



Chevron to acquire PDC Energy

May 22, 2023

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Good morning and welcome to this special call to announce an important proposed combination. I'm Jake Spiering, General Manager of Investor Relations at Chevron, and with me today are Chevron's Chairman and CEO, Mike Wirth, PDC Energy's President and CEO, Bart Brookman, and Chevron's CFO, Pierre Breber.

We will refer to the slides and prepared remarks that are available on Chevron's website.

Cautionary statement

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements regarding the potential transaction between Chevron Corporation ("Chevron") and PDC Energy, Inc. ("PDC"), including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated accretion to return on capital employed, free cash flow, and earnings per share, as well as the expected delivery of higher returns and lower upstream carbon intensity) and projected operational and capital synergies, projected financial information, future opportunities, and any other statements regarding Chevron's and PDC's future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. Words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "advances," "commits," "drives," "aims," "forecasts," "projects," "believes," "approaches," "seeks," "schedules," "estimates," "positions," "pursues," "progress," "may," "can," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on track," "goals," "objectives," "strategies," "opportunities," "poised," "potential," "ambitions," "aspires" and similar expressions are intended to identify such forward-looking statements. All such forward-looking statements are based on current expectations of Chevron's and PDC's management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite PDC stockholder approval; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; the risk that regulatory approvals are not obtained or are obtained subject to conditions that are not anticipated by the parties; the effects of disruption to Chevron's or PDC's respective businesses; transaction costs; Chevron's ability to achieve the benefits and projected operational and capital synergies from the proposed transaction; Chevron's ability to promptly, efficiently and effectively integrate acquired operations into its own operations; unknown liabilities; the diversion of management time on transaction-related issues; and the effects of industry, market, economic, political or regulatory conditions outside of Chevron's or PDC's control. Additional risks that may affect Chevron's results of operations and financial position appear in Part I, Item 1A "Risk Factors" of Chevron's Annual Report on Form 10-K for the year ended December 31, 2022, and in subsequent filings with the U.S. Securities and Exchange Commission ("SEC"). Other unpredictable or factors not discussed in this presentation could also have material adverse effects on forward-looking statements. Chevron assumes no obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Important Information for Investors and Stockholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the potential transaction, Chevron expects to file a registration statement on Form S-4 with the SEC containing a preliminary prospectus of Chevron that also constitutes a preliminary proxy statement of PDC. After the registration statement is declared effective, PDC will mail a definitive proxy statement/prospectus to stockholders of PDC. This communication is not a substitute for the proxy statement/prospectus or registration statement or for any other document that Chevron or PDC may file with the SEC and send to PDC's stockholders in connection with the potential transaction. INVESTORS AND SECURITY HOLDERS OF CHEVRON AND PDC ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the proxy statement/prospectus (when available) and other documents filed with the SEC by Chevron or PDC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Chevron will be available free of charge on Chevron's website at <http://www.chevron.com/investors>.

Chevron and PDC and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of Chevron is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 23, 2023, and its proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on April 12, 2023. Information about the directors and executive officers of PDC is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 22, 2023, and its proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on April 12, 2023. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

This presentation is meant to be read in conjunction with the Chevron Announces Agreement to Acquire PDC Energy Transcript. All materials are posted on chevron.com under the headings "Investors," "Events & Presentations."









Before we begin, please be reminded that this presentation contains estimates, projections and other forward-looking statements.

Please review the cautionary statement on Slide 2.

Now, I'll turn it over to Mike.

Winning combination in the DJ Basin

Strategic fit	Projected benefits
 <p data-bbox="460 391 582 451">Attractive returns</p>	 <p data-bbox="982 391 1299 451">Accretive to EPS, CFPS, FCFPS & ROCE*</p>
 <p data-bbox="417 542 625 602">Complements existing footprint</p>	 <p data-bbox="933 542 1352 602">~\$100MM annual opex synergies ~\$400MM annual capex efficiencies</p>
 <p data-bbox="386 693 656 753">Lower carbon intensity basin</p>	 <p data-bbox="1041 693 1241 753">~\$1 billion incremental FCF*</p>

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* In 2024. Assumes \$70 Brent and \$3.50 Henry Hub to approximate strip prices as of May 2023. This is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.
EPS - Earnings per share.
CFPS - Cash flow per share.
FCFPS - Free cash flow per share. Free cash flow (FCF) is defined as net cash provided by operating activities less capital expenditures and generally represents the cash available to creditors and investors after investing in the business.
ROCE - Return on capital employed.

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I'm pleased to announce that Chevron has entered into a definitive agreement to acquire PDC Energy.

PDC is a strong, strategic fit with Chevron's portfolio, and this transaction is aligned with our objective to safely deliver higher returns and lower carbon through a disciplined use of capital. The combination is expected to strengthen our position in the DJ Basin and add high-return investment opportunities that also lower our overall upstream carbon intensity. We expect PDC's Delaware Basin acreage to be efficiently integrated into our leading position in the Permian Basin.

