



human energy®

Corporate overview

John Watson
Chairman and Chief Executive Officer

Key messages

Growing free cash flow

Focused on improving returns

Realizing value from advantaged portfolio

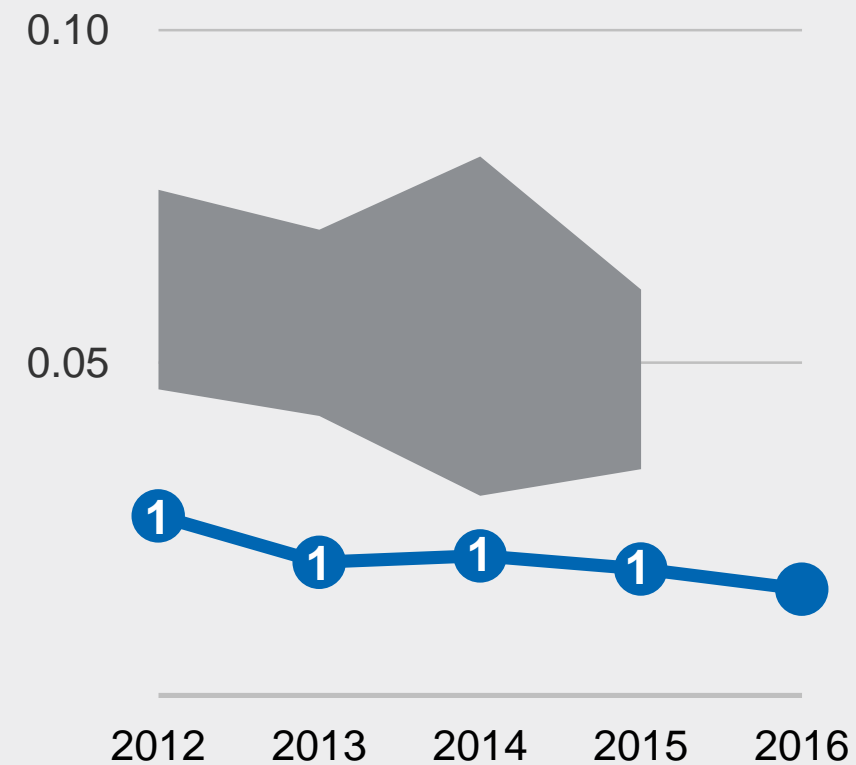


Image: Gorgon



Operational excellence

Days away from work rate

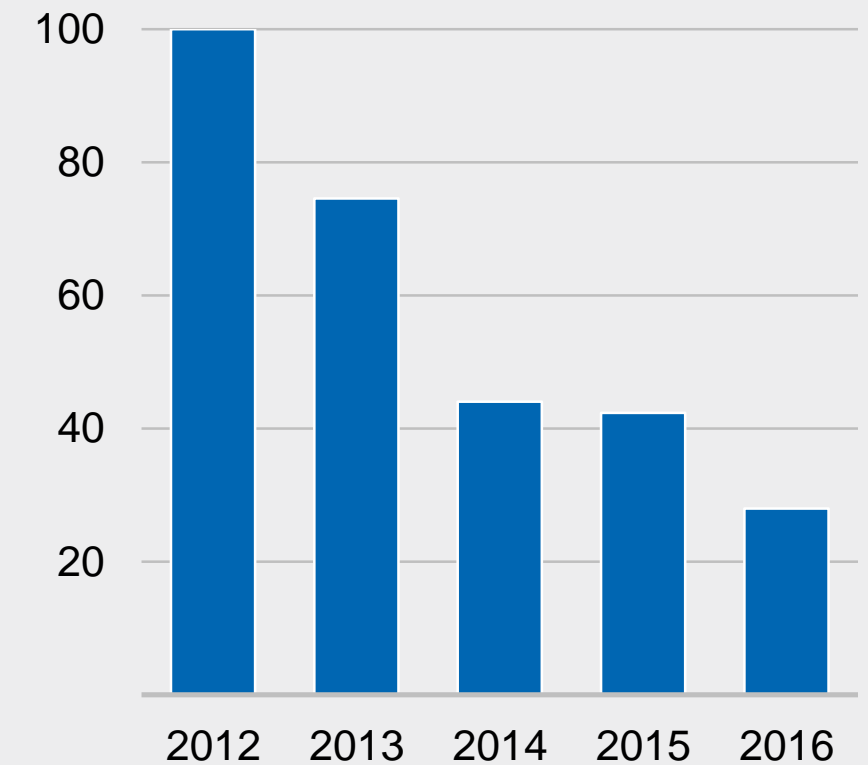


● CVX ranking relative to competitors, 1 being the lowest rate
 ■ Competitor range: BP, RDS, XOM

Industry leading performance

Indexed Tier 1 and Tier 2 Loss of Containment

Basis: 2012 = 100



Source: Annual company sustainability reports. XOM is lost time incident rates; RDS is lost time incident rates for injuries only; TOT is not included in competitor range due to reporting differences.



Loss of Containment - Company data. American Petroleum Institute Recommended Practice (RP) 754 defines Tier 1 loss-of-primary-containment (LOPC) incident as an unplanned or uncontrolled release of any material, including non-toxic and nonflammable materials from a process that results in an injury, shelter in place or evacuation, fire, or material release that meets the thresholds as defined in the RP 754. A Tier 2 process safety event is an LOPC with lesser consequence.

