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**Chevron Announces Acquisition of Noble Energy Conference Call**  
**Edited Transcript**  
Monday, July 20<sup>th</sup>, 2020

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

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Other*

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*Chevron and Noble Energy 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, 2019, which was filed with the SEC on February 21, 2020, and its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on April 7, 2020. Information about the directors and executive officers of Noble Energy is set forth in its Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on February 12, 2020, and its proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on March 10, 2020. 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.*

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*Terms such as "resources" may be used in this news release to describe certain aspects of Chevron's and Noble Energy's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, this and other terms, see the "Glossary of Energy and Financial Terms" on pages 54 through 55 of Chevron's 2019 Supplement to the Annual Report available at [chevron.com](http://chevron.com).*

*This presentation is meant to be read in conjunction with the Chevron Announces Agreement to Acquire Noble Energy Transcript posted on [chevron.com](http://chevron.com) under the headings "Investors," "Events & Presentations."*

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*This transcript has been edited by Chevron Corporation. It is generally consistent with the original conference call transcript. For a replay of the Investor Conference Call, please listen to the webcast presentation posted on chevron.com under the headings "Investors," "Events & Presentations."*

## **Transcript**

### **Operator:**

Good morning. My name is Crystal, and I will be your conference facilitator today. Welcome to Chevron's conference call to discuss its announced acquisition of Noble Energy. (Operator Instructions) As a reminder, this conference call is being recorded.

I will now turn the conference call over to the General Manager of Investor Relations, Chevron Corporation, Mr. Wayne Borduin. Please go ahead.

### **Wayne Borduin (GM Investor Relations, Chevron Corporation):**

Thank you, Crystal.

Welcome and, thanks to everyone on the call for participating this morning. I'm Wayne Borduin, General Manager of Investor Relations and with me today are Chevron's Chairman and CEO, Mike Wirth, Noble Energy's Chairman and CEO, Dave Stover, and Pierre Breber, our CFO.

Before we get started, please be reminded that this presentation contains estimates, projections and other forward-looking statements. Please review the cautionary statement and important information for investors and stockholders on Slide 2.

Now, I'll turn it over to Mike.

### **Mike Wirth (Chairman and Chief Executive Officer, Chevron Corporation):**

Thanks Wayne.

Moving to Slide 3, I'm pleased to announce that Chevron has entered into a merger agreement with Noble Energy ... an opportunity aligned with our disciplined, returns-focused strategy.

This is an attractive transaction that strengthens Chevron's performance ... through high-quality, cash-producing assets that are complementary to Chevron's global portfolio and capabilities ... low-cost proved reserve and resource additions ... and achievable synergies that we expect to drive accretive financial metrics and enhance our flexible capital program.

Moving to slide 4, I'd like to highlight some of the key terms that make this a compelling deal for shareholders of both companies.

Each Noble Energy shareholder will receive 0.1191 Chevron shares as total consideration. They'll have continued investment in the business through ownership of shares with a 6% dividend yield, underpinned by balance sheet strength in a time of uncertainty.

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Chevron shareholders should realize the incremental value that we expect the high-quality assets and synergies to deliver over time.

Turning to Slide 5...

The value of this deal is supported by the complementary nature of Noble Energy's core assets in the US – a liquids-weighted portfolio focused in the DJ and Permian basins ... assets that play to our strengths, where we believe we're uniquely positioned to maximize value.

The Permian is a targeted bolt-on to our premier, existing position .... adding 92,000 net acres in the core of the Delaware basin. Adjacent to our existing footprint, this will add long-lateral well opportunities and allow for efficient development synergies with our existing acreage.

In Colorado, the DJ adds a large, contiguous position with no leasehold drilling requirements where Noble Energy has been a very successful operator. We intend to leverage our proven factory model with Noble Energy's strong experience there ... to drive further efficiencies and deliver superior results.

Also, we'll add an established midstream business that is closely linked to Noble's Permian and DJ assets, and a mature Eagle Ford position.

Turning to the next slide and the international portfolio.

Noble Energy's large, operated position in the Eastern Mediterranean has established them as a leading player in the region.

