be deferred in view of uncertainty regarding the ultimate cost to the corporation of the Valdez accident.

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 are to be shared equally. Entitlement to the reserves is determined by calculating the amount of gas which can be recovered from this area. Based on the final reserve determination, the German affiliate has received more gas than its entitlement. Arbitration proceedings, as provided in the agreements, have been underway to determine the manner of resolving the issues between the German and Dutch affiliated companies.

On July 8, 1996, an interim ruling was issued establishing a provisional compensation payment for the excess gas received. Additional compensation, if any, remains subject to further arbitration proceedings or negotiation. 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 is not possible to predict at this time given these outstanding issues. However, the ultimate outcome is not expected to have a materially adverse effect upon the corporation's consolidated financial condition or operations.

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 1979-1982 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 consolidated financial condition or operations.

The corporation and certain of its consolidated subsidiaries were contingently liable at December 31, 1996 for $1,293 million, primarily relating to guarantees for notes, loans and performance under contracts. This includes $949 million representing guarantees of non-U.S. excise taxes and customs duties of other companies, entered into as a normal business practice, under reciprocal arrangements. Not included in this figure are guarantees by consolidated affiliates of $1,358 million, representing Exxon's share of obligations of certain equity companies.

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.

14. Annuity Benefits

Exxon and most of its affiliates have defined benefit retirement plans which cover substantially all of their employees. Plan benefits are generally based on years of service and employees' compensation during their last years of employment.

Assets are contributed to trustees and insurance companies to provide benefits for many of Exxon's retirement plans and are primarily invested in equity and fixed income securities. All funded U.S. plans meet the full funding requirements of the Department of Labor and the Internal Revenue Service as detailed in the table at the end of this note. Certain smaller U.S. plans, and a number of non-U.S. plans, are not funded because of local tax conventions and regulatory practices which do not encourage funding in these plans. Book reserves have been established for these plans to provide for future benefit payments.

Annuity plans net pension cost/(credit)	U.S. Plans 1996	1995	1994	Non-U.S. Plans 1996	1995	1994
	(millions of dollars)					
Cost of benefits earned by employees during the year	$147	$111	$146	$162	$148	$163
Interest accrual on benefits earned in prior years	361	362	354	523	540	483
Actual (gain)/loss on plan assets	(544)	(796)	(44)	(641)	(625)	76
Deferral of actual versus assumed return on assets	193	486	(286)	229	254	(423)
Amortization of actuarial (gain)/loss and prior service cost	13	(23)	10	40	20	67
Net pension enhancement and curtailment/settlement expense	6	(9)	9	17	11	35
Net pension cost for the year	$176	$131	$189	$330	$348	$401

Annuity plans status	U.S. Plans Dec. 31 1996	Dec. 31 1995	Non-U.S. Plans Dec. 31 1996	Dec. 31 1995
	(millions of dollars)			
Actuarial present value of benefit obligations				
Benefits based on service to date and present pay levels				
Vested	$3,887	$4,047	$6,219	$ 5,921
Non-vested	497	527	211	195
Total accumulated benefit obligation	$4,384	$4,574	$6,430	$ 6,116
Additional benefits related to projected pay increases	693	784	1,040	953
Total projected benefit obligation	$5,077	$5,358	$7,470	$ 7,069
Funded assets (market values)	$3,815	$3,753	$5,025	$4,547
Book reserves	1,299	1,178	2,127	2,226
Total funded assets and book reserves	$5,114	$4,931	$7,152	$ 6,773
Assets and reserves in excess of/(less than) projected benefit obligation	$ 37	$ (427)	$ (318)	$ (296)
Unrecognized net gain/(loss) at transition	$ 192	$ 243	$ (10)	$ 21
Unrecognized net actuarial loss since transition	(62)	(568)	(196)	(16)
Unrecognized prior service costs incurred since transition	(93)	(102)	(112)	(301)
Assets and reserves in excess of accumulated benefit obligation	$ 730	$ 357	$ 722	$ 657
Assumptions in projected benefit obligation and expense (percent)				
Discount rate	7.50	7.00	4.5- 8.5	5.0- 9.0
Long-term rate of compensation increase	4.00	4.50	3.0- 6.5	3.0- 7.0
Long-term annual rate of return on funded assets	9.75	10.00	6.0- 10.0	6.0- 10.0

Pension data, as shown above, is reported as required by current accounting standards which specify use of a discount rate at which pension liabilities could be effectively settled. The discount rate stipulated for use in calculating year-end pension liabilities is based on the year-end rate of interest on high quality bonds. For determining the funding requirements of U.S. pension plans in accordance with applicable federal government regulations, Exxon has elected to use the expected long-term rate of return of the pension fund's actual portfolio as the discount rate. This rate, 9.75 percent, has historically been higher than bonds as the majority of pension assets are invested in equities. On this basis, all of Exxon's U.S. funded plans meet the full funding requirements of the government as shown below. In fact, the actual rate earned over the past decade has been 12 percent.

Status of U.S. plans subject to federal government funding requirements	Dec. 31 1996	Dec. 31 1995
	(millions of dollars)	
Funded assets at market value less total projected benefit obligation	$(1,262)	$(1,605)
Differences between accounting and funding basis:		
Certain smaller plans unfunded due to lack of tax and regulatory incentives	519	520
Use of long term rate of return on fund assets as the discount rate	900	1,170
Use of government regulations and other actuarial adjustments	54	(85)
Funded assets in excess of obligations under government regulations	$ 211	$ -

15. Other Postretirement Benefits
The corporation and several of its affiliates make contributions toward the cost of providing certain health care and life insurance benefits to retirees, their beneficiaries and covered dependents. The corporation determines the level of its contributions to these plans annually; no commitments have been made regarding the level of such contributions in the future.

The accumulated postretirement benefit obligation is based on the existing level of the corporation's contribution toward these plans. Plan assets include investments in equity and fixed income securities.

