

# First Quarter 2015 Earnings Conference Call and Webcast



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# Cautionary Statement



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*Certain terms, such as “unrisked resources,” “unrisked resource base,” “recoverable resources,” and “oil in place,” among others, may be used in this presentation to describe certain aspects of the company's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, these and other terms, see the “Glossary of Energy and Financial Terms” on pages 58 and 59 of the company's 2014 Supplement to the Annual Report and available at [Chevron.com](http://Chevron.com). As used in this report, the term “project” may describe new upstream development activity, including phases in a multiphase development, maintenance activities, certain existing assets, new investments in downstream and chemicals capacity, investment in emerging and sustainable energy activities, and certain other activities. All of these terms are used for convenience only and are not intended as a precise description of the term “project” as it relates to any specific government law or regulation.*

# Financial Highlights



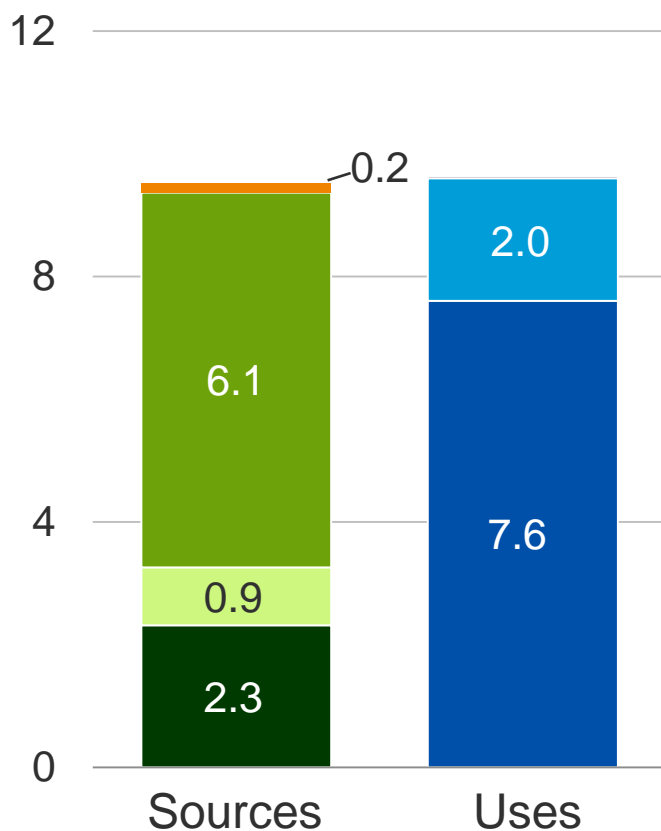
<b>1Q15 Earnings</b>	\$2.6 Billion
<b>1Q15 Earnings per Diluted Share</b>	\$1.37
<b>ROCE</b> (trailing 12 months thru 3/31/2015)	9.5%
<b>Debt Ratio</b> (as of 3/31/2015)	17.9%
<b>Dividends Paid</b>	\$2.0 Billion

*Note: Reconciliation of earnings (excluding special items) can be found in the appendix.*

# Sources and Uses of Cash 1Q15



\$ Billions



- Sharp commodity price decline
- Negative working capital effects of ~\$2 billion
- Strong downstream and chemicals cash generation

Sources of Cash:

■ Cash flow from operations\*

■ Asset sales

■ Net debt issuance

■ Other

Uses of Cash:

■ Capital expenditures\*

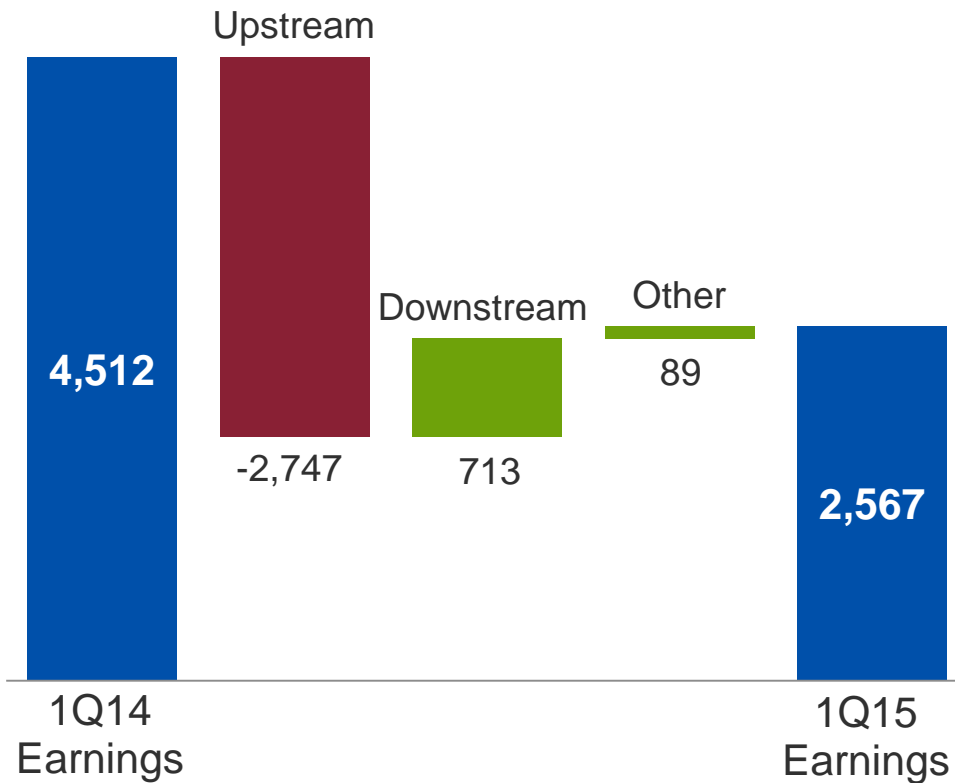
■ Dividends

\* Per U.S. GAAP, expensed exploration expenditures and assets acquired from capital leases are part of "cash flow from operations" in our SEC reports. In our earnings release, these two items are included in our "capital and exploratory expenditure" table in Attachment 2.

# Chevron Earnings 1Q15 vs. 1Q14



\$ Millions



## Upstream

- Sharp decline in realizations
- + FX gains
- + Gains on asset sales
- + Favorable tax effects (UK)

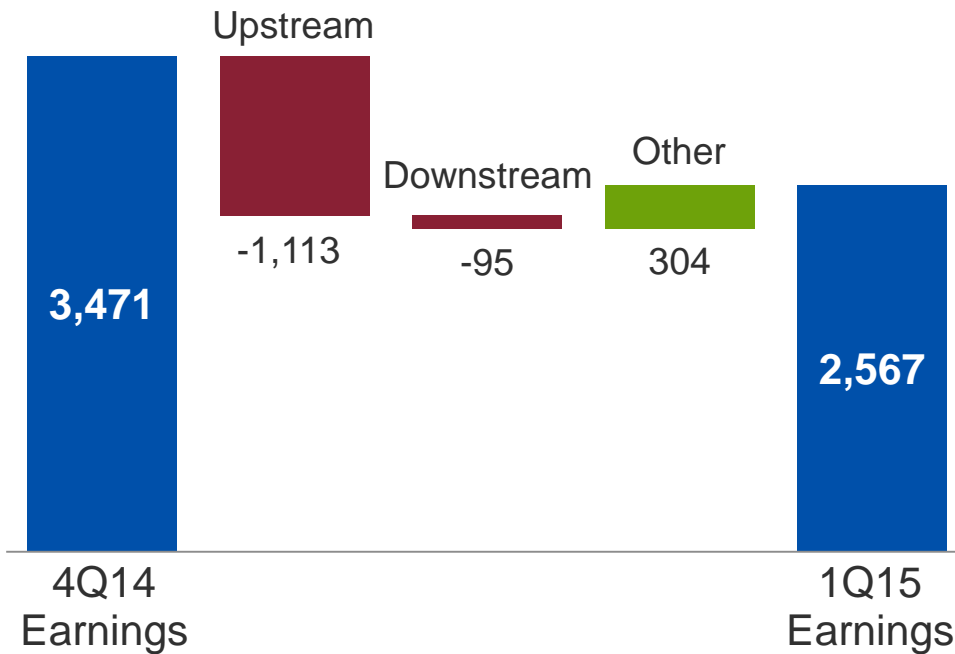
## Downstream

- + Stronger margins

# Chevron Earnings 1Q15 vs. 4Q14



\$ Millions



## Upstream

- Sharp decline in realizations
- Lower gains on asset sales
- + Lower impairments and operating costs