Anchored by the Leviathan and Tamar assets, and supported by offtake agreements from Israel, Egypt and Jordan, these assets are expected to generate strong cash flow for decades.

The opportunity in the region isn't limited to current operating assets. Noble Energy adds to our exploration portfolio in the Eastern Mediterranean, which, pending final government approval, is expected to give Chevron a total of 6 exploration blocks in Egypt and a discovered resource opportunity in Cyprus.

Moving to West Africa, Noble Energy has had an established position in Equatorial Guinea for decades with opportunities to continue to monetize resources through existing regional capacity.

Turning to Slide 7.

Noble Energy's assets further strengthen our already advantaged portfolio.

The Eastern Mediterranean enhances our geographic diversity ... and the US onshore and West Africa add to regional strength in both areas.

With about 2 billion barrels of proved reserves, the acquisition is an attractive opportunity to add to Chevron's reserves cost-efficiently ... and in assets that require limited near-term capital.

Turning to synergies on the next slide ...

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We expect to deliver \$300 million in before-tax run-rate cost reductions within a year of closing, which is expected in the fourth quarter.

These cost synergies result primarily from redundant activities in corporate functions, businesses where operations overlap, and high-grading opportunities within our combined exploration portfolio.

Both companies have reduced capital significantly this year. Future capital levels will depend on market conditions. Our capital program will continue to have the flexibility to stay low ... and to gradually ramp back up when prices and demand suggest it's prudent to do so.

Strong synergies ... on top of robust cash generation ... with capital flexibility ... is the right combination that we expect to deliver additional free cash flow and value to our shareholders.

Moving to the final slide, I want to return to some of the messages we delivered at our Investor Day in March. The business environment around us has changed, but our value proposition has not.

We've always said that we have a high bar for M&A – and this transaction clears those hurdles. We expect Noble Energy's financials to be accretive and for their projects to compete for capital in our returns-focused portfolio.

We're adding low cost reserves and resources and, even with the additional debt, we're maintaining a strong balance sheet.

And finally, we expect the assets to generate solid cash flow with minimal capital requirements ... with the option to increase investments when the world demands more energy.

Over the coming months, we expect to implement our integration plan with Noble's employees, who we know share a commitment for strong performance and getting results the right way – values ingrained in both our cultures.

With that, I will turn it over to Dave to make a few remarks.

**Dave Stover (Chairman and Chief Executive Officer, Chevron Corporation):**

Thank you, Mike, and good morning, everyone. It's a pleasure to join the Chevron team to announce this exciting combination.

As you all know, Noble Energy is a leading independent E&P company, with a strong U.S. onshore portfolio, world-class international assets and significant exploration opportunities.

Let me talk for a moment about why we believe this is the right transaction and at the right time for Noble Energy. During the last few years, we made tremendous progress on our strategic objectives, including driving impressive capital efficiency gains in the DJ and Delaware basins, advancing our global gas discoveries, commencing production at the world-class Leviathan field and significantly reducing our cost structure.

At Noble Energy, we are always looking for ways to maximize value. As such, the Noble Energy Board and management team conducted a thorough process, supported by advisers, to carefully review and consider a wide range of strategic alternatives. In addition to this merger, we assessed other potential options, including alternative mergers, acquisitions and divestitures as well as the continued execution of our stand-alone plan.

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The Board and management team determined that the merger with Chevron was the superior option to deliver value to our shareholders.

Chevron's global scale, diversified portfolio and financial strength well ensure the value of Noble Energy's assets is maximized. We also believe Chevron is an excellent cultural fit for Noble Energy, with a shared commitment to integrity and respect for our communities in the environment.

Noble shareholders will receive a premium in the form of Chevron common stock, which we view as an extremely attractive currency. The all-stock nature of the transaction gives our shareholders the opportunity to benefit from Chevron's attractive dividend and participate in the powerful upside potential of the combined company.

Our Board and management team are unanimous that this transaction is in the best interest of our company and all Noble Energy shareholders.