	1996			1995			1994		
Other postretirement benefits expense	Total	Health	Life/Other	Total	Health	Life/Other	Total	Health	Life/Other
	(millions of dollars)								
Service cost	$ 28	$12	$16	$ 22	$11	$11	$ 27	$12	$15
Interest cost	130	45	85	133	46	87	128	45	83
Actual (gain) on plan assets	(57)	-	(57)	(99)	-	(99)	-	-	-
Deferral of actual versus assumed return on assets	21	-	21	71	-	71	(28)	-	(28)
Amortization of actuarial loss	15	7	8	1	-	1	14	4	10
Net expense	$137	$64	$73	$128	$57	$71	$141	$61	$80

	Dec. 31, 1996			Dec. 31, 1995		
Other postretirement benefit plans status	Total	Health	Life/Other	Total	Health	Life/Other
	(millions of dollars)					
Accumulated postretirement benefit obligation						
Retirees	$1,372	$460	$ 912	$1,375	$463	$ 912
Fully eligible participants	121	42	79	120	41	79
Other active participants	386	147	239	394	147	247
	$1,879	$649	$1,230	$1,889	$651	$1,238
Funded assets (market values)	(422)	-	(422)	(375)	-	(375)
Unrecognized prior service costs	(22)	(22)	-	(24)	(24)	-
Unrecognized net loss	(133)	(95)	(38)	(207)	(93)	(114)
Book reserves	$1,302	$532	$ 770	$1,283	$534	$ 749
Assumptions in accumulated postretirement benefit obligation and expense (percent)						
Discount rate	7.50			7.00		
Long-term rate of compensation increase	4.00			4.50		
Long-term annual rate of return on funded assets	9.75			10.00		

16. Capital

In 1989, the corporation sold 16.3 million shares of a new issue of convertible Class A Preferred Stock to its leveraged employee stock ownership plan (LESOP) trust for $61.50 per share. The proceeds of the issuance were used by the corporation for general corporate purposes. The corporation recorded a "Guaranteed LESOP Obligation" of $1,000 million as debt and as a reduction in shareholders' equity, representing company-guaranteed borrowings by the LESOP trust to purchase the preferred stock. As the debt is repaid, the Guaranteed LESOP Obligation will be extinguished. The stock can be converted into common stock at the lower of common stock market value or $61.50. Dividends are cumulative and payable in an amount per share equal to $4.68 per annum. Dividends paid per preferred share were $4.68 in 1996, 1995 and 1994.

Dividends paid per common share were $3.12 in 1996, $3.00 in 1995 and $2.91 in 1994.

Earnings per common share are based on net income less preferred stock dividends and the weighted average number of outstanding common shares during each year, adjusted for stock splits.

17. Leveraged Employee Stock Ownership Plan (LESOP)

In 1989, the corporation's employee stock ownership plan trustee borrowed $1,000 million under the terms of notes guaranteed by the corporation maturing between 1990 and 1999. The principal due on the notes increases from $75 million in 1990 to $125 million in 1999. As further described in note 16, the LESOP trustee used the proceeds of the borrowing to purchase shares of convertible Class A Preferred Stock.

Employees eligible to participate in the corporation's thrift plan may elect to participate in the LESOP. Corporation contributions to the plan, plus dividends, are used to make principal and interest payments on the notes. As contributions and dividends are credited, shares of preferred stock are proportionately converted into common stock, with no cash flow impact to the corporation, and allocated to participants' accounts. In 1996, 1995 and 1994, 2.5 million, 1.6 million and 1.8 million shares of preferred stock totaling $151 million, $100 million and $114 million, respectively, were converted to common stock and allocated. Preferred dividends of $27 million, $38 million and $46 million were paid during 1996, 1995 and 1994, respectively, and covered interest payments on the notes. The 1996, 1995 and 1994 principal payments were made from employer contributions and dividends reinvested within the

LESOP trust and payments, if any, by Exxon as guarantor.

Accounting for the plan follows the principles which were in effect in 1989 when the plan was established. The amount of compensation expense recorded by the corporation for contributions to the plan was $31 million in 1996, $73 million in 1995 and $80 million in 1994. The LESOP trust held 4.9 million and 7.4 million shares of preferred stock, and 19.7 million and 19.3 million shares of common stock at the end of 1996 and 1995, respectively.

18. Income, Excise and Other Taxes

	1996 United States	1996 Non-U.S.	1996 Total	1995 United States	1995 Non-U.S.	1995 Total	1994 United States	1994 Non-U.S.	1994 Total
	(millions of dollars)								
Income taxes									
Federal or non-U.S.									
Current	$ 988	$ 2,751	$ 3,739	$ 854	$ 1,966	$ 2,820	$ 380	$ 2,036	$ 2,416
Deferred - net	314	164	478	199	789	988	153	93	246
U.S. tax on non-U.S. operations	47	-	47	45	-	45	(8)	-	(8)
	$1,349	$ 2,915	$ 4,264	$1,098	$ 2,755	$ 3,853	$ 525	$ 2,129	$ 2,654
State	142	-	142	119	-	119	50	-	50
Total income tax expense	$1,491	$ 2,915	$ 4,406	$1,217	$ 2,755	$ 3,972	$ 575	$ 2,129	$ 2,704
Excise taxes	2,494	12,321	14,815	2,356	11,555	13,911	2,266	10,179	12,445
All other taxes and duties	853	23,689	24,542	870	22,458	23,328	874	20,310	21,184
Total	$4,838	$ 38,925	$43,763	$4,443	$36,768	$41,211	$3,715	$32,618	$36,333

All other taxes and duties include taxes reported in operating and selling, general and administrative expenses. The above provisions for deferred income taxes include net (charges)/credits for the effect of changes in tax laws and rates of $26 million in 1996, $(83) million in 1995 and $43 million in 1994. Income taxes of $(78) million in 1996, $(14) million in 1995 and $(10) million in 1994, were (charged)/credited directly to shareholders' equity.

The reconciliation between income tax expense and a theoretical U.S. tax computed by applying a rate of 35 percent for 1996, 1995 and 1994, is as follows:

	1996	1995	1994
	(millions of dollars)		
Earnings before Federal and non-U.S. income taxes			
United States	$ 3,706	$ 2,619	$1,924
Non-U.S.	8,068	7,704	5,830
Total	$11,774	$10,323	$7,754
Theoretical tax	$ 4,121	$ 3,613	$2,714
Effect of equity method accounting	(439)	(482)	(318)
Adjustment for non-U.S. taxes in excess of theoretical U.S. tax	530	541	407
U.S. tax on non-U.S. operations	47	45	(8)
Other U.S.	5	136	(141)
Federal and non-U.S. income tax expense	$ 4,264	$ 3,853	$2,654
Total effective tax rate	39.9%	41.4%	38.5%

The effective income tax rate includes state income taxes and the corporation's share of income taxes of equity companies. Equity company taxes totaled $576 million in 1996, $596 million in 1995 and $487 million in 1994, essentially all outside the U.S.

