



human energy®

Second quarter 2019 earnings conference call and webcast

Jay Johnson

Executive Vice President, Upstream

Pierre Breber

Vice President and Chief Financial Officer

Wayne Borduin

General Manager, Investor Relations

August 2, 2019

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 presentation of Chevron Corporation contains forward-looking statements relating to Chevron’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words or phrases such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “may,” “could,” “should,” “will,” “budgets,” “outlook,” “trends,” “guidance,” “focus,” “on schedule,” “on track,” “is slated,” “goals,” “objectives,” “strategies,” “opportunities,” “poised,” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemicals margins; the company’s ability to realize anticipated cost savings and expenditure reductions; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of the company’s suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil and natural gas; the inability or failure of the company’s joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company’s operations due to war, accidents, political events, civil unrest, severe weather, cyber threats and terrorist acts, crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries, or other natural or human causes beyond the company’s control; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures to limit or reduce greenhouse gas emissions; the potential liability resulting from pending or future litigation; the company’s future acquisitions or dispositions of assets or shares or the delay or failure of such transactions to close based on required closing conditions; the potential for gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, tariffs, sanctions, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; material reductions in corporate liquidity and access to debt markets; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; the company’s ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading “Risk Factors” on pages 18 through 21 of the company’s 2018 Annual Report on Form 10-K and in subsequent filings with the U.S. Securities and Exchange Commission. Other unpredictable or unknown factors not discussed in this presentation could also have material adverse effects on forward-looking statements.

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 54 through 55 of the company’s 2018 Supplement to the Annual Report and available at chevron.com. As used in this presentation, 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.

As used in this presentation, the term “Chevron” and such terms as “the company,” “the corporation,” “our,” “we,” “us,” and “its” may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.



Financial highlights

2Q19

Earnings	\$4.3 billion
Earnings per diluted share	\$2.27
Earnings / EPS (excluding special items and FX) ¹	\$3.4 billion / \$1.77
Cash flow from operations / excl. working capital ¹	\$8.8 billion / \$7.9 billion
Debt ratio / Net debt ratio ²	16.4% / 12.4%
Dividends paid	\$2.3 billion
Share repurchases	\$1.0 billion
YTD total C&E / YTD organic C&E	\$10.0 billion / \$9.6 billion

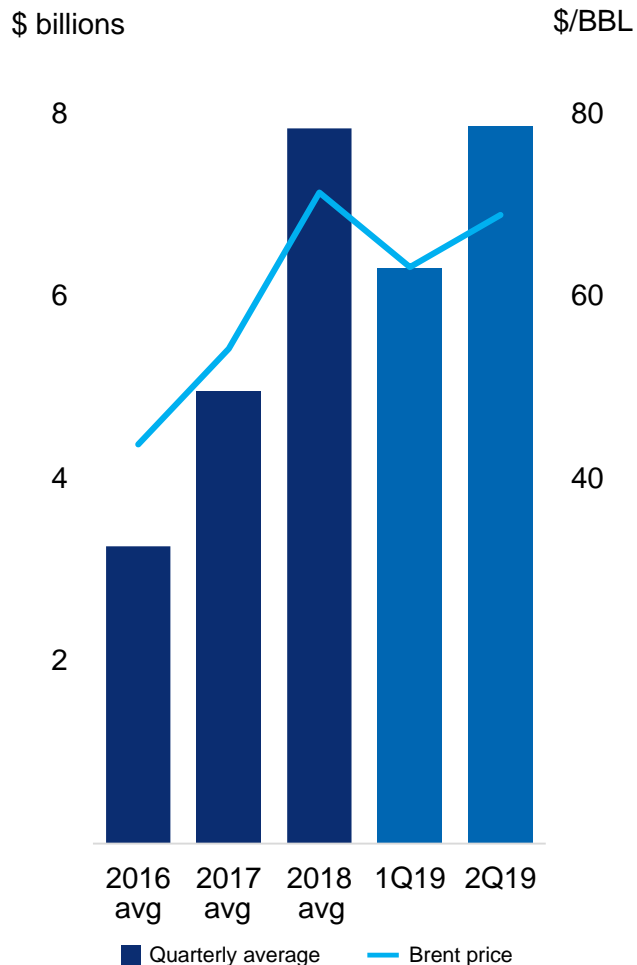
¹ Reconciliation of special items, FX, and other non-GAAP measures can be found in the appendix.

² As of 06/30/2019. Net debt ratio is defined as debt less cash equivalents, marketable securities and time deposits divided by debt less cash equivalents, marketable securities and time deposits plus stockholders' equity.