Before I turn the call back over, I'd like to thank all of our employees for their dedication and commitment to Noble Energy. This transaction is a testament to their dedication and hard work. I'm confident that the future is bright for Noble Energy and Chevron.

With that, I'll turn the call over to Wayne.

**Wayne Borduin (General Manager - Investor Relations, Chevron Corporation):**

Thanks Dave.

That concludes our prepared remarks. We're now ready to take your questions. Keep in mind that we do have a full queue, so please try to limit yourself to one question and one follow up, if necessary. We'll do our best to get all of your questions answered.

Crystal, please open the lines.

(operator instructions)

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## Q&A

**Operator:** Our first question comes from Neil Mehta from Goldman Sachs. Your question please.

**Neil Mehta (Goldman Sachs):**

Hey Dave and Mike, congratulations here on the transaction. I guess the first question was just around the synergies, the \$300 million pre-tax number. Mike, can you help to flush out any of the drivers behind that and then any thoughts on NBLX [Noble Midstream Partners] as well, from the midstream perspective and how we should be thinking about that?

**Mike Wirth:**

Yes, Neil, good morning and thanks for your words. Look, the synergies will be partially head count related, as we've got some redundancies primarily in corporate functions. There are other synergies in high grading the exploration portfolio, other third-party costs, consultants, office buildings, I.T., lower insurance, things like that.

We think these are very achievable numbers. I think both companies are very committed to operating cost discipline and have efforts underway to reduce those costs— we see the opportunity here to accelerate that even further.

We haven't had a chance to get into things like the supply chain to look for procurement efficiencies and other things, but I'm sure we'll see some of those as well. So, we think this is a very achievable number. We've laid it out as a run-rate in one year, and we'll work hard to deliver that and hopefully do better than that.

On the midstream, look, this is a good midstream business that is tightly integrated with the production operations in both the Permian and the DJ and it's important for the efficient development of those areas. We look forward to bringing that in and leveraging that up with our assets in the Permian and learning more about how it supports the DJ as we get into that. So, a good part of the business.

**Neil Mehta:**

OK, thanks, Mike. And I know we'll get a little bit more in the S4 here but can either you or Dave talk more about how the transaction came together. And then I guess the question for Dave is, it's a relatively low premium transaction recognizing there's an equity component to it. So, how did you get comfortable around the valuation?

**Mike Wirth:**

Yes, so I'll just make a quick comment and then let Dave comment. You're right Neil, all the details will be in the S4 registration when it gets filed here shortly, and so I'll just let you read the story of how it happened there. And from our point of view on premium, the best deals are fair to both sides.

And our board saw this as a deal that was good for our shareholders and Dave's board saw the same. And that's how good deals get done. We really look at value creation and the long-term we think this is good value for both sides.

Dave, I'll let you respond as well.

**Dave Stover:**

Oh yes, appreciate it, Mike. I think that was well said. As we had the chance to work with Mike's team, we got more and more comfortable and some of the things that we learned, it wasn't just the assets, it wasn't just the execution, but it was the overall fit of the two companies, the cultural aspects, how we make decisions, how we think about not just the short-term but the long-term. And I think when you're making a decision like this, you're looking at what's going to create the most value for your assets over time and the ability to look at this from the standpoint that the scale really matters here as you go forward. And the broader capabilities that Mike and his organization bring to this, the financial strength, the commitment to shareholder return, all those things are going to continue to unlock value in these assets for decades.

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So, the way we looked at the stock-for-stock transaction, it maintained the upside exposure and minimized any downside risk. So, I think all of things are important as you think about something like this.

**Operator:** Thank you. Our next question comes from Phil Gresh from JP Morgan. Your line is open.

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**Phil Gresh (JP Morgan):**

Yes, hi, good morning and congratulations. Yes, I had two questions. First one, I guess for Mike, does Chevron own the minerals underneath the Noble acreage in the Permian and as you look at Noble's current plan with one rig I believe running the DJ and none in the Permian, perhaps you could talk about how you view the ability to efficiently integrate those assets into what you're doing today in the Permian.