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes.

Deferred tax liabilities/(assets) are comprised of the following at December 31:

Tax effects of temporary differences for:	1996	1995
	(millions of dollars)	
Depreciation	$10,574	$ 9,938
Intangible development costs	3,177	3,088
Capitalized interest	1,187	1,074
Other liabilities	1,824	1,296
Total deferred tax liabilities	$16,762	$15,396
Pension and other postretirement benefits	$(1,102)	$(1,072)
Site restoration reserves	(850)	(794)
Tax loss carryforwards	(718)	(583)
Other assets	(1,259)	(1,035)
Total deferred tax assets	$(3,929)	$(3,484)
Asset valuation allowances	327	314
Net deferred tax liabilities	$13,160	$12,226

The corporation had $6.2 billion of indefinitely reinvested, undistributed earnings from subsidiary companies outside the U.S. Unrecognized deferred taxes on remittance of these funds are not expected to be material.

19. Distribution of Earnings and Assets

Segment	1996			1995			1994		
	Petroleum	Chemicals	Corporate total	Petroleum	Chemicals	Corporate total	Petroleum	Chemicals	Corporate total
	(millions of dollars)								
Sales and operating revenue									
Non-affiliated	$118,012	$11,430	$131,543	$107,749	$11,737	$121,804	$100,409	$ 9,544	$112,128
Intersegment	3,049	1,683	-	2,539	1,609	-	2,327	1,419	-
Total	$121,061	$13,113	$131,543	$110,288	$13,346	$121,804	$102,736	$10,963	$112,128
Operating profit	$ 8,717	$ 1,662	$ 11,134	$ 6,654	$ 2,734	$ 10,185	$ 5,935	$ 1,262	$ 7,897
Add/(deduct):									
Income taxes	(3,735)	(592)	(4,420)	(3,060)	(896)	(4,065)	(2,538)	(344)	(2,992)
Minority interests	(215)	(14)	(458)	(129)	(27)	(365)	(119)	(7)	(307)
Earnings of equity companies	1,176	143	1,319	1,219	207	1,426	893	43	936
Corporate and financing	-	-	(65)	-	-	(711)	-	-	(434)
Earnings	$ 5,943	$ 1,199	$ 7,510	$ 4,684	$ 2,018	$ 6,470	$ 4,171	$ 954	$ 5,100
Identifiable assets	$ 70,035	$10,715	$ 95,527	$ 68,852	$ 9,595	$ 91,296	$ 67,017	$ 8,778	$ 87,862
Depreciation and depletion	$ 4,394	$ 430	$ 5,329	$ 4,474	$ 399	$ 5,386	$ 4,178	$ 399	$ 5,015
Additions to plant	$ 5,161	$ 987	$ 7,132	$ 5,055	$ 782	$ 7,201	$ 4,884	$ 473	$ 6,568

Geographic		Sales and other operating revenue			Earnings	Identifiable assets
		Non-affiliated	Interarea	Total		
		(millions of dollars)				
1996	Petroleum and chemicals					
	United States	$ 27,513	$ 857	$ 28,370	$2,651	$25,161
	Other Western Hemisphere	20,197	158	20,355	559	10,768
	Eastern Hemisphere	81,732	771	82,503	3,932	44,821
	Other/eliminations	2,101	(1,786)	315	368	14,777
	Corporate total	$ 131,543	-	$131,543	$7,510	$95,527
1995	Petroleum and chemicals					
	United States	$ 24,024	$ 854	$ 24,878	$2,307	$24,606
	Other Western Hemisphere	18,354	328	18,682	444	10,664
	Eastern Hemisphere	77,108	1,842	78,950	3,951	43,177
	Other/eliminations	2,318	(3,024)	(706)	(232)	12,849
	Corporate total	$ 121,804	-	$121,804	$6,470	$91,296
1994	Petroleum and chemicals					
	United States	$ 22,651	$ 834	$ 23,485	$1,560	$24,926
	Other Western Hemisphere	16,875	500	17,375	370	10,693
	Eastern Hemisphere	70,429	1,868	72,297	3,195	40,176
	Other/eliminations	2,173	(3,202)	(1,029)	(25)	12,067
	Corporate total	$ 112,128	-	$112,128	$5,100	$87,862

Transfers between business activities or areas are at estimated market prices.

QUARTERLY INFORMATION

	1996 First Quarter	1996 Second Quarter	1996 Third Quarter	1996 Fourth Quarter	1996 Year	1995 First Quarter	1995 Second Quarter	1995 Third Quarter	1995 Fourth Quarter	1995 Year
Volumes										
Production of crude oil					(thousands of barrels daily)					
and natural gas liquids	1,683	1,595	1,570	1,615	1,615	1,772	1,742	1,684	1,706	1,726
Refinery throughput	3,753	3,754	3,828	3,833	3,792	3,631	3,442	3,713	3,846	3,659
Petroleum product sales	5,149	5,067	5,223	5,404	5,211	5,043	4,896	5,099	5,264	5,076
Natural gas production					(millions of cubic feet daily)					
available for sale	8,330	5,674	5,084	7,227	6,577	7,187	5,119	4,717	7,046	6,013
					(thousands of metric tons)					
Chemical prime product sales	3,911	3,978	3,909	3,914	15,712	3,569	3,637	3,553	3,618	14,377
Summarized financial data										
Sales and other operating					(millions of dollars)					
revenue	$30,474	31,625	32,938	36,506	131,543	$29,197	31,084	30,577	30,946	121,804
Gross profit*	$13,217	13,724	14,403	15,209	56,553	$12,316	13,102	13,685	14,223	53,326
Net income	$ 1,885	1,570	1,560	2,495	7,510	$ 1,660	1,630	1,500	1,680	6,470
Per share data					(dollars per share)					
Net income per common share	$ 1.51	1.26	1.25	2.00	6.02	$ 1.33	1.30	1.20	1.35	5.18
Dividends per common share	$ 0.75	0.79	0.79	0.79	3.12	$ 0.75	0.75	0.75	0.75	3.00
Dividends per preferred share	$ 1.17	1.17	1.17	1.17	4.68	$ 1.17	1.17	1.17	1.17	4.68
Common Stock prices										
High	$86.000	88.750	90.125	101.250	101.250	$67.000	72.375	74.250	86.000	86.000
Low	$77.625	79.875	80.000	82.875	77.625	$60.125	66.000	68.125	71.375	60.125

*Gross profit equals sales and other operating revenue less estimated costs associated with products sold. Certain costs and other deductions for 1995 have been reclassified to conform to the 1996 presentation.

