

# First Quarter 2014 Earnings Conference Call and Webcast



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*May 2, 2014*

# Cautionary Statement



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*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 such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “budgets,” “outlook” 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.*

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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 2013 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

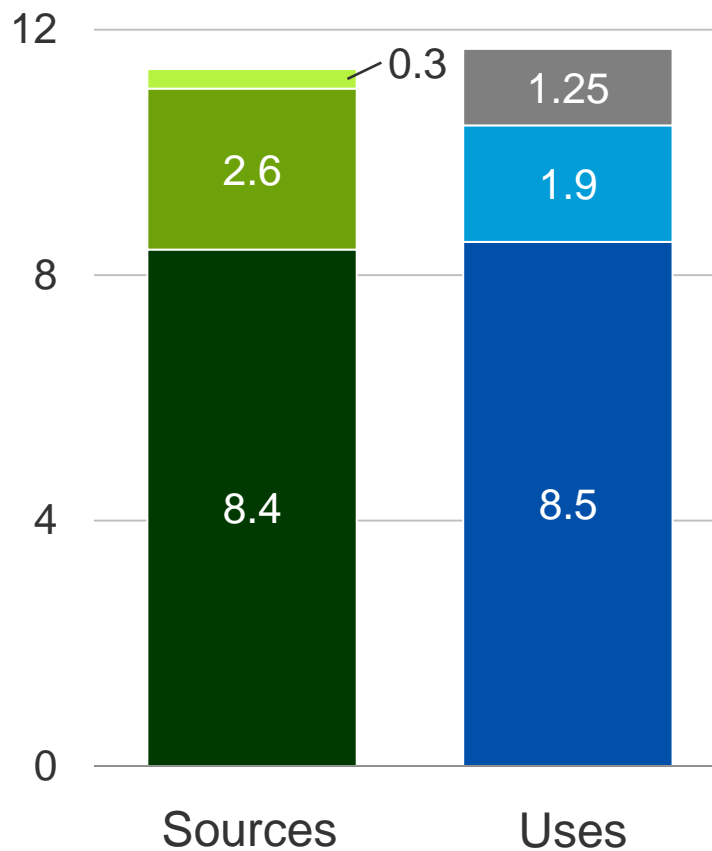


<b>1Q14 Earnings</b>	\$4.5 Billion
<b>1Q14 Earnings per Diluted Share</b>	\$2.36
<b>ROCE</b> (trailing 12 months thru 3/31/2014)	12.0%
<b>Debt Ratio</b> (as of 3/31/2014)	13.3%

# Sources and Uses of Cash<sup>(1)</sup> 1Q14



\$ Billions



**Sources of Cash:**
 Cash flow from operations<sup>(1,2)</sup>
 Net debt issuance
  Asset Sales

**Uses of Cash:**
 Capital expenditures<sup>(2)</sup>
 Dividends
  Share repurchases

<sup>(1)</sup> Includes cash and cash equivalents, time deposits and marketable securities.

<sup>(2)</sup> 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.