**Mike Wirth:**

Yes Phil, we own extensive mineral interest in the Permian, but we don't own minerals under the acreage in Reeves County that Noble Energy has. In terms of the plan forward, we were running a couple of rigs in Reeves before the downturn. We've got a good position; it will be much better as we combine the acreage here.

And it was very competitive within our portfolio, it will get even better here as we have a deeper inventory of long lateral wells and contiguous development areas and can develop both surface infrastructure as well as the well program in a very capital efficient manner.

So, that will go into our normal prioritization process. And as I said earlier, the market's not calling for more production right now, which is why we've exercised the flexibility in our capital program to bring these activity levels down. We'll bring that activity back up when we see the indicators that suggest it's appropriate to do so. I'd encourage you to think of the DJ as a more mature version of some of our other shale and tight positions. We've talked a lot about the Duvernay in Canada, the Vaca Muerta in Argentina - where we're early in cycle.

Noble has derisked the DJ, has strong current production, understands the geology, really good acreage in the rural areas of primarily Weld County and so, that too will come into our overall unconventional portfolio and be prioritized for capital as we go forward with a good understanding of the opportunity and a strong track record there.

Maybe – it sounds like you had a second question perhaps for Dave?

**Phil Gresh:**

Yes, actually – exactly. As we think about the managing of the risk side of the equation that you mentioned Dave, one of Noble's larger customers in the eastern Mediterranean has the ability to reduce its volume take by I believe up to 50 percent if Brent prices are below \$50. So, I guess perhaps you could talk about your view on that situation right now given the near-term gas demand picture in the Eastern Mediterranean.

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**Dave Stover:**

Yes, absolutely, Phil. As we've talked about, we've had great support even though this downturn, if you will, the COVID impacts of things and we're at the place now where we're getting ready to finish up this compression project that will start to have the ability to move more gas through the region and especially into Egypt, like you're talking about.

So, everything we've seen, everybody's gearing up and ready now to start to move more gas through there. I think we're in a really good place and it's really a testament to the project teams that were able to keep this on track and on schedule through all of the uncertainty that's been out in the world.

**Operator:** Thank you. Our next question comes from Doug Leggate from Bank of America Securities. Your line is open.

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**Doug Leggate (Bank of America):**

Thanks guys, I appreciate you taking my questions, and again, let me add my congratulations. So, one for Dave and one for Mike, if I may.

Mike, first of all I know again we're going to get details in the S4, but can you share any details on the breakup fee? And if I may, you've obviously been through this before with Anadarko.

I'm just curious, given the modest premium, how do you expect the market to react and whether in the event that there was another situation to evolve where you would expand in terms of your commitment to this deal in terms of whether the upside potential would justify you taking a harder look at the offer terms?

**Mike Wirth:**

Yes. Doug, this is a public company merger, it's similar to other public company mergers and the details including the particulars on a breakup fee will be in the filings when those are made [public], so I'll just refer you to those. Look, as far as the reference to potential interloper risk - we do deals that are fair to both sides, both boards strongly support this, unanimously support this, and we're very confident that the deal will close.

**Doug Leggate:**

Thank you for that. Dave, you have just gone through several years developing a world class asset. The synergies alone, few hundred million dollars, if I simplify that on an annuitized basis post 2021 that's worth 50 percent more than your stock price, \$5.00 a share. There's a lot of other regional LNG players that already have assets in the region. I'm just trying to understand why you're selling now and why you're selling at this valuation?

**Dave Stover:**

It gets back to the things I talked about earlier that for the right opportunity with the right partner that you look at how do you create the most value for your assets long-term. And I think when you look at the financial strength now of this combined company and the broader capabilities to bring to that asset base. We looked at it as an opportunity over the long-term just to create more value and actually enhance additional opportunities going forward. As Mike said, it's something that both companies support and look at from a standpoint of creating the most value and types of things this industry needs to be doing.

**Doug Leggate:**

Thank you. Thank you for my answers, guys. Good luck.

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**Operator:** Thank you. Our next question comes from Jeanine Wai from Barclays. Your line is open.