Strong cash flow

Cash flow from operations excluding working capital*



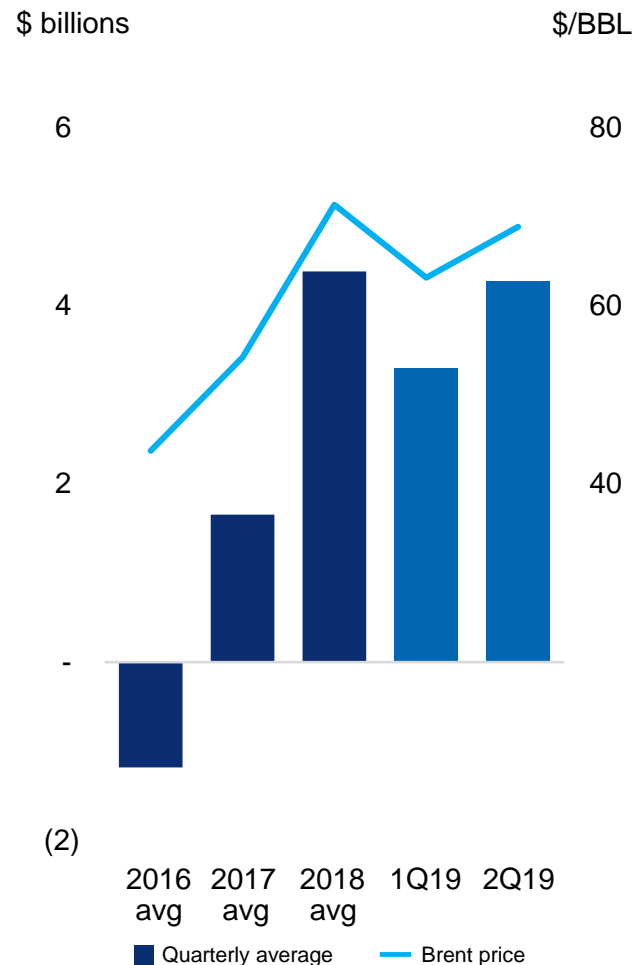
In line with 2019 guidance

2Q YTD

CFFO ex WC ~\$14.1B

FCF ex WC ~\$7.6B

Free cash flow excluding working capital*



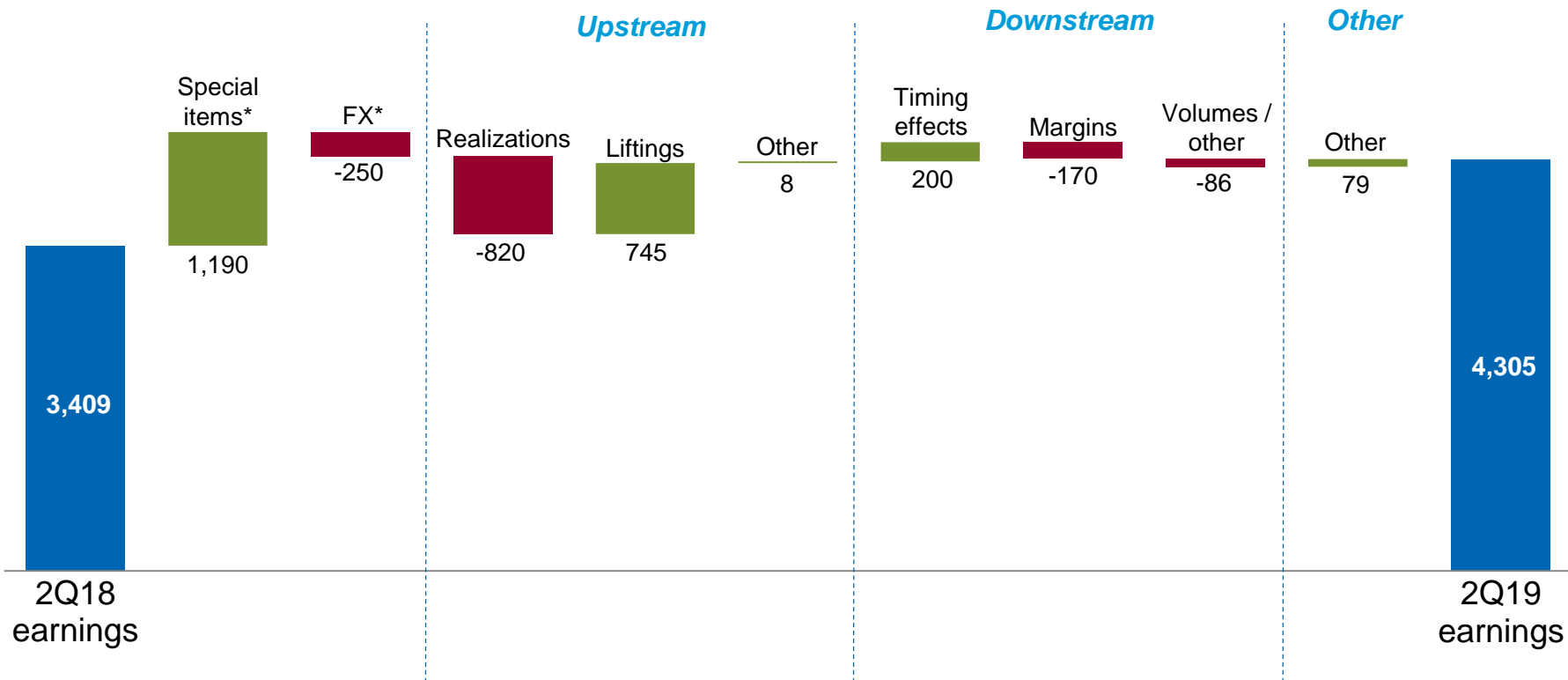
* Reconciliation of non-GAAP measures can be found in the appendix.



Chevron earnings

2Q19 vs. 2Q18

\$ millions



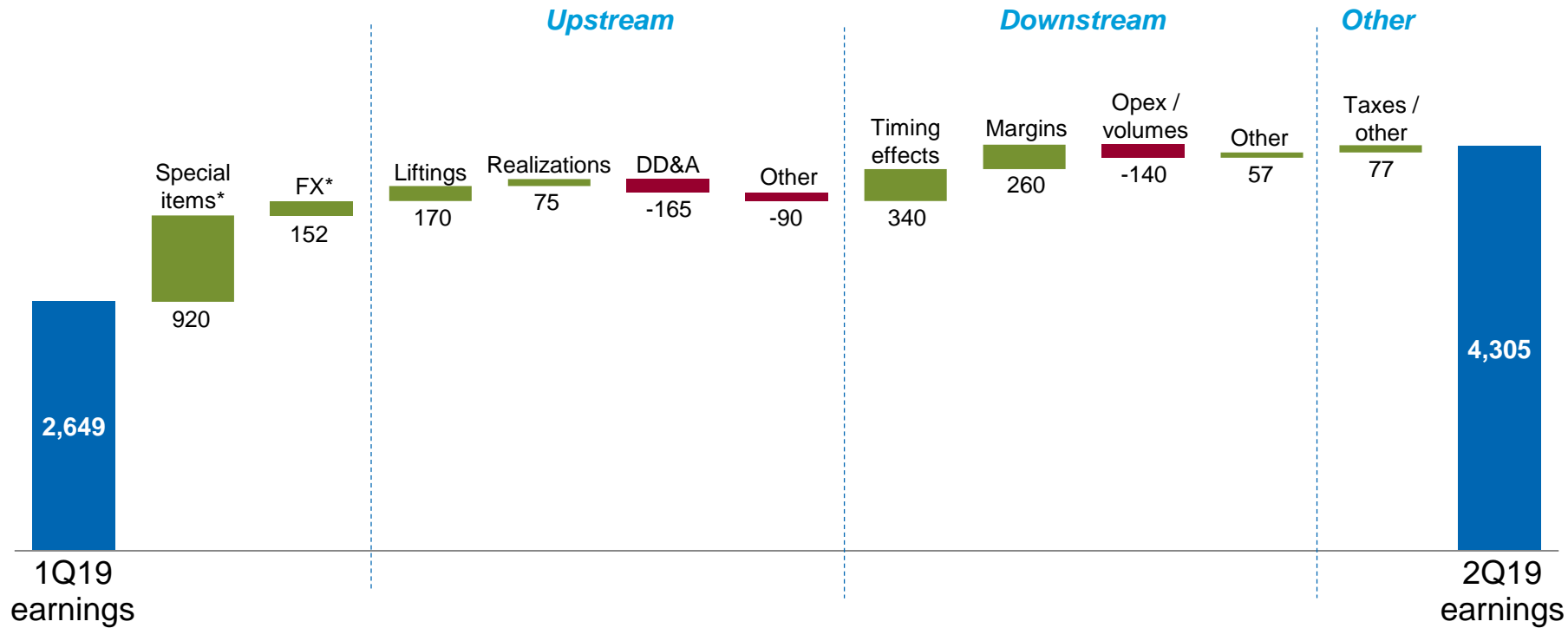
* Reconciliation of special items and FX can be found in the appendix.