The transaction is expected to be accretive to all important financial measures in the first year after closing assuming strip prices. We anticipate Chevron's annual free cash flow to increase by about \$1 billion, including cost synergies and capex efficiencies.

We'll raise our annual capex guidance by \$1 billion to \$14 to \$16 billion per year through 2027 after achieving about \$400 million in capex efficiencies post-closing. Our Investor Day guidance for compound annual growth rates in production and free cash flow through 2027 is unchanged from what will be a higher combined base. There's also no change in the company's recently increased share buyback guidance.

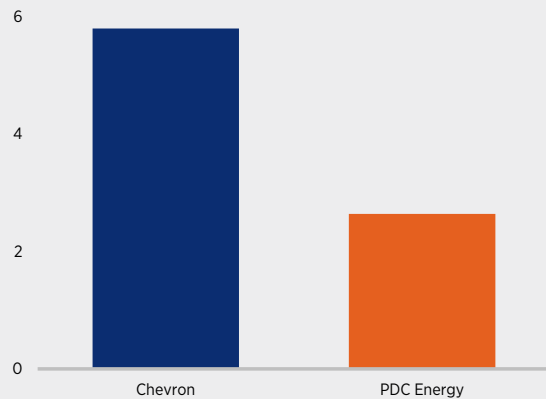
Key transaction terms

100% equity consideration
at 0.4638 exchange ratio

14% premium
based on 10-day average closing price¹

Target closing²
year-end 2023

Chevron vs. PDC Energy 2024E Valuation Multiple³
EV / EBITDA



¹ As of May 19, 2023.
² Subject to PDC Energy shareholder approval, regulatory approval and other customary closing conditions.

³ Bloomberg consensus estimates as of May 19, 2023.
EV - Enterprise value.
EBITDA - Earnings before interest, taxes, depreciation & amortization.

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Each PDC shareholder will receive 0.4638 Chevron shares as total consideration, which represents a 14% premium on the ten-day average closing price. They'll have continued ownership in the business through shares of a much larger, more diversified company with longstanding financial priorities of dividend growth, disciplined capital investment, a strong balance sheet and share buybacks through-the-cycle.

Chevron shareholders should benefit from the incremental value that we expect the high-quality assets and synergies to realize over time as part of a global integrated company.

I believe that this is a compelling deal for shareholders of both Chevron and PDC.

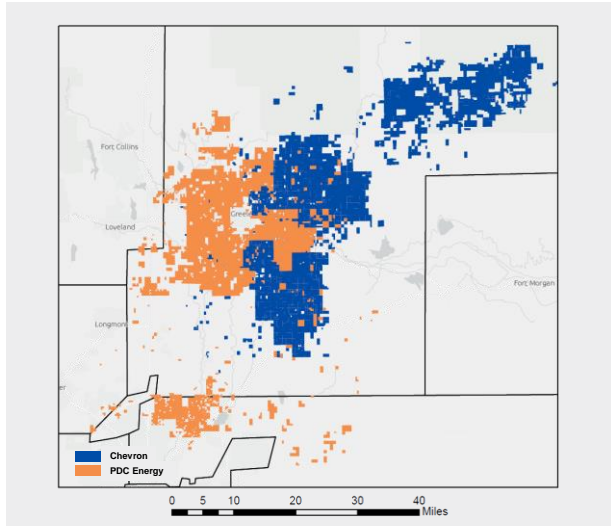
Complementary acreage DJ Basin

~275,000 net acres

~216 MBOED in 1Q23 | ~60% liquids

~1 billion barrels of proved reserves

Operational, midstream and capital synergies expected



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The value of the deal is supported by PDC's leading position in the DJ Basin, which is largely contiguous or adjacent to existing Chevron operations and significantly de-risked with regulatory approval to enable development at current levels in Weld County into 2028.

Our go-forward plans will include a development approach focused on capital efficiency and returns.

