

United States : ExxonMobil Shareholders Question Risks of Natural Gas 'Fracking'.

As concern grows about the use of toxic chemicals in natural gas drilling, investors are pushing energy companies to disclose what they are doing to reduce risks to [drinking water](#) drinking water, public health, and shareholder value. Next week the focus is on ExxonMobil, which is poised to become the nation's biggest natural gas company.

At ExxonMobil's annual meeting May 26 in Dallas, shareholders will vote on a proposal asking the company to report on the environmental impacts of [hydraulic fracturing](#) or "fracking," a controversial practice in which millions of gallons of fluids, containing dozens of known hazardous chemicals, are injected into wellheads under high pressure to force sluggish natural gas reserves to the surface.

The proposal was put forth by [As You Sow](#) a shareholder advocacy organization based in San Francisco, representing the holders of 16,746 ExxonMobil shares valued at more than \$1.1 million. The proposal has been endorsed by the two largest proxy voting services in the U.S., RiskMetrics Group and Proxy Governance, which both recommend a FOR vote.

"Fracking exposes both ExxonMobil and its shareholders to serious financial risks from potential damage to health and the environment, and from the prospect of tougher regulations at both the state and federal level," said Michael Passoff, senior program director of the corporate responsibility program at As You Sow. "Either the company doesn't recognize the risks or it isn't acknowledging them to shareholders. Investors deserve straight answers."

As You Sow is representing the Park Foundation of Ithaca, N.Y., located in the region of the Marcellus Shale formation, which energy companies have targeted for natural gas drilling using fracking.

"Hydrofracking could expose millions of people in Central New York and the New York City watershed to air and water contamination," said Jon Jensen, executive director of the Park Foundation. "This would present a significant health and environmental hazard to the most densely populated part of the country."

ExxonMobil's planned \$41 billion merger with XTO Energy of Fort Worth would make it the U.S.' largest natural gas company. Passoff said the financial documents filed by ExxonMobil with the federal Securities and Exchange Commission provide only the most generic references to business risks - such as changing weather patterns, competition, market prices with virtually no discussion of what the likelihood, scope, or potential impact of risks are from expansion of fracking. Shareholders took the unusual step of filing their own details of these risks with the SEC.