2016 financial performance

Earnings
\$(0.5) billion

Cash flow from operations
\$12.8 billion

Debt ratio
24%

Dividends paid
\$8.0 billion

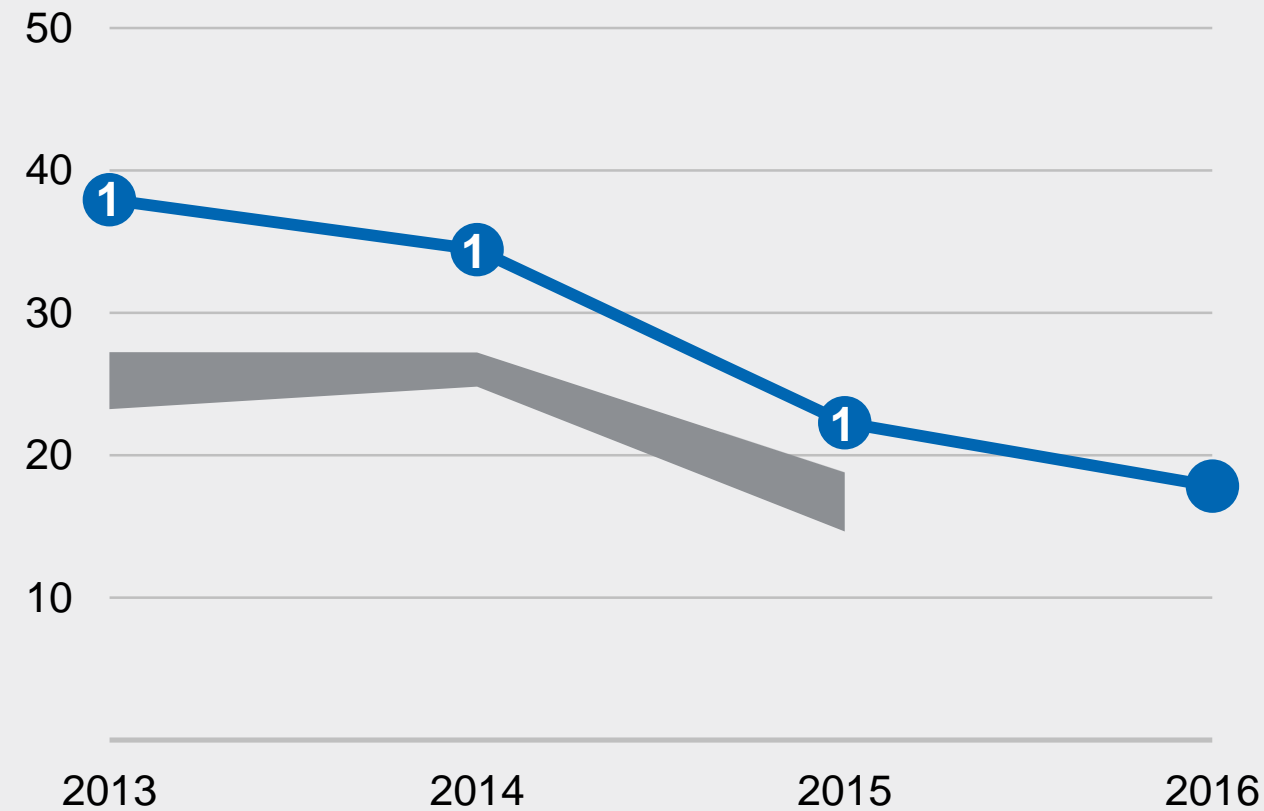


Image: Tengiz

Cash margin per barrel

Upstream cash margin per barrel¹

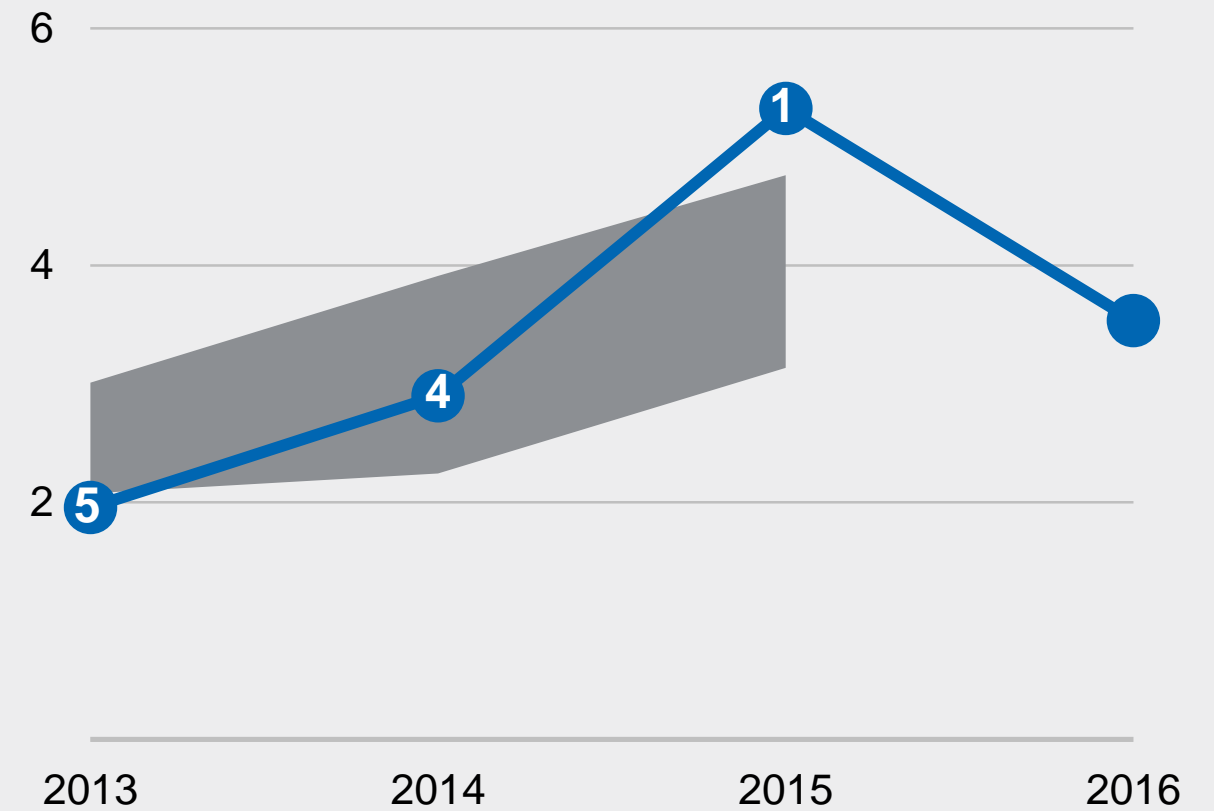
\$ per BOE



● CVX ranking relative to competitors, 1 being the best
 ■ Competitor range: BP, RDS, TOT, XOM

Downstream cash margin per barrel²

\$ per BBL



● CVX ranking relative to competitors, 1 being the best
 ■ Competitor range: BP, RDS, TOT, XOM

¹ Upstream after-tax cash margin sourced from supplemental information on oil & gas producing activities (in 10-K, 20-F) and other public information placed on a consistent basis along with Chevron estimates. Includes affiliates. Adds back depreciation and depletion, unproved properties valuation, accretion and exploration expense to results of producing operations, excluding asset sales gains and losses.



² Downstream after-tax cash margin sourced from public information (in 10-K, 20-F and other disclosures) placed on a consistent basis along with Chevron estimates. Excludes chemicals; TOT data includes base chemicals. Adds DD&A to reported earnings, excluding asset sales gains or losses.

Financial priorities remain unchanged

Maintain and
grow dividend

29 consecutive years of annual dividend payout growth
10-year compound annual growth rate at ~8%

Fund
capital program
for future earnings

Expected C&E range of \$17-22 billion

Maintain
strong balance sheet

Expected debt ratio range of 20-25%*

Return
surplus cash
to stockholders

\$45 billion in share repurchases from 2004–2014

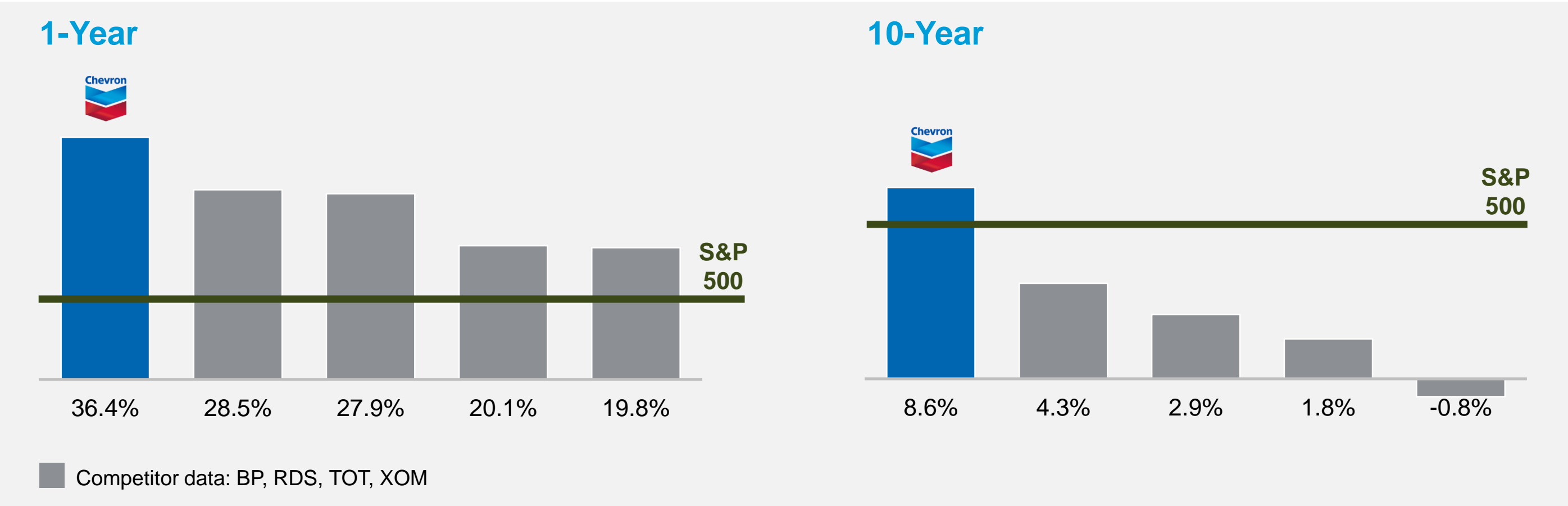
*2017-2020 range at \$50/bbl Brent. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.