Chevron earnings

2Q19 vs. 1Q19

\$ millions



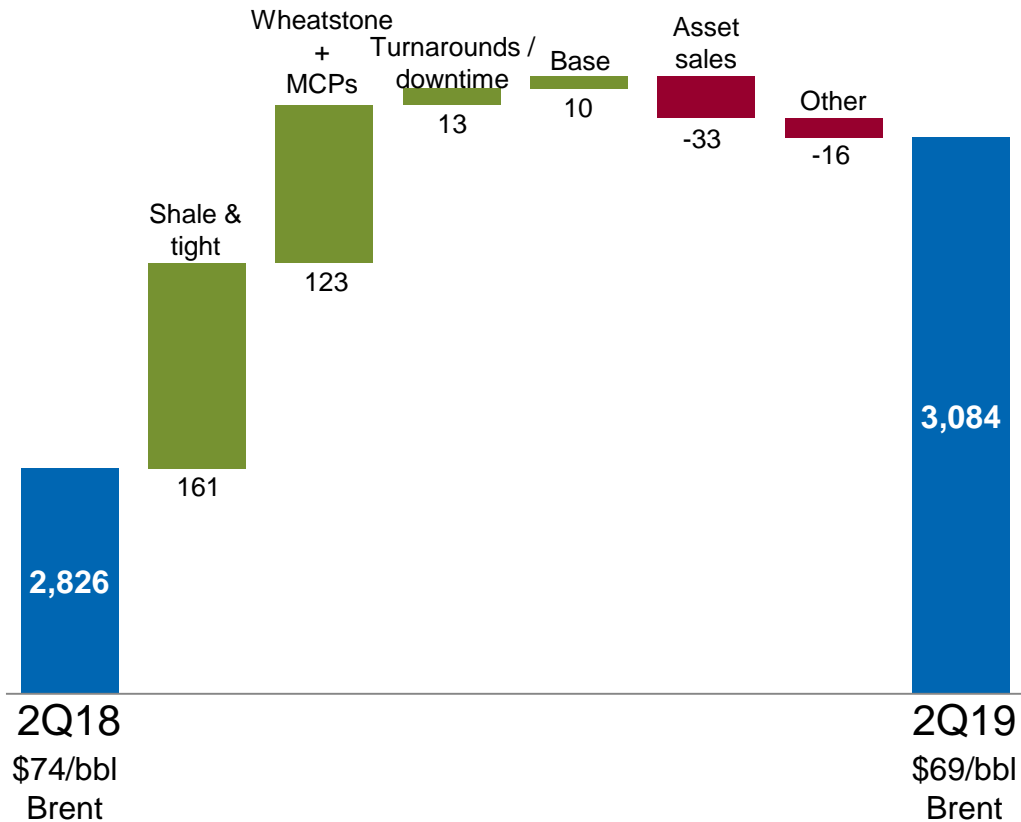
* Reconciliation of special items and FX can be found in the appendix.



Worldwide net oil & gas production

2Q19 vs. 2Q18

MBOED



- + Permian growth
- + Wheatstone Train 2
- + Hebron and Big Foot ramp-up
- Denmark and Frade asset sales

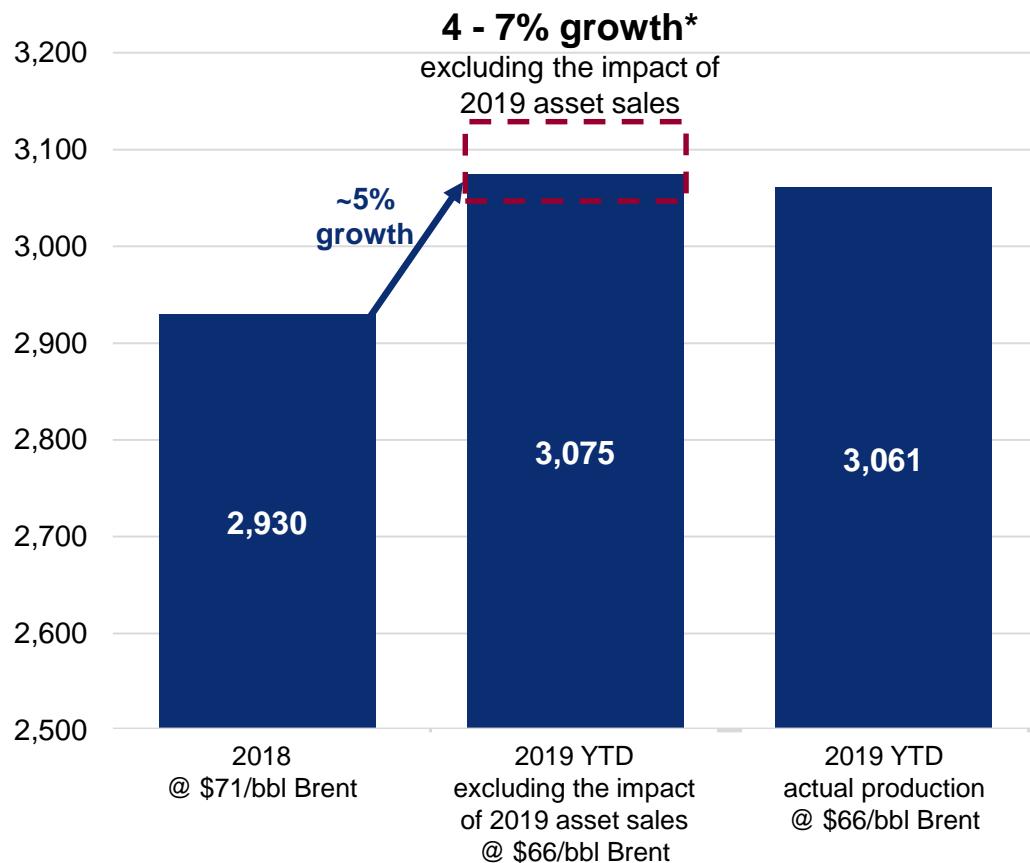


Worldwide net oil & gas production

In line with guidance

Net production

MBOED



* Estimated production growth @ \$60/bbl Brent.