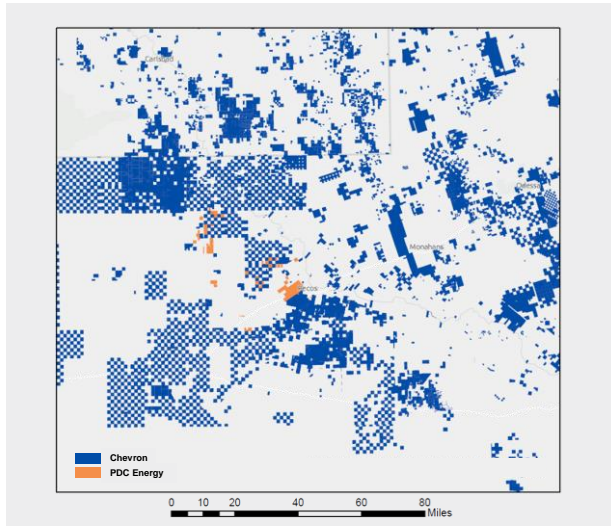
Additional acreage Delaware Basin

~25,000 net acres

~28 MBOED in 1Q23 | ~62% liquids

Acreage held by production

Operational and capital synergies expected



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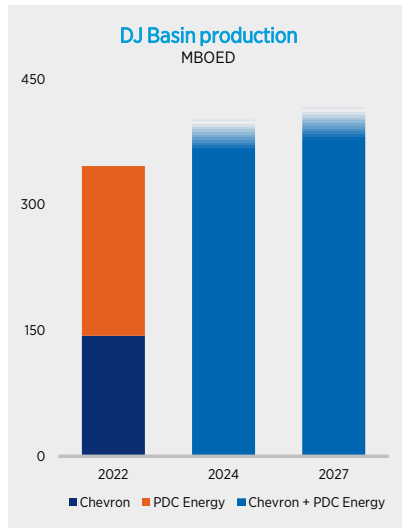


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The Permian is an addition to our premier, existing position, adding 25,000 net acres in the core of the Delaware basin.

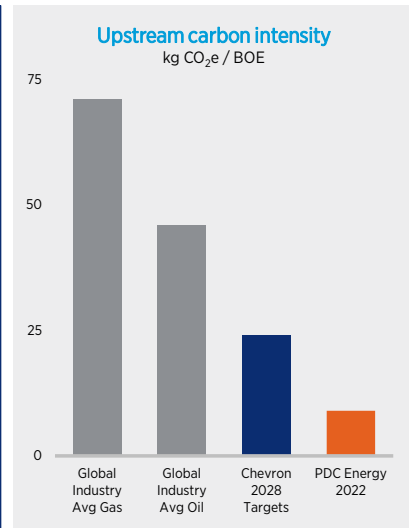
The acreage is held by production and development will be optimized within our broader Permian portfolio.

Strong strategic fit



10% increase
in proved reserves

Lower upstream
carbon intensity expected



Sources: Chevron's Climate Change Resilience Report, IEA, PDC Energy disclosures.

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After closing, Chevron's proved reserves will increase by 10% and our Colorado business will be one of our top-five assets in terms of production and free cash flow. And the addition of PDC's assets and leading capabilities is expected to further lower Chevron's carbon intensity.

PDC expected to deliver higher returns and lower carbon

Higher returns



Accretive
to EPS, CFPS, FCFPS and ROCE*

~\$1 billion
in incremental annual FCF*

Lower carbon



~9 kg CO₂e/BOE
2022 PDC carbon intensity

Zero routine flaring
in the DJ Basin

* In 2024. Assumes \$70 Brent and \$3.50 Henry Hub to approximate strip prices as of May 2023. This is for illustrative purposes only and not necessarily indicative of Chevron's price forecast. Free cash flow is defined as net cash provided by operating activities less capital expenditures and generally represents the cash available to creditors and investors after investing in the business.

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In closing, we're constantly looking to add good resource at good value. This transaction does both. PDC's assets strengthen our position in important U.S. basins and will compete for capital in our diversified portfolio as we drive for higher returns, and we are doing it through a transaction that we expect to be accretive across key financial metrics.

We have a track record of successfully integrating companies, and we look forward to welcoming PDC employees to join us in safely delivering lower-carbon energy to a growing world.

Now, I'll hand it over to Bart to say a few words.

It's great to be with you to discuss this transaction, which was unanimously approved by PDC's Board of Directors. This is an exciting day for PDC Energy, but let me begin by expressing my sincere gratitude to all the PDC employees. It is their dedication and extraordinary talent that launched PDC on its trajectory of excellence and positioned us for a transaction of this magnitude. I am exceptionally proud of this team.

From our early roots in West Virginia, PDC has grown and evolved into a company with a strong track record of operational credibility in the DJ and Permian basins. This credibility along with our tremendous asset quality has led us to today's announcement. We are excited about this transaction for many reasons. It brings significant diversification and Chevron's long-standing financial priorities that include returning capital to shareholders through dividends and share repurchases. We are incredibly proud to maximize value, both with this transaction and over the long term, for all PDC shareholders.

As Mike mentioned, the combined Chevron / PDC assets in the DJ represent an extremely compelling opportunity. This transaction will bring two of the basin's best operators together, and we believe enable continued output growth, lower operational costs, environmental stewardship, and value creation for years to come. Both companies have excellent reputations as responsible operators who prioritize people, communities, and the environment – a winning combination by any account.

I look forward to working with the Chevron team to ensure a smooth transition and integration. With that, I'll turn this back to Jake.

questions + answers



That concludes our prepared remarks. We're now ready to take your questions.

Please limit yourself to one question and one follow-up. We'll do our best to get all your questions answered.