## Downstream

- + Stronger U.S. margins and lower operating costs
- Asset sales and timing effects

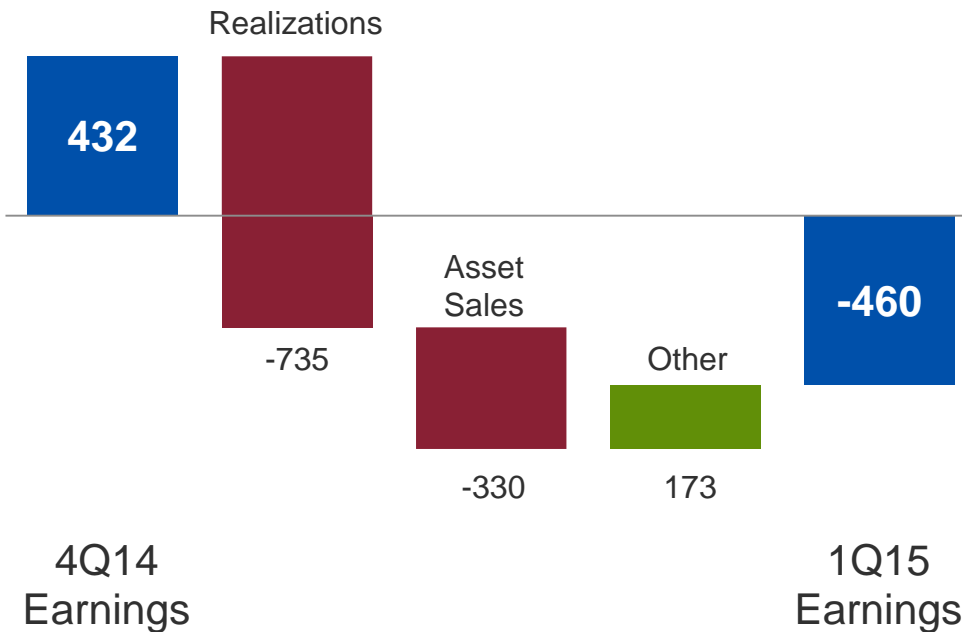
## Other

- + Lower corporate charges

# U.S. Upstream Earnings 1Q15 vs. 4Q14



\$ Millions

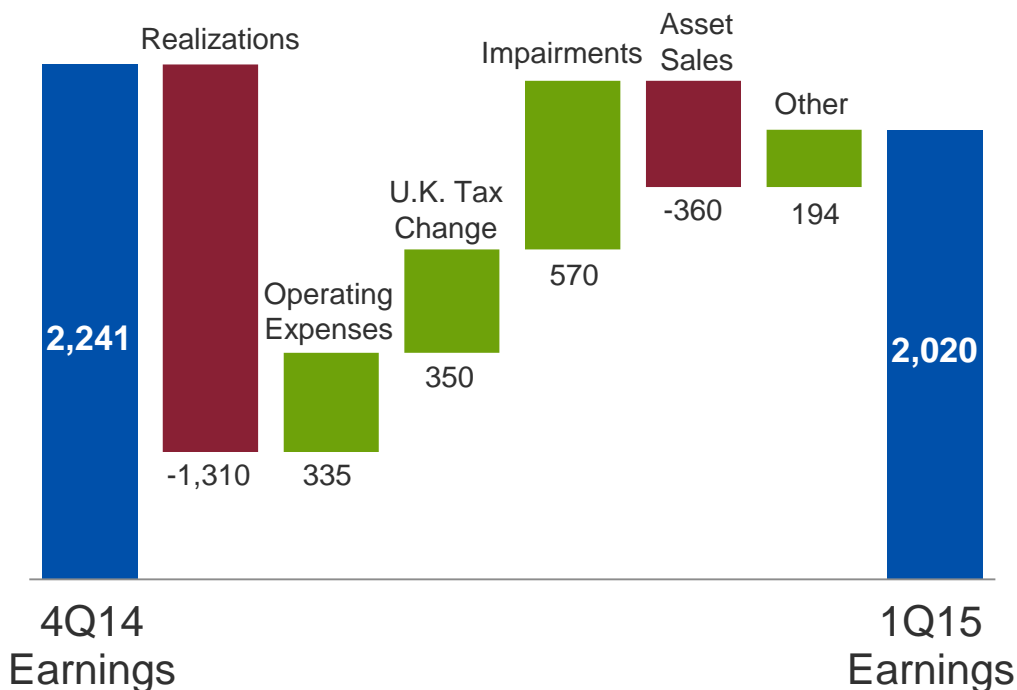


- Crude price indicators declined 30 to 40%