2Q production 3,084 MBOED

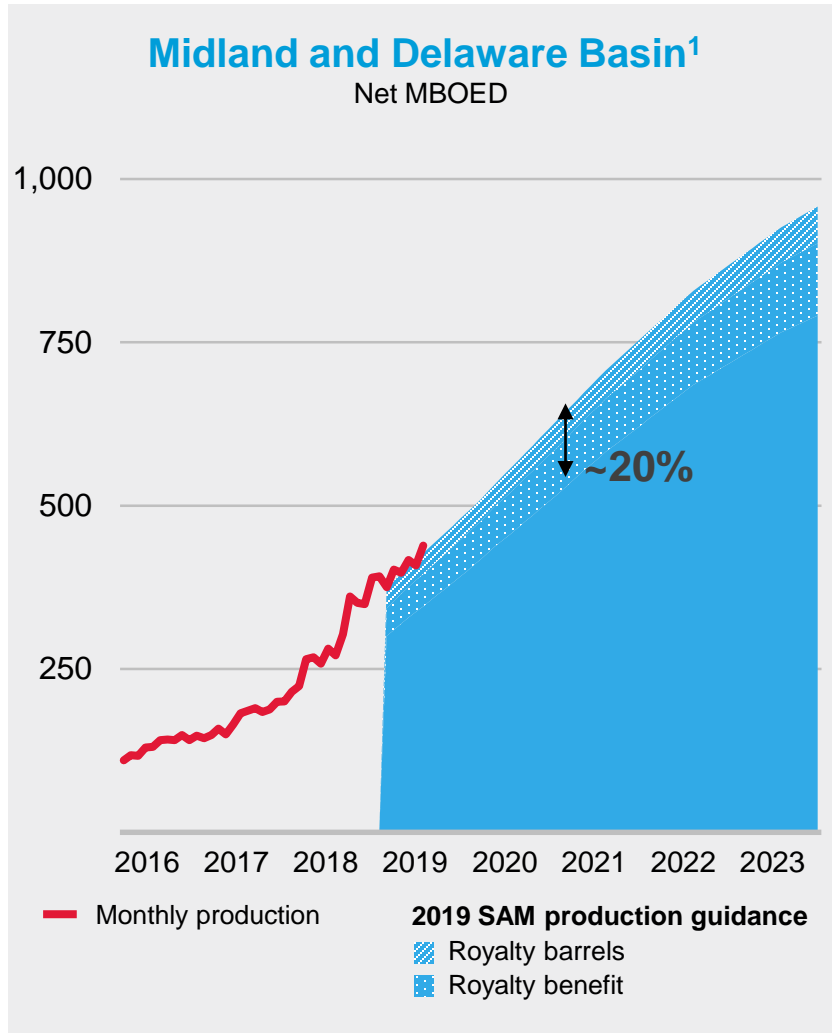
- 2Q production impacts:
- Turnarounds (41) MBOED
- Asset sales (27) MBOED

2nd half growth drivers:

- Permian
- Other shale & tight
- Big Foot and Hebron ramp-up

Permian production

On track with steady rig count



**2Q production 421 MBOED
up 151 MBOED from 2Q 2018**

**Production mix through 2023:
~75% liquids**

**~20% associated with royalty
benefit² and barrels³**

¹ Midland and Delaware Basin production reflects shale & tight production only.

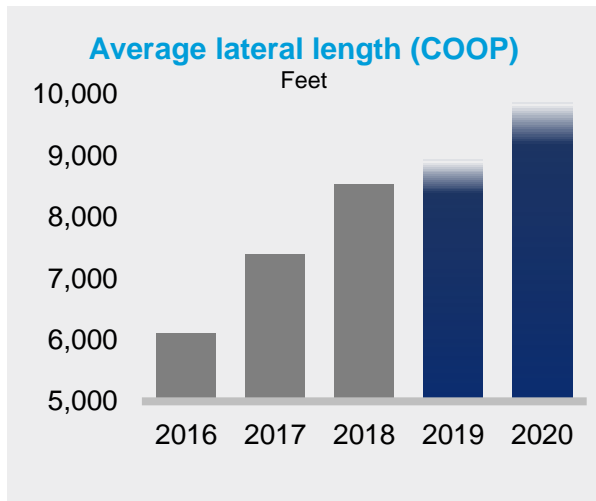
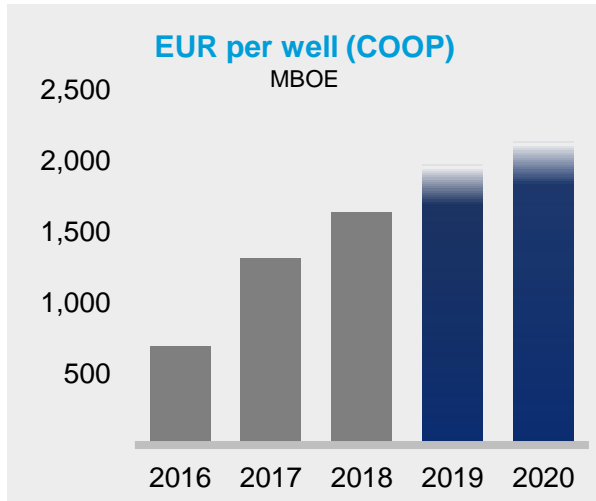


² Royalty benefit calculation based on Chevron's lower effective royalty rate versus an assumed royalty rate of 25%.

³ Royalty barrels are received by Chevron from owned acreage that has been leased to others and requires no capital investment.