Total shareholder return

CVX leads peer group in TSR for 1, 3, 5, 7, 10, 20 and 25 year periods

Total shareholder return as of 12/31/16



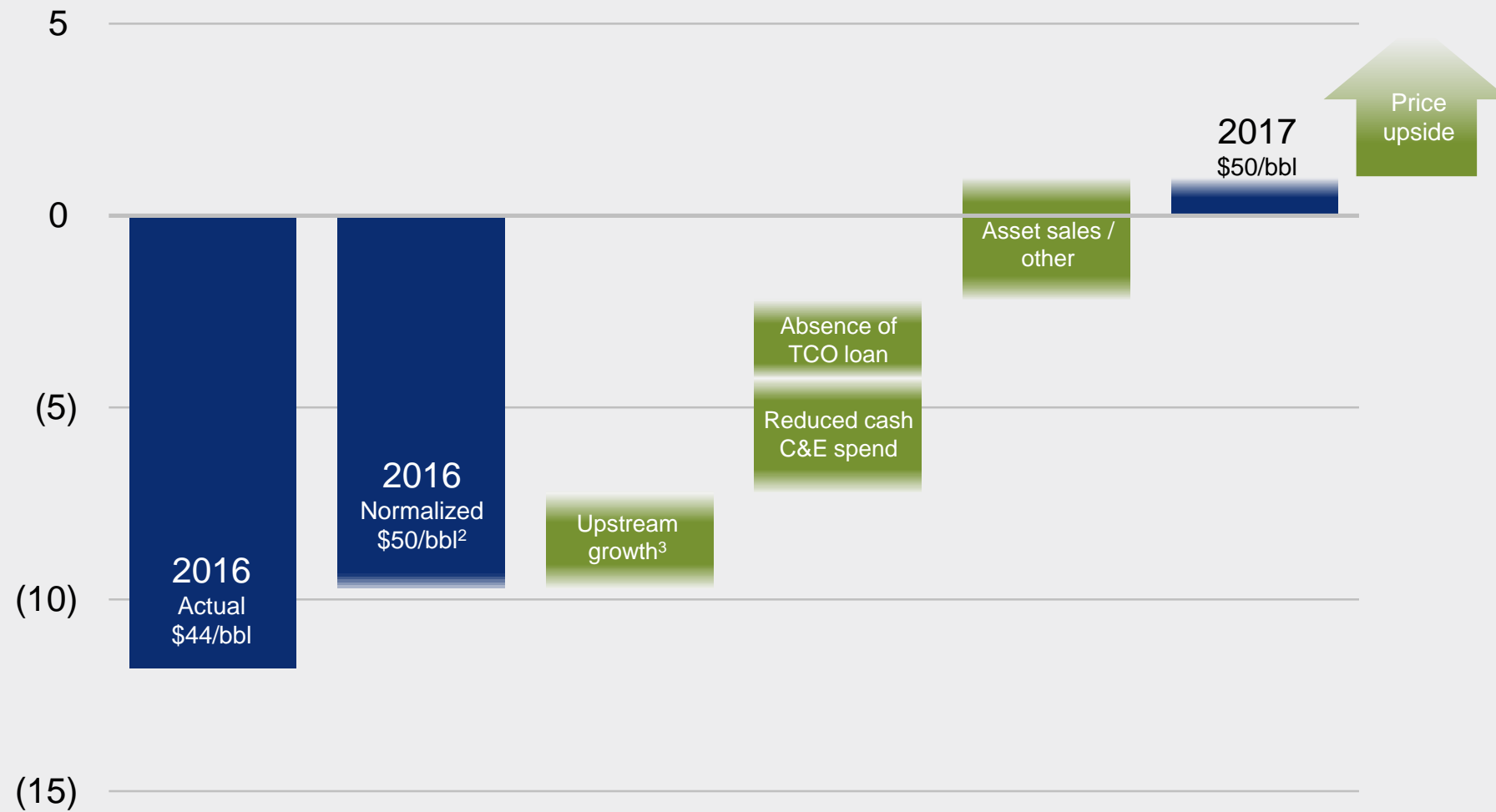
Note: For TSR comparison purposes, ADR / ADS prices and dividends are used for non-U.S. based companies. Dividends include both cash and scrip share distributions.



2017 cash flow balancing

Cash flow after dividends¹ (including asset sales)

\$ billions



Higher upstream margins and volumes

Lower and flexible spend

Value accretive asset sale proceeds

¹Cash flow after dividends = estimated change in cash and marketable securities and change in debt
²Normalization assumes \$350MM cash flow impact per \$1/bbl change in Brent price. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.
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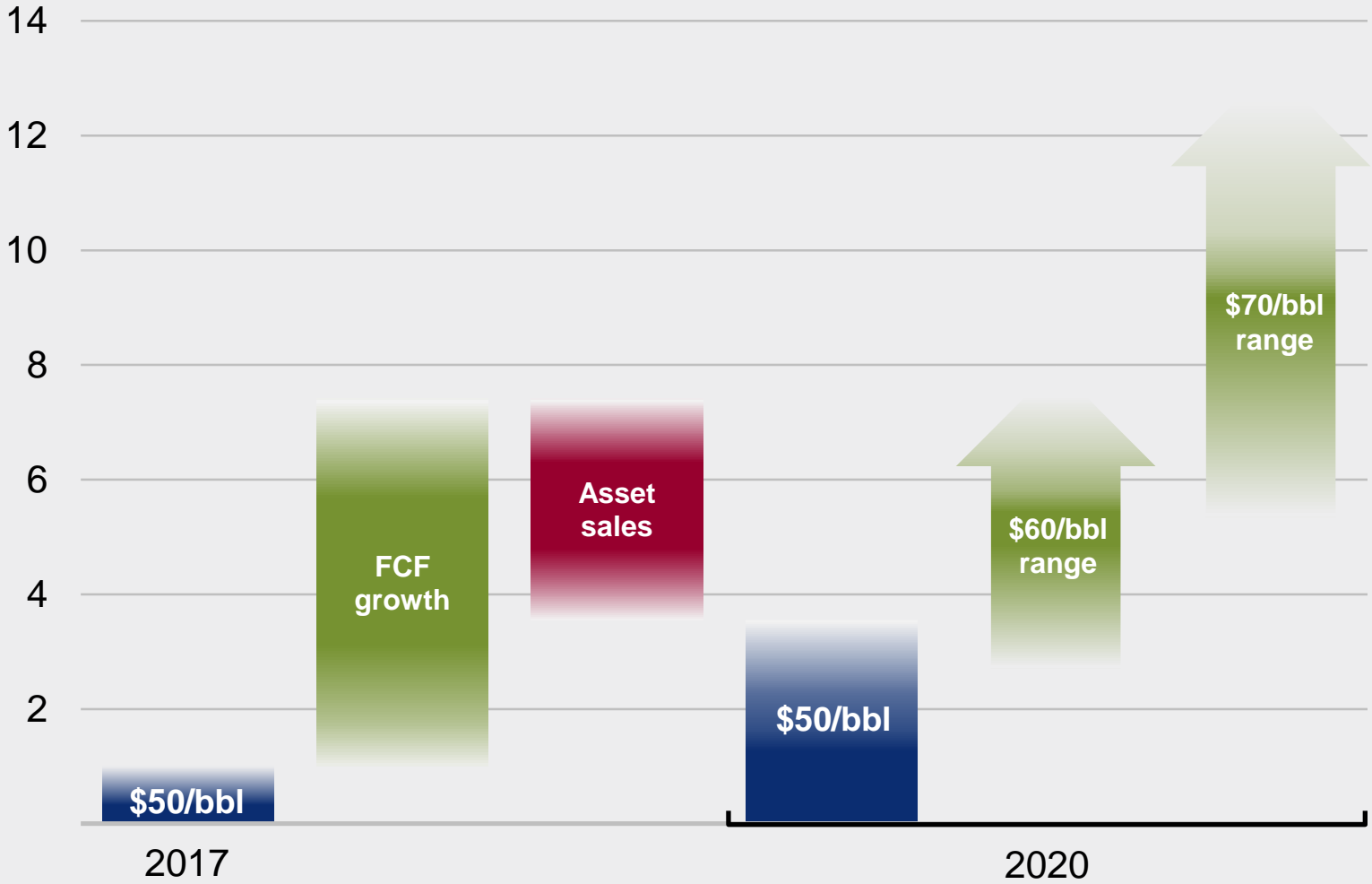


³Includes volume growth and increase in cash margins/bbl (margins include impact of working capital, deferred taxes, affiliate distributions, other)

Free cash flow going forward

Cash flow after dividends* (including asset sales)

