1998

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, 1998

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:

<TABLE>
<CAPTION>

Title of Each Class	Name of Each Exchange on Which Registered
<S>	<C>
Common Stock, without par value (2,427,925,038 shares outstanding at February 26, 1999)	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

</TABLE>

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. ___

The aggregate market value of the voting stock held by non-affiliates of the registrant on February 26, 1999, based on the closing price on that date of $66 9/16 on the New York Stock Exchange composite tape, was in excess of $161 billion.

Documents Incorporated by Reference:
1998 Annual Report to Shareholders (Parts I, II and IV)
Proxy Statement for the 1999 Annual Meeting of Shareholders (Part III)

EXXON CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

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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, copper and other minerals. Exxon also has interests in electric power generation facilities. 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.

On December 1, 1998, Exxon Corporation and Mobil Corporation signed an agreement to merge the two companies subject to shareholder approval, regulatory reviews and other conditions. Under the terms of the agreement, each common share of Mobil will be converted into 1.32015 common shares of Exxon. As a result of the merger, Exxon shareholders will own about 70 percent of the combined company and Mobil shareholders will own about 30 percent. Upon completion of the merger, the company's name will be Exxon Mobil Corporation. It is intended that the merger will qualify as a tax-free reorganization in the U.S., and that it will be accounted for on a "pooling of interests" basis. In addition, the merger agreement provides for payment of termination fees of $1.5 billion under certain circumstances. Exxon and Mobil also have entered into an option agreement that grants Exxon the option under specified circumstances to purchase up to approximately 14.9 percent of the authorized but unissued common stock of Mobil.

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 F6 and F7 of the accompanying financial section of the 1998 Annual Report to shareholders for discussion of the impact of market risks, inflation and other uncertainties.

In 1998, the corporation spent $1,321 million (of which $432 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 $1.5 billion in both 1999 and 2000 (with capital expenditures representing about 40 percent of the total).

Operating data and industry segment information for the corporation are contained on pages F3, F24, F25 and F31, information on oil and gas reserves is contained on pages F28 and F29 and information on company-sponsored research and development activities is contained on page F16 of the accompanying financial section of the 1998 Annual Report to shareholders.*

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 1998 Annual Report to shareholders in Note 10, which note appears on page F18, and on pages F3, and F26 through F31.

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 1998

Estimated proved reserves are shown on pages F28 and F29 of the accompanying financial section of the 1998 Annual Report to shareholders. No major discovery or other favorable or adverse event has occurred since December 31, 1998 that would cause a significant change in the estimated proved reserves as of that date. For information on the standardized measure of discounted future net cash flows relating to proved oil and gas reserves, see page F30 of the accompanying financial section of the 1998 Annual Report to shareholders.

2. Estimates of Total Net Proved Oil and Gas Reserves Filed with Other Federal Agencies

During 1998, 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 1997 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. The difference between the oil reserves reported on EIA-23 and those reported in the 1997 Annual Report exceeds five percent. The difference in gas reserves does not exceed five percent.

3. Average Sales Prices and Production Costs per Unit of Production

Incorporated by reference to page F26 of the accompanying financial section of the 1998 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 F28 of the accompanying financial section of the 1998 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 F31 of the accompanying financial section of the 1998 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.

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*Only the data appearing on pages F1 and F3 through F31 of the accompanying financial section of the 1998 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, 7A, 8 and 14 and on page 14.

4. Gross and Net Productive Wells

<TABLE>
<CAPTION>

	Year-End 1998			
	Oil		Gas	
	Gross	Net	Gross	Net
<S>	<C>	<C>	<C>	<C>
United States	15,978	5,490	4,116	1,742
Canada	5,915	3,946	4,014	1,880
Europe	1,485	438	1,088	366
Asia-Pacific	890	462	530	149
Other	751	86	13	5
Total	25,019	10,422	9,761	4,142

</TABLE>

5. Gross and Net Developed Acreage

<TABLE>
<CAPTION>

	Year-End 1998	
	Gross	Net
	(Thousands of acres)	
<S>	<C>	<C>
United States	5,037	3,505
Canada	3,066	1,222
Europe	10,518	3,327
Asia-Pacific	2,949	1,130
Other	7,452	1,105
Total	29,022	10,289

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

<CAPTION>

	Year-End 1998	
	Gross	Net
	(Thousands of acres)	
<S>	<C>	<C>
United States	6,739	4,839
Canada	3,821	2,174
Europe	13,117	5,522
Asia-Pacific	57,841	30,277
Other	57,563	24,685
Total	139,081	67,497

</TABLE>

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. Producing 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.

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.

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.

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. The more recent licenses were 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. In the most recent eighteenth license round, the initial period was six years, with a second term of 12 years which may be extended a further 18 years.

Australia

Onshore: Acreage terms are fixed by the individual state and territory governments. These terms and conditions vary significantly between the states and territories. Exploration permits are normally

granted for four years with possible renewals and relinquishments. Production licenses in South Australia are granted for an initial term of 21 years, with subsequent renewals each for 21 years for the full area. Production licenses in Queensland are granted for varying periods consistent with expected field lives, with renewals on a similar basis.

Offshore: Acreage terms are fixed by the federal 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. Existing production licenses include initial license periods of 21 years and a first renewal of an additional 21 years. From September 1, 1998, new licenses and renewals of existing licenses will be granted for the life of the field plus five years. For licenses issued before September 1, 1998, first renewals shall be granted; second renewals may be granted subject to compliance with conditions of the license and regulations.

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 37 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 five years from commercial discovery, with the possibility of extensions under special circumstances. Areas from which commercial production has not started by the end of the development period must be relinquished. If no extension is granted, the total production period is 15 to 25 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.

Angola

Exploration and production activities are governed by production sharing agreements negotiated with the national oil company. The exploration period generally consists of four years and an optional phase of two years, with no relinquishment requirement after the first phase. The production period, which includes development, is for 25 years.

Azerbaijan

The production sharing agreement (PSA) for development of the Megastructure is for an initial period of 30 years starting from the PSA execution date in 1994.

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 oil 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. In addition, agreement was reached in 1997 on terms for participation in a potential liquified natural gas project utilizing Marib gas reserves.

8. Number of Net Productive and Dry Wells Drilled

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
A. Net Productive Exploratory Wells Drilled			
United States	7	9	7
Canada	3	11	8
Europe	7	9	7
Asia-Pacific	4	10	7
Other	3	2	2
Total	24	41	31
B. Net Dry Exploratory Wells Drilled			
United States	7	4	5
Canada	2	4	4
Europe	8	8	9
Asia-Pacific	4	3	8
Other	5	3	2
Total	26	22	28
C. Net Productive Development Wells Drilled			
United States	175	228	190
Canada	100	424	356
Europe	40	33	36
Asia-Pacific	55	54	31
Other	4	7	11
Total	374	746	624
D. Net Dry Development Wells Drilled			
United States	20	15	13
Canada	--	2	2
Europe	2	--	2

Asia-Pacific	1	--	1
Other	--	1	1
Total	23	18	19
Total number of net wells drilled	447	827	702

9. Present Activities

A. Wells Drilling -- Year-End 1998

<CAPTION>

<S> <C> <C>

	Gross	Net
United States	108	46
Canada	3	1
Europe	36	11
Asia-Pacific	16	7
Other	10	3
Total	173	68

</TABLE>

B. Review of Principal Ongoing Activities in Key Areas

UNITED STATES

During 1998, exploration activities were conducted by Exxon Exploration Company, selected development activities by Exxon Upstream Development Company and producing and other development activities by Exxon Company, U.S.A. Some of the more significant ongoing activities are:

- Exploration and delineation of additional hydrocarbon resources continued. At year-end 1998, Exxon's inventory of undeveloped acreage totaled 4.8 million net acres. Exxon was active in areas onshore and offshore in the lower 48 states and in Alaska. A total of 13.5 net exploration and delineation wells were completed during 1998.

- During 1998, 141.3 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 1998 was 2.2 million acres. A total of 27.2 net exploratory and development wells were completed during the year.

- Development continued on two Gulf of Mexico projects in 1998. The Genesis project started up in early 1999 utilizing a deep-draft caisson vessel (DDCV) to develop reserves in 2,600 feet of water. The Ursa project, scheduled for start-up in 1999, will utilize a tension leg platform development concept in 3,900 feet of water.

- The Hoover and Diana fields in the Gulf of Mexico are being jointly developed using a DDCV positioned in 4,800 feet of water over the Hoover field. The Diana field will be produced via subsea development wells tied back to the DDCV. Start-up is expected in 2000.

- Participation in Alaska production and development continued and a total of 27.3 net development wells were drilled in 1998.

CANADA

During 1998, 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 137 thousand barrels per day during 1998.

- Facilities construction and drilling began in 1998 on the Sable Offshore Energy Project. Production is expected to begin by 2000.

OUTSIDE NORTH AMERICA

During 1998, exploration activities were conducted by Exxon Exploration Company, selected development activities by Exxon Upstream Development Company and producing and other development activities by Exxon Company, International. Some of the more significant ongoing activities include:

France

Exxon's net acreage at year-end 1998 was 1.0 million net acres (0.7 million offshore, 0.3 million onshore), with 2.5 net exploration and development wells completed during the year. During 1998, production started up from the Tamaris field and development activity is progressing in the Courbey field.

Germany

A total of 2.5 million acres were held by Exxon at year-end, with 4.6 net exploration and development wells drilled and completed during the year.

Netherlands

Exxon's interest in licenses totaled 2.9 million net acres at year-end 1998. During 1998, 11.5 net exploration and development wells were drilled. During 1998, the new offshore gas fields K7-FC/FD, L9 and Q16-FA started up. Construction is in progress on the new offshore gas field, D15-FA/FB, and new onshore gas fields, Moddergat, Nes and Gaag.

Norway

Exxon's net interest in licenses at year-end 1998 totaled 0.5 million net acres, all offshore. Exxon participated in 14.7 net exploration and production wells in 1998. Projects for development of the Balder, Jotun and Snorre North fields are in progress.

United Kingdom

During the year, Exxon acquired interests in 36 new blocks. Net acreage was 1.9 million acres at year-end, all offshore. A total of 24.6 net exploration and development wells were completed during the year. There were successful start-ups of the Mallard, ETAP and Galleon PG projects. Low pressure operations were being implemented at Brent, and several major projects were underway, including Shearwater, Ketch, Corvette and Triton.

Australia

Exxon's year-end acreage holdings totaled 5.7 million net acres onshore and 0.6 million net acres offshore, with exploration and production activities underway in both areas. During 1998, a total of 28.3 net exploration and development wells were completed.

Malaysia

Exxon has interests in production sharing contracts covering 7.6 million net acres offshore Malaysia. During the year, a total of 34.0 net exploration and development wells were completed. Development drilling was completed at Lawit A and Raya A and continued on the Seligi F platform. The Tapis E platform was installed in 1998. An agreement with PETRONAS, the state-owned oil company, was signed in 1998 for a major new natural gas production sharing contract. This contract covers the commercialization of gas previously discovered by Exxon.

Thailand

Exxon's net acreage in the Khorat concession totaled 15 thousand net acres at year-end.

Angola

Exxon has interests in production sharing agreements covering 2.1 million net acres, all offshore. During 1998, a total of 2.8 net exploration and development wells were completed. Development is in progress on the Girassol field in Block 17.

Azerbaijan

At year-end, Exxon's net acreage totaled 43 thousand acres. During 1998, 0.4 net exploration and development wells were drilled. Construction on the Western Route pipeline is in progress.

Republic of Yemen

Exxon's net acreage in the Republic of Yemen production sharing areas totaled 0.9 million acres onshore at year-end. During the year, 4.4 net exploration and development wells were drilled and completed.

WORLDWIDE EXPLORATION

Exploration activities were underway in several areas in which Exxon has no established production operations. A total of 40.0 million net acres were held at year-end, and 6.5 net exploration wells were completed during the year.

Item 3. Legal Proceedings.

Refer to the relevant portions of Note 18 on page F23 of the accompanying financial section of the 1998 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, 1999	Title (Held Office Since)
L. R. Raymond.......	60	Chairman of the Board (1993)
R. Dahan...........	57	Senior Vice President (1995)
H. J. Longwell......	57	Senior Vice President (1995)
R. E. Wilhelm.......	58	Senior Vice President (1990)
A. L. Condray.......	56	Vice President (1995)
D. D. Humphreys.....	51	Vice President and Controller (1997)
C. W. Matthews......	54	Vice President and General Counsel (1995)
S. R. McGill........	56	Vice President (1998)
J. T. McMillan......	62	Vice President (1997)
F. A. Risch.........	56	Vice President and Treasurer (1999)
D. S. Sanders.......	59	Vice President (1999)
P. E. Sullivan......	55	Vice President and General Tax Counsel (1995)
J. L. Thompson......	59	Vice President (1991)
T. P. Townsend......	62	Vice President -- Investor Relations (1990) and Secretary (1995)

For at least the past five years, Messrs. Raymond, Wilhelm, Risch 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, 1998.

Esso Benelux B.V.	McGill
Esso Holding Company Holland Inc.	McGill
Esso Malaysia Berhad..................	Humphreys
Esso Production Malaysia Inc.	Humphreys
Exxon Chemical Company................	Sanders
Exxon Coal and Minerals Company........	McMillan
Exxon Company, International..........	Dahan and McGill
Exxon Company, U.S.A..................	Condray, Longwell, Matthews, McMillan 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 F4 of the accompanying financial section of the 1998 Annual Report to shareholders.

In accordance with the registrant's 1997 Nonemployee Director Restricted Stock Plan, each incumbent nonemployee director (9 persons) was granted 600 shares of restricted stock on January 1, 1999. These grants are exempt from registration under bonus stock interpretations such as the "no-action" letter to Pacific Telesis Group (June 30, 1992).

Item 6. Selected Financial Data.

Incorporated by reference to page F3 of the accompanying financial section of the 1998 Annual Report to shareholders.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Incorporated by reference to pages F5 through F9 of the accompanying financial section of the 1998 Annual Report to shareholders.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Incorporated by reference to the first through sixth paragraphs of the section entitled "Market Risks, Inflation, and Other Uncertainties" beginning on page F6 and to the tenth paragraph of the section entitled "Liquidity and Capital Resources" on page F8 of the accompanying financial section of the 1998 Annual Report to shareholders. All statements other than historical information incorporated in this Item 7A are forward looking statements. The actual impact of future market changes could differ materially due to, among other things, factors discussed in this report.