Optimizing the Permian factory

Capital efficient execution

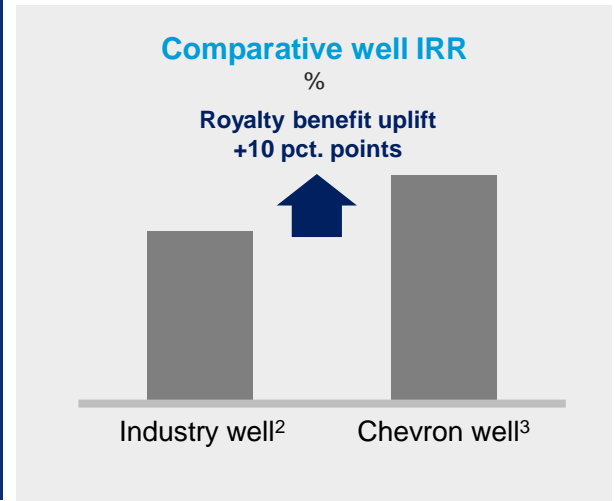
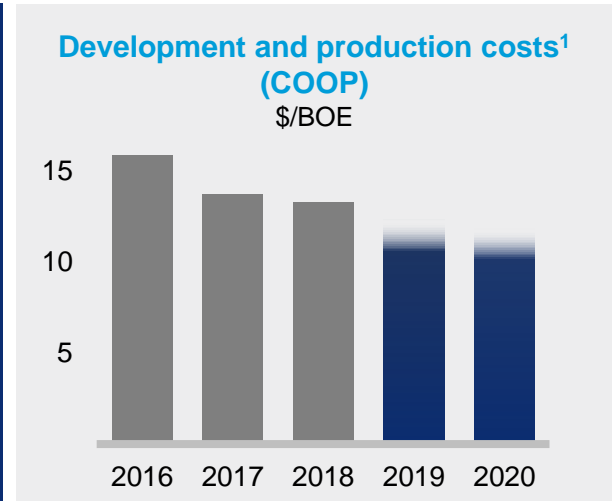


Enhancing EURs

Coring-up to lengthen laterals

Improving unit costs

Increasing returns through royalty benefit



¹ 2016-2020 total costs per BOE are calculated as the sum of operating costs per BOE produced plus development costs per BOE expected ultimate recovery (EUR) for wells put on production 2016-2020. Development costs are \$/BOE, gross capital excluding G&A and gross three-stream EUR BOE. Operating costs are \$/BOE, net operating costs and net three-stream production. Three-stream production refers to oil/condensate, dry gas, and NGL production.



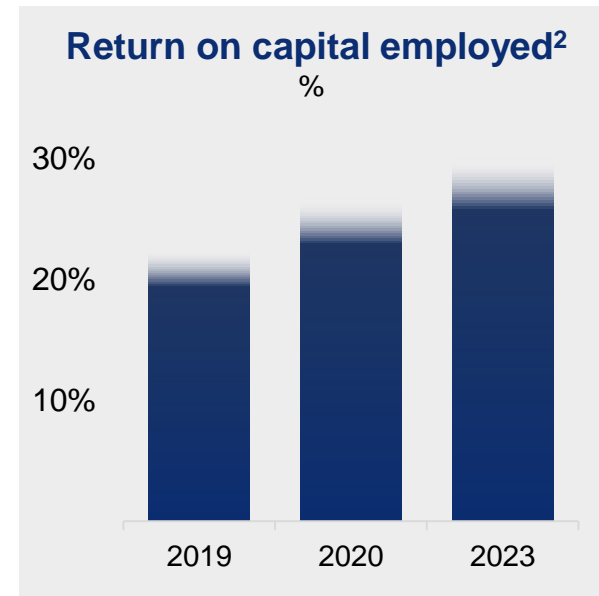
² Calculation assumes same type curve, development cost and ~25% royalty burden. Assumes no lease bonus cost.

³ Calculation assumes ~12.5% royalty burden.

Note: All data on this slide is based on Chevron actuals and Chevron outlook estimates.

Strong Permian financial performance

Building a high-return business while growing free cash flow



Free cash flow positive next year

Sustained CFFO ~2x C&E

Strong and growing returns

All results are normalized to 2019 Security Analyst Meeting (SAM) prices.

¹ Free cash flow is defined as estimated cash flow from operations less cash capital expenditures.




² Capital employed calculation is based on PP&E less estimated liabilities.