The price range of Exxon Common Stock is based on the composite tape of the several U.S. exchanges where Exxon Common Stock is traded. The principal market where Exxon Common Stock (XON) is traded is the New York Stock Exchange, although the stock is traded on other exchanges in and outside the United States.

At January 31, 1997, there were 610,416 holders of record of Exxon Common Stock.

On January 29, 1997, the corporation declared a $0.79 dividend per common share, payable March 10, 1997.

SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

Results of Operations	Consolidated Subsidiaries: United States	Canada	Europe**	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of dollars)							
1996 - Revenue								
Sales to third parties	$1,706	$ 443	$2,581	$1,998	$ 119	$ 6,847	$2,974	$ 9,821
Transfers	3,846	682	2,360	736	125	7,749	47	7,796
	$5,552	$ 1,125	$4,941	$2,734	$ 244	$14,596	$3,021	$17,617
Production costs excluding taxes	1,116	376	1,050	391	70	3,003	250	3,253
Exploration expenses	116	32	224	140	255	767	73	840
Depreciation and depletion	1,139	342	1,130	426	102	3,139	195	3,334
Taxes other than income	476	24	96	477	-	1,073	1,038	2,111
Related income tax	990	83	1,182	492	(13)	2,734	603	3,337
Results of producing activities	$1,715	$ 268	$1,259	$ 808	$ (170)	$ 3,880	$ 862	$ 4,742
Other earnings*	63	51	103	36	5	258	58	316
Total earnings	$1,778	$ 319	$1,362	$ 844	$ (165)	$ 4,138	$ 920	$ 5,058
1995 - Revenue								
Sales to third parties	$1,021	$ 320	$2,253	$1,724	$ 138	$ 5,456	$2,657	$ 8,113
Transfers	3,140	715	1,782	734	113	6,484	159	6,643
	$4,161	$ 1,035	$4,035	$2,458	$ 251	$11,940	$2,816	$14,756
Production costs excluding taxes	1,138	366	1,093	390	88	3,075	254	3,329
Exploration expenses	108	55	166	168	194	691	83	774
Depreciation and depletion	1,245	380	1,060	464	126	3,275	250	3,525
Taxes other than income	434	26	101	349	1	911	899	1,810
Related income tax	457	89	841	477	36	1,900	540	2,440
Results of producing activities	$ 779	$ 119	$ 774	$ 610	$ (194)	$ 2,088	$ 790	$ 2,878
Other earnings*	277	-	169	40	(3)	483	51	534
Total earnings	$1,056	$ 119	$ 943	$ 650	$ (197)	$ 2,571	$ 841	$ 3,412
1994 - Revenue								
Sales to third parties	$1,365	$ 351	$2,157	$1,623	$ 115	$ 5,611	$1,944	$ 7,555
Transfers	2,581	651	1,430	704	135	5,501	300	5,801
	$3,946	$ 1,002	$3,587	$2,327	$ 250	$11,112	$2,244	$13,356
Production costs excluding taxes	1,228	397	1,129	411	84	3,249	347	3,596
Exploration expenses	134	34	209	106	183	666	86	752
Depreciation and depletion	1,158	412	919	457	132	3,078	210	3,288
Taxes other than income	393	20	83	358	2	856	620	1,476
Related income tax	344	74	614	344	32	1,408	415	1,823
Results of producing activities	$ 689	$ 65	$ 633	$ 651	$ (183)	$ 1,855	$ 566	$ 2,421
Other earnings*	158	(2)	129	24	10	319	42	361
Total earnings	$ 847	$ 63	$ 762	$ 675	$ (173)	$ 2,174	$ 608	$ 2,782

Average sales prices and production costs per unit of production

	United States	Canada	Europe**	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
During 1996								
Average sales prices								
Crude oil and NGL, per barrel	$17.24	$16.38	$19.93	$21.04	$20.50	$18.69	$20.36	$18.75
Natural gas, per thousand cubic feet	2.35	1.48	2.83	2.52	-	2.49	3.48	2.80
Average production costs, per barrel***	3.26	5.08	4.07	2.68	5.83	3.61	1.72	3.33
During 1995								
Average sales prices								
Crude oil and NGL, per barrel	$13.09	$12.92	$16.43	$18.19	$17.16	$15.11	$16.73	$15.16
Natural gas, per thousand cubic feet	1.64	0.95	2.98	1.44	-	1.89	3.81	2.45
Average production costs, per barrel***	3.31	4.09	4.55	2.41	5.87	3.62	1.97	3.40
During 1994								
Average sales prices								
Crude oil and NGL, per barrel	$12.00	$11.48	$15.01	$16.53	$15.28	$13.81	$15.26	$13.87
Natural gas, per thousand cubic feet	1.92	1.37	2.70	1.32	1.64	1.96	2.85	2.23
Average production costs, per barrel***	3.74	4.31	4.83	2.47	5.12	3.88	2.60	3.70

* Earnings related to transportation of oil and gas, sale of third party purchases, oil sands operations and technical services agreements (reduced by minority interests).

** Certain revenues, costs, and other deductions for prior years have been reclassified to conform to the 1996 presentation.

*** Natural gas included by conversion to crude oil equivalent; production costs exclude all taxes.

Oil and Gas Exploration and Production Costs

The amounts shown for net capitalized costs of consolidated subsidiaries are $3,242 million less at year-end 1996 and $3,116 million less at year-end 1995 than the amounts reported as investments in property, plant and equipment for exploration and production in note 7, page F13. This is due to the exclusion from capitalized costs of certain transportation and research assets and assets relating to the oil sands operations, and to inclusion of accumulated provisions for site restoration costs, all as required in Statement of Financial Accounting Standards No. 19.

The amounts reported as costs incurred include both capitalized costs and costs charged to expense during the year. Total worldwide costs incurred in 1996 were $4,443 million, up $126 million from 1995, due primarily to higher exploration costs. 1995 costs were $4,317 million, up $606 million from 1994, due primarily to higher development costs.