Item 8. Financial Statements and Supplementary Data.

Reference is made to the Index to Financial Statements on page 14 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 sections entitled "Board of Directors Proposal: Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in Chapter Four of the registrant's definitive proxy statement for the 1999 annual meeting of shareholders (the "1999 Proxy Statement").

Item 11. Executive Compensation.

Incorporated by reference to the section entitled "Director Compensation" and the section entitled "Executive Compensation Tables" in Chapter Four of the registrant's 1999 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Incorporated by reference to the section entitled "Director and Executive Officer Stock Ownership" in Chapter Four of the registrant's 1999 Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

None.

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 14 of this Annual Report on Form 10-K.

(a)(3) Exhibits:
See Index to Exhibits on page 15 of this Annual Report on Form 10-K.

(b)Reports on Form 8-K.
The registrant filed a Form 8-K dated December 1, 1998 concerning the announcement by Exxon Corporation and Mobil Corporation of the signing of an agreement to merge the two companies. Refer to the section entitled "Exxon and Mobil Merger Agreement" on page F6 of the accompanying financial section of the 1998 Annual Report to shareholders for further information regarding this announcement.

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

By: /s/ LEE R. RAYMOND

(Lee R. Raymond,
Chairman of the Board)

Dated March 30, 1999

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Millie P. Bradley, Richard E. Gutman and Brian A. Maher, 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.

<TABLE>

<S>	<C>	<C>
/s/ LEE R. RAYMOND (Lee R. Raymond)	Chairman of the Board (Principal Executive Officer)	March 30, 1999
/s/ MICHAEL J. BOSKIN (Michael J. Boskin)	Director	March 30, 1999
/s/ RENE DAHAN (Rene Dahan)	Director	March 30, 1999

</TABLE>

<TABLE>

<S>	<C>	<C>
/s/ WILLIAM T. ESREY (William T. Esrey)	Director	March 30, 1999
/s/ JESS HAY (Jess Hay)	Director	March 30, 1999
/s/ JAMES R. HOUGHTON (James R. Houghton)	Director	March 30, 1999
/s/ WILLIAM R. HOWELL (William R. Howell)	Director	March 30, 1999
/s/ REATHA CLARK KING (Reatha Clark King)	Director	March 30, 1999
/s/ PHILIP E. LIPPINCOTT (Philip E. Lippincott)	Director	March 30, 1999
/s/ HARRY J. LONGWELL (Harry J. Longwell)	Director	March 30, 1999
/s/ MARILYN CARLSON NELSON (Marilyn Carlson Nelson)	Director	March 30, 1999

/s/ WALTER V. SHIPLEY (Walter V. Shipley)	Director	March 30, 1999
/s/ ROBERT E. WILHELM (Robert E. Wilhelm)	Director	March 30, 1999
/s/ DONALD D. HUMPHREYS (Donald D. Humphreys)	Controller (Principal Accounting Officer)	March 30, 1999
/s/ FRANK A. RISCH (Frank A. Risch)	Treasurer (Principal Financial Officer)	March 30, 1999

</TABLE>

INDEX TO FINANCIAL STATEMENTS

The consolidated financial statements, together with the report thereon of PricewaterhouseCoopers LLP dated February 24, 1999, appearing on pages F10 to F25; the Quarterly Information appearing on page F4; and the Supplemental Information on Oil and Gas Exploration and Production Activities appearing on pages F26 to F30 of the accompanying financial section of the 1998 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 1998 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:

<TABLE>

<S>	<C>
Form S-3 (Nos. 333-27489 and 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)

</TABLE>

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

<TABLE>

<S>	<C>
Form S-8 (Nos. 333-38917 and 33-51107)	--1993 Incentive Program of Exxon Corporation (together with 1988 Long Term Incentive Plan of Exxon Corporation);
Form S-8 (No. 333-72955)	--Thrift Plans of Exxon Corporation and Participating Affiliated Employers

</TABLE>

of our report dated February 24, 1999 appearing on page F10 of the accompanying financial section of the 1998 Annual Report to shareholders of Exxon Corporation which is incorporated as Exhibit 13 in this Annual Report on Form 10-K.

PricewaterhouseCoopers LLP

Dallas, Texas
March 30, 1999

INDEX TO EXHIBITS

<TABLE>

<C>	<S>	<C>
3(i).	Registrant's Restated Certificate of Incorporation, as restated March 17, 1997 (incorporated by reference to Exhibit 3(i) to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 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)(a) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997).*
10(iii)(b).	Registrant's Plan for Deferral of Nonemployee Director Compensation and Fees, as amended.*
10(iii)(c).	Registrant's Restricted Stock Plan for Nonemployee Directors, as amended (incorporated by reference to Exhibit 10(iii)(c) to the registrant's Annual Report on Form 10-K for 1996).*
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 1997).*
10(iii)(e).	Registrant's Short Term Incentive Program, as amended (incorporated by reference to Exhibit 10(iii)(e) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997).*
10(iii)(f).	Registrant's 1997 Nonemployee Director Restricted Stock Plan (incorporated by reference to Exhibit 10(iii)(f) to the registrant's Annual Report on Form 10-K for 1996).*
12.	Computation of ratio of earnings to fixed charges.
13.	Pages F1 and F3 through F31 of the Financial Section of the registrant's 1998 Annual Report to shareholders.
21.	Subsidiaries of the registrant.
23.	Consent of Independent Accountants (contained on page 14 of this Annual Report on Form 10-K).
27.1	Financial Data Schedule (included only in the electronic filing of this document).
27.2	Restated Financial Data Schedules (included only in the electronic filing of this document. Restated 1998 interim periods to reflect adoption in the fourth quarter of 1998 of the American Institute of Certified Public Accountants' Statement of Position 98-5, "Reporting on the Costs of Start-up Activities", effective as of January 1, 1998, and the de-consolidation in the fourth quarter of 1998 of majority owned power segment companies retroactive to January 1, 1998 in compliance with Financial Accounting Standards Board Emerging Issues Task Force ruling on Issue No. 96-16).

</TABLE>

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* 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 10(iii)(b)

EXXON CORPORATION

PLAN FOR DEFERRAL OF NONEMPLOYEE DIRECTOR COMPENSATION AND FEES
(AS AMENDED BY THE BOARD OF DIRECTORS ON JANUARY 28, 1987)

1. PURPOSE:

The purpose of the Exxon Corporation Plan for Deferral of Nonemployee Director Compensation and Fees (the "Plan") is to provide nonemployee Directors of Exxon Corporation (the "Corporation") with an opportunity to defer compensation as a Director.

2. EFFECTIVE DATE OF THE PLAN:

The Plan shall become effective May 15, 1980.

3. PARTICIPANTS:

Any Director of the Corporation who is not, at the time of filing the election referred to in Section 4, an employee of the Corporation or of an affiliate of the Corporation is eligible to participate in the Plan.

4. ELECTION TO DEFER COMPENSATION:

(a) TIME OF ELECTION: An election to defer compensation shall be made by a Director at, or prior to, the time of election to the Board for the relevant elected term and prior to the right to receive any compensation for such term. An election shall continue in effect until the end of the participant's service as a Director or until the end of the elected term during which the Director gives to the Corporation written notice of the discontinuance of the election, whichever shall occur first. Such a notice of discontinuance shall operate prospectively from its effective date and compensation payable during any subsequent term of office shall not be deferred, but compensation theretofore deferred shall continue to be withheld and shall be paid in accordance with the notice of election pursuant to which it was withheld.

(b) AMOUNT OF DEFERRAL: A participant may elect to defer receipt of all or a specified portion of the compensation otherwise thereafter payable to such participant for serving on the Board of Directors of the Corporation and attending meetings or Committee meetings thereof.

(c) MANNER OF ELECTING DEFERRAL: A participant shall elect to defer compensation by giving written notice to the Corporation in the form attached hereto as Exhibit A or such other form as is approved by the Board. Such notice shall include:

(1) the percentage or amount of compensation to be deferred,

(2) an election of a lump-sum payment or of a number of annual installments (not to exceed five) for the payment of the deferred compensation, and

(3) the date of the lump-sum payment or the first installment payment (which shall not be earlier than January 15 of the year following the year in which service as a Director terminates nor later than January 15 first following the participant's 72nd birthday or such other date as may be approved by the Board).

5. DEFERRED COMPENSATION ACCOUNT:

For each participant there shall be established a deferred compensation account ("Account") which will be credited (i) at the time such amount would otherwise by payable, with the amount of any compensation receipt of which the participant has elected to defer, and (ii) at the end of each year or initial or terminal portion of a year, with deemed interest, at an annual rate equivalent to the weighted average prime lending rate of Citibank N.A. for the relevant year or portion thereof ("interest equivalents"), upon the average daily balance in the Account during such year or portion thereof.

6. VALUE OF DEFERRED COMPENSATION ACCOUNT:

The value of each participant's Account shall consist of compensation deferred and the interest equivalents described in Section 5. All credits to an Account shall be credited with interest equivalents in relation to the period from the date credited to the date of withdrawal. For this purpose the date of withdrawal shall be deemed to be (i) the close of business December 31st of the year preceding payment or (ii) if payment is made because of death, then the date of death. As promptly as practicable following the close of each calendar year a statement will be sent to each participant as to the balance in the participant's Account as of the end of such year.

7. PAYMENT OF DEFERRED COMPENSATION:

No withdrawal may be made from a participant's Account except as provided in this Section.

The balance in a participant's Account is payable in cash in the manner elected as provided in Section 4. If annual installments are elected, the amount of the first payment shall be a fraction of the balance in the participant's Account as of December 31st of the year preceding such payment, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment shall be a fraction of the balance in the participant's Account as of December 31st of the year preceding each subsequent payment, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid.

In the event of a participant's death, the balance in the participant's Account (including interest equivalents in relation to the elapsed portion of the year of death) shall be determined as of the date of death and such balance shall be paid in a single payment to the participant's estate as soon as reasonably possible thereafter.

8. PARTICIPANT'S RIGHTS UNSECURED:

The right of a participant to receive any unpaid portion of the participant's Account shall be an unsecured claim against the general assets of the Corporation.

9. NON-ASSIGNABILITY:

The right of a participant to receive any unpaid portion of the participant's Account shall not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation.

10. ADMINISTRATION:

The Administrator of the Plan shall be the Secretary of the Corporation. The Administrator shall have authority to adopt rules and regulations for carrying out the Plan and to interpret, construe and implement the provisions thereof.

11. AMENDMENT AND TERMINATION:

This Plan may at any time be amended, modified or terminated by the Board of Directors of the Corporation. No amendment, modification or termination shall, without the consent of a participant, adversely affect such participant's rights with respect to amounts accrued in the participant's Account.

EXHIBIT A

EXXON CORPORATION
PLAN FOR DEFERRAL OF NONEMPLOYEE DIRECTOR COMPENSATION AND FEES
ELECTION FORM

TO: CORPORATE SECRETARY

In accordance with the provisions of the Plan for Deferral of Nonemployee Director Compensation and Fees, I hereby elect to defer future compensation (excluding expense reimbursements) otherwise payable to me for services as a Director of Exxon Corporation.

Amount of Deferral: % of Board compensation or $
% of committee compensation or $
% of Board meeting fees.
% of committee meeting fees.

The compensation deferred is to be paid to me in (insert number not to exceed five) annual installments, the first of which is to commence on (choose one):

_____ January 15th of the calendar year following the year in which my services as a Director terminate.

_____ January 15, 19 (a date subsequent to expected termination but preceding my 73rd birthday).

In the event of my death before receiving the entire balance in my Account, the unpaid balance shall be paid as soon as reasonably possible to my estate in a single payment.

This election is subject to the terms of the Exxon Plan for Deferral of Nonemployee Director Compensation and Fees, adopted to become effective May 15, 1980, and on file with the records of the Corporation.

Date:____________________ ____
Signature of Director

Received on this _____ day of _____________________, 19 ____ on behalf of Exxon Corporation.

By __________________________
Secretary

EXHIBIT 12

EXXON CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Millions of dollars)

<TABLE>
<CAPTION>

	Year Ended December 31,				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Income before cumulative effect of accounting changes................	$ 6,440	$ 8,460	$ 7,510	$ 6,470	$5,100
Excess/(shortfall) of dividends over earnings of affiliates owned less than 50% accounted for by the equity method.....................	14	35	33	25	(20)
Provision for income taxes(1)......	3,026	4,777	4,893	4,428	3,025
Capitalized interest...............	(326)	(347)	(389)	(418)	(306)
Minority interests in earnings of consolidated subsidiaries.........	181	403	382	299	231
	9,335	13,328	12,429	10,804	8,030
Fixed Charges:(1)					
Interest expense--borrowings......	190	298	359	478	530
Capitalized interest..............	490	494	520	533	405
Rental expense representative of interest factor..................	482	469	447	416	401
Dividends on preferred stock......	6	5	3	3	3
	1,168	1,266	1,329	1,430	1,339
Total adjusted earnings available for payment of fixed charges......	$10,503	$14,594	$13,758	$12,234	$9,369
Number of times fixed charges are earned(2).........................	9.0	11.5	10.4	8.6	7.0

</TABLE>

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Note:

(1) The provision for income taxes and the fixed charges include Exxon Corporation's share of 50% owned companies and majority owned subsidiaries that are not consolidated.

(2) The 1998 ratio of earnings to fixed charges reflects the de-consolidation of majority owned power companies in Hong Kong and China. Refer to the relevant portions of Note 8 on page F17 of the accompanying financial section of the 1998 Annual Report to shareholders for additional information.