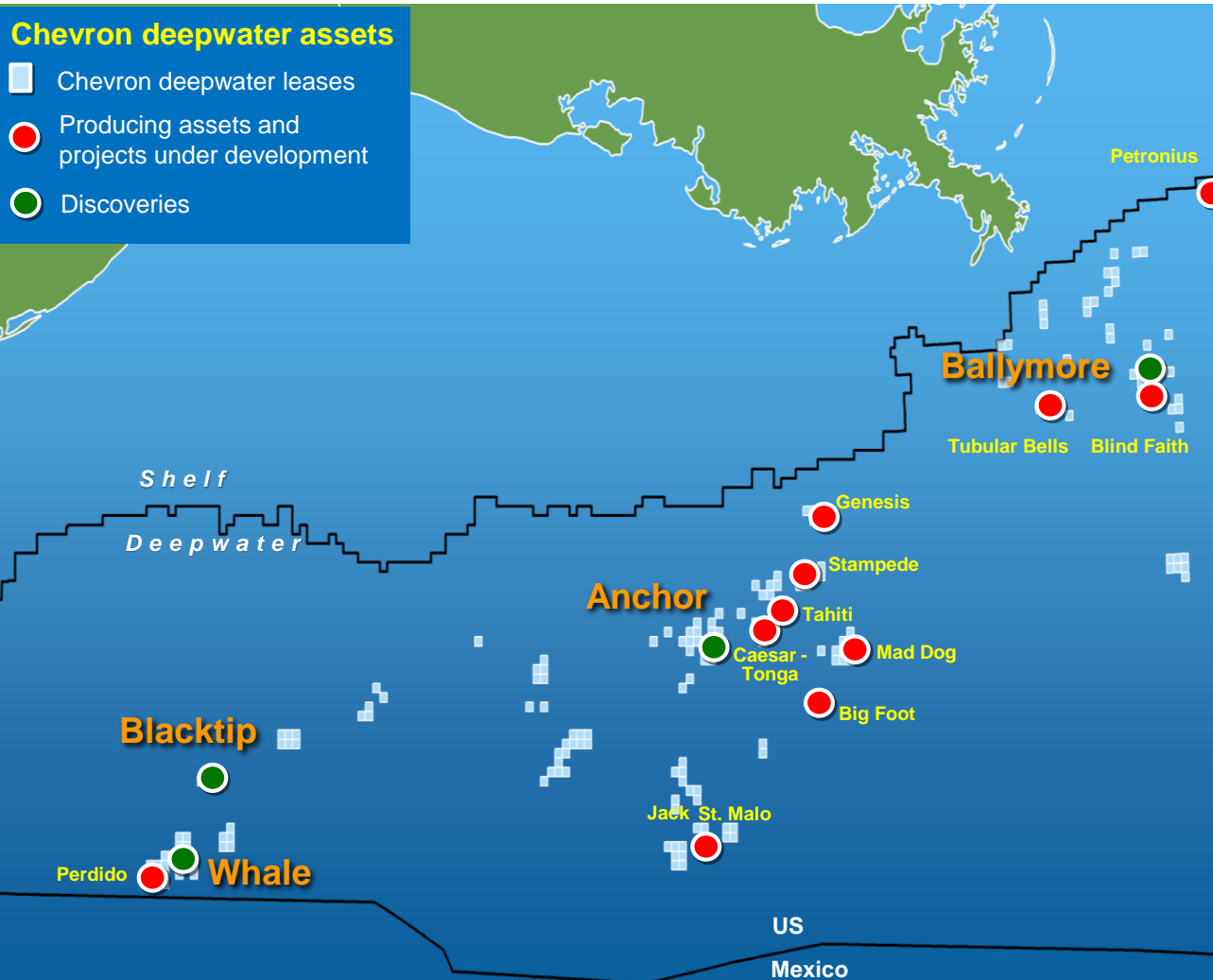


Advancing our Gulf of Mexico deepwater portfolio

Attractive investment opportunities

Chevron deepwater assets

-  Chevron deepwater leases
-  Producing assets and projects under development
-  Discoveries



Exploration

- Blacktip discovery

Appraisal

- Whale & Ballymore

FEED

- Anchor

Under construction

- Mad Dog 2

Ramping-up

- Big Foot

Brownfield developments

- Jack St. Malo & others



FGP/WPMP

Project completion ~65%



**On track for first oil
in 2022**

By the end of 2019:

Main engineering complete

Fabrication in three yards complete

Gas turbine generators installed

Pipe rack modules installed

~70% of process modules delivered

Commercial highlights

CPCChem

U.S. Gulf Coast II
CPCChem 51% /
Qatar Petroleum 49%

**Ras Laffan
Petrochemical Project**
CPCChem 30% /
Qatar Petroleum 70%

Portfolio

Denmark
Closed sale

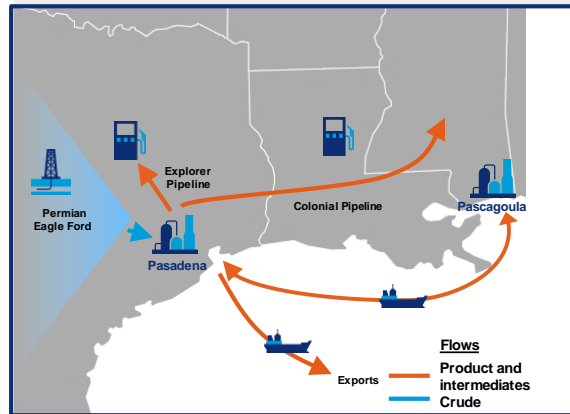
UK Central North Sea
Signed sales agreement

Pasadena Refinery
Completed acquisition

Renewables

Permian
Wind power
purchase agreement

California
Renewable natural gas JV



Positioned to win in any environment

Advantaged portfolio delivers strong cash flow

Strong balance sheet and low breakeven

Disciplined, returns-driven capital allocation

Superior cash returns to shareholders

Grow production & sustain margins

Returns-driven capital allocation

Lower our cost structure

Get more out of assets

High-grade portfolio

Looking ahead

3Q 2019 outlook

Upstream

- Full year 2019 production 4-7% growth from 2018 (excluding asset sales)
- Higher turnarounds (>100 MBOED)
- Gulf of Mexico hurricane impact
- TCO co-lending

Downstream

- “High” refinery turnaround activity

Corporate

- \$1.25 billion of share repurchases



questions



answers



Appendix: reconciliation of non-GAAP measures

Reported earnings to earnings excluding special items and FX

	2Q18	3Q18	4Q18	1Q19	2Q19
Reported earnings (\$ millions)					
Upstream	3,295	3,379	3,290	3,123	3,483
Downstream	838	1,373	859	252	729
All Other	(724)	(705)	(419)	(726)	93
Total reported earnings	3,409	4,047	3,730	2,649	4,305
Diluted weighted avg. shares outstanding ('000)	1,918,949	1,917,473	1,906,823	1,900,748	1,902,977
Reported earnings per share	\$1.78	\$2.11	\$1.95	\$1.39	\$2.27
Special items (\$ millions)					
UPSTREAM					
Asset dispositions	--	--	--	--	--
Impairments and other*	(270)	(930)	(270)	--	180
Subtotal	(270)	(930)	(270)	--	180
DOWNSTREAM					
Asset dispositions	--	350	--	--	--
Impairments and other*	--	--	--	--	--
Subtotal	--	350	--	--	--
ALL OTHER					
Impairments and other*	--	--	--	--	740
Subtotal	--	--	--	--	740
Total special items	(270)	(580)	(270)	--	920
Foreign exchange (\$ millions)					
Upstream	217	(42)	250	(168)	22
Downstream	44	(7)	23	31	(9)
All other	4	(2)	(5)	--	2
Total FX	265	(51)	268	(137)	15
Earnings excluding special items and FX (\$ millions)					
Upstream	3,348	4,351	3,310	3,291	3,291
Downstream	794	1,030	836	221	738
All Other	(728)	(703)	(414)	(726)	(649)
Total earnings excluding special items and FX (\$ millions)	3,414	4,678	3,732	2,786	3,370
Earnings per share excluding special items and FX	\$1.78	\$2.44	\$1.95	\$1.47	\$1.77

* Includes asset impairments & revaluations, certain non-recurring tax adjustments & environmental remediation provisions, severance accruals and any other special items.