\$ billions



Free cash flow increase at \$50/bbl

Peer leading oil price leverage

*Estimated cash flow after dividends = estimated change in cash and marketable securities and change in debt

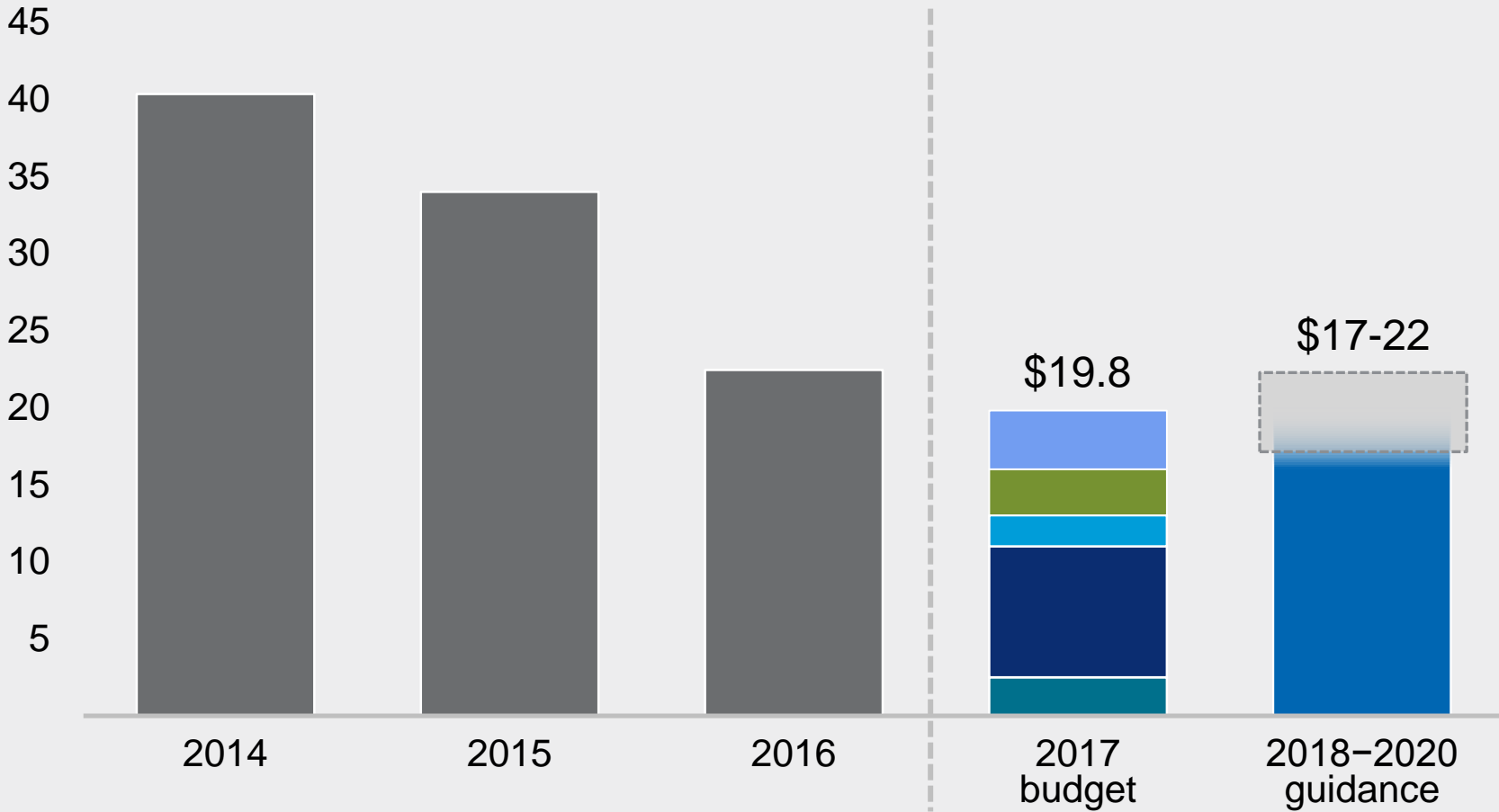


Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast

C&E program

Total capital & exploratory

\$ billions



■ Downstream & other
 ■ Base producing assets
 ■ Gorgon / Wheatstone
 ■ FGP / WPMP
 ■ Exploration / growth MCPs

Sustained low spend through 2020

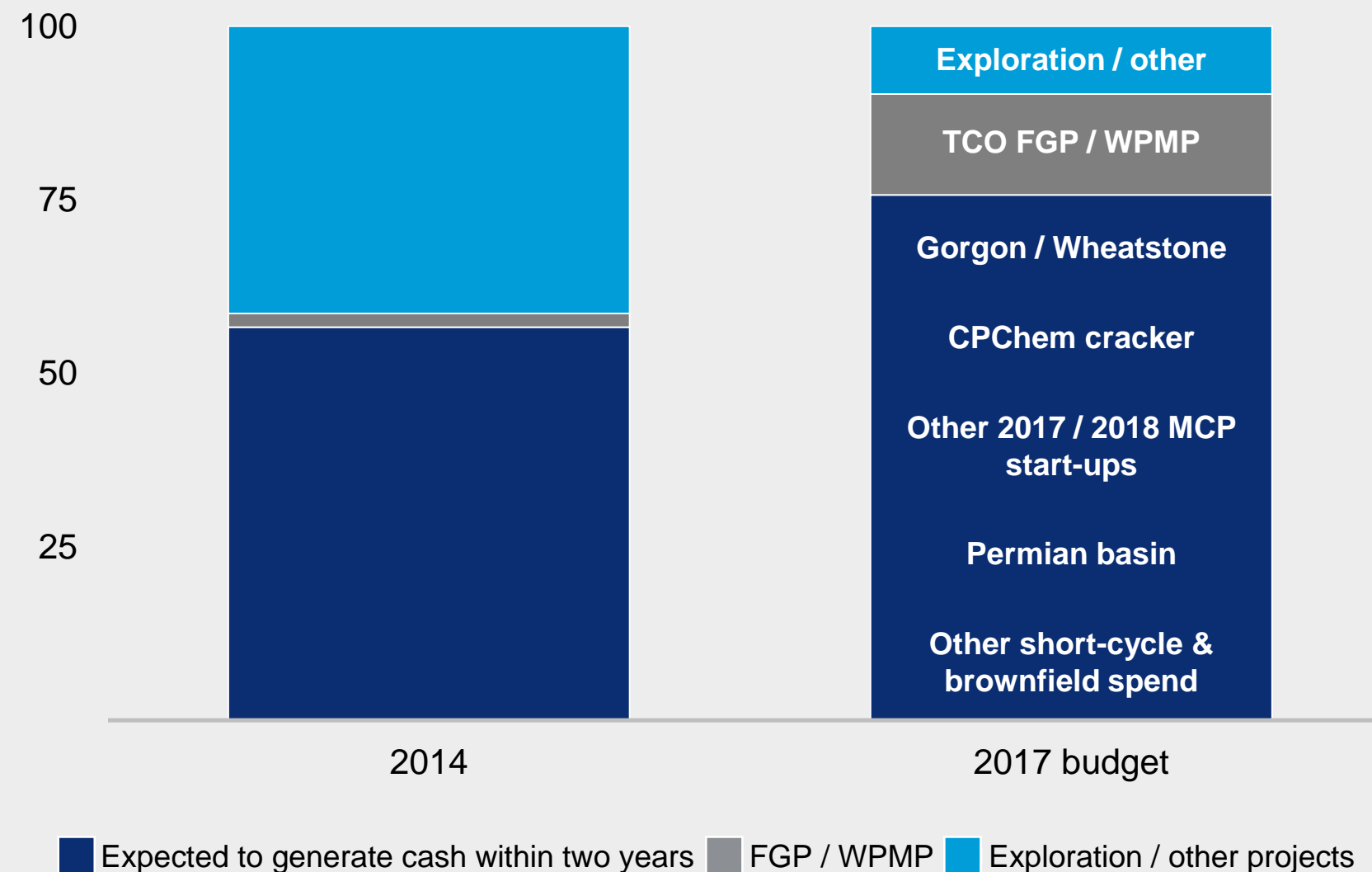
At flat \$50/bbl, spend near bottom of range

Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast



C&E reprioritization & optimization

Percentage of total capital & exploratory



~75% of 2017 spend generates cash within two years

MCPs being completed

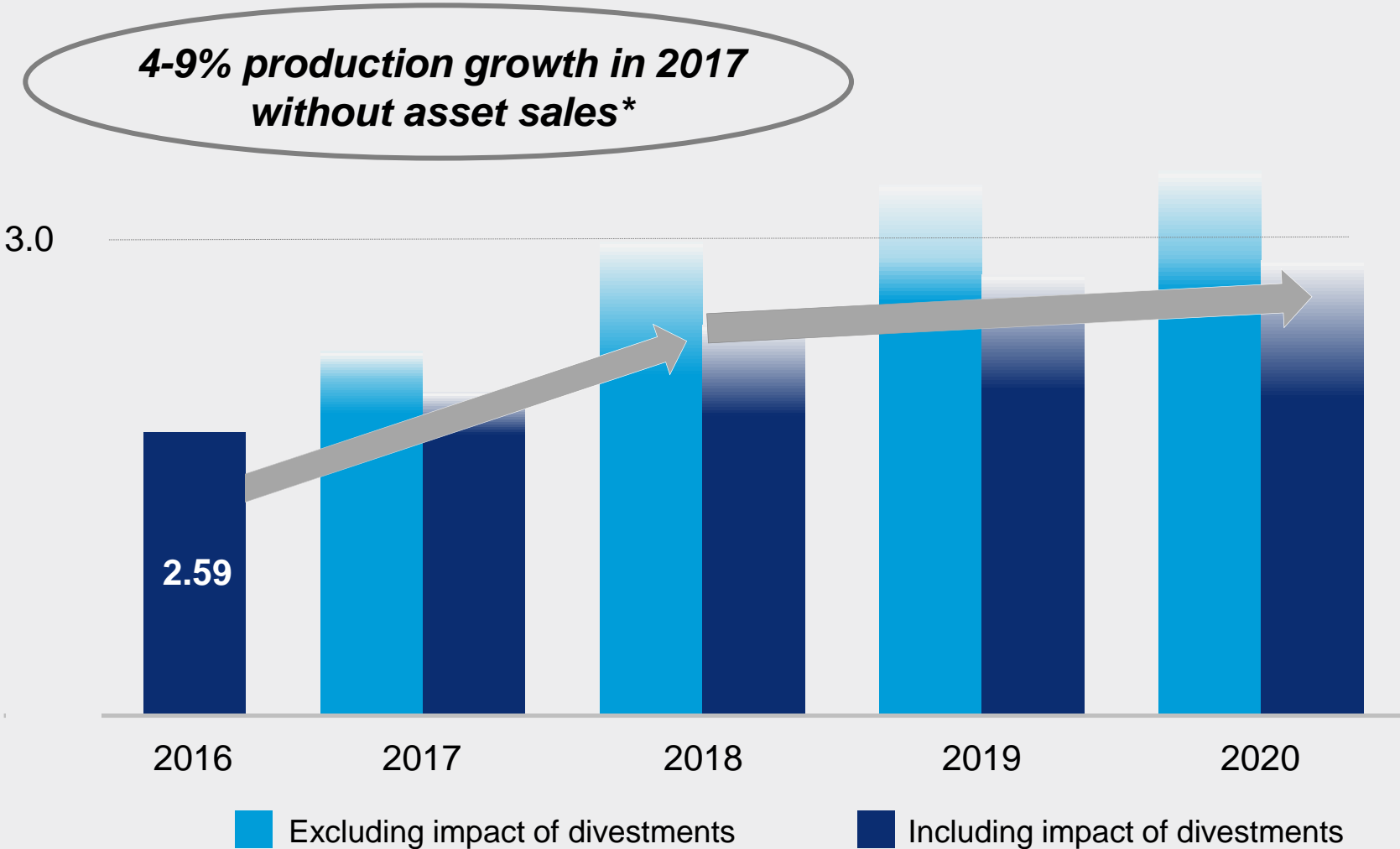
High return base and shale & tight



Production outlook

Projected net production

MMBOED



Growth

- Major capital projects
- Shale and tight

Uncertainties / timing

- Divestments
- Price effects
- Status of PZ
- Ramp-pace of MCPs

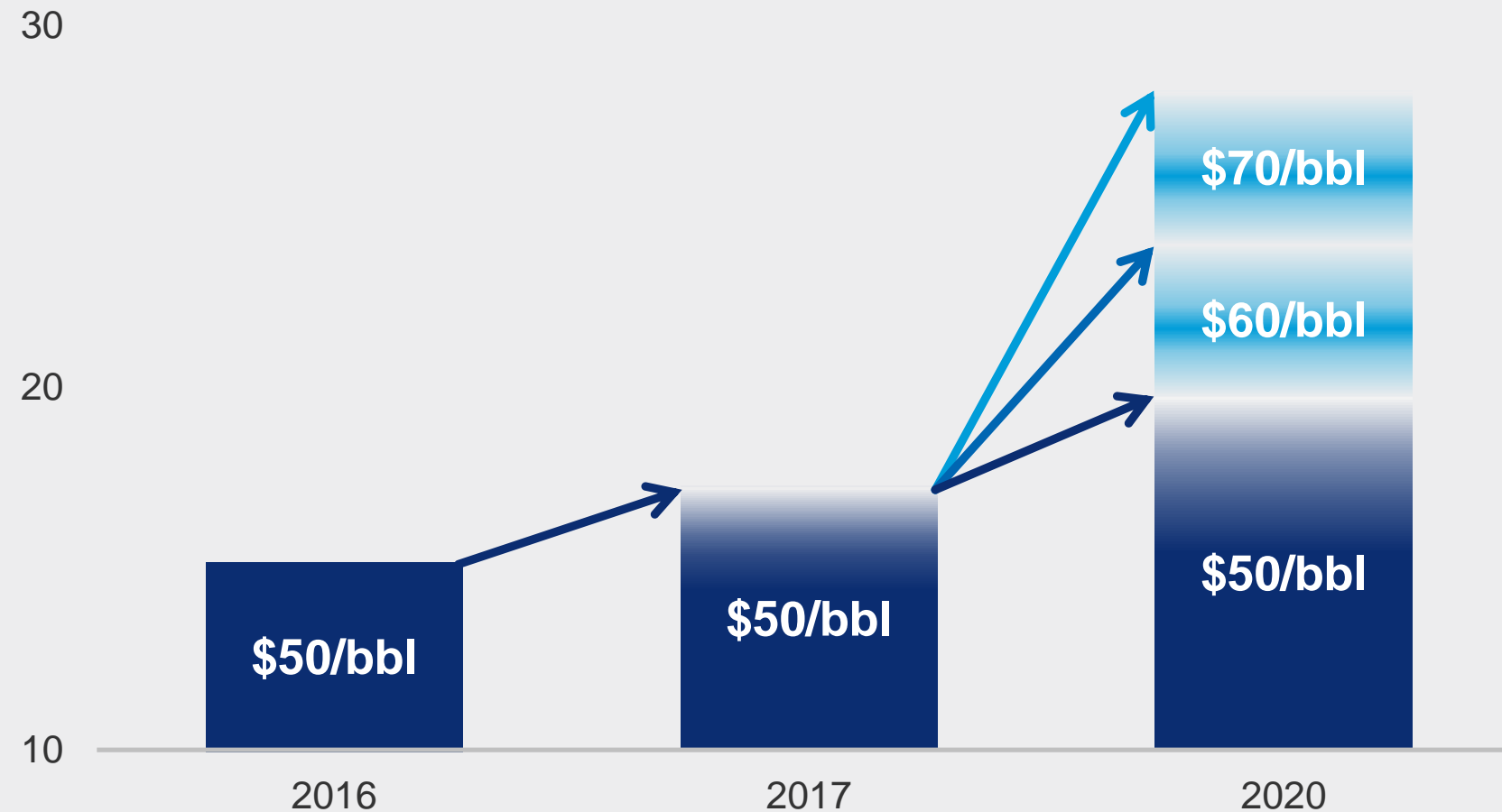
*Estimated growth range reported on 4Q16 earnings call, based on estimated impacts of uncertainties at \$50/bbl Brent. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.