<TABLE>
<CAPTION>

FINANCIAL SECTION

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</TABLE>

FINANCIAL SUMMARY

<TABLE>
<CAPTION>

(millions of dollars, except per share amounts)

<S>	1998 <C>	1997 <C>	1996 <C>	1995 <C>	1994 <C>
Sales and other operating revenue					
Petroleum and natural gas	$ 104,051	$ 120,644	$ 118,012	$ 107,749	$ 100,409
Chemicals	10,504	12,195	11,430	11,737	9,544
Other	862	2,303	2,101	2,318	2,175
Sales and other operating revenue, including excise taxes	$ 115,417	$ 135,142	$ 131,543	$ 121,804	$ 112,128
Earnings from equity interests and other revenue	2,355	2,100	2,706	2,116	1,776
Total revenue	$ 117,772	$ 137,242	$ 134,249	$ 123,920	$ 113,904
Earnings					
Petroleum and natural gas					
Exploration and production	$ 2,708	$ 4,693	$ 5,058	$ 3,412	$ 2,782
Refining and marketing	2,458	2,063	885	1,272	1,389
Total petroleum and natural gas	$ 5,166	$ 6,756	$ 5,943	$ 4,684	$ 4,171
Chemicals	1,213	1,368	1,199	2,018	954
Other operations	384	434	433	479	409

Corporate and financing	(323)	(98)	(65)	(711)	(434)
Income before cumulative effect of accounting change	$ 6,440	$ 8,460	$ 7,510	$ 6,470	$ 5,100
Cumulative effect of accounting change	(70)	--	--	--	--
Net income	$ 6,370	$ 8,460	$ 7,510	$ 6,470	$ 5,100
Net income per common share					
Before cumulative effect of accounting change	$ 2.64	$ 3.41	$ 3.01	$ 2.59	$ 2.04
Cumulative effect of accounting change	(0.03)	--	--	--	--
Net income	$ 2.61	$ 3.41	$ 3.01	$ 2.59	$ 2.04
Net income per common share -- assuming dilution					
Before cumulative effect of accounting change	$ 2.61	$ 3.37	$ 2.99	$ 2.58	$ 2.03
Cumulative effect of accounting change	(0.03)	--	--	--	--
Net income	$ 2.58	$ 3.37	$ 2.99	$ 2.58	$ 2.03
Cash dividends per common share	$ 1.640	$ 1.625	$ 1.560	$ 1.500	$ 1.455
Net income to average shareholders' equity (percent)	14.6	19.4	17.9	16.6	14.1
Net income to total revenue (percent)	5.4	6.2	5.6	5.2	4.5
Working capital	$ (1,819)	$ 1,538	$ 405	$ (1,418)	$ (3,033)
Ratio of current assets to current liabilities	0.91	1.08	1.02	0.92	0.84
Total additions to property, plant and equipment	$ 8,310	$ 7,392	$ 7,132	$ 7,201	$ 6,568
Property, plant and equipment, less allowances	$ 65,199	$ 66,414	$ 66,607	$ 65,446	$ 63,425
Total assets*	$ 92,630	$ 96,064	$ 95,527	$ 91,296	$ 87,862
Exploration expenses, including dry holes	$ 863	$ 753	$ 763	$ 693	$ 666
Research and development costs	$ 549	$ 529	$ 520	$ 525	$ 558
Long-term debt*	$ 4,530	$ 7,050	$ 7,236	$ 7,778	$ 8,831
Total debt*	$ 8,778	$ 9,952	$ 9,746	$ 10,025	$ 12,689
Fixed charge coverage ratio*	9.0	11.5	10.4	8.6	7.0
Debt to capital (percent)*	16.2	17.8	17.7	19.0	24.3
Shareholders' equity at year-end	$ 43,750	$ 43,660	$ 43,542	$ 40,436	$ 37,415
Shareholders' equity per common share	$ 18.02	$ 17.77	$ 17.53	$ 16.28	$ 15.07
Average number of common shares outstanding (millions)	2,440	2,473	2,484	2,484	2,483
Number of registered shareholders at year-end (thousands)	633	641	610	603	608
Wages, salaries and employee benefits	$ 5,577	$ 5,695	$ 5,710	$ 5,799	$ 5,881
Number of employees at year-end (thousands)	79	80	79	82	86

</TABLE>

* 1998 amounts reflect the de-consolidation of majority owned power companies in Hong Kong and China retroactive to January 1, 1998 (see note 8).

<TABLE>
<CAPTION>

QUARTERLY INFORMATION

	1998					1997				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Volumes										
Production of crude oil					(thousands of barrels daily)					
and natural gas liquids	1,624	1,609	1,553	1,484	1,567	1,625	1,584	1,558	1,631	1,599
Refinery throughput	3,901	3,934	3,941	3,936	3,928	4,006	3,962	4,041	4,036	4,011
Petroleum product sales	5,400	5,409	5,431	5,491	5,433	5,350	5,404	5,415	5,548	5,430
Natural gas production					(millions of cubic feet daily)					
available for sale	7,209	5,564	5,207	7,317	6,322	7,500	5,649	5,189	7,037	6,339
					(thousands of metric tons)					
Chemical prime product sales	4,243	4,339	4,325	4,297	17,204	4,161	4,329	4,433	4,378	17,301
Summarized financial data										
Sales and other operating					(millions of dollars)					
revenue	$ 29,332	28,808	27,907	29,370	115,417	34,720	33,679	32,381	34,362	135,142
Gross profit*	$ 12,977	13,308	12,900	14,332	53,517	14,596	14,619	14,277	15,160	58,652
Net income as reported	$ 1,890	1,620	1,400	1,530	6,440	2,175	1,965	1,820	2,500	8,460
Cumulative effect of										
accounting change	$ (70)	-	-	-	(70)	-	-	-	-	-
Net income as restated	$ 1,820	1,620	1,400	1,530	6,370	2,175	1,965	1,820	2,500	8,460
Per share data										
Net income per common share					(dollars per share)					
as reported	$ 0.77	0.66	0.58	0.63	2.64	0.87	0.79	0.74	1.01	3.41
Cumulative effect of										
accounting change	$ (0.03)	-	-	-	(0.03)	-	-	-	-	-
Net income per common share										
as restated	$ 0.74	0.66	0.58	0.63	2.61	0.87	0.79	0.74	1.01	3.41
Net income per common share										
- assuming dilution	$ 0.73	0.65	0.58	0.62	2.58	0.86	0.78	0.73	1.00	3.37
Dividends per common share	$ 0.410	0.410	0.410	0.410	1.640	0.395	0.410	0.410	0.410	1.625
Dividends per preferred share	$ 1.170	1.170	1.170	1.170	4.680	1.170	1.170	1.170	1.170	4.680
Common stock prices										
High	$ 70.000	76.000	73.813	77.313	77.313	55.625	65.125	67.250	66.875	67.250
Low	$ 56.625	65.375	62.000	69.438	56.625	48.250	49.875	58.625	54.750	48.250

</TABLE>

*Gross profit equals sales and other operating revenue less estimated costs associated with products sold.

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, 1999, there were 633,151 holders of record of Exxon Common Stock.

On January 27, 1999, the corporation declared a $0.410 dividend per common share, payable March 10, 1999.

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

REVIEW OF 1998 RESULTS

Net income of $6,370 million was down $2,090 million or 25 percent from last year's record of $8,460 million. The decline was driven by weaker crude oil prices, which on average were over $6.00 per barrel or 33 percent lower than last year. Average crude oil prices for the year were at their lowest level in over twenty years. Earnings were also adversely affected by lower natural gas prices, weaker chemicals margins and depressed copper and coal prices. However, downstream operations achieved their second highest level of earnings ever in 1998, partly offsetting the weakness seen in the other operating segments. Results in 1998 included a $70 million charge relating to an accounting change, while 1997 net income included $305 million of non-recurring credits.

Revenue for 1998 totaled $118 billion, down 14 percent from 1997, and the cost of crude and product purchases declined 22 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) in 1998 was $28 billion, down over one billion dollars from 1997. Lower operating costs resulted primarily from a stronger U.S. dollar, reduced energy costs and the de-consolidation of majority owned power companies in Hong Kong and China mentioned below. Excluding these effects, Exxon's operating efficiencies continued to offset the impact of inflation and new business activity growth. Interest expense in 1998 declined $315 million to $100 million, principally due to the de-consolidation of power companies mentioned below and favorable foreign exchange effects.

During the fourth quarter of 1998, Exxon de-consolidated the majority owned power companies in Hong Kong and China retroactive to January 1, 1998. Although Exxon's 1998 net income was not affected by the de-consolidation, there were several impacts to the 1998 balance sheet (see note 8). These power companies are now accounted for as equity companies, since the minority shareholder in these companies has substantive participating management rights. These rights include the minority shareholder's approval of operating policies, expense budgets, financing and investment plans and management compensation and succession plans.

Exploration and Production

Exploration and production earnings of $2,708 million declined substantially from last year reflecting lower crude prices which on average were over $6.00 per barrel lower than 1997. Earnings were also adversely affected by lower U.S. and international natural gas prices. Liquids production was 1,567 kbd (thousands of barrels daily) compared to 1,599 kbd last year. The fourth quarter Longford plant outage in Australia, along with natural field declines in mature areas, were only partly offset by increased Canadian heavy oil production, increased production from new developments in the North Sea and Azerbaijan and increased Malaysian output. Natural gas production of 6,322 mcfd (millions of cubic feet daily) was essentially unchanged from 1997. Earnings from U.S. exploration and production were $839 million, down from $1,634 million during 1997. Outside the U.S., exploration and production earnings were $1,869 million, down $1,000 million, after excluding non-recurring credits of $190 million in 1997.

Refining and Marketing

Refining and marketing earnings increased $395 million to $2,458 million. Downstream industry margins in 1998 were generally higher than 1997. European refining margins were stronger, but were partly offset by weaker margins in the U.S. and Asia-Pacific. Marketing margins improved in most geographic areas, particularly the U.K. and the U.S. Petroleum product sales of 5,433 kbd were up from 1997 and were the highest in 24 years, despite the impact of weaker economic conditions in Asia-Pacific. Refinery throughput was 3,928 kbd compared to 4,011 kbd in 1997. In the U.S., refining and marketing earnings were $625 million, up $32 million from the prior year. Refining and marketing operations outside the U.S. earned $1,833 million, an increase of $363 million from 1997.

Chemicals

Earnings from chemicals operations totaled $1,213 million, down $155 million or 11 percent from 1997. Chemicals margins declined during the year as the result of weaker industry commodity prices. Chemical prime product sales of 17,204 thousand metric tons were down slightly from last year's record levels as higher sales in North America and Europe were offset by lower demand in Asia-Pacific markets.

Other Operations

Earnings from other operating segments totaled $384 million, a decrease of $50 million from last year, reflecting significantly lower copper prices, as well as lower international coal prices. The effect of lower prices was partly offset by record copper and coal production, lower operating expenses and favorable foreign exchange effects.

Corporate and Financing

Corporate and financing expenses, after excluding non-recurring credits of $115 million in 1997, increased $110 million to $323 million in 1998, reflecting higher tax-related charges.

REVIEW OF 1997 RESULTS

Record net income of $8,460 million in 1997 compared with the previous record of $7,510 million in 1996. Despite lower crude oil prices, earnings growth resulted from improved downstream margins, higher petroleum product and chemical sales and lower unit operating expenses. Results in 1997 included $305 million of non-recurring credits (all in the fourth quarter). Of these, $190 million were the result of foreign exchange impacts on deferred income tax liabilities. The remainder ($115 million) was U.S. tax related. 1996 included $535 million of non-recurring credits from tax settlements ($125 million in the

first quarter and $410 million in the fourth quarter). Of the $535 million, $305 million was in the U.S. and $230 million was non-U.S.

Revenue for 1997 totaled $137 billion, up 2 percent from 1996. The cost of crude and product purchases increased 3 percent. The combined total of operating costs in 1997 was $29 billion, flat with 1996. Lower operating costs resulting from a stronger U.S. dollar were offset by expenses from higher sales volumes, higher exploration and production venture spending, and additional reported costs from consolidation of a Japanese affiliate following Exxon's acquisition of a controlling interest. Exxon's operating efficiencies continued to offset the impact of inflation. Unit operating expenses were reduced in most business segments on higher sales volumes in 1997. Interest expense in 1997 was $415 million compared to $464 million in 1996.

Exploration and Production

Exploration and production earnings declined from the prior year reflecting lower crude prices which on average were about $1.50 per barrel lower than 1996. Liquids production of 1,599 kbd was similar to the prior year. Increased Canadian heavy oil production and volumes from new developments, primarily in the North Sea and Australia, were offset by scheduled maintenance, field declines, and property sales. Natural gas production of 6,339 mcfd was down somewhat from 1996, reflecting warmer European weather. Earnings from U.S. exploration and production were $1,634 million, down from $1,781 million during 1996. Outside the U.S., exploration and production earnings were $2,869 million, down $178 million, after excluding non-recurring credits of $190 million in 1997 related to foreign exchange impacts on deferred taxes and $230 million in 1996 associated with non-U.S. tax settlements.

Refining and Marketing

Downstream industry margins improved from the low levels seen in 1996. Refining margins in the U.S. and Europe strengthened in 1997 and marketing margins benefited from an improved U.K. retail environment. Petroleum product sales of 5,430 kbd were up 4 percent from 1996, with volume growth in all major geographic areas. Refinery throughput was 4,011 kbd, up 6 percent from 1996, and the highest since 1980. In the U.S., refining and marketing earnings were $593 million, up $424 million from the prior year. Refining and marketing operations outside the U.S. earned $1,470 million, an increase of $754 million from 1996.

Chemicals

Earnings from chemical operations totaled $1,368 million, up $169 million or 14 percent from 1996. Exxon achieved prime product sales of 17,301 thousand metric tons, an increase of 10 percent over 1996 and a fourth consecutive record sales year. Chemical commodity margins also improved in 1997 on generally higher prices and lower feedstock costs.

Other Operations

Earnings from other operating segments of $434 million were flat with 1996. Copper and coal production from continuing operations were at record levels. Copper realizations were higher, while coal prices were lower.

Corporate and Financing

Full year corporate and financing expenses, excluding one-time credits related to tax settlements of $115 million in 1997 and $305 million in 1996, declined $157 million to $213 million reflecting lower tax and debt-related charges.

EXXON AND MOBIL MERGER AGREEMENT

On December 1, 1998, Exxon Corporation and Mobil Corporation signed an agreement to merge the two companies subject to shareholder approval, regulatory reviews and other conditions. Under the terms of the agreement, each common share of Mobil will be converted into 1.32015 common shares of Exxon. As a result of the merger, Exxon shareholders will own about 70 percent of the combined company and Mobil shareholders will own about 30 percent. Upon completion of the merger, the company's name will be Exxon Mobil Corporation.

It is intended that the merger will qualify as a tax-free reorganization in the U.S., and that it will be accounted for on a "pooling of interests" basis. In addition, the merger agreement provides for payment of termination fees of $1.5 billion under certain circumstances. Exxon and Mobil also have entered into an option agreement that grants Exxon the option under specified circumstances to purchase up to approximately 14.9 percent of the authorized but unissued common stock of Mobil.

MARKET RISKS, INFLATION AND OTHER UNCERTAINTIES

In the past, crude, product and chemical 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.