Appendix: reconciliation of non-GAAP measures

Cash flow from operations excluding working capital

Free cash flow excluding working capital

\$ millions	FY 2016	FY 2016 Quarterly Avg.*	FY 2017	FY 2017 Quarterly Avg.*	FY 2018	FY 2018 Quarterly Avg.*	1Q19	2Q19
Net Cash Provided by Operating Activities	12,690	3,173	20,338	5,085	30,618	7,655	5,057	8,783
Net Decrease (Increase) in Operating Working Capital	(327)	(82)	520	130	(718)	(180)	(1,210)	930
Cash Flow from Operations Excluding Working Capital	13,017	3,254	19,818	4,955	31,336	7,834	6,267	7,853
Net Cash Provided by Operating Activities	12,690	3,173	20,338	5,085	30,618	7,655	5,057	8,783
Less: Cash Capital Expenditures	18,109	4,527	13,404	3,351	13,792	3,448	2,953	3,584
Free Cash Flow	(5,419)	(1,355)	6,934	1,734	16,826	4,207	2,104	5,199
Net Decrease (Increase) in Operating Working Capital	(327)	(82)	520	130	(718)	(180)	(1,210)	930
Free Cash Flow Excluding Working Capital	(5,092)	(1,273)	6,414	1,604	17,544	4,386	3,314	4,269

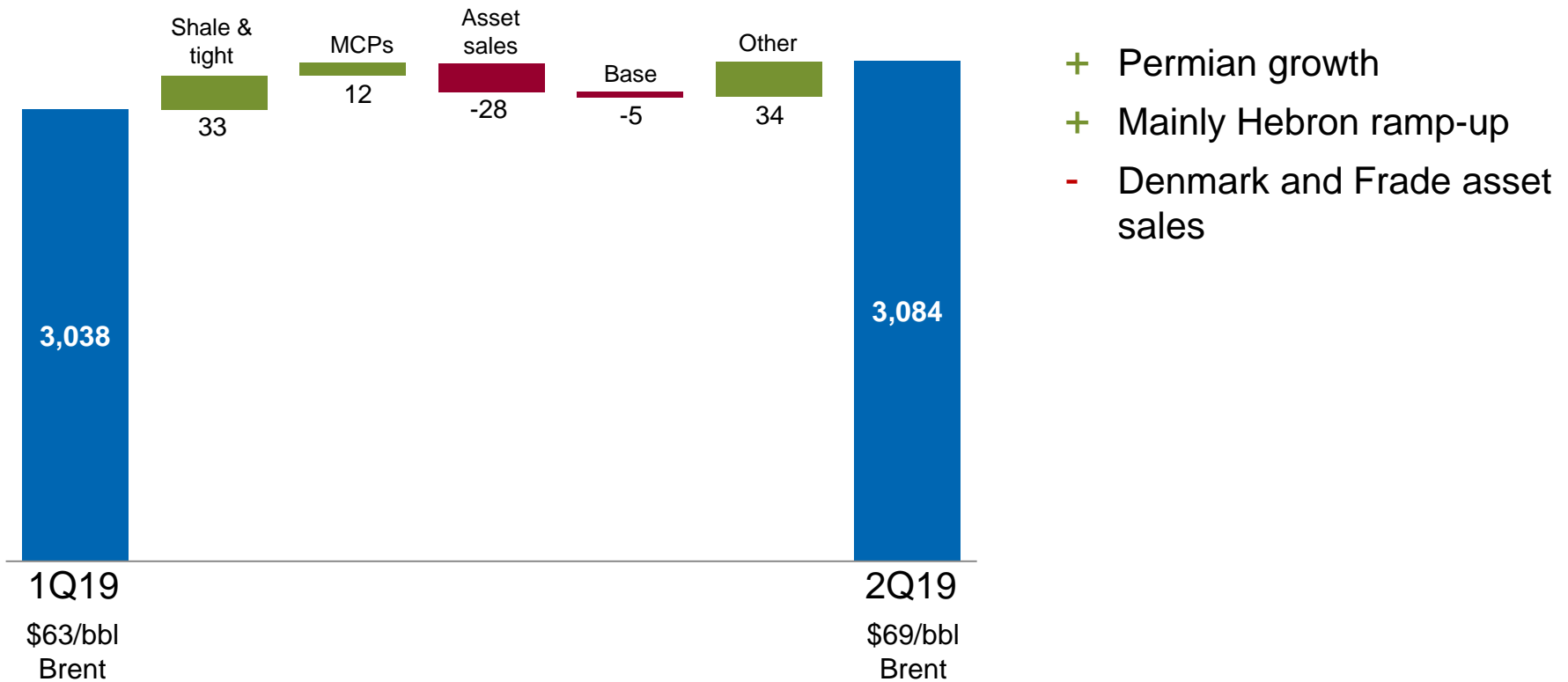
* Note: Numbers may not sum due to rounding.