Growing upstream operating cash margin

Projected operating cash margin*

\$ per BOE



New barrels accretive

Divestment of lower margin barrels

Continuous improvement in cost structure

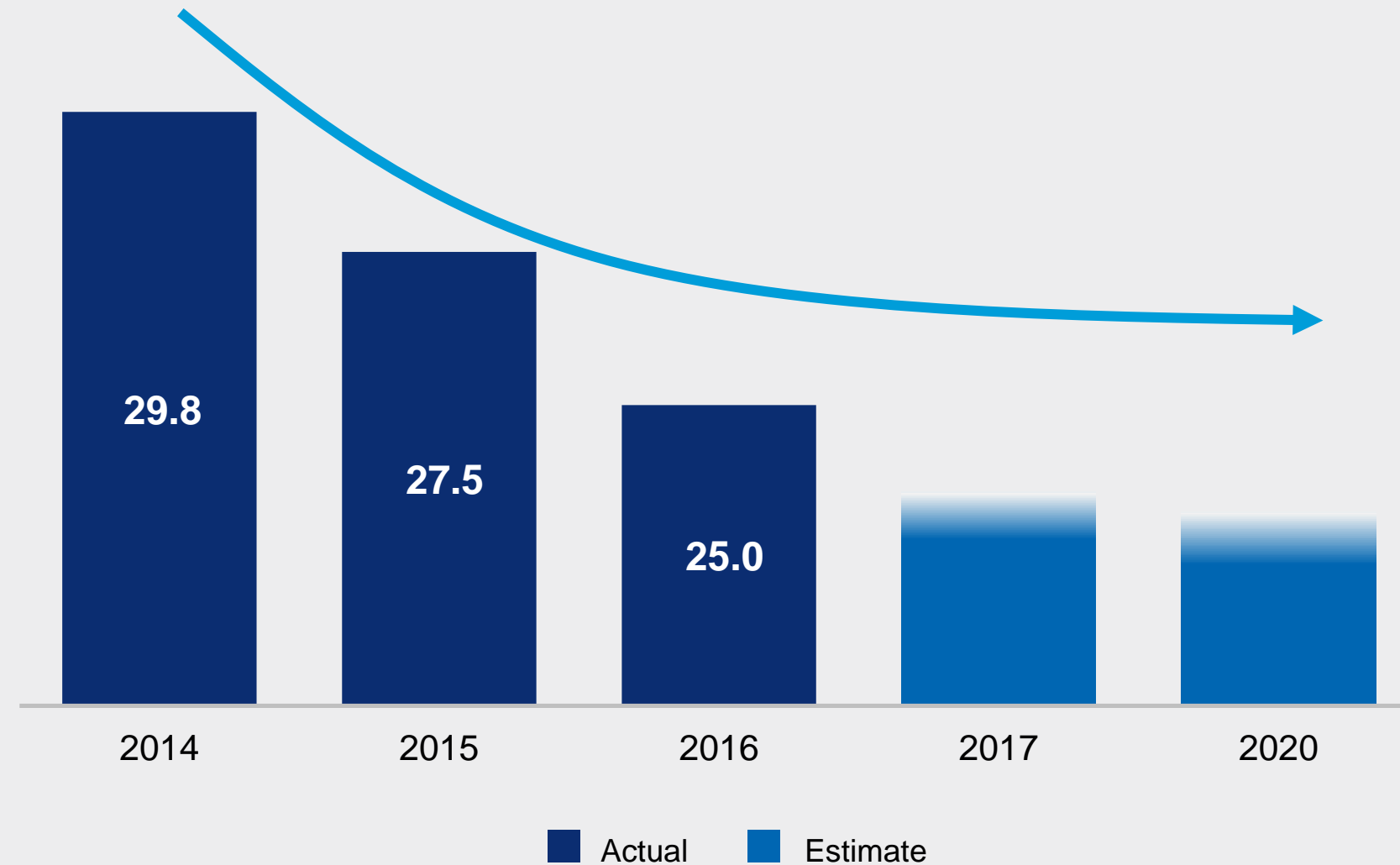
*Estimated after-tax upstream cash flow from operations margin based on Chevron's internal analysis. Adds back impact from non-cash items. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.



Cost reduction

OPEX and SG&A

\$ billions



Cost structure reset

**Cost reductions
continue as
volume grows**

Note: 2017-2020 range at \$50/bbl Brent. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.

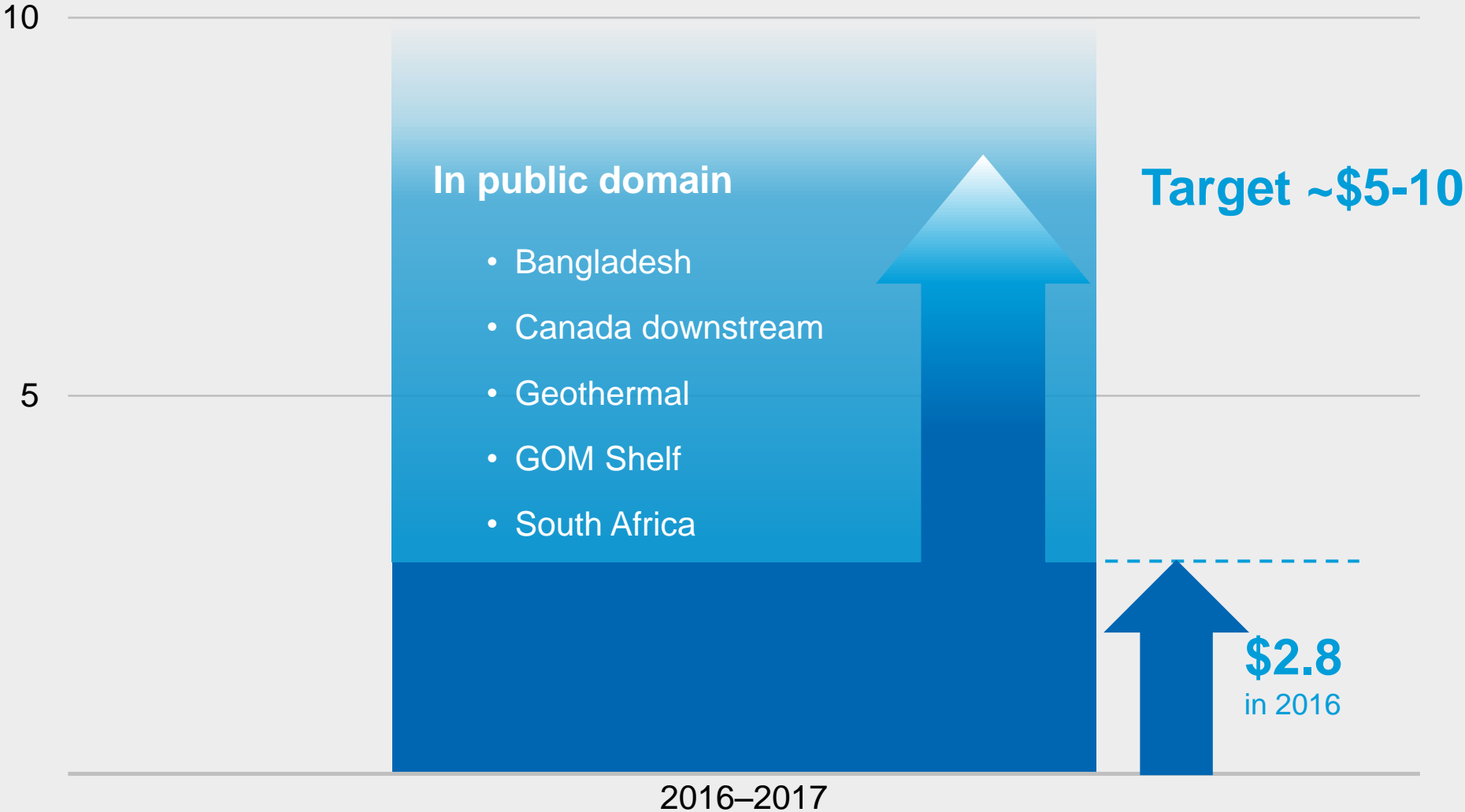


OPEX and SG&A = operating, selling, general and administrative expenses as reported on income statement (excludes affiliate spend)