- Absence of asset sale gains

# International Upstream Earnings 1Q15 vs. 4Q14



\$ Millions

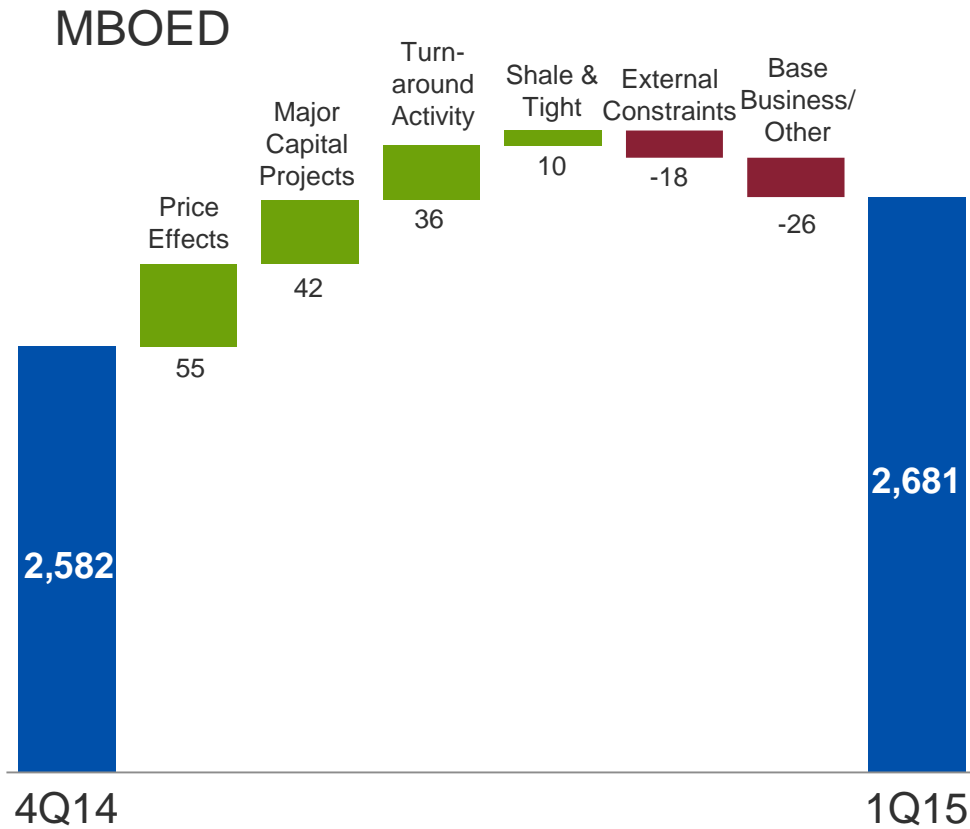


- Lower operating costs across multiple countries
- Favorable impact from change in U.K. petroleum taxes
- Absence of 4Q impairments
- Lower gains on asset sales