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**Jeanine Wai (Barclays):**

My question is for Mike and maybe just following up on Phil Gresh's questions. I was just wondering if you'd provide your view of natural gas supply demand in the Eastern Med and I guess the follow-up would be what specific LNG opportunities do you see in the region - either on a Brownfield or Greenfield or both?

**Mike Wirth:**

Yes. So, Jeanine, look the Eastern Med is proving to be really a prolific hydrocarbon basin and Noble was right there at the very beginning and made some bold moves to make early discoveries and take the risk to begin to commercialize the resource.

They've got a great position, and a lot of great knowledge. Demand for gas in the Eastern Med continues to grow. It's widely acknowledged that it's a fuel that will continue to displace coal for power generation and as economies grow in that region and beyond, we think that the demand will continue to support further development.

In terms of LNG, look, there's some idle LNG capacity in Egypt right now that can leverage this as feed gas. There have been some ongoing discussions and in fact announcements here over the last day or two about the desire or the intent to establish pipe capacity into the European markets. I think when you've got a large, low cost resource base like this proximate to large economies we will find ways to move the gas to market in a manner that's competitive.

And so, obviously commercialization of that will be very important activity. It's something that we do around the world with many different customers in many different countries and many different modes of transportation. This fits in with strong capabilities that we have, and we just see it as a very important resource for the future of the region.

**Operator:**

Thank you. Our next question comes from Jason Gammel from Jefferies. Your line is open.

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**Jason Gammel (Jefferies):**

Thanks very much and congratulations, everyone. Maybe just taking a step back, Mike, can you talk about with all the opportunities that are out there and available right now what led Noble to the top of your list in terms of the transaction that you wanted to pursue?

**Mike Wirth:**

Sure. Jason, I've tried to be pretty consistent on this question as it gets asked over time. At the top of list are quality assets and we've got a pretty high bar for what that looks like including the ability to compete for capital within our portfolio against what's already a strong set of assets.

We're very focused on low cost of supply because we believe through the cycles you absolutely have to have low supply costs. We've shifted our portfolio towards one with a more flexible capital component so that as we experience the market cycles, we have a greater ability to respond to those with flexible capital.

Obviously, we've talked about a culture fit and I have to tell you it's very strong, on many attributes... purpose, values, commitments to safety, a number of the things that Dave spoke about. Then you've got to find a meeting of the minds on value, forward strategy and a company that is prepared to talk about a combination. The last thing I'll say is we get asked a lot about pure play Permian [acquisitions]. We're already big in the Permian and getting bigger isn't necessarily the goal, getting better certainly is important.

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So, the fact that this brings with it a very strong position in the Eastern Med, a basin where we've got attractive exploration opportunities and Noble has a strong currently producing asset with the big capital spend behind it now. It just gives us a really solid position in another basin that helps improve portfolio diversity and mitigate risk.

This deal checks all the boxes that we have consistently articulated as the kinds of things that we would be looking for and we're very excited. We think it's a good deal for the shareholders of both companies.

**Jason Gammel:**

That's very helpful, Mike. Maybe I could just follow-up with the referenced \$40 Brent price needed for accretion on this deal. Anything specific underlying assumptions that you can provide detail on that'd get you to that number?

**Pierre Breber (Vice President and Chief Financial Officer):**

Jason, this is Pierre. No, we're just using something that's near where the strip is trading right now.

**Jason Gammel:** OK. Anything on production assumptions or anything like that, just straight production from 1Q?

**Pierre Breber:**

Well, this is a time where capital's changing; costs are changing, production outlooks are changing as capital is being retraced. So, we've been giving pretty current guidance as we move along.

You could think of the synergies as relative to 2019 which is more of a stable year because there's been a lot of change happening. We showed our stress test at \$30. We did our Investor Day at \$60. There's no signaling in the price we're just showing the financial metrics at a reasonable current market price based on strip pricing and just rounding it to \$40.

**Operator:** Thank you. Our next question comes from Paul Cheng from Scotiabank. Your line is open.

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**Paul Cheng (ScotiaBank):**

Couple questions— Noble actually has done a good job in developing the assets and is actually quite well defined. So, when you're looking at their assets today do you see anything, they do that you're going to do differently? So that's the first question.