Asset sales program

Proceeds

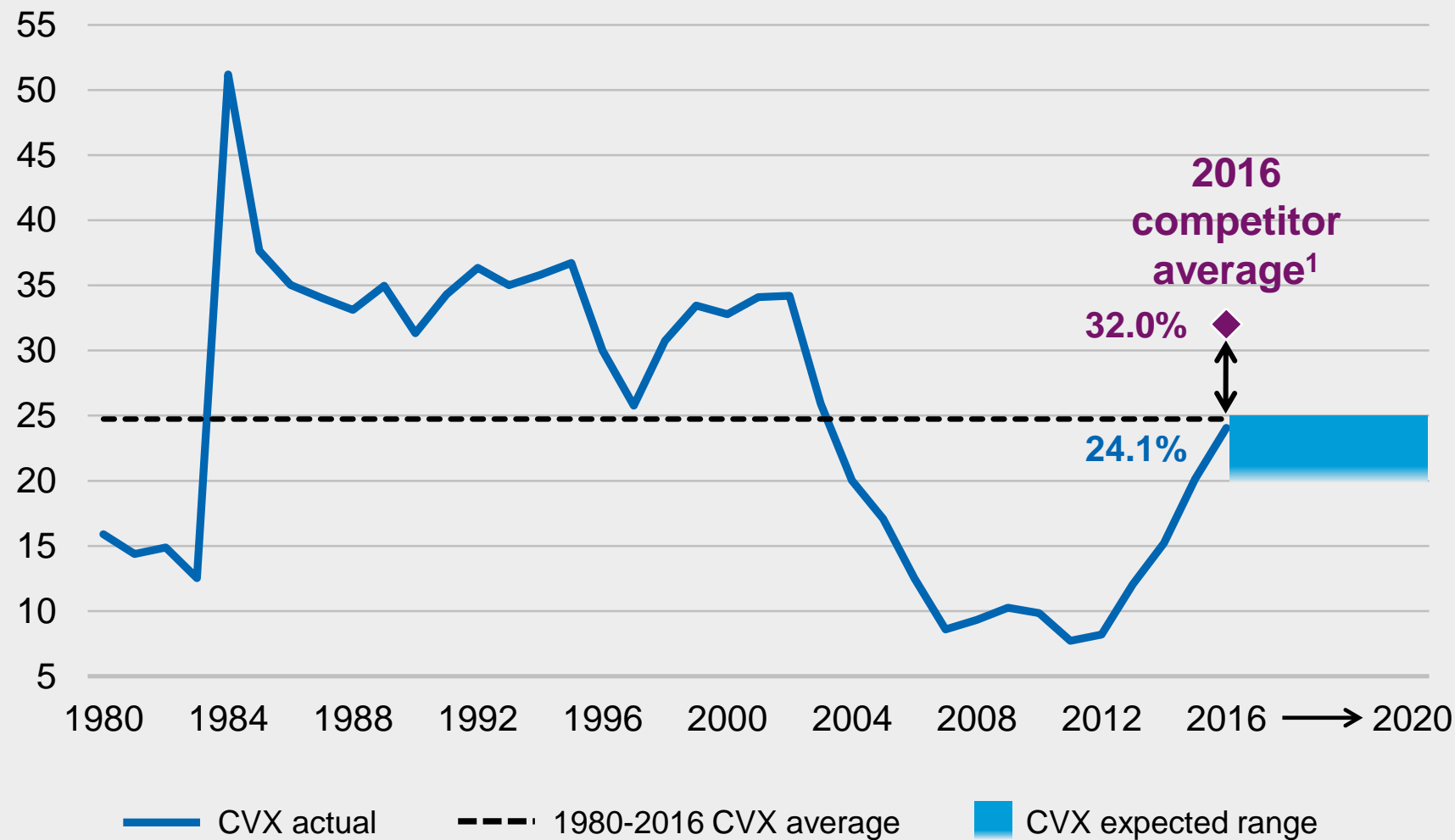
\$ billions (before-tax)



Balance sheet strength

Debt ratio

Percent



**Differentiated strong
balance sheet**

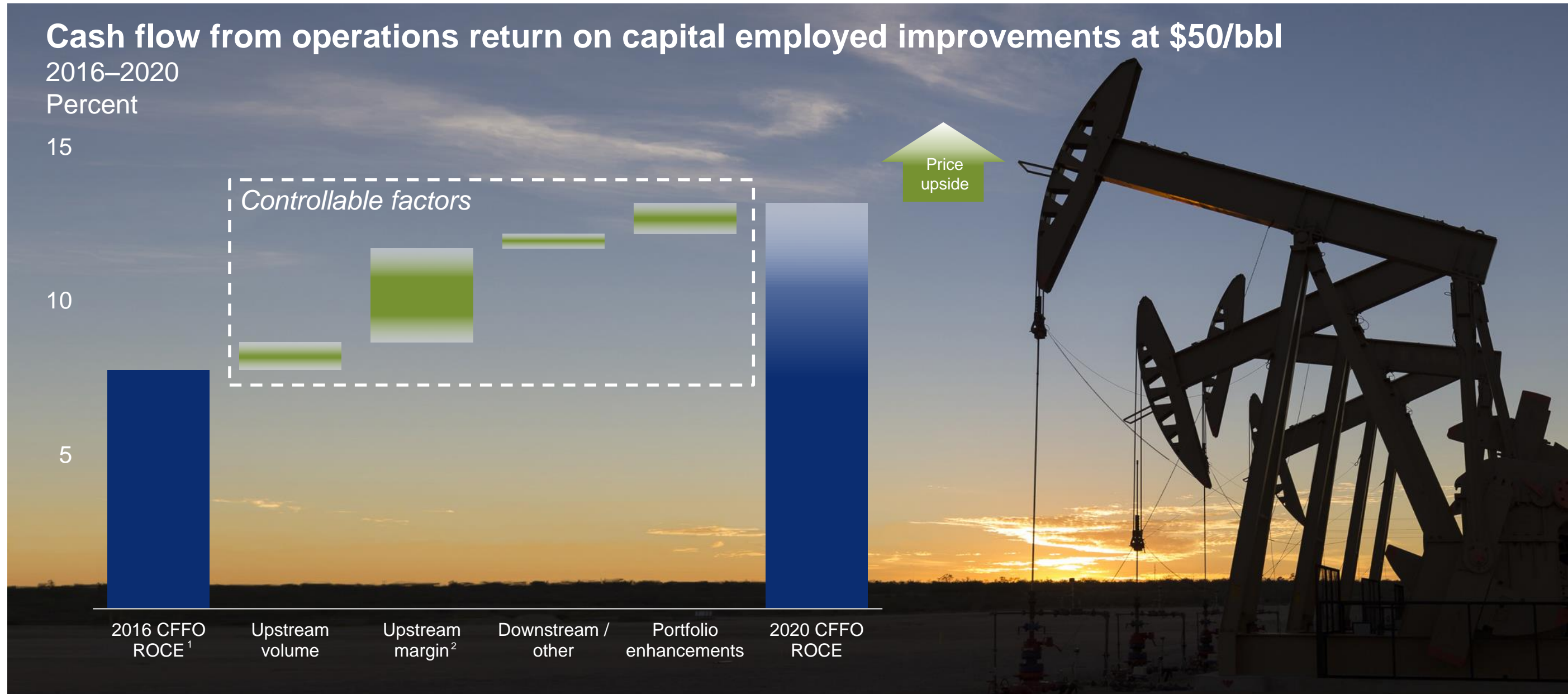
**Expected
20%-25% range
through 2020²**

¹ Competitor group (BP, RDS, TOT, XOM)
Source: Public information



² 2017-2020 range at \$50/bbl Brent. Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.

Strategy focused on improving returns



¹ 2016 CFRO is normalized to \$50/bbl. Assumes \$350MM cash flow impact per \$1/bbl change in Brent price.