In 1998, average annual oil prices were the lowest in two decades because of lower energy demand caused by the economic downturn in Asia, milder winter weather and continued high levels of production by the world's major oil producing countries. The markets for crude oil and natural gas have a history of significant price volatility. Although prices will occasionally drop precipitously, industry prices over the long term will continue to be driven by market supply and demand fundamentals. Accordingly, the corporation tests the viability of its oil and gas operations based on long-term price projections. The corporation's assessment is that its operations will continue to be successful in a variety of market conditions. This is the outcome of disciplined investment and asset management programs.

Investment opportunities are tested against a variety of market conditions, including low price scenarios. As a result, investments that would succeed only in highly favorable price environments are screened out of the investment plan. In addition, the corporation has had an aggressive asset management program, in which under-performing assets are either improved to acceptable levels or divested. The asset management program involves a disciplined, regular review to ensure that all assets are contributing to the corporation's strategic and financial objectives. The result has been the creation of a very efficient capital base. In 1998, no oil or gas assets required impairment. The effectiveness of this investment and asset management process is reflected by the fact that the corporation has long been an industry leader in Return on Capital Employed and Return on Shareholders' Equity.

The corporation makes very limited use of commodity forwards, swaps and futures contracts of short duration to mitigate the risk of unfavorable price movements on certain crude, natural gas and petroleum product purchases and sales. Commodity price exposure related to these contracts is not material.

The corporation conducts business in many foreign currencies and is subject to foreign currency exchange rate risk on cash flows related to sales, expenses, financing and investment transactions. The impacts of fluctuations in foreign currency exchange rates on Exxon's geographically diverse operations are often varied and at times offsetting in amount. As discussed in note 13 to the consolidated financial statements, the corporation makes very limited use of currency exchange contracts to reduce the risk of adverse foreign currency movements related to certain foreign currency debt obligations. Exposure from market rate fluctuations related to these contracts is not material. Aggregate foreign exchange transaction gains and losses included in net income are discussed in note 4 to the consolidated financial statements.

The corporation is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt with both fixed and floating interest rates. The corporation makes very limited use of interest rate swap agreements to adjust the ratio of fixed and floating rates in the debt portfolio, as discussed in note 13 to the consolidated financial statements. The impact of a 100 basis point change in interest rates affecting the corporation's debt would not be material to earnings, cash flow or fair value.

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.

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 $162 million in 1998, $140 million in 1997 and $146 million in 1996. At the end of 1998, 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 1998, the corporation spent $1,321 million (of which $432 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 $1.5 billion in both 1999 and 2000 (with capital expenditures representing about 40 percent of the total).

TAXES

Income, excise and all other taxes and duties totaled $41.3 billion in 1998, a decrease of $2.6 billion or 6 percent from 1997. Income tax expense, both current and deferred, was $2.6 billion compared to $4.3 billion in 1997, reflecting lower pre-tax income in 1998, the impact of lower foreign tax rates and favorable resolution of tax-related issues. The effective tax rate was 32.1 percent in 1998 versus 36.4 percent in 1997. Excise and all other taxes and duties declined $0.9 billion to $38.6 billion, reflecting lower prices.

Income, excise and all other taxes and duties totaled $43.9 billion in 1997, essentially unchanged from 1996. Income tax expense, both current and deferred, was $4.3 billion compared to $4.4 billion in 1996, reflecting higher pre-tax income and a lower effective tax rate -- 36.4 percent in 1997 versus 39.9 percent in 1996. Excise and all other taxes and duties at $39.5 billion compared to $39.4 billion in 1996.

LIQUIDITY AND CAPITAL RESOURCES

In 1998, cash provided by operating activities totaled $11.1 billion, down $3.6 billion from 1997. Major sources of funds were net income of $6.4 billion and non-cash provisions of $5.3 billion for depreciation and depletion.

Cash used in investing activities totaled $8.0 billion, up $1.2 billion from 1997 primarily as a result of higher additions to property, plant and equipment.

Cash used in financing activities was $5.7 billion. Dividend payments on common shares increased from $1.625 per share to $1.640 per share and totaled $4.0 billion, a payout of 63 percent. Total consolidated debt decreased by $1.2 billion to $8.8 billion, reflecting the de-consolidation of majority owned companies in Hong Kong and China discussed in note 8 to the consolidated financial statements, partially offset by $1.3 billion of increased debt.

Shareholders' equity increased by $0.1 billion to $43.8 billion. The ratio of debt to capital decreased to 16 percent, reflecting lower debt levels. During 1998, Exxon purchased 44.6 million shares of its common stock for the treasury at a cost of $3.1 billion. These purchases reflect both the increased share repurchases announced in the first quarter of 1997, as well as purchases to offset shares issued in conjunction with the company's benefit plans and programs. Purchases were made in both the open market and through negotiated transactions. As a consequence of the proposed merger of Exxon and Mobil announced in December, the repurchase program to reduce the number of Exxon shares outstanding was discontinued.

In 1997, cash provided by operating activities totaled $14.7 billion, up $1.5 billion from 1996. Major sources of funds were net income of $8.5 billion and non-cash provisions of $5.4 billion for depreciation and depletion.

Cash used in investing activities totaled $6.8 billion, up $0.3 billion from 1996 primarily as a result of higher additions to property, plant and equipment.

Cash used in financing activities was $6.7 billion in 1997. Dividend payments on common shares increased from $1.560 per share to $1.625 per share and totaled $4.0 billion, a payout of 48 percent. Total consolidated debt increased by $0.2 billion to $10.0 billion.

Shareholders' equity increased by $0.2 billion to $43.7 billion. The ratio of debt to capital remained at 18 percent in 1997, the same as 1996. During 1997, Exxon purchased 43.2 million shares of its common stock for the treasury at a cost of $2.6 billion. These purchases reflect both the increased share repurchases announced in the first quarter of 1997, as well as purchases to offset shares issued in conjunction with the company's benefit plans and programs. Purchases were made in both the open market and through negotiated transactions.

In 1998 and 1997, 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 13 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 18 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. Exxon has also appealed the District Court's denial of its renewed motion for a new trial. 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 Valdez grounding is not possible to predict and may not be resolved for a number of years.

The U.S. Tax Court has decided the issue with respect to the pricing of crude oil purchased from Saudi Arabia for the years 1979-1981 in favor of the corporation. This decision is subject to appeal. Certain other issues for the years 1979-1988 remain pending before the Tax Court. Ultimate resolution of these issues and several other tax and legal issues, notably final resolution of the gas lifting imbalance in the Common Area (along the German/Dutch border), is not expected to

have a material 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 1998 were $10 billion, up from $8.8 billion in 1997, reflecting the corporation's active investment program.

Exploration and production spending was up 13 percent to $6.0 billion in 1998, from $5.3 billion in 1997, primarily reflecting increased spending for development projects in the Gulf of Mexico and North Sea. Capital investments in refining and marketing totaled $2.0 billion in 1998, the same level as in 1997. Chemicals capital expenditures were $1.7 billion in 1998, up from $1.0 billion in 1997, with the increase due to higher plant capacity investments in the Asia-Pacific area.

Capital and exploration expenditures in the U.S. totaled $2.8 billion in 1998, an increase of 10 percent from 1997, primarily in exploration and production. Spending outside the U.S. of $7.2 billion in 1998 compared to $6.2 billion in 1997, reflecting higher expenditures in both exploration and production and chemicals.

Firm commitments related to capital projects totaled approximately $6.0 billion at the end of 1998, compared with $5.6 billion at year-end 1997. The largest single commitment was $2.0 billion associated with the development of natural gas resources in Malaysia. The corporation expects to fund the majority of these commitments through internally generated funds.

YEAR 2000 ISSUE

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

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

Plans for achieving Year 2000 compliance were finalized during 1997, and implementation work was underway at year-end 1997. The initial phases of this work, an inventory and assessment of potential problem areas, have been essentially completed. Modification and testing phases continue, with approximately 90 percent of required system modifications to mission critical systems completed by year-end 1998. Some work is continuing into 1999, including final testing of some systems and scheduled implementation of new systems with Year 2000 impacts. Attention has also been focused on compliance attainment efforts of vendors and others, including key system interfaces with customers and suppliers. Most key suppliers and business partners have been contacted for clarification of their Year 2000 plans and approximately three-fourths have confirmed that compliance plans are in place. Follow-up discussions are being held with key suppliers when necessary to gain satisfaction on their state of readiness. These reviews will continue through 1999. Testing of critical third party products and services is underway, including such areas as process control systems, credit card processing, banking transactions and telecommunications.

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

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

Through December 31, 1998, about $170 million of costs had been incurred in the corporation's efforts to achieve Year 2000 compliant systems. The total cost to the corporation of achieving Year 2000 compliant systems is currently estimated to be $225 to $250 million, primarily over the 1997-1999 timeframe, and is not expected to be a material incremental cost impacting Exxon's operations, financial condition or liquidity.

REPORT OF INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP

Dallas, Texas
February 24, 1999

To the Shareholders of Exxon Corporation

In our opinion, the consolidated financial statements appearing on pages F11 through F25 present fairly, in all material respects, the financial position of Exxon Corporation and its subsidiary companies at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, 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.

As discussed in note 2 to the consolidated financial statements, the corporation changed its method of accounting for the cost of start-up activities in 1998.

/s/ PricewaterhouseCoopers LLP

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENT OF INCOME

	1998	1997	1996
	(millions of dollars)		
<S>	<C>	<C>	<C>
Revenue			
Sales and other operating revenue, including excise taxes	$ 115,417	$ 135,142	$ 131,543
Earnings from equity interests and other revenue	2,355	2,100	2,706
Total revenue	$ 117,772	$ 137,242	$ 134,249
Costs and other deductions			
Crude oil and product purchases	$ 45,020	$ 57,971	$

			56,406
Operating expenses	11,540	13,045	13,255
Selling, general and administrative expenses	8,372	8,406	7,961
Depreciation and depletion	5,340	5,474	5,329
Exploration expenses, including dry holes	863	753	763
Interest expense	100	415	464
Excise taxes	14,720	14,863	14,815
Other taxes and duties	22,576	23,111	22,956
Income applicable to minority and preferred interests	185	406	384
Total costs and other deductions	$ 108,716	$ 124,444	$ 122,333
Income before income taxes	$ 9,056	$ 12,798	$ 11,916
Income taxes	2,616	4,338	4,406
Income before cumulative effect of accounting change	$ 6,440	$ 8,460	$ 7,510
Cumulative effect of accounting change	(70)	--	--
Net income	$ 6,370	$ 8,460	$ 7,510
Net income per common share (dollars)			
Before cumulative effect of accounting change	$ 2.64	$ 3.41	$ 3.01
Cumulative effect of accounting change	(0.03)	--	--
Net income	$ 2.61	$ 3.41	$ 3.01
Net income per common share - assuming dilution (dollars)			
Before cumulative effect of accounting change	$ 2.61	$ 3.37	$ 2.99
Cumulative effect of accounting change	(0.03)	--	--
Net income	$ 2.58	$ 3.37	$ 2.99

</TABLE>

The information on pages F15 through F25 is an integral part of these statements.

CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	Dec. 31 1998	Dec. 31 1997
	(millions of dollars)	
<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	$ 1,441	$ 4,047
Other marketable securities	20	15
Notes and accounts receivable, less estimated doubtful amounts	9,512	10,702
Inventories		
Crude oil, products and merchandise	4,896	

4,725

	1998	1997
Materials and supplies	709	762
Prepaid taxes and expenses	1,015	941
Total current assets	$ 17,593	$ 21,192
Investments and advances	6,434	5,205
Property, plant and equipment, at cost, less accumulated depreciation and depletion	65,199	66,414
Other assets, including intangibles, net	3,404	3,253
Total assets	$ 92,630	$ 96,064
Liabilities		
Current liabilities		
Notes and loans payable	$ 4,248	$ 2,902
Accounts payable and accrued liabilities	13,825	14,683
Income taxes payable	1,339	2,069
Total current liabilities	$ 19,412	$ 19,654
Long-term debt	4,530	7,050
Annuity reserves and accrued liabilities	9,514	9,302
Deferred income tax liabilities	13,142	13,452
Deferred credits	475	575
Equity of minority and preferred shareholders in affiliated companies	1,807	2,371
Total liabilities	$ 48,880	$ 52,404
Shareholders' Equity		
Preferred stock without par value (authorized 200 million shares)	$ 105	$ 190
Guaranteed LESOP obligation	(125)	(225)
Common stock without par value (3,000 million shares authorized, 2,984 million shares issued)	2,323	2,323
Earnings reinvested	54,575	52,214
Accumulated other nonowner changes in equity		
Cumulative foreign exchange translation adjustment	(641)	(1,119)
Minimum pension liability adjustment	(282)	--
Common stock held in treasury (556 million shares in 1998 and 527 million shares in 1997)	(12,205)	(9,723)
Total shareholders' equity	$ 43,750	$ 43,660
Total liabilities and shareholders' equity	$ 92,630	$ 96,064

</TABLE>

The information on pages F15 through F25 is an integral part of these statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

1998		1997		1996	
	Nonowner		Nonowner		Nonowner
Shareholders'	Changes in	Shareholders'	Changes in	Shareholders'	Changes

in Equity	Equity	Equity	Equity	Equity	Equity	
			(millions of dollars)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Preferred stock outstanding at end of year	$ 105		$ 190		$ 303	
Guaranteed LESOP obligation	(125)		(225)		(345)	
Common stock issued at end of year (see note 11)	2,323		2,323		2,822	
Earnings reinvested						
At beginning of year	$ 52,214		$ 57,156		$ 53,539	
Net income for year	6,370	$ 6,370	8,460	$ 8,460	7,510	$ 7,510
Dividends - common and preferred shares	(4,009)		(4,032)		(3,893)	
Cancellation of common stock held in treasury	--		(9,370)		--	
At end of year	$ 54,575		$ 52,214		$ 57,156	
Accumulated other nonowner changes in equity						
At beginning of year	$ (1,119)		$ 1,126		$ 1,339	
Foreign exchange translation adjustment	478	478	(2,245)	(2,245)	(213)	(213)
Minimum pension liability adjustment	(282)	(282)	--	--	--	--
At end of year	$ (923)		$ (1,119)		$ 1,126	
Total		$ 6,566		$ 6,215		$ 7,297
Common stock held in treasury						
At beginning of year	$ (9,723)		$(17,520)		$(17,217)	
Acquisitions, at cost	(3,055)		(2,586)		(801)	
Dispositions	573		514		498	
Cancellation, returned to unissued	--		9,869		--	
At end of year	$(12,205)		$ (9,723)		$(17,520)	
Shareholders' equity at end of year	$ 43,750		$ 43,660		$ 43,542	