	Consolidated Subsidiaries							
Capitalized costs	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
				(millions of dollars)				
As of December 31, 1996								
Property (acreage) costs - Proved	$ 3,195	$2,914	$ 90	$ 631	$ 827	$ 7,657	$ 12	$ 7,669
- Unproved	323	100	27	236	105	791	20	811
Total property costs	$ 3,518	$3,014	$ 117	$ 867	$ 932	$ 8,448	$ 32	$ 8,480
Producing assets	22,405	3,690	20,009	7,022	726	53,852	2,451	56,303
Support facilities	369	78	520	699	41	1,707	130	1,837
Incomplete construction	537	98	1,726	971	207	3,539	346	3,885
Total capitalized costs	$ 26,829	$6,880	$22,372	$9,559	$ 1,906	$67,546	$ 2,959	$ 70,505
Accumulated depreciation and depletion	15,761	3,418	12,302	5,498	1,124	38,103	2,240	40,343
Net capitalized costs	$ 11,068	$3,462	$10,070	$4,061	$ 782	$29,443	$ 719	$ 30,162
As of December 31, 1995								
Property (acreage) costs - Proved	$ 3,433	$3,088	$ 49	$ 582	$ 752	$ 7,904	$ 5	$ 7,909
- Unproved	428	100	65	230	63	886	30	916
Total property costs	$ 3,861	$3,188	$ 114	$ 812	$ 815	$ 8,790	$ 35	$ 8,825
Producing assets	22,477	3,734	17,069	6,450	948	50,678	2,898	53,576
Support facilities	373	88	493	689	41	1,684	92	1,776
Incomplete construction	323	78	2,292	857	132	3,682	167	3,849
Total capitalized costs	$ 27,034	$7,088	$19,968	$8,808	$ 1,936	$64,834	$ 3,192	$ 68,026
Accumulated depreciation and depletion	15,453	3,340	10,771	4,993	1,223	35,780	2,291	38,071
Net capitalized costs	$ 11,581	$3,748	$ 9,197	$3,815	$ 713	$29,054	$ 901	$ 29,955

Costs incurred in property acquisitions, exploration and development activities								
During 1996								
Property acquisition costs - Proved	$ 2	$ 1	$ -	$ 2	$ 81	$ 86	$ -	$ 86
- Unproved	16	3	-	7	46	72	-	72
Exploration costs	156	50	258	153	283	900	117	1,017
Development costs	817	165	1,498	563	83	3,126	142	3,268
Total	$ 991	$ 219	$ 1,756	$ 725	$ 493	$ 4,184	$ 259	$ 4,443
During 1995								
Property acquisition costs - Proved	$ 1	$ 6	$ 2	$ -	$ 87	$ 96	$ 1	$ 97
- Unproved	19	3	1	3	2	28	-	28
Exploration costs	131	60	251	200	207	849	89	938
Development costs	624	139	1,653	551	60	3,027	227	3,254
Total	$ 775	$ 208	$ 1,907	$ 754	$ 356	$ 4,000	$ 317	$ 4,317
During 1994								
Property acquisition costs - Proved	$ -	$ 11	$ -	$ 2	$ -	$ 13	$ -	$ 13
- Unproved	8	13	21	-	23	65	-	65
Exploration costs	168	35	234	127	201	765	101	866
Development costs	663	113	1,279	554	49	2,658	109	2,767
Total	$ 839	$ 172	$ 1,534	$ 683	$ 273	$ 3,501	$ 210	$ 3,711

SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

Oil and Gas Reserves

The following information describes changes during the years and balances of proved oil and gas reserves at year-end 1994, 1995 and 1996.

The definitions used are in accordance with applicable Securities and Exchange Commission regulations.

Proved reserves are the estimated quantities of oil and gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. In some cases, substantial new investments in additional wells and related facilities will be required to recover these proved reserves.

Proved reserves include 100 percent of each majority-owned affiliate's participation in proved reserves and Exxon's ownership percentage of the proved reserves of equity companies, but exclude royalties and quantities due others when produced. Gas reserves exclude the gaseous equivalent of liquids expected to be removed from the gas on leases, at field facilities and at gas processing plants. These liquids are included in net proved reserves of crude oil and natural gas liquids.

	Consolidated Subsidiaries							
Crude Oil and Natural Gas Liquids	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of barrels)							
Net proved developed and undeveloped reserves								
January 1, 1994	2,324	1,135	1,400	808	91	5,758	492	6,250
Revisions	129	(2)	32	31	5	195	5	200
Purchases	4	4	1	-	-	9	-	9
Sales	(14)	(5)	-	-	-	(19)	-	(19)
Improved recovery	53	107	12	3	-	175	-	175
Extensions and discoveries	34	3	67	34	-	138	2	140
Production	(206)	(74)	(171)	(117)	(16)	(584)	(23)	(607)
December 31, 1994	2,324	1,168	1,341	759	80	5,672	476	6,148
Revisions	124	(29)	16	67	1	179	(11)	168
Purchases	-	-	-	-	47	47	-	47
Sales	(8)	(5)	(1)	-	(5)	(19)	(7)	(26)
Improved recovery	3	71	9	-	-	83	-	83
Extensions and discoveries	93	9	297	31	2	432	-	432
Production	(219)	(73)	(176)	(109)	(15)	(592)	(22)	(614)
December 31, 1995	2,317	1,141	1,486	748	110	5,802	436	6,238
Revisions	139	10	59	83	38	329	3	332
Purchases	2	-	-	-	50	52	-	52
Sales	(31)	(7)	-	-	(5)	(43)	-	(43)
Improved recovery	26	1	9	-	-	36	-	36
Extensions and discoveries	53	1	231	13	2	300	-	300
Production	(214)	(63)	(178)	(89)	(12)	(556)	(20)	(576)
December 31, 1996	2,292	1,083	1,607	755	183	5,920	419	6,339
Oil sands reserves								
At December 31, 1994	-	448	-	-	-	448	-	448
At December 31, 1995	-	432	-	-	-	432	-	432
At December 31, 1996	-	443	-	-	-	443	-	443
Worldwide net proved developed and undeveloped reserves (including oil sands)								
At December 31, 1994	2,324	1,616	1,341	759	80	6,120	476	6,596
At December 31, 1995	2,317	1,573	1,486	748	110	6,234	436	6,670
At December 31, 1996	2,292	1,526	1,607	755	183	6,363	419	6,782
Developed reserves, included above (excluding oil sands)								
At December 31, 1994	1,945	571	841	561	72	3,990	437	4,427
At December 31, 1995	1,942	526	805	610	60	3,943	410	4,353
At December 31, 1996	1,925	512	815	582	44	3,878	396	4,274

Net proved developed reserves are those volumes which are expected to be recovered through existing wells with existing equipment and operating methods. Undeveloped reserves are those volumes which are expected to be recovered as a result of future investments to drill new wells, to recomplete existing wells and/or to install facilities to collect and deliver the production from existing and future wells.