² Upstream margin expansion at flat \$50/bbl

Note: \$50/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast

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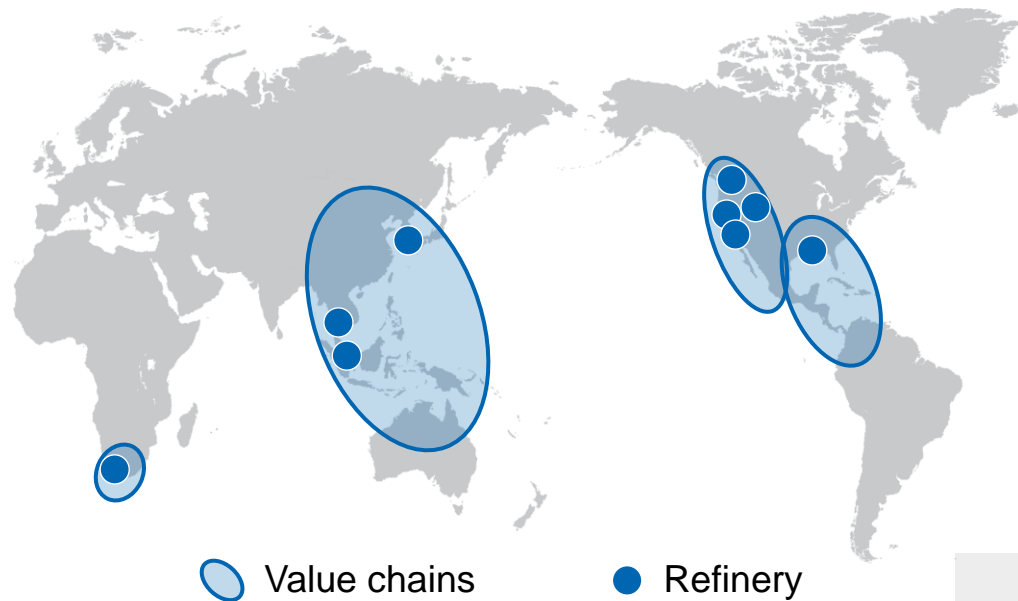


Image: Permian basin

Downstream portfolio

Fuels refining & marketing

Integrated value chains



1.8 million barrels per day
Refining capacity¹

Lubricants & additives

Globally positioned

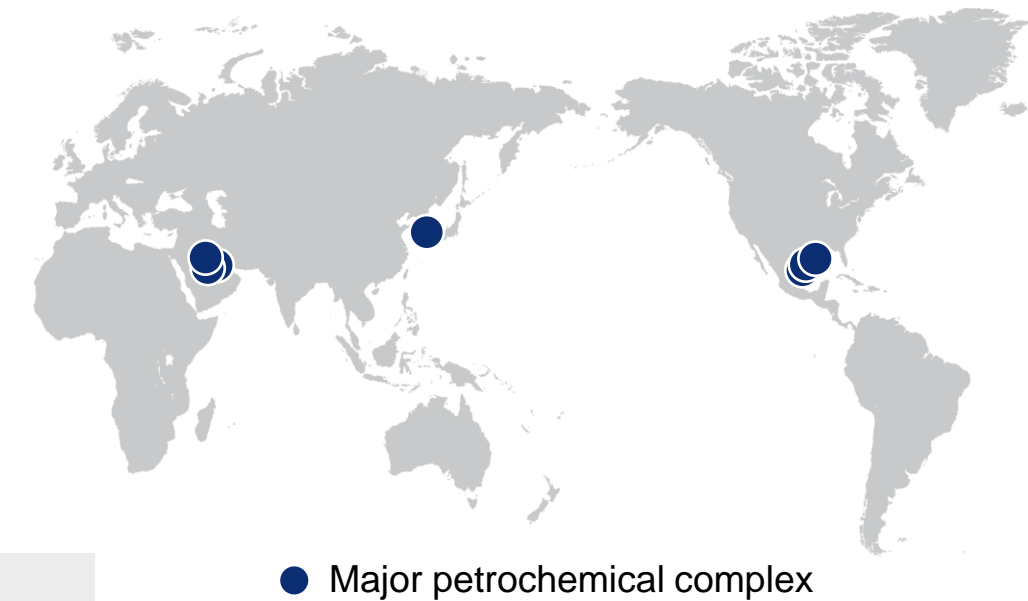
Steady growth, strong margins

Low capital, high return

Consistent cash generation

Petrochemicals

Advantaged feed and scale



5.8 million metric tons per annum
Olefins capacity^{1,3}

3.3 million metric tons per annum
Aromatics capacity^{1,3}

Capital employed²



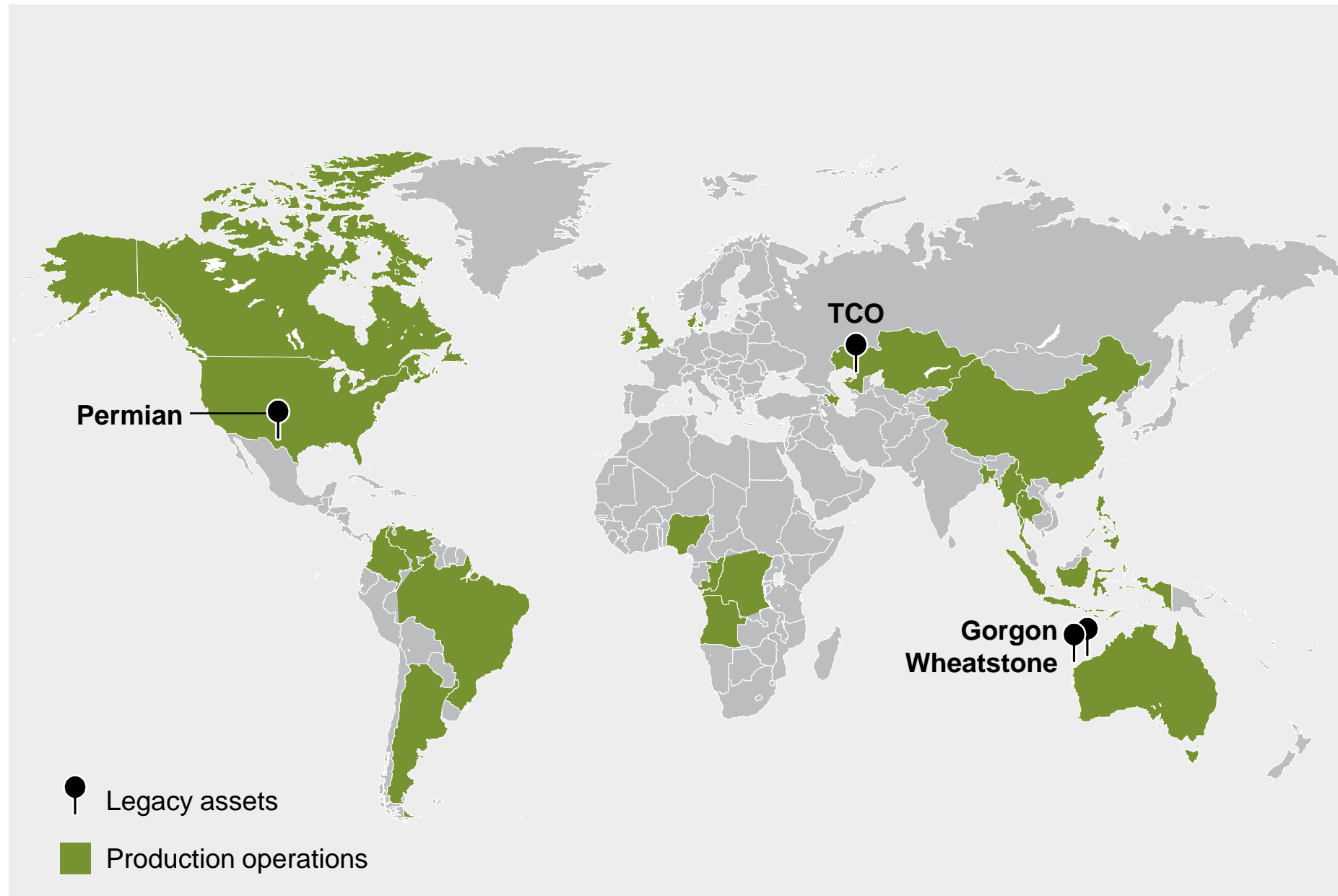
¹ Chevron share of capacities

² Downstream capital employed reconciliation can be found in the appendix

³ Includes derivatives



Upstream portfolio



Strong diverse portfolio

Near-term cash generators

Short-cycle time depth

Long-term asset plays