# Worldwide Net Oil & Gas Production

## 1Q15 vs. 4Q14

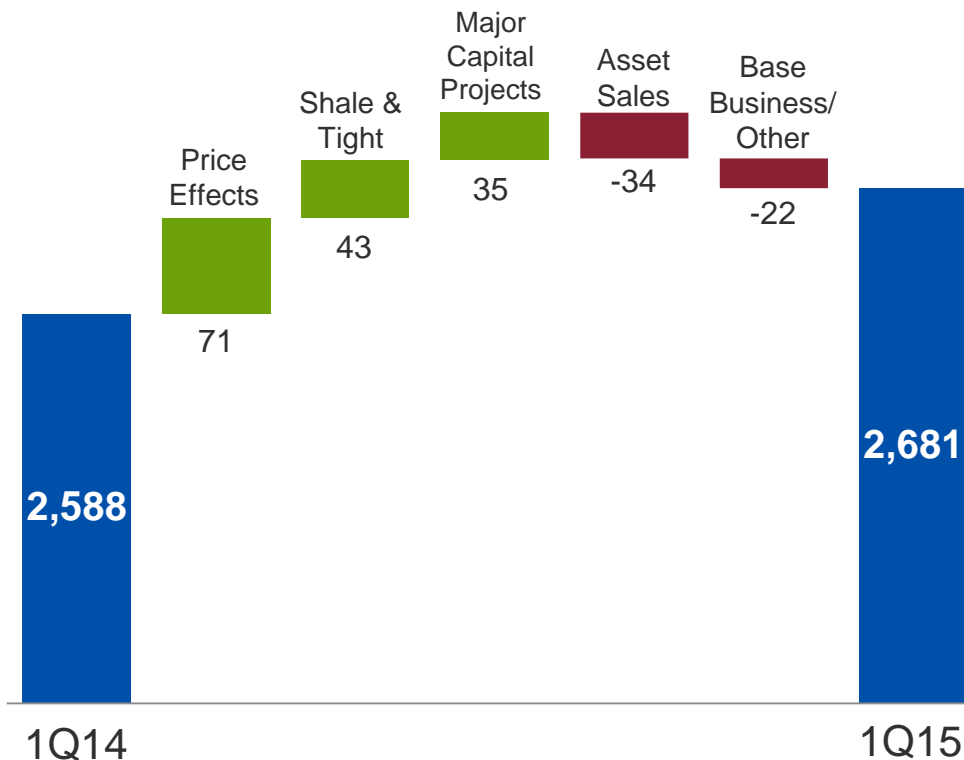


- PSC / variable royalty price effects
- Jack / St. Malo, Tubular Bells and Bangladesh project ramp-ups
- Absence of 4Q Tengiz turnaround
- Continued Permian growth