The second question maybe is for Pierre. The \$300 million on the synergy pre-tax, does that include any of the interest expense? If not, is there opportunity of the refinancing that will add to amount? And out of that \$300 million how much is actually on the G&A side?

**Mike Wirth:**

OK, so I'll start with our thinking on the benefits of combining the two companies. We've got a lot of deep-water experience, a lot of gas experience, and I think we're well positioned to support the ongoing efforts in the Eastern Med.

Additional development activity over time there is something that we [CVX] have strong capabilities in. And when you look at the Permian, the Noble Energy position is good. It's concentrated in Reeves County, but it's relatively smaller to the position that we have there. I think the scale that we would be able to bring – we'll bring capital efficiencies and development efficiencies that are likely to be helpful.

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That said, we do a lot of benchmarking across all the different regions in the basin, and Noble has strong performance in the Permian today. I think bringing together the teams that are driving performance for both companies allows us to share best practices, learn from one another, and look for efficiencies, particularly those of scale that can help us improve even further.

In the DJ, Noble's development is strong. The performance is excellent. As you say, they've done a really nice job. We have engaged in factory drilling type of operations for decades around the world; in Indonesia, in the San Joaquin Valley, in Thailand. And so, running a scaled factory drilling model is something that is kind of in our DNA and I think, again, marrying up that capability with the unique basin knowledge that Noble Energy has is a powerful combination.

So, we'll look to bring the best of both together in each of those areas and build on what has already been strong performance, as you say. I have great respect for that, and our folks will do everything we can to try to make it even better.

Pierre, I'll let you talk about synergies ...

**Paul Cheng:**

Mike, before I get to the synergies. Can I ask that on the Eastern Mediterranean, Noble has a pretty well planned out on how they want to ramp up their gas there. After Chevron takes over, is there any change in that pace or do you think that's a reasonable pace? Achievable pace?

**Mike Wirth:**

Yes, at this point, I'll simply say we've got a lot of respect for what Noble has been doing and I think your best assumption is that the plan they've laid out is the plan that we would continue to execute. I'm not going to speculate on anything other than that today.

**Pierre Breber:**

Hey Paul, it's Pierre. So, the chart on synergy shows about two-thirds we'd labeled operating costs, one-third other. In the other you have, as Mike talked about, exploration synergies. There's a very modest amount of interest costs savings but it's really just the bank debt, the revolver, which we can immediately pay down and fold into our business.

The bonds have – make whole calls which are very standard, which make them uneconomic for a stronger credit to pay them off early. Noble's done a nice job of managing the maturities, so they'll come due over time. So that will be, ultimately, a synergy. It will get refinanced at a lower cost. But that's not within 12 months. That's as those bonds mature.

If you go to the operating costs, you can think of that as largely G&A. Mike gave examples of that, there's corporate costs, there's regional headquarter type office costs. And that's people but it's consultants, it's IT, it's office. It does include some insurance that we can save because we tend to have a higher level of self-insurance.

As Mike said, there are no field cost reductions. I mean, nothing in the actual producing and lifting of oil and natural gas. You can only identify so much in due diligence – your focused at a high level. As we get in and operate the assets that's when you see the opportunities to leverage maybe a contract where we can procure services cheaper and find other efficiencies that are inherent in the field operations.

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**Paul Cheng:**

So over time, the ... synergies should be better, right, because the interest expense is low hanging fruit and also that combined in the Permian -all those is not really included [in \$300 million synergies]?

**Pierre Breber:**

Yes. Again, Paul, the \$300 million is basically all we can see on due diligence which is you don't get to see everything and you're not operating as a combined company yet. So yes, we're certainly hopeful that as we operator together we will find more than the \$300 million we currently have.

**Operator:** Thank you. Our next question comes from Roger Read from Wells Fargo. Your line is open.

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**Roger Read:**

Congratulations to you. Glad to see I guess about a year later but still moving forward. A couple questions I had just trying to think about strategically why you're doing it and what you really get out of it, and one of the ways I was going to come at it is you get the \$300 million of synergies presumably all cash. You get the dividend's going to up roughly \$250 million on kind of a net basis.