<CAPTION>

	Share Activity		
	1998	1997	1996
		(millions of shares)	
<S>	<C>	<C>	<C>
Preferred stock outstanding at end of year	2	3	5
Common stock			
Issued at end of year (see note 11)	2,984	2,984	3,626
Held in treasury			
At beginning of year	(527)	(1,142)	(1,142)
Acquisitions	(45)	(43)	(18)
Dispositions	16	16	18
Cancellation, returned to unissued	--	642	--
At end of year	(556)	(527)	(1,142)
Common shares outstanding at end of year	2,428	2,457	2,484

</TABLE>
The information on pages F15 through F25 is an integral part of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	1998	1997	1996
		(millions of dollars)	
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net income			
Accruing to Exxon shareholders	$ 6,370	$ 8,460	$ 7,510
Accruing to minority and preferred interests	185	406	384
Adjustments for non-cash transactions			
Depreciation and depletion	5,340	5,474	5,329
Deferred income tax charges	408	346	835
Annuity and accrued liability provisions	(296)	385	514
Dividends received greater than/(less than) equity in current earnings of equity companies	103	141	11
Changes in operational working capital, excluding cash and debt			

Reduction/(increase) - Notes and accounts receivable	1,321	120	(1,702)
- Inventories	6	(253)	246
- Prepaid taxes and expenses	(89)	(5)	(81)
Increase/(reduction) - Accounts and other payables	(2,060)	(833)	495
All other items - net	(232)	435	(379)
Net cash provided by operating activities	$ 11,056	$ 14,676	$ 13,162
Cash flows from investing activities			
Additions to property, plant and equipment	$ (8,359)	$ (7,393)	$ (7,209)
Sales of subsidiaries and property, plant and equipment	556	1,110	719
Additional investments and advances	(641)	(820)	(810)
Sales of investments and collection of advances	456	310	522
Additions to other marketable securities	(61)	(37)	(159)
Sales of other marketable securities	57	39	422
Net cash used in investing activities	$ (7,992)	$ (6,791)	$ (6,515)
Net cash generation before financing activities	$ 3,064	$ 7,885	$ 6,647
Cash flows from financing activities			
Additions to long-term debt	$ 64	$ 589	$ 659
Reductions in long-term debt	(132)	(249)	(806)
Additions to short-term debt	270	531	261
Reductions in short-term debt	(1,136)	(991)	(607)
Additions/(reductions) in debt with less than 90 day maturity	2,110	128	239
Cash dividends to Exxon shareholders	(4,012)	(4,038)	(3,902)
Cash dividends to minority interests	(115)	(313)	(291)
Changes in minority interests and sales/(purchases) of affiliate stock	(95)	(123)	(338)
Common stock acquired	(3,055)	(2,586)	(801)
Common stock sold	403	340	347
Net cash used in financing activities	$ (5,698)	$ (6,712)	$ (5,239)
Effects of exchange rate changes on cash	$ 28	$ (77)	$ 35
Increase/(decrease) in cash and cash equivalents	$ (2,606)	$ 1,096	$ 1,443
Cash and cash equivalents at beginning of year	4,047	2,951	1,508
Cash and cash equivalents at end of year	$ 1,441	$ 4,047	$ 2,951

</TABLE>
The information on pages F15 through F25 is an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The corporation'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 corporation 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.

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 by the corporation and for which minority shareholders do not possess the right to participate in significant management decisions. Amounts representing the corporation's percentage interest in the underlying net assets of other significant subsidiaries and 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.

Revenue Recognition. Revenues associated with sales of crude oil, natural gas, petroleum and chemical products and all other items are recorded when title passes to the customer.

Revenues from the production of natural gas properties in which Exxon has an interest with other producers are recognized on the basis of the company's net working interest. Differences between actual production and net working interest volumes are not significant.

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. Exploratory wells that find oil and gas in an area requiring a major capital expenditure before production could begin are evaluated annually to assure that commercial quantities of reserves have been found or that additional exploration work is underway or planned. Exploratory well costs not meeting either of these tests are charged to expense.

Oil, gas and other properties held and used by the corporation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The corporation estimates the future undiscounted cash flows of the affected properties to judge the recoverability of carrying amounts. In general, analysis are based on proved reserves, except in circumstances where it is probable that additional resources will be developed and contribute to cash flows in the future.

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.

Recently Issued Statements Of Financial Accounting Standards. In June 1998, the Financial Accounting Standards Board released Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities Information." This statement, which must be adopted beginning no later than 2000, establishes accounting and reporting standards for derivative instruments. The statement requires that an entity recognize all derivatives as either assets or liabilities in the financial statements and measure those instruments at fair value, and it defines the accounting for changes in the fair value of the derivatives depending on the intended use of the derivative. No decision has been made as to whether the corporation will adopt this standard before 2000. Adoption of this statement is not expected to have a material effect upon the corporation's operations or financial condition.

2. Accounting Change

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

3. Exxon and Mobil Merger Agreement

On December 1, 1998, Exxon Corporation and Mobil Corporation signed an agreement to merge the two companies subject to shareholder approval, regulatory reviews and other conditions. Under the terms of the agreement, each common share of Mobil will be converted into 1.32015 common shares of Exxon. As a result of the merger, Exxon shareholders will own about 70 percent of the combined company and Mobil shareholders will own about 30 percent. Upon completion of the merger, the company's name will be Exxon Mobil Corporation.

It is intended that the merger will qualify as a tax-free reorganization in the U.S., and that it will be accounted for on a "pooling of interests" basis. In addition, the merger agreement provides for payment of termination fees of $1.5 billion under certain circumstances. Exxon and Mobil also have entered into an option agreement that grants Exxon the option under specified circumstances to purchase up to approximately 14.9 percent of the authorized but unissued common stock of Mobil.

4. Miscellaneous Financial Information

Research and development costs totaled $549 million in 1998, $529 million in 1997 and $520 million in 1996.

Net income included aggregate foreign exchange transaction gains of $71 million in 1998 and $153 million in 1997 and losses of $37 million in 1996.

In 1998, 1997 and 1996, net income included gains of $7 million, $35 million and $14 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 $884 million and $2,673 million at December 31, 1998 and 1997, respectively.

5. 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: 1998 - $581 million, 1997 - $613 million and 1996 - $669 million. Cash payments for income taxes were: 1998 - $2,718 million, 1997 - $3,943 million and 1996 - $3,420 million.

6. Leased Facilities

At December 31, 1998, 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 indicated in the table.

Net rental expenditures for 1998, 1997 and 1996 totaled $1,640 million, $1,595 million and $1,284 million, respectively, after being reduced by related rental income of $199 million, $182 million and $133 million, respectively. Minimum rental expenditures totaled $1,748 million in 1998, $1,692 million in 1997 and $1,330 million in 1996.

	Minimum commitment	Related rental income
	(millions of dollars)	
1999	$ 864	$ 82
2000	713	59
2001	564	38
2002	488	28

2003	373	23
2004 and beyond	1,448	117

7. Additional Working Capital Data

	Dec. 31 1998	Dec. 31 1997
Notes and accounts receivable	(millions of dollars)	
Trade, less reserves of $95 million and $80 million	$ 6,616	$ 7,989
Other, less reserves of $13 million and $21 million	2,896	2,713
	$ 9,512	$10,702
Notes and loans payable		
Bank loans	$ 1,069	$ 1,309
Commercial paper	2,489	707
Long-term debt due within one year	496	770
Other	194	116
	$ 4,248	$ 2,902
Accounts payable and accrued liabilities		
Trade payables	$ 7,369	$ 8,246
Obligations to equity companies	785	730
Accrued taxes other than income taxes	3,158	3,283
Other	2,513	2,424
	$13,825	$14,683

On December 31, 1998, unused credit lines for short-term financing totaled approximately $6.0 billion. Of this total, $4.0 billion supported commercial paper programs under terms negotiated when drawn. The weighted average interest rate on short-term borrowings outstanding at December 31, 1998 and 1997 was 4.9 percent and 5.8 percent, respectively.

8. Equity Company Information

The summarized financial information on page F18 includes amounts related to certain less than majority owned companies and majority owned subsidiaries where minority shareholders possess the right to participate in significant management decisions (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, power generation in Hong Kong and China and several chemical operations.

During the fourth quarter of 1998, Exxon de-consolidated the majority owned power companies in Hong Kong and China. These financial statements reflect the de-consolidation of these companies retroactive to January 1, 1998. These affiliates are now accounted for as equity companies, in compliance with the Financial Accounting Standards Board Emerging Issues Task Force ruling on Issue No. 96-16, which requires equity company reporting for a majority owned affiliate when minority shareholders possess the right to participate in significant management decisions. Exxon's 1998 net income was not affected by the de-consolidation. Below is a summary of the effect on Exxon's January 1, 1998 consolidated balance sheet related to the de-consolidation of the power generation companies in Hong Kong and China:

	Increase/(Decrease)
	(millions of dollars)
Net property, plant and equipment	$(4,156)
Other assets	(174)
Investments and advances	757
Total assets	$(3,573)
Short and long-term debt	$(2,475)
Other liabilities	(586)
Minority interest	(512)
Total liabilities	$(3,573)

During the third quarter of 1997, Exxon increased ownership in General Sekiyu K.K. (GSK) from 49.0 percent to 50.1 percent. These financial statements reflect the consolidation of GSK retroactive to January 1, 1997. GSK was previously accounted for as an equity company. GSK's balance sheet as of January 1, 1997, had total assets of $3.9 billion and total liabilities of $3.2 billion, including $0.3 billion of short-term and long-term debt.

<TABLE>
<CAPTION>

Equity Company Financial Summary	1998 Total	1998 Exxon Share	1997 Total	1997 Exxon Share	1996 Total	1996 Exxon Share
	(millions of dollars)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Total revenues						
Percent of revenues from companies included in the Exxon consolidation was 18% in 1998, 20% in 1997 and 16% in 1996	$ 27,310	$ 8,527	$ 29,639	$ 8,740	$ 33,719	$ 10,901
Income before income taxes	$ 3,315	$ 1,654	$ 3,096	$ 1,475	$ 3,852	$ 1,831
Less: Related income taxes	(834)	(422)	(1,103)	(499)	(1,229)	(576)
Net income	$ 2,481	$ 1,232	$ 1,993	$ 976	$ 2,623	$ 1,255
Current assets	$ 6,917	$ 2,159	$ 6,618	$ 2,030	$ 9,231	$ 3,097
Property, plant and equipment, less accumulated depreciation	17,874	7,662	12,619	4,704	15,586	5,987
Other long-term assets	2,795	1,047	2,818	1,028	3,695	1,400
Total assets	$ 27,586	$ 10,868	$ 22,055	$ 7,762	$ 28,512	$ 10,484
Short-term debt	$ 1,710	$ 570	$ 1,256	$ 363	$ 1,661	$ 541
Other current liabilities	5,790	1,866	5,481	1,760	8,736	3,111
Long-term debt	4,138	1,801	2,163	580	2,857	918
Other long-term liabilities	4,396	1,897	3,556	1,497	4,319	1,820
Advances from shareholders	3,734	1,976	2,139	1,105	1,006	469
Net assets	$ 7,818	$ 2,758	$ 7,460	$ 2,457	$ 9,933	$ 3,625

<CAPTION>

9. Investments and Advances	Dec. 31 1998	Dec. 31 1997
	(millions of dollars)	
<S>	<C>	<C>
Companies carried at equity in underlying assets		
Investments	$2,758	$2,457
Advances	1,976	1,105
	$4,734	$3,562
Companies carried at cost or less	184	193
	$4,918	$3,755
Long-term receivables and miscellaneous investments at cost or less	1,516	1,450
Total	$6,434	$5,205

<CAPTION>

10. Investment in Property, Plant and Equipment	Dec. 31, 1998 Cost	Dec. 31, 1998 Net	Dec. 31, 1997 Cost	Dec. 31, 1997 Net
	(millions of dollars)			
<S>	<C>	<C>	<C>	<C>
Petroleum and natural gas				
Exploration and production	$ 71,415	$ 32,481	$ 69,106	$ 31,715
Refining and marketing	34,869	19,386	32,663	18,269
Total petroleum and natural gas	$106,284	$ 51,867	$101,769	$ 49,984
Chemicals	12,340	7,019	11,336	6,144
Other	9,624	6,313	14,673	10,286
Total	$128,248	$ 65,199	$127,778	$ 66,414

</TABLE>
Accumulated depreciation and depletion totaled $63,049 million at the end of 1998 and $61,364 million at the end of 1997. Interest capitalized in 1998, 1997 and 1996 was $471 million, $494 million and $520 million, respectively.

11. Capital

On March 14, 1997, authorized common stock was increased from two billion shares without par value to three billion shares without par value and the issued shares were split on a two-for-one basis. Prior to the common share split, 321 million shares (pre-split basis) of common stock held by the corporation as treasury shares were cancelled and returned to the status of authorized but unissued shares. Accordingly, the restated number of common stock shares issued (on a post-split basis) at December 31, 1996 is not meaningful. All common stock data and per share amounts presented in this report have been adjusted for the stock split.

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. After adjusting for the 1997 common stock split, if the common share price exceeds $30.75, one share of preferred stock is convertible into two shares of common stock. If the price is $30.75 or less, one share of preferred is convertible into common shares having a value of $61.50. Dividends are cumulative and payable in an amount per share equal to $4.680 per annum. Dividends paid per preferred share were $4.680 in 1998, 1997 and 1996. Preferred dividends of $10 million, $17 million and $27 million were paid during 1998, 1997 and 1996, respectively.

After adjusting for the 1997 common stock split, dividends paid per common share were $1.640 in 1998, $1.625 in 1997 and $1.560 in 1996.