# Worldwide Net Oil & Gas Production 1Q15 vs. 1Q14



MBOED

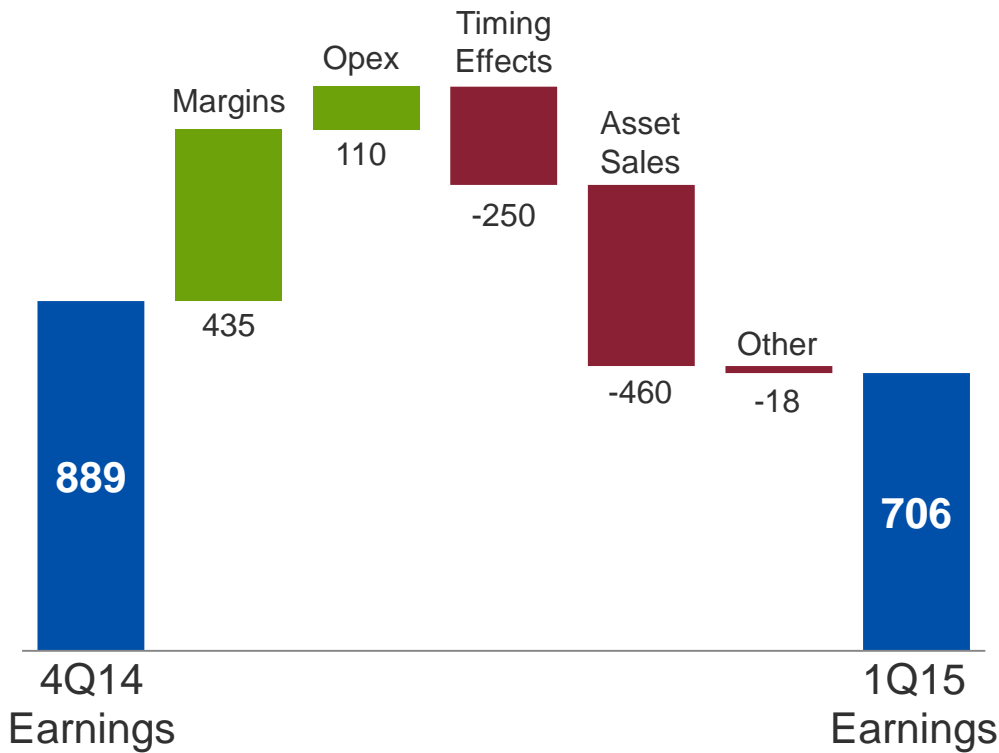


- PSC / variable royalty price effects
- Permian and Vaca Muerta growth
- Jack / St. Malo, Tubular Bells and Bangladesh expansion
- Asset sales (Chad, Netherlands)
- Base decline rate below guidance

# U.S. Downstream Earnings 1Q15 vs. 4Q14



\$ Millions



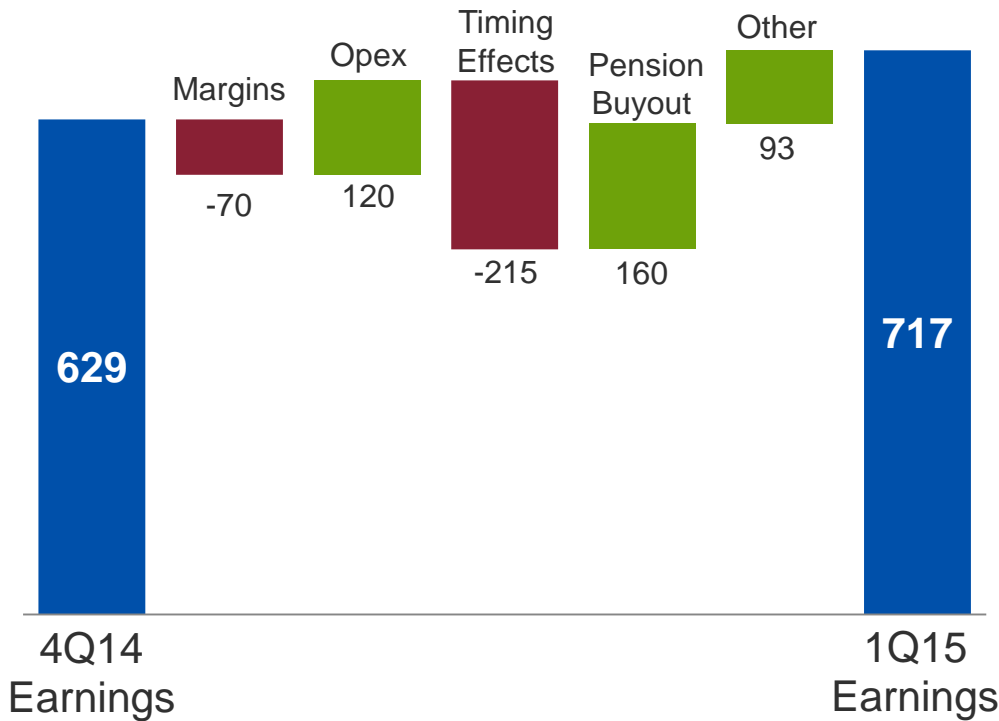
- Strong refining margins
- Lower operating expenses
- Absence of 4Q favorable timing effects and asset sales

# International Downstream Earnings

## 1Q15 vs. 4Q14



\$ Millions



- Weaker Asia marketing margins
- Lower operating expenses
- Absence of favorable 4Q timing effects
- Absence of 4Q pension buyout