Appendix

Worldwide net oil & gas production: 2Q19 vs. 1Q19

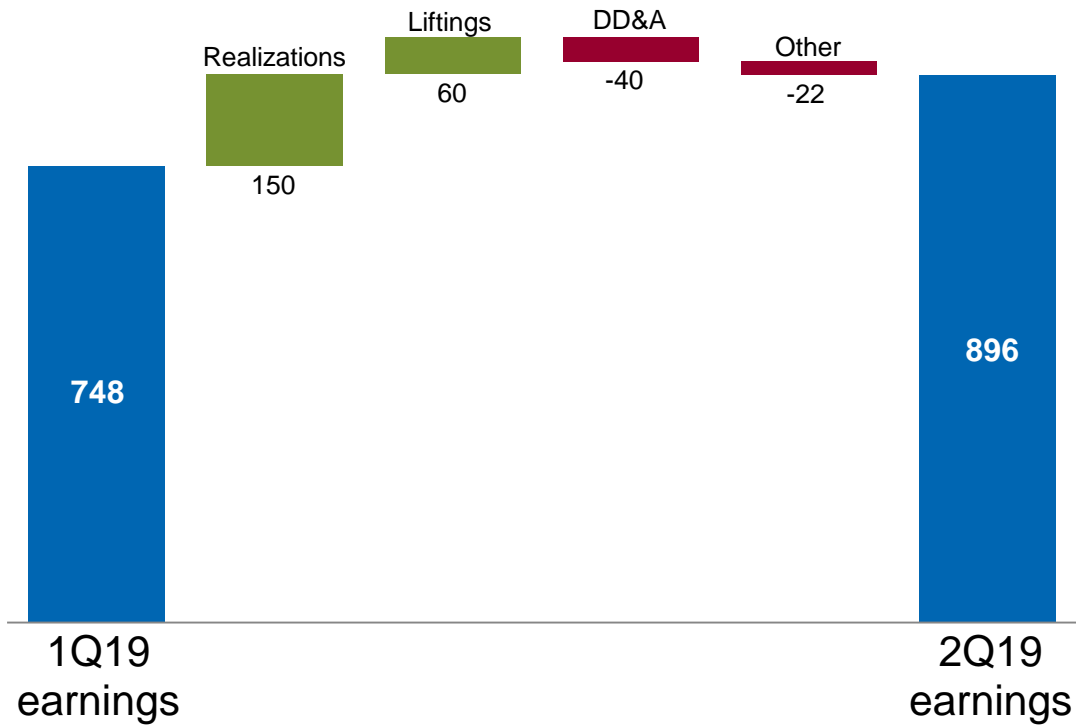
MBOED



Appendix

U.S. upstream earnings: 2Q19 vs. 1Q19

\$ millions



- Higher Gulf of Mexico & Permian crude realizations
- Higher Permian production



Appendix

International upstream earnings: 2Q19 vs. 1Q19

\$ millions



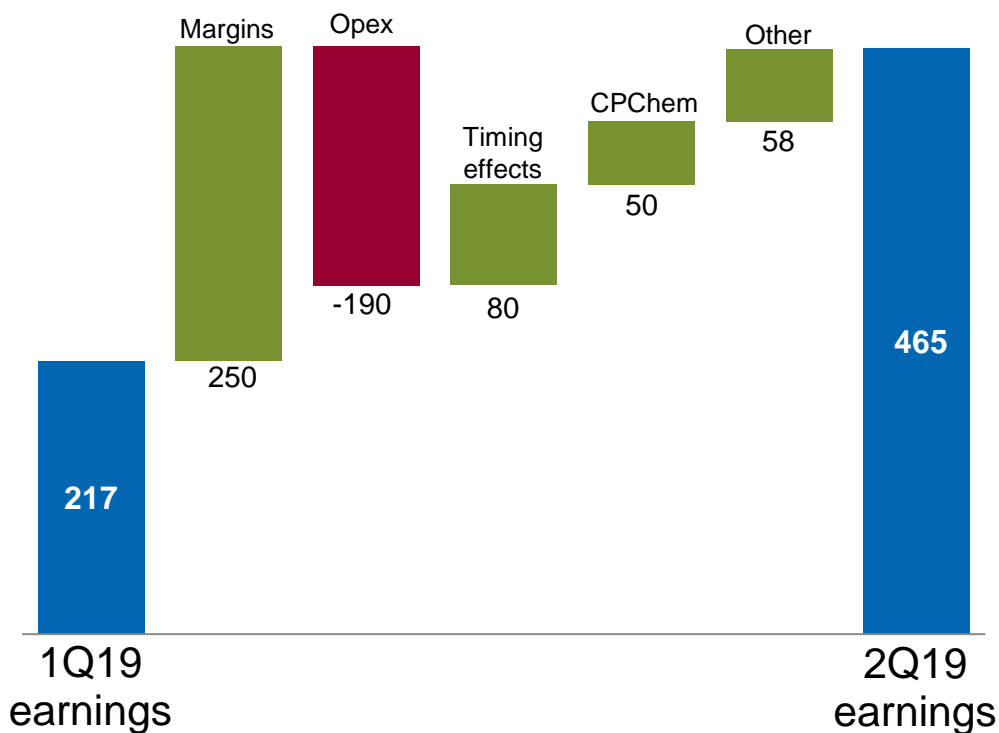
- Primarily higher liftings in Australia
- Lower Australia LNG prices
- Higher DD&A from increased production



Appendix

U.S. downstream earnings: 2Q19 vs. 1Q19

\$ millions



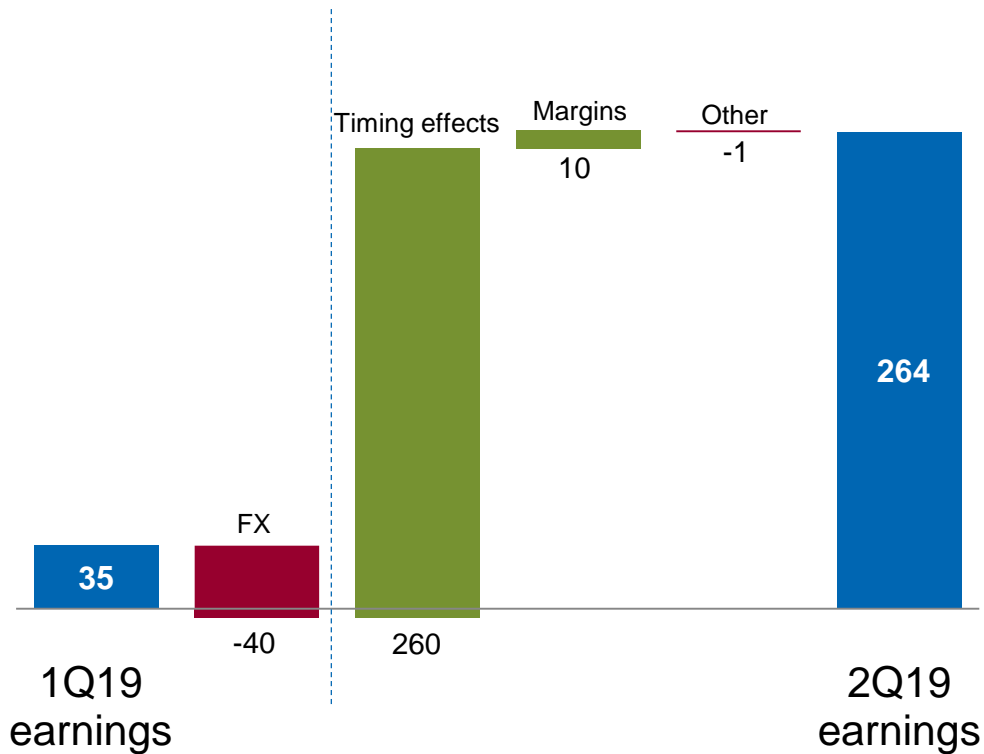
- Higher West Coast refining and marketing margins
- Higher opex primarily due to higher planned turnarounds
- Absence of unfavorable 1Q19 timing effects
- Higher CPChem margins



Appendix

International downstream earnings: 2Q19 vs. 1Q19

\$ millions



- Absence of unfavorable 1Q19 timing effects