So if I'm looking year one, cash isn't all that big of a driver here in the first part of the merger period, so I was curious as you really think about it, Mike, what beyond sort of just the obvious bullet points on the presentation really kind of drives this from both a cash standpoint at the \$40 Brent, and then also from a strategic side here?

**Mike Wirth:**

Well Roger, there's operating cash flow that's generated before the synergies, and Noble's in a strong position on operating cash flow. They've done a good job on bringing capital spending down, nearly 50 percent is the commitment for this year. So, there's good, strong free cash flow accretion here. The synergies, as you say, kind of at a high level you could - you'd argue more than cover the incremental dividend. And as Pierre just said, we'll do everything we can to deliver more on the synergy front.

More broadly speaking this is about strengthening the portfolio, and you bring these two companies together and I've talked about a new large, and with some further exploration success, a sizeable legacy position that's a potential in the Eastern Med. Further high-grading and strengthening the position in the Permian.

We really like unconventional, and the DJ Basin is a proven, de-risked unconventional basin that frankly, as I said earlier more mature than our position in either the Vaca Muerta or the Duvernay. It just gives us another piston in the unconventional engine that is - that's strong as well. This is a good portfolio combination that over the long-term, as technology evolves and we continue to learn more and more about how to make the unconventional better, it just strengthens that part of our portfolio.

So, we're in a resource business. You want to have good resource depth. This is nearly seven billion barrels of resource that is added to our inventory at attractive economics and we think good, long-term value creation.

**Roger Read:**

OK, thanks on that. And then the only other question I had was anything on the asset disposal side here that you would anticipate? I know Pierre just ran through kind of the issues of the balance sheet. Nothing seems particularly pressing there, but I was just curious anything that doesn't really fit with the overall program.

**Mike Wirth:**

Roger, I'd say our standing guidance applies. We're always looking at the ability for assets in our portfolio to compete for capital in a disciplined capital mindset. And when we see things that we think are going to perhaps be challenged to compete for capital that may fit better for others, we're certainly willing to consider those.

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We're not in a position where we have to do anything, and so we've already done a lot of high grading, as you've seen over the last few years, but we'll continue to have a high bar for capital in our portfolio and when we see things that we think are going to work better for somebody else, we're certainly willing to consider that.

It's not a great market right now to be selling assets into, and so I don't think you'll see us rushing out to do anything until we feel like we've got a decent market for the perspective transactions.

**Operator:** Thank you. Our next question comes from Jason Gabelman from Cowen. Your line is open.

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**Jason Gabelman (Cowen):**

Hey, morning, and congrats on the deal. I just personally want to go back to the Israeli gas projects. So, does the offtake ability in this lower price environment while Egypt is oversupplied and if you're not selling gas into Egypt, do you kind of just accept what the market is pricing out for gas right now? And the point of the question, just trying to understand the downside risk in the near term as both the LNG market and the global gas market remain oversupplied?

And I have a follow-up, thanks.

**Mike Wirth:**

Jason, we've reviewed the contracts as part of diligence. They've got relatively high take or pay percentages. The world gas markets are well supplied right now, as are oil markets, and so we've been realistic in how we've assessed the near-term prospects for commercialization of gas through production growth and the realities of the existing contracts is, per the earlier question from (Phil Gresh), so this is a long-term business. This is a long-term set of assets, and we take a long-term view on markets and a long-term view on value creation. These things can go through cycles, and broadly speaking, the underlying demand for gas is going to grow, populations are going to grow, standard of living is going to grow, and the need for power generation is going to grow.

And we'll work through the short term issues on contracts, as we do on Gorgon and Wheatstone and other gas assets that we have, but we think the long-term fundamentals here are very solid and we think it's a high-quality resource that the world is going to need.

**Jason Gabelman:**

Great, thanks. And that's I guess a good segue to my second question. Was ESG part of the considerations, I mean, looking at the Anadarko deal, you would have acquired a large LNG project with that deal. This is obviously more – or, becoming more of a gas weighting company, Noble is as the Israeli assets ramp up.