# Aggressive Cost Management



## Cost Management

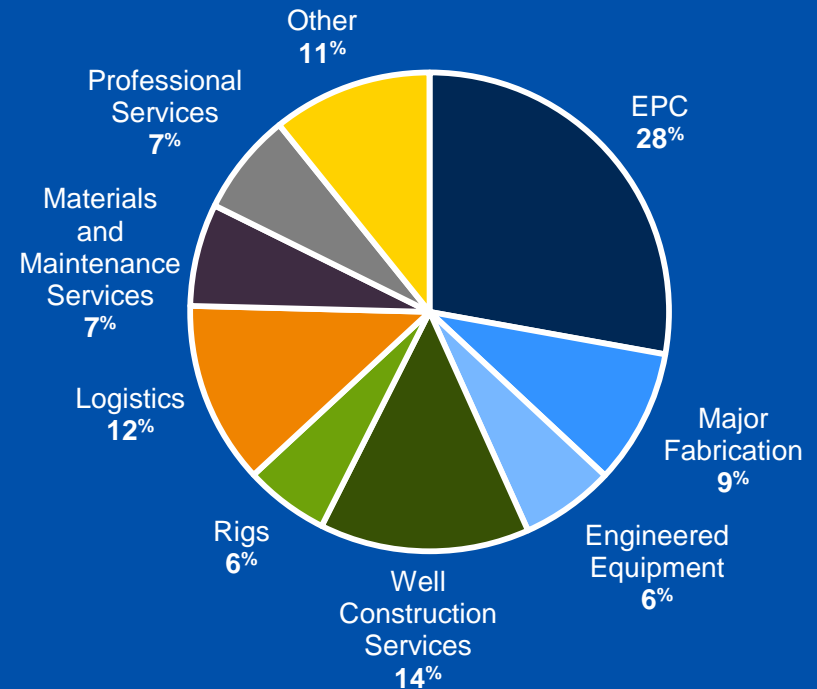
- Targeted category specific reductions between 10 and 30%
- ~2,200 completed engagements
- ~\$900 million agreed reductions

## Organizational Actions

- Re-engineering work processes
- Staffing and organizational reviews

## Efficiency Improvements

## Upstream Gross Operated Spend



# Corporate Priorities and Actions



## Cash Flow Growth

- Strong production
  - Base business
  - Jack / St. Malo
- Key milestones achieved on projects
  - Gorgon & Wheatstone
- Strong downstream and chemicals results

## Reduced Spend

- Cash C&E spend down 11% (year-on-year)
- Ongoing cost reduction efforts showing results

## Asset Sales

- Key sales in Nigeria, Caltex Australia
- ~\$10 B of \$15 B, 4-year target achieved through end of April

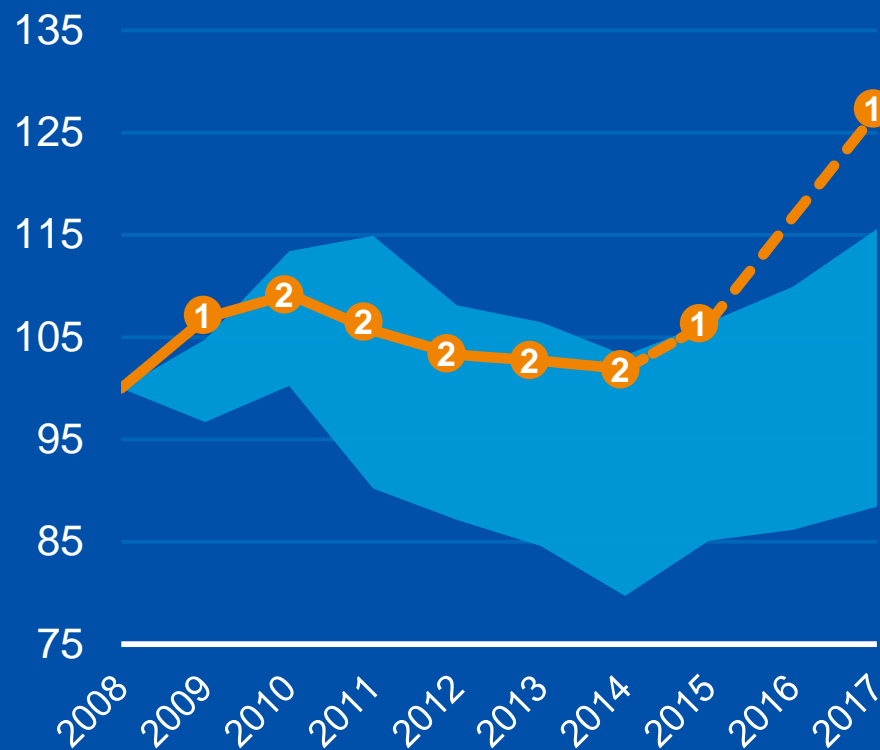
**Free Cash Flow Covers Dividend by 2017**