The table below summarizes the earnings per share calculations.
<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Net income per common share			
Income before cumulative effect of accounting change (millions of dollars)	$ 6,440	$ 8,460	$ 7,510
Less: Preferred stock dividends	(10)	(17)	(27)
Income available to common shares	$ 6,430	$ 8,443	$ 7,483
Weighted average number of common shares outstanding (millions of shares)	2,440	2,473	2,484
Net income per common share			
Before cumulative effect of accounting change	$ 2.64	$ 3.41	$ 3.01
Cumulative effect of accounting change	(0.03)	--	--
Net income	$ 2.61	$ 3.41	$ 3.01
Net income per common share - assuming dilution			
Income before cumulative effect of accounting change (millions of dollars)	$ 6,440	$ 8,460	$ 7,510
Weighted average number of common shares outstanding (millions of shares)	2,440	2,473	2,484
Plus: Issued on assumed exercise of stock options	25	26	18
Plus: Assumed conversion of preferred stock	3	6	10
Weighted average number of common shares outstanding	2,468	2,505	2,512
Net income per common share			
Before cumulative effect of accounting change	$ 2.61	$ 3.37	$ 2.99
Cumulative effect of accounting change	(0.03)	--	--
Net income	$ 2.58	$ 3.37	$ 2.99

</TABLE>
12. Leveraged Employee Stock Ownership Plan (LESOP)

In 1989, the corporation's employee stock ownership plan trust 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 11, the LESOP trust 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 1998, 1997 and 1996, 1.4 million, 1.8 million and 2.5 million shares of preferred stock totaling $85 million, $113 million and $151 million, respectively, were converted to common stock. Preferred dividends of $10 million, $17 million and $27 million were paid during 1998, 1997 and 1996, respectively, and covered interest payments on the notes. The 1998, 1997 and 1996 principal payments were made from employer contributions, dividends reinvested within the LESOP trust and proceeds from the sale of common stock received upon conversion of preferred shares.

Accounting for the plan follows the principles which were in effect in 1989 when the plan was established. The amount of plan related compensation expense recorded by the corporation during the periods was immaterial. The LESOP trust held 1.7 million and 3.1 million shares of preferred stock and 39.2 million and 40.0 million shares of common stock at the end of 1998 and 1997, respectively.

13. 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 had an aggregate notional principal amount of $126 million and $100 million at year-end 1998 and 1997, respectively, nearly all maturing in 1999. 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 no later than 2005, totaled $783 million at year-end 1998 and $1,140 million at year-end 1997. These amounts included contracts in which affiliates held positions which were effectively offsetting totaling $548 million in 1998 and $544 million in 1997. Excluding these, the remaining currency exchange contracts totaled $235 million and $596 million at year-end 1998 and 1997, respectively.

The corporation makes very limited use of commodity swap and futures contracts of short duration to mitigate the risk of unfavorable price movements on certain crude, natural gas and petroleum product purchases and sales. The aggregate notional amount for these contracts at year-end 1998 and 1997 was not material.

14. 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, 1998 and 1997 was $5.4 billion and $7.9 billion, respectively, as compared to recorded book values of $4.5 billion and $7.1 billion.

15. Long-Term Debt

At December 31, 1998, long-term debt consisted of $4,278 million due in U.S. dollars and $252 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 $496 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, 1999, in millions of dollars, are: 2000 - $207, 2001 - - - $497, 2002 - $75 and 2003 - $35. Certain of the borrowings described may from time to time be assigned to other Exxon affiliates. At December 31, 1998, the corporation's unused long-term credit lines were not material.

The total outstanding balance of defeased debt at year-end 1998 was $718 million.

Summarized long-term borrowings at year-end 1998 and 1997 were as follows:

	1998	1997
	(millions of dollars)	

7.45% Guaranteed notes due 2001(1)	$ 246	$ 246
Guaranteed zero coupon notes due 2004(1)		
- Face value ($1,146) net of unamortized discount	601	538
Exxon Capital Corporation		
6.0% Guaranteed notes due 2005	246	246
6.125% Guaranteed notes due 2008	250	250
SeaRiver Maritime Financial Holdings, Inc.		
Guaranteed debt securities due 2000-2011(2)	129	143
Guaranteed deferred interest debentures due 2012		
- Face value ($771) net of unamortized discount	653	586
Exxon Energy Limited(3)		
8.3% Hong Kong dollar loan due 2000-2008	--	144
7.16% Export credit loans due 2000-2012	--	856
Floating rate term loan due 2000-2006	--	591
6.87% notes due 2003	--	173
Other obligations	--	362
Imperial Oil Limited		
9.875% Canadian dollar notes due 1999	--	171
8.3% notes due 2001	200	200
Variable rate notes due 2004(4)	600	600
8.75% notes due 2019	220	219
Industrial revenue bonds due 2012-2033(5)	960	951
Guaranteed LESOP notes due 1999	--	125
Other U.S. dollar obligations	173	352
Other foreign currency obligations	195	225
Capitalized lease obligations(6)	57	72
Total long-term debt	$4,530	$7,050

1. Notes transferred from Exxon Capital Corporation to Exxon Corporation in 1998.

2. Average effective interest rate of 5.5% in 1998 and 5.5% in 1997.

3. Reflects de-consolidation of majority owned power companies in Hong Kong and China (see note 8).

4. Average effective interest rate of 5.5% in 1998 and 5.5% in 1997.

5. Average effective interest rate of 4.1% in 1998 and 4.5% in 1997.

6. Average imputed interest rate of 7.1% in 1998 and 7.4% in 1997.

16. 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.

Shares available for granting were 27,337 thousand at the beginning of 1998 and 34,900 thousand at the end of 1998. At December 31, 1998 and 1997, respectively, 777 thousand and 613 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 provisions of Statement No. 123 had been adopted, net income and earnings per share (on both a basic and diluted basis) would have been reduced by $101 million, or $0.04 per share in 1998; $76 million, or $0.03 per share in 1997 and $53 million, or $0.02 per share in 1996. The average fair value of each option granted during 1998, 1997 and 1996 was $12.80, $11.36 and $7.43, respectively. The fair value was estimated at the grant date using an option-pricing model with the following weighted average assumptions for 1998, 1997 and 1996, respectively: risk-free interest rates of 4.8 percent, 5.8 percent and 6.1 percent; expected life of 6 years for all years; volatility of 13 percent, 12 percent and 12 percent and a dividend yield of 2.3 percent, 2.7 percent and 3.4

percent.

Changes that occurred in options outstanding in 1998, 1997 and 1996 are summarized below (shares in thousands):

	1998		1997		1996	
	Shares	Avg. Exercise Price	Shares	Avg. Exercise Price	Shares	Avg. Exercise Price
Outstanding at beginning of year	72,440	$38.48	73,897	$33.20	75,510	$29.70
Granted	10,785	72.38	11,019	61.41	11,968	47.06
Exercised	(13,024)	29.74	(12,153)	26.95	(13,295)	25.69
Expired/Canceled	(302)	58.61	(323)	46.61	(286)	37.63
Outstanding at end of year	69,899	45.25	72,440	38.48	73,897	33.20
Exercisable at end of year	58,425	40.12	61,179	34.32	61,939	30.53

The following table summarizes information about stock options outstanding at December 31, 1998 (shares in thousands):

	Options Outstanding			Options Exercisable	
Exercise Price Range	Shares	Avg. Remaining Contractual Life	Avg. Exercise Price	Shares	Avg. Exercise Price
$23.63-31.78	27,559	4.3 years	$29.71	27,559	$29.71
39.47-47.06	20,834	7.4	43.47	20,597	43.42
61.41-72.38	21,506	9.4	66.90	10,269	61.41
Total	69,899	6.8	45.25	58,425	40.12

17. Annuity Benefits and Other Postretirement Benefits

	Annuity Benefits						Other Postretirement Benefits		
	U.S.			Non-U.S.					
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Components of net benefit cost	(millions of dollars)								
Service cost	$ 148	$ 137	$ 147	$ 182	$ 176	$ 162	$ 26	$ 28	$ 28
Interest cost	361	364	361	482	515	523	135	136	130
Expected return on plan assets	(358)	(351)	(351)	(467)	(445)	(412)	(41)	(35)	(36)
Amortization of actuarial loss/(gain) and prior service cost	(11)	(23)	13	83	82	40	13	10	15
Net pension enhancement and curtailment/settlement expense	1	(6)	6	(1)	(11)	17	--	--	--
Net benefit cost	$ 141	$ 121	$ 176	$ 279	$ 317	$ 330	$ 133	$ 139	$ 137

Costs for defined contribution plans were $54 million, $58 million and $100 million in 1998, 1997 and 1996, respectively.

	Annuity Benefits	Other Postretirement

	U.S.		Non-U.S.		Benefits	
	1998	1997	1998	1997	1998	1997
Change in benefit obligation			(millions of dollars)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Benefit obligation at January 1	$ 5,396	$ 5,077	$ 7,853	$ 7,470	$ 2,052	$ 1,879
Service cost	148	137	182	176	26	28
Interest cost	361	364	482	515	135	136
Actuarial loss/(gain)	204	291	871	466	2	144
Benefits paid	(528)	(493)	(502)	(557)	(152)	(135)
Foreign exchange rate changes	--	--	131	(642)	(18)	(11)
Other	30	20	107	425	12	11
Benefit obligation at December 31	$ 5,611	$ 5,396	$ 9,124	$ 7,853	$ 2,057	$ 2,052
Change in plan assets						
Fair value at January 1	$ 4,016	$ 3,815	$ 5,367	$ 5,025	$ 447	$ 422
Actual return on plan assets	651	646	682	769	117	88
Foreign exchange rate changes	--	--	(4)	(363)	--	--
Payments directly to participants	75	62	141	184	110	97
Company contribution	--	--	193	152	34	32
Benefits paid	(528)	(493)	(502)	(557)	(152)	(135)
Other	--	(14)	7	157	(44)	(57)
Fair value at December 31	$ 4,214	$ 4,016	$ 5,884	$ 5,367	$ 512	$ 447
Assets in excess of/(less than) benefit obligation						
Balance at December 31	$(1,397)	$(1,380)	$(3,240)	$(2,486)	$(1,545)	$(1,605)
Unrecognized net transition liability/(asset)	(87)	(136)	22	26	--	--
Unrecognized net actuarial loss/(gain)	(19)	66	1,076	361	135	219
Unrecognized prior service cost	71	84	325	145	18	20
Intangible asset	(14)	--	(49)	--	--	--
Equity of minority shareholders	--	--	(55)	--	--	--
Minimum pension liability adjustment	(68)	--	(495)	--	--	--
Prepaid/(accrued) benefit cost	$(1,514)	$(1,366)	$(2,416)	$(1,954)	$(1,392)	$(1,366)
Annuity assets and reserves in excess of accumulated benefit obligation	$ 889	$ 689	$ 347	$ 495		
Assumptions as of December 31 (percent)						
Discount rate	6.75	7.00	2.7-8.3	4.0-8.5	6.75	7.00
Long-term rate of compensation increase	3.50	3.50	2.3-6.5	2.5-8.5	3.50	3.50
Long-term rate of return on funded assets	9.50	9.75	5.0-10.0	5.0-10.0	9.50	9.75

</TABLE>

The data shown above is reported as required by current accounting standards which specify use of a discount rate at which postretirement liabilities could be effectively settled. The discount rate stipulated for use in calculating year-end postretirement liabilities is based on the year-end rate of interest on high quality bonds. For determining the funding requirements of U.S. annuity plans in accordance with applicable federal government regulations, Exxon uses the expected long-term rate of return of the annuity fund's actual portfolio as the discount rate. This rate has historically been higher than bonds as the majority of pension assets are invested in equities. In fact, the actual rate earned over the past decade has been 13 percent. On this basis, 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 below. 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 of these plans. Book reserves have been established for these plans to provide for future benefit payments.

<TABLE>
<CAPTION>

Status of U.S. annuity plans subject to federal government funding requirements	1998	1997
	(millions of dollars)	
<S>	<C>	<C>
Funded assets at market value less total projected benefit obligation	$(1,397)	$(1,380)
Differences between accounting and funding basis:		
Certain smaller plans unfunded due to lack of tax and regulatory incentives	553	512
Use of long-term rate of return on fund assets as the discount rate	1,229	1,062
Use of government required assumptions and other actuarial adjustments	118	127
Funded assets in excess of obligations under government regulations	$ 503	$ 321

</TABLE>

18. Litigation and Other Contingencies

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

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

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

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

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

German and Dutch affiliated companies are the concessionaires of a natural gas field subject to a treaty between the governments of Germany and the Netherlands under which the gas reserves in an undefined border or common area 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 operations or financial condition.

The U.S. Tax Court has decided the issue with respect to the pricing of crude oil purchased from Saudi Arabia for the years 1979-1981 in favor of the corporation. This decision is subject to appeal. Certain other issues for the years 1979-1988 remain pending before the Tax Court. The ultimate resolution of these issues is not expected to have a materially adverse effect upon the corporation's operations or financial condition.

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

The corporation and certain of its consolidated subsidiaries were contingently liable at December 31, 1998, for $1,336 million, primarily relating to guarantees for notes, loans and performance under contracts. This includes $963 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 $947 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.

19. Disclosures about Segments and Related Information

The functional segmentation of operations reflected below is consistent with Exxon's internal reporting. Earnings are before the cumulative effect of accounting changes. Transfers are at estimated market prices. The interest revenue amount relates to interest earned on cash deposits and marketable securities. Interest expense includes non-debt related interest expense of $74 million, $111 million and $93 million in 1998, 1997 and 1996, respectively. All Other includes smaller operating segments and corporate and financing activities.