So, does this kind of help you, as you're trying to think about ESG and form your strategy on that front, does this help attack maybe some of the metrics that you're looking at targeting over the near and medium term? Thanks.

**Mike Wirth:**

Yes, so the very first screening criteria is the quality of the assets, and that – and the opportunity to create value is where everything begins. But of course, we look at things through multiple lenses, and then go more broadly. I think that the commitment that Noble Energy has to ESG is very aligned with ours, and I think you look at the trajectory of what they're doing on a number of things, significant reductions in flaring in the Permian here in recent times, and they're committed to the kinds of things we are.

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This does bring some more gas into our business, but I won't tell you that we're driving at a particular type of asset in order to satisfy an ESG objective. We're looking for quality assets that are going to be reliable, low-cost supply into strong markets. Then we're looking through an ESG lens to be sure that it's consistent with our commitments on greenhouse gas intensity reduction and other dimensions of ESG, which I think are well-aligned.

We've got to improve returns in our business, and we've got to reduce gas emissions intensity, and we've got to do both in a disciplined manner. And these assets will allow us to achieve both of those objectives.

**Operator:** Thank you. And we'll take our last question from Sam Margolin from Wolfe Research. Your line is open.

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**Sam Margolin (Wolfe Research):**

So, at the time of the Anadarko process, you fielded a lot of questions about the Colorado regulatory environment. At the time you said that obviously you were comfortable with it. You had a history there. You're in good standing. I doubt that's changed since we're here, but maybe just some thoughts about that because it's certainly going to be something that's probed by the investment community.

**Mike Wirth:**

This is a risk that I think Dave and his team have been managing very well. Noble's position is in Weld County. It's further from the populated areas in some of the incorporated cities that have been a little more strident on this issue. If you look at the results of the last ballot initiative in 2019 and you go through it, precinct-by-precinct, there's strong support of the industry in Weld County and in areas where Noble Energy operates.

Noble is a high-quality operator that holds themselves to a high standard, and I think it's important for all of us as we develop resources to do it responsibly, do it in a way that demonstrates to the public that it's compatible with the other uses of the land and the other expectations for local communities. I think Noble Energy's got a strong history of doing that. We intend to maintain that.

We'll also work to have good collaborative relationships with the political and regulatory organizations in Colorado. We already have that today through our Western Colorado operations, and that'll be further strengthened as we integrate with Noble's team that's working out in the DJ. So, it's a risk that needs to be managed, but I think it's one that's been managed well, and we will continue to uphold that.

**Sam Margolin:**

Thanks. And this is just sort of a related follow up, but I still pointed out the activity levels on Noble's onshore lower 48 assets is pretty low right now. I think what I've gathered from your commentary and guidance is that in 2021 your legacy position in the Permian was so advantaged that it wouldn't necessarily take a heroic effort by commodity markets to have Chevron start restoring the pace of activity that's somewhat close to a 2019 level.

Just wondering the – in a pecking order where do these new assets fit as you evaluate that process? And I understand it's early, but just kind of a 10,000-foot view would be helpful.

**Mike Wirth:**

Yes. Sam, it is early, and look - we're in the middle of a year that has been a year none of us expected. We've got an uncertain trajectory right now on the pandemic and what that means for economies and demand. Certainly, oil markets have recovered from the depths that we saw in April, but there's still a lot of uncertainty out there in the environment on both the demand side and frankly on the supply side.

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And so, as we get closer to the end of the year and we get our business planning process completed and have a better view into how we think 2021 and subsequent years are beginning to set up, we'll come back to you with more specific capital guidance and some indicators on where we see activity levels going forward, but it's just it's premature to speculate on that right now.

**Sam Margolin:**

All right, thanks very much and congrats again.

**Wayne Borduin:**

Thanks, Sam. Well I'd like to thank everyone for your time today. We appreciate your interest in Chevron and everyone's participation on today's call. Please stay safe and healthy. Crystal, back to you.

**Operator:** Ladies and gentlemen, this concludes Chevron's conference call. You may now disconnect.

**END**

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