# Compelling Volume and Value Growth



## Net Production Growth<sup>(1)</sup>

Basis: 2008 = 100

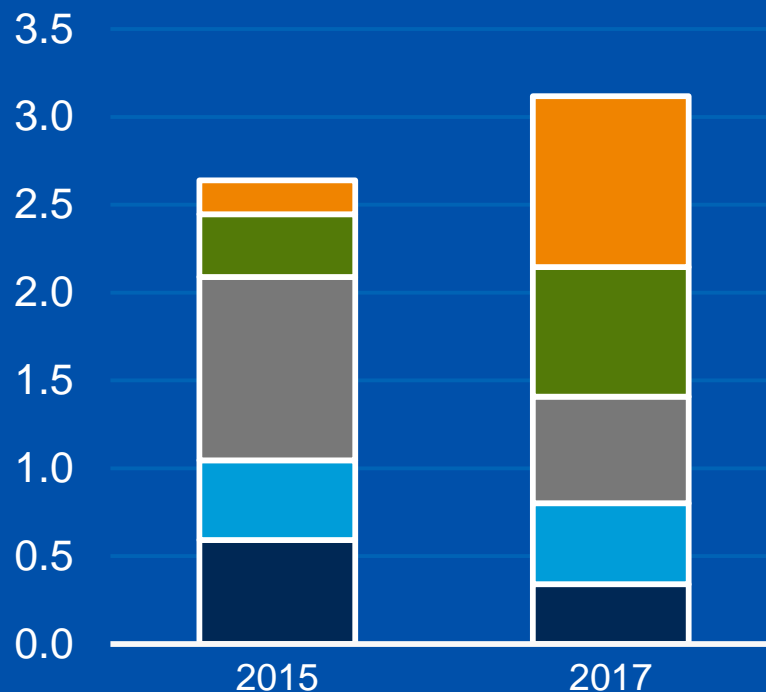


● CVX Ranking Relative to IOC Competitors, 1 being the best

■ IOC Competitor Range: BP, RDS, TOT, XOM

## Cash Margin Growth<sup>(2)</sup>

Net Production MMBOED



■ <\$12 per BOE

■ \$25 - \$35 per BOE

■ \$12 - \$17 per BOE

■ >\$35 per BOE

■ \$17 - \$25 per BOE

# Questions



# Answers





# Appendix

## Reconciliation of Earnings (Excluding Special Items)

	1Q14	2Q14	3Q14	4Q14	2014	1Q15
<b>Reported Earnings (\$MM)</b>	<b>4,512</b>	<b>5,665</b>	<b>5,593</b>	<b>3,471</b>	<b>19,241</b>	<b>2,567</b>
<b>UPSTREAM</b>						
Foreign Exchange	(53)	(147)	344	453	597	522
Asset Dispositions	--	610	170	1,000	1,780	310
Special Items*	(150)	--	(140)	(660)	(950)	250
Subtotal	(203)	463	374	793	1,427	1,082
<b>DOWNSTREAM</b>						
Foreign Exchange	(28)	(84)	21	(21)	(112)	54
Asset Dispositions	100	140	250	470	960	--
Special Items*	--	--	--	(160)	(160)	--
Subtotal	72	56	271	289	688	54
<b>ALL OTHER</b>						
Foreign Exchange	2	(1)	1	--	2	4
Special Items*	(265)	--	--	(80)	(345)	--
Subtotal	(263)	(1)	1	(80)	(343)	4
<b>Total Special Items (\$MM)</b>	<b>(394)</b>	<b>518</b>	<b>646</b>	<b>1,002</b>	<b>1,772</b>	<b>1,140</b>
Diluted Weighted Avg. Shares Outstanding ('000)	1,909,424	1,902,321	1,896,492	1,883,650	1,897,897	1,876,498
Reported Earnings per Share	\$2.36	\$2.98	\$2.95	\$1.85	\$10.14	\$1.37
<b>Earnings Per Share (excluding special items)**</b>	<b>\$2.57</b>	<b>\$2.71</b>	<b>\$2.61</b>	<b>\$1.31</b>	<b>\$9.20</b>	<b>\$0.76</b>

\*Includes asset impairments & revaluations, tax adjustments, environmental remediation provisions and any other special items.

\*\*Reported Earnings per Share less adjustments for items noted above.