<TABLE>
<CAPTION>

	Exploration & Production		Refining & Marketing		Chemicals		All	Corporate
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	Other	Total
				(millions of dollars)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
As of December 31, 1998								
Earnings after income tax	$ 839	$ 1,869	$ 625	$ 1,833	$ 722	$ 491	$ 61	$ 6,440
Earnings of equity companies included above	--	959	26	21	7	27	192	1,232
Sales and other operating revenue	2,239	6,596	15,778	79,438	4,605	5,899	862	115,417
Intersegment revenue	2,408	2,629	1,438	1,970	1,725	760	135	--
Depreciation and depletion expense	1,077	2,049	287	1,031	296	239	361	5,340
Interest revenue	--	--	--	--	--	--	151	151
Interest expense	--	--	--	--	--	--	100	100
Income taxes	501	456	360	1,023	323	157	(204)	2,616
Additions to property, plant and equipment	1,442	2,998	663	1,272	384	1,039	561	8,359
Investments in equity companies	--	835	--	820	365	691	47	2,758
Total assets	13,987	23,539	6,493	27,259	5,450	6,502	9,400	92,630
As of December 31, 1997								
Earnings after income tax	$ 1,634	$ 3,059	$ 593	$ 1,470	$ 825	$ 543	$ 336	$ 8,460
Earnings of equity companies included above	3	964	19	33	12	52	(107)	976
Sales and other operating revenue	2,650	8,222	19,995	89,777	5,396	6,799	2,303	

								135,142
Intersegment revenue	3,960	4,211	1,827	2,404	2,145	833	163	--
Depreciation and depletion expense	1,113	1,984	259	1,083	268	188	579	5,474
Interest revenue	--	--	--	--	--	--	324	324
Interest expense	--	--	--	--	--	--	415	415
Income taxes	972	1,620	333	786	409	330	(112)	4,338
Additions to property, plant and equipment	1,341	2,551	579	1,256	357	471	838	7,393
Investments in equity companies	3	782	2	823	217	600	30	2,457
Total assets	13,752	22,911	6,349	26,242	5,403	5,426	15,981	96,064

As of December 31, 1996								
Earnings after income tax	$ 1,781	$ 3,277	$ 169	$ 716	$ 701	$ 498	$ 368	$ 7,510
Earnings of equity companies included above	3	1,104	22	47	26	117	(64)	1,255
Sales and other operating revenue	2,532	8,725	20,012	86,743	4,969	6,461	2,101	131,543
Intersegment revenue	4,486	4,714	1,641	2,174	1,969	810	177	--
Depreciation and depletion expense	1,174	1,928	268	1,024	250	180	505	5,329
Interest revenue	--	--	--	--	--	--	226	226
Interest expense	--	--	--	--	--	--	464	464
Income taxes	1,055	2,116	90	474	335	257	79	4,406
Additions to property, plant and equipment	927	2,576	472	1,263	731	256	984	7,209
Investments in equity companies	4	1,040	11	1,547	207	782	34	3,625
Total assets	13,740	23,757	6,221	26,317	5,200	5,515	14,777	95,527

</TABLE>

Geographic Sales and other operating revenue	1998	1997	1996
	(millions of dollars)		
United States	$ 22,739	$ 28,148	$ 27,656
Non-U.S	92,678	106,994	103,887
Total	$115,417	$135,142	$131,543
Significant non-U.S. revenue sources include:			
United Kingdom	$14,375	$ 14,834	$ 13,926
Germany	12,017	13,672	15,323
Japan	10,999	12,954	8,044
Italy	10,411	10,565	10,780
Canada	8,886	11,192	11,171

Long-lived assets	1998	1997	1996
	(millions of dollars)		
United States	$25,105	$ 24,454	$ 23,939
Non-U.S.	40,094	41,960	42,668
Total	$65,199	$ 66,414	$ 66,607
Significant non-U.S. long-lived assets include:			
United Kingdom	$ 9,382	$ 9,155	$ 9,373
Canada	5,000	5,527	6,320

20. Income, Excise and Other Taxes

<TABLE>
<CAPTION>

	1998		1997		1996	
	United	Non-	United	Non-	United	Non-

	States	U.S.	Total	States	U.S.	Total	States	U.S.	Total
					(millions of dollars)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income taxes									
Federal or non-U.S.									
Current	$ 451	$ 1,632	$ 2,083	$ 1,199	$ 2,365	$ 3,564	$ 988	$ 2,751	$ 3,739
Deferred - net	330	72	402	163	429	592	314	164	478
U.S. tax on non-U.S. operations	16	--	16	20	--	20	47	--	47
	$ 797	$ 1,704	$ 2,501	$ 1,382	$ 2,794	$ 4,176	$ 1,349	$ 2,915	$ 4,264
State	115	--	115	162	--	162	142	--	142
Total income taxes	$ 912	$ 1,704	$ 2,616	$ 1,544	$ 2,794	$ 4,338	$ 1,491	$ 2,915	$ 4,406
Excise taxes	2,747	11,973	14,720	2,605	12,258	14,863	2,494	12,321	14,815
All other taxes and duties	638	23,280	23,918	816	23,855	24,671	853	23,689	24,542
Total	$ 4,297	$36,957	$41,254	$ 4,965	$38,907	$43,872	$ 4,838	$38,925	$43,763

</TABLE>

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 credits for the effect of changes in tax laws and rates of $107 million in 1998, $147 million in 1997 and $26 million in 1996. Income taxes (charged)/credited directly to shareholders' equity were: $(15) million in 1998, $234 million in 1997 and $(87) million in 1996 for the cumulative foreign exchange translation adjustment; $281 million in 1998 for the minimum pension liability adjustment; and $88 million, $67 million and $9 million in 1998, 1997 and 1996, respectively, for other components of shareholders' equity.

The reconciliation between income tax expense and a theoretical U.S. tax computed by applying a rate of 35 percent for 1998, 1997 and 1996, is as follows:

	1998	1997	1996
		(millions of dollars)	
Earnings before Federal and non-U.S. income taxes			
United States	$ 2,506	$ 4,413	$ 3,706
Non-U.S	6,435	8,223	8,068
Total	$ 8,941	$ 12,636	$ 11,774
Theoretical tax	$ 3,129	$ 4,423	$ 4,121
Effect of equity method accounting	(431)	(342)	(439)
Non-U.S. taxes greater/(less) than theoretical U.S. tax	(117)	258	530
U.S. tax on non-U.S. operations	16	20	47
Other U.S.	(96)	(183)	5
Federal and non-U.S. income tax expense	$ 2,501	$ 4,176	$ 4,264
Total effective tax rate	32.1%	36.4%	39.9%

The effective income tax rate includes state income taxes and the corporation's share of income taxes of equity companies. Equity company taxes totaled $422 million in 1998, $499 million in 1997 and $576 million in 1996, 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:	1998	1997
	(millions of dollars)	
Depreciation	$10,128	$10,324
Intangible development costs	3,022	3,036
Capitalized interest	1,432	1,309
Other liabilities	2,174	2,215
Total deferred tax liabilities	$16,756	$16,884
Pension and other postretirement benefits	$(1,498)	$(1,187)
Site restoration reserves	(817)	(809)
Tax loss carryforwards	(964)	(850)
Other assets	(673)	(1,092)
Total deferred tax assets	$(3,952)	$(3,938)
Asset valuation allowances	256	296
Net deferred tax liabilities	$13,060	$13,242

The corporation had $8.4 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.

SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

<TABLE>
<CAPTION>

	Consolidated Subsidiaries							
Results of Operations	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of dollars)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1998 - Revenue								
Sales to third parties	$1,522	$ 328	$2,374	$1,131	$ 62	$ 5,417	$2,061	$ 7,478
Transfers	1,843	323	1,261	405	79	3,911	29	3,940
	$3,365	$ 651	$3,635	$1,536	$ 141	$ 9,328	$2,090	$11,418
Production costs excluding taxes	946	279	1,158	280	138	2,801	233	3,034
Exploration expenses	190	24	177	118	348	857	69	926
Depreciation and depletion	1,044	282	1,275	481	94	3,176	208	3,384
Taxes other than income	244	26	81	162	--	513	595	1,108
Related income tax	349	(24)	241	123	(159)	530	399	929
Results of producing activities	$ 592	$ 64	$ 703	$ 372	$ (280)	$ 1,451	$ 586	$ 2,037
Other earnings*	248	42	285	26	(3)	598	73	671
Total earnings	$ 840	$ 106	$ 988	$ 398	$ (283)	$ 2,049	$ 659	$ 2,708
1997 - Revenue								
Sales to third parties	$1,815	$ 459	$2,742	$1,694	$ 71	$ 6,781	$2,540	$ 9,321
Transfers	3,300	537	1,979	751	112	6,679	51	6,730
	$5,115	$ 996	$4,721	$2,445	$ 183	$13,460	$2,591	$16,051
Production costs excluding taxes	1,044	344	995	341	111	2,835	225	3,060
Exploration expenses	130	23	197	150	247	747	87	834
Depreciation and depletion	1,084	325	1,204	423	90	3,126	211	3,337
Taxes other than income	438	24	91	371	--	924	866	1,790
Related income tax	888	109	1,011	219	(48)	2,179	512	2,691
Results of producing activities	$1,531	$ 171	$1,223	$ 941	$ (217)	$ 3,649	$ 690	$ 4,339
Other earnings*	101	65	104	21	(6)	285	69	354
Total earnings	$1,632	$ 236	$1,327	$ 962	$ (223)	$ 3,934	$ 759	$ 4,693
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

Average sales prices and production costs per unit of production								
During 1998								
Average sales prices								
Crude oil and NGL, per barrel	$ 9.69	$ 7.43	$12.64	$13.24	$11.11	$ 10.97	$12.44	$ 11.03
Natural gas, per thousand cubic feet	2.03	1.34	2.68	1.09	--	1.99	3.11	2.28
Average production costs, per barrel**	3.05	3.24	4.41	1.91	10.82	3.42	1.96	3.24
During 1997								
Average sales prices								
Crude oil and NGL, per barrel	$15.82	$12.29	$19.14	$21.08	$18.06	$ 17.32	$19.20	$ 17.39
Natural gas, per thousand cubic feet	2.43	1.88	3.13	1.39	--	2.37	3.46	2.67
Average production costs, per barrel**	3.17	4.19	3.98	2.21	10.87	3.43	1.78	3.21
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

</TABLE>

* Includes earnings from transportation operations, oil sands operations, technical services agreements, other non-operating activities and adjustments for minority interests.

** Production costs exclude depreciation and depletion and all taxes. Natural gas included by conversion to crude oil equivalent.

Oil and Gas Exploration and Production Costs

The amounts shown for net capitalized costs of consolidated subsidiaries are $3,285 million less at year-end 1998 and $3,208 million less at year-end 1997 than the amounts reported as investments in property, plant and equipment for exploration and production in note 10. 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 the 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 1998 were $5,451 million, up $579 million from 1997, due primarily to higher development costs. 1997 costs were $4,872 million, up $429 million from 1996, due primarily to higher development costs.

<TABLE>
<CAPTION>

	Consolidated Subsidiaries							
Capitalized costs	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of dollars)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
As of December 31, 1998								
Property (acreage) costs - Proved	$ 3,096	$ 2,232	$ 86	$ 535	$ 816	$ 6,765	$ 14	$ 6,779
- Unproved	404	76	29	141	250	900	13	

913

Total property costs	$ 3,500	$ 2,308	$ 115	$ 676	$ 1,066	$ 7,665	$ 27	$ 7,692
Producing assets	23,719	2,798	19,786	7,560	826	54,689	2,622	57,311
Support facilities	369	75	495	856	65	1,860	111	1,971
Incomplete construction	1,150	117	2,469	547	519	4,802	298	5,100
Total capitalized costs	$28,738	$ 5,298	$22,865	$ 9,639	$ 2,476	$69,016	$ 3,058	$72,074
Accumulated depreciation and depletion	17,241	2,810	12,510	5,954	1,305	39,820	2,311	42,131
Net capitalized costs	$11,497	$ 2,488	$10,355	$ 3,685	$ 1,171	$29,196	$ 747	$29,943
As of December 31, 1997								
Property (acreage) costs - Proved	$ 3,109	$ 2,441	$ 85	$ 557	$ 828	$ 7,020	$ 16	$ 7,036
- Unproved	390	96	26	163	114	789	13	802
Total property costs	$ 3,499	$ 2,537	$ 111	$ 720	$ 942	$ 7,809	$ 29	$ 7,838
Producing assets	23,218	2,915	19,345	7,229	753	53,460	2,240	55,700
Support facilities	328	78	469	865	46	1,786	113	1,899
Incomplete construction	589	86	1,968	609	359	3,611	308	3,919
Total capitalized costs	$27,634	$ 5,616	$21,893	$ 9,423	$ 2,100	$66,666	$ 2,690	$69,356
Accumulated depreciation and depletion	16,391	2,803	12,181	5,568	1,216	38,159	2,060	40,219
Net capitalized costs	$11,243	$ 2,813	$ 9,712	$ 3,855	$ 884	$28,507	$ 630	$29,137

Costs incurred in property acquisitions, exploration and development activities

During 1998								
Property acquisition costs - Proved	$ 1	$ 2	$ --	$ 1	$ --	$ 4	$ --	$ 4
- Unproved	29	1	3	1	150	184	--	184
Exploration costs	248	30	255	135	448	1,116	125	1,241
Development costs	1,250	158	1,846	412	156	3,822	200	4,022
Total	$ 1,528	$ 191	$ 2,104	$ 549	$ 754	$ 5,126	$ 325	$ 5,451
During 1997								
Property acquisition costs - Proved	$ 2	$ --	$ --	$ 1	$ 1	$ 4	$ --	$ 4
- Unproved	80	1	--	--	9	90	--	90
Exploration costs	231	29	280	160	321	1,021	122	1,143
Development costs	1,112	213	1,504	512	112	3,453	182	3,635
Total	$ 1,425	$ 243	$ 1,784	$ 673	$ 443	$ 4,568	$ 304	$ 4,872
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

</TABLE>

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 1996, 1997 and 1998.

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

Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future 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. 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.

<TABLE>
<CAPTION>

	Consolidated Subsidiaries							
Crude Oil and Natural Gas Liquids	United States	Canada	Europe	Asia-Pacific	Other	Total	Non-Consolidated Interests	Total Worldwide
	(millions of barrels)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net proved developed and undeveloped reserves								
January 1, 1996	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
Revisions	190	2	33	45	13	283	2	285
Purchases	1	--	--	--	--	1	--	1
Sales	(6)	(63)	(6)	--	--	(75)	--	(75)
Improved recovery	25	4	2	--	--	31	--	31
Extensions and discoveries	79	16	42	21	--	158	2	160
Production	(204)	(70)	(171)	(91)	(10)	(546)	(21)	(567)
December 31, 1997	2,377	972	1,507	730	186	5,772	402	6,174
Revisions	111	(12)	14	34	4	151	(15)	136
Purchases	--	--	--	--	--	--	--	--
Sales	(3)	--	--	--	--	(3)	--	(3)
Improved recovery	15	4	9	--	--	28	--	28
Extensions and discoveries	24	10	25	24	349	432	1	433
Production	(184)	(72)	(177)	(86)	(13)	(532)	(21)	(553)
December 31, 1998	2,340	902	1,378	702	526	5,848	367	6,215
Developed reserves, included above								
At December 31, 1996	1,925	512	815	582	44	3,878	396	4,274
At December 31, 1997	2,064	494	802	609	41	4,010	384	4,394
At December 31, 1998	2,033	435	724	609	48	3,849	351	4,200

</TABLE>

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 1998 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 F31 due to volumes consumed or flared and inventory changes. Such quantities amounted to approximately 236 billion cubic feet in 1996, 268 billion cubic feet in 1997 and 242 billion cubic feet in 1998.

