

## Exxon shareholder vote on fracking gets SEC nod

April 4, 2012.

The Securities and Exchange Commission backed a shareholder resolution that will let Exxon Mobil Corp investors vote on requesting a report on the financial risks of the regulatory and community responses to fracking.

"As the nation's largest natural gas producer, ExxonMobil needs to set the standard for disclosure on its gas exploration practices and development of safe technology," said Jon Jensen, head of the Park Foundation, which supported the filing of the resolution through shareholder advocacy group **As You Sow**.

Resolutions on the risks of hydraulic fracturing, or fracking, received support from 28 percent of shareholders at Exxon's annual meeting last year, and from two-fifths of the shareholders of rival Chevron Corp.

An Exxon spokesman noted 72 percent of shareholders rejected the resolution, and that it was the third year such a vote took place. "It's our view that unconventional gas can be developed in a manner that protects health and the environment," he added.

Regulators at the Securities and Exchange Commission last week rejected Exxon's request to omit this year's resolution, clearing the path for a vote at its shareholder meeting on May 30, **As You Sow** said in a statement. Chevron's annual meeting will be held the same day.

Concerns around fracking center on the chemicals used and wastewater disposal, and **As You Sow** said these two issues could have significant financial implications for the companies, and are contributing to the regulatory scrutiny.

The group counts 70 towns or cities and at least three U.S. states and four countries, from New York to Bulgaria to South Africa, that have enacted bans or moratoriums on fracking.

"Investors need companies to disclose how they are managing these wide-ranging risks," Michael Passoff, senior strategist at **As You Sow**, said in a statement.

Last year, the average vote for fracking-related proposals was 40 percent, or double the average support for a shareholder vote on environmental or social risks, according to **As You Sow**.

A handful of other companies had such resolutions withdrawn once they made certain commitments, and Exxon and Ultra Petroleum Corp are the only two to receive resolutions focused on fracking for three consecutive years, the group said.