Reserves attributable to certain oil and gas discoveries were not considered proved as of year-end 1996 due to geological, technological or economic uncertainties and therefore are not included in the tabulation.

Crude oil and natural gas liquids and natural gas production quantities shown are the net volumes withdrawn from Exxon's oil and gas reserves. The natural gas quantities differ from the quantities of gas delivered for sale by the producing function as reported on page F27 due to volumes consumed or flared and inventory changes. Such quantities amounted to approximately 200 billion cubic feet in 1994, 189 billion cubic feet in 1995 and 236 billion cubic feet in 1996.

	Consolidated Subsidiaries							
Natural Gas	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(billions of cubic feet)							
Net proved developed and undeveloped reserves								
January 1, 1994	9,530	2,505	7,349	6,320	112	25,816	16,435	42,251
Revisions	405	(60)	262	(188)	1	420	753	1,173
Purchases	-	4	-	-	-	4	-	4
Sales	(25)	(61)	(16)	-	-	(102)	-	(102)
Improved recovery	17	59	36	2	-	114	25	139
Extensions and discoveries	398	17	265	74	-	754	391	1,145
Production	(787)	(162)	(427)	(334)	(9)	(1,719)	(663)	(2,382)
December 31, 1994	9,538	2,302	7,469	5,874	104	25,287	16,941	42,228
Revisions	838	(72)	65	175	(1)	1,005	228	1,233
Purchases	-	-	-	-	10	10	-	10
Sales	(27)	(79)	-	-	(3)	(109)	(88)	(197)
Improved recovery	-	19	56	-	-	75	-	75
Extensions and discoveries	407	104	375	67	-	953	117	1,070
Production	(809)	(156)	(412)	(352)	(8)	(1,737)	(646)	(2,383)
December 31, 1995	9,947	2,118	7,553	5,764	102	25,484	16,552	42,036
Revisions	422	(118)	101	107	13	525	196	721
Purchases	4	11	-	-	13	28	11	39
Sales	(36)	(76)	-	-	(1)	(113)	(3)	(116)
Improved recovery	39	18	5	-	-	62	-	62
Extensions and discoveries	615	61	506	53	-	1,235	166	1,401
Production	(841)	(142)	(525)	(380)	(8)	(1,896)	(747)	(2,643)
December 31, 1996	10,150	1,872	7,640	5,544	119	25,325	16,175	41,500
Worldwide net proved developed and undeveloped reserves								
At December 31, 1994	9,538	2,302	7,469	5,874	104	25,287	16,941	42,228
At December 31, 1995	9,947	2,118	7,553	5,764	102	25,484	16,552	42,036
At December 31, 1996	10,150	1,872	7,640	5,544	119	25,325	16,175	41,500
Developed reserves, included above								
At December 31, 1994	8,120	1,861	4,451	3,628	103	18,163	7,588	25,751
At December 31, 1995	8,394	1,586	4,555	4,349	92	18,976	7,210	26,186
At December 31, 1996	8,216	1,392	4,872	3,995	83	18,558	6,754	25,312

SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

Standardized Measure of Discounted Future Cash Flows

As required by the Financial Accounting Standards Board, the standardized measure of discounted future net cash flows is computed by applying year-end prices and costs and a discount factor of 10 percent to net proved reserves. The corporation believes that the standardized measure is not meaningful and may be misleading.

	Consolidated Subsidiaries							
	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of dollars)							
As of December 31, 1994								
Future cash inflows from sales of oil and gas	$41,430	$15,646	$37,265	$18,974	$1,201	$114,516	$53,163	$167,679
Future production and development costs	21,095	6,579	19,175	10,966	485	58,300	23,611	81,911
Future income tax expenses	6,143	3,713	7,033	2,911	325	20,125	11,938	32,063
Future net cash flows	$14,192	$ 5,354	$11,057	$ 5,097	$ 391	$ 36,091	$17,614	$ 53,705
Effect of discounting net cash flows at 10%	6,883	2,668	4,525	2,276	100	16,452	11,251	27,703
Discounted future net cash flows	$ 7,309	$ 2,686	$ 6,532	$ 2,821	$ 291	$ 19,639	$ 6,363	$ 26,002
As of December 31, 1995								
Future cash inflows from sales of oil and gas	$49,920	$15,418	$43,602	$21,214	$2,015	$132,169	$63,444	$195,613
Future production and development costs	19,871	6,353	19,647	10,084	836	56,791	28,521	85,312
Future income tax expenses	10,204	3,840	11,298	4,117	456	29,915	13,928	43,843
Future net cash flows	$19,845	$ 5,225	$12,657	$ 7,013	$ 723	$ 45,463	$20,995	$ 66,458
Effect of discounting net cash flows at 10%	9,616	2,592	4,445	3,292	353	20,298	13,089	33,387
Discounted future net cash flows	$10,229	$ 2,633	$ 8,212	$ 3,721	$ 370	$ 25,165	$ 7,906	$ 33,071
As of December 31, 1996								
Future cash inflows from sales of oil and gas	$78,728	$21,969	$56,745	$26,336	$4,094	$187,872	$66,078	$253,950
Future production and development costs	20,918	6,654	19,024	11,941	1,435	59,972	30,015	89,987
Future income tax expenses	20,772	6,444	18,845	5,436	627	52,124	14,961	67,085
Future net cash flows	$37,038	$ 8,871	$18,876	$ 8,959	$2,032	$ 75,776	$21,102	$ 96,878
Effect of discounting net cash flows at 10%	18,022	4,808	6,703	3,955	1,203	34,691	13,066	47,757
Discounted future net cash flows	$19,016	$ 4,063	$12,173	$ 5,004	$ 829	$ 41,085	$ 8,036	$ 49,121

Change in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

Consolidated Subsidiaries	1996	1995	1994
	(millions of dollars)		
Value of reserves added during the year due to extensions, discoveries, improved recovery and net purchases less related costs	$ 3,581	$3,057	$1,245
Changes in value of previous-year reserves due to:			
Sales and transfers of oil and gas produced during the year, net of production (lifting) costs	(10,875)	(8,101)	(7,219)
Development costs incurred during the year	3,082	2,850	2,629
Net change in prices, lifting and development costs	25,677	9,257	6,340
Revisions of previous reserves estimates	3,157	1,581	1,307
Accretion of discount	3,330	2,495	1,969
Net change in income taxes	(12,032)	(5,613)	(3,367)
Total change in the standardized measure during the year	$15,920	$5,526	$2,904

