

Oil Executives Reaffirm Larson Position: Speculation is Driving Up Energy Prices

FOR IMMEDIATE RELEASE: April 1, 2008

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Washington, DC -- Today, executives from the Exxon Mobil Corp., Shell Oil Company, BP America, Chevron and ConocoPhillips agreed with Congressman John B. Larson (CT-01) that speculation in the futures markets is a major factor contributing to the rising prices of oil and gasoline. Congressman Larson announced a legislative initiative yesterday to take speculation out of the oil markets. His proposal will drastically change the markets by requiring that investors in the market be able to take delivery of the petroleum product in which they are investing. This will eliminate the speculators from the market who are driving up the price of oil.

Congressman Larson said:

"The concept of supply and demand in the oil and gas market is broken. Prices are out of control. When senior citizens have to forego prescription drugs and food in order to heat their homes and fuel their cars, something must be done."

The House Select Committee on Energy Independence and Global Warming held a hearing of the oil executives. Upon questioning by Congressman Larson during the hearing, Stephen Simon of Exxon Mobil Corp cited speculation in the futures markets as one of the major causes of the exorbitant oil and gas prices we've seen. Executives from the other companies agreed.

After the hearing, Congressman Larson said:

"It is a rare day that I agree with major oil executives on much of anything. But, it is obvious that speculation in the oil futures markets is a major factor in the distortion of the marketplace. This has thrown the market into chaos such that the laws of supply and demand and the integrity of our system are at risk. I believe this legislation will correct the abuses and distortion we've seen in the market and give consumers a chance to get fair prices at the pump.

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