<TABLE>
<CAPTION>

Natural Gas	Consolidated Subsidiaries						Non-Consolidated	Total
	United States	Canada	Europe	Asia-Pacific	Other	Total	Interests	Worldwide
	(billions of cubic feet)							
Net proved developed and undeveloped reserves								
January 1, 1996	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
Revisions	(53)	(43)	(1)	433	--	336	107	443
Purchases	2	--	--	--	--	2	--	2
Sales	(27)	(122)	(6)	--	--	(155)	--	(155)
Improved recovery	(2)	19	17	--	--	34	--	34
Extensions and discoveries	450	24	363	1,687	--	2,524	363	2,887
Production	(831)	(138)	(531)	(441)	(8)	(1,949)	(633)	(2,582)
December 31, 1997	9,689	1,612	7,482	7,223	111	26,117	16,012	42,129
Revisions	922	65	161	386	2	1,536	176	1,712
Purchases	--	2	--	--	--	2	--	2
Sales	(23)	(23)	(10)	--	--	(56)	--	(56)
Improved recovery	1	13	6	--	--	20	--	20
Extensions and discoveries	160	221	113	362	111	967	69	1,036
Production	(832)	(138)	(565)	(420)	(7)	(1,962)	(587)	(2,549)
December 31, 1998	9,917	1,752	7,187	7,551	217	26,624	15,670	42,294
Developed reserves, included above								
At December 31, 1996	8,216	1,392	4,872	3,995	83	18,558	6,754	25,312
At December 31, 1997	7,625	1,236	5,334	5,191	76	19,462	6,463	25,925
At December 31, 1998	7,812	1,231	5,034	5,424	75	19,576	6,740	26,316

</TABLE>

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, costs and legislated tax rates and a discount factor of 10 percent to net proved reserves. The corporation believes the standardized measure is not meaningful and may be misleading.
<TABLE>
<CAPTION>

	Consolidated Subsidiaries						Non-Consolidated	Total
	United States	Canada	Europe	Asia-Pacific	Other	Total	Interests	Worldwide
	(millions of dollars)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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 costs	17,523	5,145	13,198	9,309	842	46,017	28,324	74,341
Future development costs	3,395	1,509	5,826	2,632	593	13,955	1,691	15,646
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
As of December 31, 1997								
Future cash inflows from sales of oil and gas	$ 50,295	$ 8,449	$ 41,523	$ 25,800	$ 3,114	$129,181	$ 55,650	$184,831
Future production costs	14,978	3,833	11,166	9,277	787	40,041	26,131	66,172
Future development costs	3,705	1,486	5,034	4,310	384	14,919	1,341	16,260
Future income tax expenses	11,159	1,444	11,483	4,890	490	29,466	10,856	40,322
Future net cash flows	$ 20,453	$ 1,686	$ 13,840	$ 7,323	$ 1,453	$ 44,755	$ 17,322	$ 62,077
Effect of discounting net cash flows at 10%	10,135	834	5,159	3,679	761	20,568	11,067	31,635
Discounted future net cash flows	$ 10,318	$ 852	$ 8,681	$ 3,644	$ 692	$ 24,187	$ 6,255	$ 30,442
As of December 31, 1998								
Future cash inflows from sales of oil and gas	$ 35,102	$ 8,228	$ 29,584	$ 17,613	$ 5,641	$ 96,168	$ 46,776	$142,944
Future production costs	13,730	2,757	10,957	7,045	1,589	36,078	19,549	55,627
Future development costs	3,682	1,152	4,639	3,235	1,740	14,448	905	15,353
Future income tax expenses	5,923	1,831	4,586	2,088	1,059	15,487	10,123	25,610
Future net cash flows	$ 11,767	$ 2,488	$ 9,402	$ 5,245	$ 1,253	$ 30,155	$ 16,199	$ 46,354
Effect of discounting net cash flows at 10%	5,879	1,300	3,492	2,673	981	14,325	10,121	24,446
Discounted future net cash flows	$ 5,888	$ 1,188	$ 5,910	$ 2,572	$ 272	$ 15,830	$ 6,078	$ 21,908

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

Consolidated Subsidiaries	1998	1997	1996

<S>	<C>	<C>	<C>
	(millions of dollars)		
Value of reserves added during the year due to extensions, discoveries, improved recovery and net purchases less related costs	$ 872	$ 1,443	$ 3,581
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	(6,517)	(9,675)	(10,875)
Development costs incurred during the year	3,741	3,300	3,082
Net change in prices, lifting and development costs	(18,047)	(31,818)	25,677
Revisions of previous reserves estimates	742	1,568	3,157
Accretion of discount	3,081	5,542	3,330
Net change in income taxes	7,771	12,742	(12,032)
Total change in the standardized measure during the year	$ (8,357)	$(16,898)	$ 15,920

</TABLE>

OPERATING SUMMARY

<TABLE>
<CAPTION>

<S>	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
	(thousands of barrels daily)										
Production of crude oil and natural gas liquids											
Net production											
United States	505	559	587	600	562	553	591	619	640	693	760
Canada	251	238	211	242	251	254	268	278	302	312	249
Europe	496	483	499	498	484	423	396	363	313	351	444
Asia-Pacific	236	250	244	302	325	347	346	342	331	328	345
Other Non-U.S.	79	69	74	84	87	90	104	113	126	120	121
Worldwide	1,567	1,599	1,615	1,726	1,709	1,667	1,705	1,715	1,712	1,804	1,919
	(millions of cubic feet daily)										
Natural gas production available for sale											
Net production											
United States	2,063	2,062	2,094	2,055	2,021	1,764	1,607	1,655	1,778	1,827	1,805
Canada	227	203	194	281	286	328	326	355	413	417	209
Europe	3,037	3,038	3,361	2,804	2,842	3,049	3,097	3,010	2,694	2,707	2,787
Asia-Pacific	995	1,036	928	873	827	678	577	411	369	376	332
Other Non-U.S.	--	--	--	--	2	6	54	66	64	58	59
Worldwide	6,322	6,339	6,577	6,013	5,978	5,825	5,661	5,497	5,318	5,385	5,192
	(thousands of barrels daily)										
Refinery throughput											
United States	1,047	1,070	988	1,004	994	970	1,017	1,017	950	1,093	1,055
Canada	445	448	433	424	428	416	399	419	484	486	351
Europe	1,521	1,529	1,522	1,416	1,503	1,492	1,489	1,490	1,425	1,387	1,335
Asia-Pacific	799	850	733	697	633	619	602	556	586	556	522
Other Non-U.S.	116	114	116	118	122	119	112	103	101	102	105
Worldwide	3,928	4,011	3,792	3,659	3,680	3,616	3,619	3,585	3,546	3,624	3,368
Petroleum product sales											
United States	1,338	1,342	1,261	1,198	1,196	1,152	1,203	1,210	1,109	1,147	1,113
Canada	570	561	542	526	520	517	513	527	597	625	433
Europe	1,969	1,930	1,925	1,869	1,898	1,872	1,847	1,863	1,796	1,718	1,680
Asia-Pacific and other Eastern Hemisphere	1,095	1,145	1,046	1,042	988	962	935	878	869	847	784
Latin America	461	452	437	441	426	422	411	391	384	383	386
Worldwide	5,433	5,430	5,211	5,076	5,028	4,925	4,909	4,869	4,755	4,720	4,396
Gasoline, naphthas	2,053	2,014	1,939	1,903	1,849	1,818	1,822	1,821	1,742	1,708	1,572
Heating oils, kerosene, diesel oils	1,738	1,743	1,718	1,655	1,644	1,569	1,557	1,561	1,491	1,498	1,424
Aviation fuels	456	457	442	414	403	379	376	372	382	382	344
Heavy fuels	523	539	498	488	530	558	546	535	543	507	466
Specialty petroleum products	663	677	614	616	602	601	608	580	597	625	590
Worldwide	5,433	5,430	5,211	5,076	5,028	4,925	4,909	4,869	4,755	4,720	4,396

(thousands of metric tons)

Chemical prime product sales	17,204	17,301	15,712	14,377	13,969	13,393	13,463	12,560	12,453	12,324	12,152
					(millions of metric tons)						
Coal production	15	15	15	16	36	36	37	39	40	36	32
					(thousands of metric tons)						
Copper production	216	205	203	202	191	183	133	108	112	119	134

</TABLE>

Operating statistics include 100 percent of operations of majority owned subsidiaries; for other companies, crude production, gas, 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, 1998

<TABLE>
<CAPTION>

<S>	Percentage of Voting Securities Owned by Immediate Parent(s) <C>	State or Country of Organization <C>
Ancon Insurance Company, Inc.	100	Vermont
Esso Australia Resources Ltd.	100	Delaware
Delhi Petroleum Pty. Ltd.	100	Australia
Esso Eastern Inc.	100	Delaware
Esso Hong Kong Limited.........................	100	Hong Kong
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
Castle Peak Power Company Limited (5).........	60	Hong Kong
Exxon Yemen Inc................................	100	Delaware
General Sekiyu K.K.(6).........................	50.103	Japan
Tonen Kabushiki Kaisha(5)......................	25	Japan
Esso Exploration and Production Chad Inc.	100	Delaware
Esso Italiana S.p.A.(7).........................	100	Italy
Esso Standard (Inter-America) Inc.	100	Delaware
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 Singapore Private Limited........	100	Singapore
Singapore Aromatics Company Private (5).......	50	Singapore
Exxon Chemical HDPE Inc.	100	Delaware
Exxon Chemical Interamerica Inc.	100	Delaware
Exxon (Barbados) Foreign Sales Corporation......	100	Barbados
Exxon Credit Corporation........................	100	Delaware
Exxon Holding Latin America Limited(11).........	100	Bahamas
Esso Chile Petrolera Limitada(12)..............	100	Chile

</TABLE>

<TABLE>
<CAPTION>

<S>	Percentage of Voting Securities Owned by Immediate Parent(s) <C>	State or Country of Organization <C>
Exxon International Holdings, Inc.	100	Delaware
Esso Aktiengesellschaft(13).........................	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(14).................	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. (15).............................	100	Belgium/Delaware
Exxon Chemical Antwerp Ethylene N.V. (16)..........	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
Exxon Funding B.V.	100	Netherlands
Esso Capital B.V.	100	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(17)....	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 Minerals International Inc.....................	100	Delaware
Compania Minera Disputada de Las Condes Limitada(18).	100	Chile
Exxon Overseas Corporation...........................	100	Delaware
Exxon Chemical Arabia Inc..........................	100	Delaware
Al-Jubail Petrochemical Company(4)(5).............	50	Saudi Arabia
Exxon Equity Holding Company........................	100	Delaware
Exxon Overseas Investment Corporation...............	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(19)............	100	Brazil
Exxon Sao Paulo Holding Inc.	100	Delaware
Exxon Worldwide Trading Company......................	100	Delaware
Imperial Oil Limited................................	69.6	Canada
International Colombia Resources Corporation(20)......	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(21)....................	100	France

</TABLE>

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

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 50.103%, 48.571% 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%, 79.822% is owned by Exxon Corporation and 20.178% is owned by Esso Standard (Inter-America) Inc.

(12) Dual ownership; of the 100%, 99% is owned by Exxon Holding Latin America Limited and 1% is owned by Exxon Corporation.

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

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

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

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

(17) Dual ownership; of the 100%, 98% is owned by Esso UK plc and 2% is owned by Exxon Holding Company U.K. Inc.

(18) Dual ownership; of the 100%, 99.9999852% is owned by Exxon Minerals International Inc. and 0.0000148% is owned by Exxon Holding Latin America Limited.

(19) Dual ownership; of the 100%, 90% is owned by Exxon Rio Holding Inc. and 10% is owned by Exxon Sao Paulo Holding Inc.
(20) Dual ownership; of the 100%, 55% is owned by Exxon Corporation and 45% is owned by Esso Holding Company Holland Inc.
(21) Dual ownership; of the 100%, 98% is owned by Societe Francaise EXXON CHEMICAL and 2% is owned by Exxon Chemical France.

<TABLE> <S> <C>

<ARTICLE> 5
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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONSOLIDATED BALANCE SHEET AT 12/31/98 AND EXXON'S CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 12/31/98 AND THE RELATED NOTES TO THESE CONSOLIDATED FINANCIAL STATEMENTS, THAT ARE CONTAINED IN EXXON'S FORM 10-K FOR THE ANNUAL PERIOD ENDED 12/31/98. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000,000

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<OTHER-SE>	41,322
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<SALES>	115,417
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<INTEREST-EXPENSE>	100
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<EPS-DILUTED>	2.58

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM EXXON'S CONDENSED CONSOLIDATED BALANCE SHEETS AT 3/31/98 AND 6/30/98 AND 9/30/98 AND EXXON'S CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED 3/31/98, SIX MONTHS ENDED 6/30/98, AND NINE MONTHS ENDED 9/30/98, AS RESTATED. THE SCHEDULE IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000,000

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<CASH>	3,840	2,688	2,100
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<PP&E>	123,626	124,414	127,545
<DEPRECIATION>	61,042	61,787	63,403
<TOTAL-ASSETS>	91,237	89,511	91,502
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<PREFERRED>	174	134	119
<COMMON>	2,323	2,323	2,323
<OTHER-SE>	41,178	40,830	41,247
<TOTAL-LIABILITY-AND-EQUITY>	91,237	89,511	91,502
<SALES>	29,332	58,140	86,047
<TOTAL-REVENUES>	29,964	59,329	87,825
<CGS>	12,100	23,490	34,463
<TOTAL-COSTS>	12,100	23,490	34,463
<OTHER-EXPENSES>	4,439	8,786	13,022
<LOSS-PROVISION>	0	0	0
<INTEREST-EXPENSE>	32	60	66
<INCOME-PRETAX>	2,709	4,967	7,007
<INCOME-TAX>	819	1,457	2,097
<INCOME-CONTINUING>	1,890	3,510	4,910
<DISCONTINUED>	0	0	0
<EXTRAORDINARY>	0	0	0
<CHANGES>	(70)	(70)	(70)
<NET-INCOME>	1,820	3,440	4,840
<EPS-PRIMARY>	0.74	1.40	1.98

<EPS-DILUTED> 0.73 1.38
1.96

</TABLE>