OPERATING SUMMARY

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
	(thousands of barrels daily)										
Production of crude oil and natural gas liquids											
Net production											
United States	587	600	562	553	591	619	640	693	760	756	761
Canada	211	242	251	254	268	278	302	312	249	222	196
Europe	499	498	484	423	396	363	313	351	444	456	473
Asia-Pacific	244	302	325	347	346	342	331	328	345	338	313
Other Non-U.S.	74	84	87	90	104	113	126	120	121	63	53
Worldwide	1,615	1,726	1,709	1,667	1,705	1,715	1,712	1,804	1,919	1,835	1,796
	(millions of cubic feet daily)										
Natural gas production available for sale											
Net production											
United States	2,094	2,055	2,021	1,764	1,607	1,655	1,778	1,827	1,805	1,698	1,919
Canada	194	281	286	328	326	355	413	417	209	147	142
Europe	3,361	2,804	2,842	3,049	3,097	3,010	2,694	2,707	2,787	3,012	2,946
Asia-Pacific	928	873	827	678	577	411	369	376	332	308	267
Other Non-U.S.	-	-	2	6	54	66	64	58	59	62	55
Worldwide	6,577	6,013	5,978	5,825	5,661	5,497	5,318	5,385	5,192	5,227	5,329
	(thousands of barrels daily)										
Refinery throughput											
United States	988	1,004	994	970	1,017	1,017	950	1,093	1,055	1,066	1,116
Canada	433	424	428	416	399	419	484	486	351	354	333
Europe	1,522	1,416	1,503	1,492	1,489	1,490	1,425	1,387	1,335	1,264	1,227
Asia-Pacific	733	697	633	619	602	556	586	556	522	426	429
Other Non-U.S.	116	118	122	119	112	103	101	102	105	101	98
Worldwide	3,792	3,659	3,680	3,616	3,619	3,585	3,546	3,624	3,368	3,211	3,203
Petroleum product sales											
United States	1,261	1,198	1,196	1,152	1,203	1,210	1,109	1,147	1,113	1,057	1,106
Canada	542	526	520	517	513	527	597	625	433	430	396
Latin America	437	441	426	422	411	391	384	383	386	388	380
Europe	1,925	1,869	1,898	1,872	1,847	1,863	1,796	1,718	1,680	1,634	1,636
Asia-Pacific and other Eastern Hemisphere	1,046	1,042	988	962	935	878	869	847	784	619	607
Worldwide	5,211	5,076	5,028	4,925	4,909	4,869	4,755	4,720	4,396	4,128	4,125
Aviation fuels	442	414	403	379	376	372	382	382	344	338	317
Gasoline, naphthas	1,939	1,903	1,849	1,818	1,822	1,821	1,742	1,708	1,572	1,488	1,461
Heating oils, kerosene, diesel oils	1,718	1,655	1,644	1,569	1,557	1,561	1,491	1,498	1,424	1,344	1,365
Heavy fuels	498	488	530	558	546	535	543	507	466	419	463
Specialty petroleum products	614	616	602	601	608	580	597	625	590	539	519
Worldwide	5,211	5,076	5,028	4,925	4,909	4,869	4,755	4,720	4,396	4,128	4,125
	(thousands of metric tons)										
Chemical prime product sales	15,712	14,377	13,969	13,393	13,463	12,560	12,453	12,324	12,152	11,613	10,568
	(millions of metric tons)										
Coal production	15	16	36	36	37	39	40	36	32	30	27
	(thousands of metric tons)										
Copper production	203	202	191	183	133	108	112	119	134	101	79

Operating statistics include 100 percent of operations of majority-owned subsidiaries; for other companies, gas, crude production, petroleum product, and chemical prime product sales include Exxon's ownership percentage, and refining throughput includes quantities processed for Exxon. Net production excludes royalties and quantities due others when produced, whether payment is made in kind or cash.

EXHIBIT 21

Subsidiaries of the Registrant (1), (2) and (3)

AT DECEMBER 31, 1996

	PERCENTAGE OF VOTING SECURITIES OWNED BY IMMEDIATE PARENT(S)	STATE OR COUNTRY OF ORGANIZATION
Ancon Insurance Company, Inc.	100	Vermont
Esso Australia Resources Ltd.	100	Delaware
Delhi Petroleum Pty. Ltd.	100	Australia
Esso Eastern Inc.	100	Delaware
Esso Malaysia Berhad............................	65	Malaysia
Esso Production Malaysia Inc.	100	Delaware
Esso Sekiyu Kabushiki Kaisha....................	100	Japan
Esso Singapore Private Limited..................	100	Singapore
Esso (Thailand) Public Company Limited..........	87.5	Thailand
Exxon Energy Limited............................	100	Hong Kong
Exxon Trading Asia Pacific Private Limited......	100	Singapore
Exxon Yemen Inc.................................	100	Delaware
General Sekiyu K.K.(5)(6).......................	49	Japan
Tonen Kabushiki Kaisha(5).......................	25	Japan
Esso Italiana S.p.A.(7).........................	100	Italy
Esso Standard Oil S.A. Limited..................	100	Bahamas
Exxon Asset Management Company..................	75.5	Delaware
Exxon Capital Holdings Corporation..............	100	Delaware
Exxon Capital Corporation.......................	100	New Jersey
Exxon Capital Investment, Inc.................	100	Delaware
Exxon Chemical Asset Management Partnership(8)...	100	Delaware
Exxon Mobile Bay Limited Partnership(9).........	100	Delaware
Paxon Polymer Company, L.P. II(10)............	100	Delaware
Exxon Chemical Eastern Inc......................	100	Delaware
Exxon Chemical Asia Private Limited.............	100	Singapore
Exxon Chemical Singapore Private Limited........	100	Singapore
Singapore Aromatics Company Private (5).......	50	Singapore
Exxon Chemical HDPE Inc.	100	Delaware
Exxon Coal USA, Inc.	100	Delaware
Exxon Credit Corporation........................	100	Delaware

	PERCENTAGE OF VOTING SECURITIES OWNED BY IMMEDIATE PARENT(S)	STATE OR COUNTRY OF ORGANIZATION
Exxon International Holdings, Inc.	100	Delaware
Esso Aktiengesellschaft(11)	100	Germany
BRIGITTA Erdgas und Erdoel GmbH, Hannover(4)(5)	50	Germany
Elwerath Erdgas und Erdoel GmbH, Hannover(4)(5)	50	Germany
Mineraloelraffinerie Oberrhein GmbH & Co. KG(5)	25	Germany
Esso Austria Aktiengesellschaft(12)	100	Austria
Esso Exploration and Production Norway AS	100	Norway
Esso Holding Company Holland Inc.	100	Delaware
Esso Holding B.V.	100	Netherlands/Delaware
Esso N.V./S.A. (13)	100	Belgium/Delaware
Exxon Chemical Antwerp Ethylene N.V. (14)	100	Belgium
Fina Antwerp Olefins N.V.(5)	35	Belgium
Esso Nederland B.V.	100	Netherlands
Exxon Chemical Holland Inc.	100	Delaware
Exxon Chemical Holland B.V.	100	Netherlands
N. V. Nederlandse Gasunie(5)	25	Netherlands
Nederlandse Aardolie Maatschappij B.V. (4)(5)	50	Netherlands
Esso Holding Company U.K. Inc.	100	Delaware
Esso UK plc	100	England
Esso Exploration and Production UK Limited	100	England
Esso Petroleum Company, Limited	100	England
Exxon Chemical Limited	100	England
Exxon Chemical Olefins Inc.	100	Delaware
Esso Norge AS	100	Norway
Esso Sociedad Anonima Petrolera Argentina	100	Argentina
Esso Societe Anonyme Francaise	81.548	France
Esso (Switzerland)	100	Switzerland
Exxon Land Development, Inc.	100	Arizona
Exxon Minerals International Inc.	100	Delaware
Compania Minera Disputada de Las Condes S.A.	99.9252	Chile
Exxon Overseas Corporation	100	Delaware
Exxon Chemical Arabia Inc.	100	Delaware
Al-Jubail Petrochemical Company(4)(5)	50	Saudi Arabia
Exxon Overseas Investment Corporation	100	Delaware
Exxon Equity Holding Company	100	Delaware
Exxon Financial Services Company Limited	100	Bahamas
Exxon Ventures Inc.	100	Delaware
Exxon Azerbaijan Limited	100	Bahamas
Mediterranean Standard Oil Co.	100	Delaware
Esso Trading Company of Abu Dhabi	100	Delaware
Exxon Pipeline Holdings, Inc.	100	Delaware
Exxon Pipeline Company	100	Delaware
Exxon Rio Holding Inc.	100	Delaware
Esso Brasileira de Petroleo Limitada(15)	100	Brazil
Exxon Sao Paulo Holding Inc.	100	Delaware
Imperial Oil Limited	69.6	Canada
International Colombia Resources Corporation(16)	100	Delaware
SeaRiver Maritime Financial Holdings, Inc.	100	Delaware
SeaRiver Maritime, Inc.	100	Delaware
Societe Francaise EXXON CHEMICAL	99.359	France
Exxon Chemical France	100	France
Exxon Chemical Polymeres SNC(17)	100	France

- - --------------------

NOTES:

(1) For purposes of this list, if the registrant owns directly or indirectly approximately 50 percent of the voting securities of any person and approximately 50 percent of the voting securities of such person is owned directly or indirectly by another interest, or if the registrant includes its share of net income of any other unconsolidated person in consolidated net income, such person is deemed to be a subsidiary.

(2) With respect to certain companies, shares in names of nominees and qualifying shares in names of directors are included in the above percentages.

(3) The names of other subsidiaries have been omitted from the above list since considered in the aggregate, they would not constitute a significant subsidiary.

(4) The registrant owns directly or indirectly approximately 50 percent of the securities of this person and approximately 50 percent of the voting securities of this person is owned directly or indirectly by another single interest.

(5) The investment in this unconsolidated person is represented by the registrant's percentage interest in the underlying net assets of such person.

(6) Dual ownership; of the 49%, 47.468% is owned by Esso Eastern Inc. and 1.532% is owned by Esso Sekiyu Kabushiki Kaisha.

(7) Dual ownership; of the 100%, 90% is owned by Exxon Corporation and 10% by Exxon Overseas Corporation.

(8) Dual ownership; of the 100%, 68.4% is owned by Exxon Corporation and 31.6% is owned by Exxon Asset Management Company.

(9) Dual ownership; of the 100%, 81.4% is owned by Exxon Chemical Asset Management Partnership and 18.6% is owned by Exxon Corporation.

(10) Dual ownership; of the 100%, 98% is owned by Exxon Mobile Bay Limited Partnership and 2% is owned by Exxon Chemical HDPE Inc.

(11) Dual ownership; of the 100%, 99.998% is owned by Exxon International Holdings, Inc. and 0.002% is owned by Exxon Corporation.

(12) Dual ownership; of the 100%, 99.9996% is owned by Exxon International Holdings, Inc. and 0.0004% is owned by Exxon Corporation.

(13) Dual ownership; of the 100%, 99.99997% is owned by Esso Holding B.V. and 0.00003% is owned by Exxon Chemical Holland Inc.

(14) Dual ownership; of the 100%, 99.9994% is owned by Esso Holding B.V. and 0.0006% is owned by Exxon Chemical Holland Inc.

(15) Dual ownership; of the 100%, 90% is owned by Exxon Rio Holding Inc. and 10% is owned by Exxon Sao Paulo Holding Inc.

(16) Dual ownership; of the 100%, 55% is owned by Exxon Corporation and 45% is owned by Esso Holding Company Holland Inc.

(17) Dual ownership; of the 100%, 98% is owned by Societe Francaise EXXON CHEMICAL and 2% is owned by Exxon Chemical France.

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 1996, EXXON'S CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR 1996 AND THE RELATED NOTES TO THESE CONSOLIDATED FINANCIAL STATEMENTS, THAT ARE CONTAINED IN EXXON'S 1996 ANNUAL REPORT ON FORM 10-K. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

12-MOS
DEC-31-1996
DEC-31-1996
2,951
18
8,074
98
5,285
19,910
126,366
59,759
95,527
19,505
7,236
0
303
2,822
40,417
95,527
131,543
134,249
56,406
56,406
19,347
0
464
11,916
4,406
7,510
0
0
0
7,510
6.02
0