# Consistent Shareholder Distributions



>10%

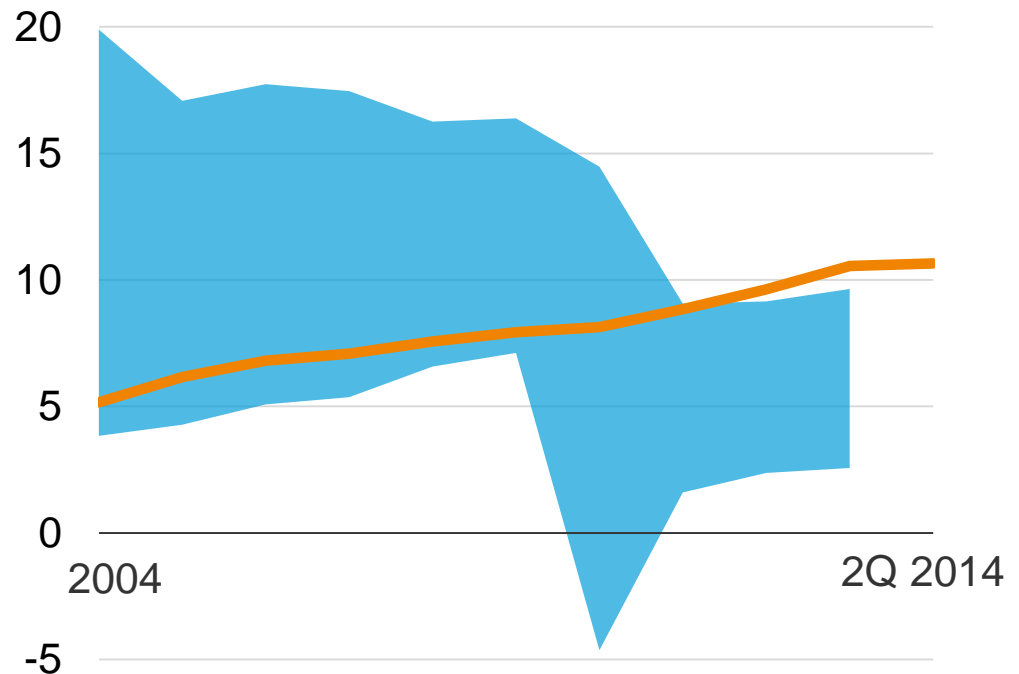
CAGR through 2014

Over \$40 B

in Cumulative Share Repurchases over Period

## Dividend Growth

Rolling 10 Year Compound Annual Growth Rate



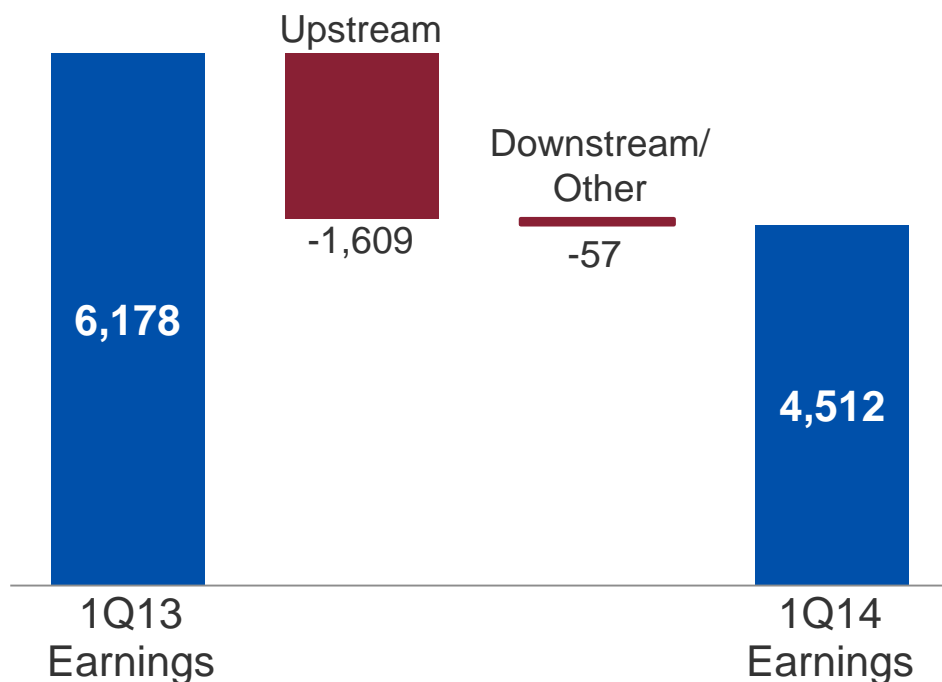
IOC Range: BP, RDS, TOT, XOM

Chevron

# Chevron Earnings 1Q14 vs. 1Q13



\$ Millions



- Negative FX swing (-\$325 million)

## Upstream

- Lower crude realizations and volumes
- Higher tax effects, DD&A, FX and exploration expenses

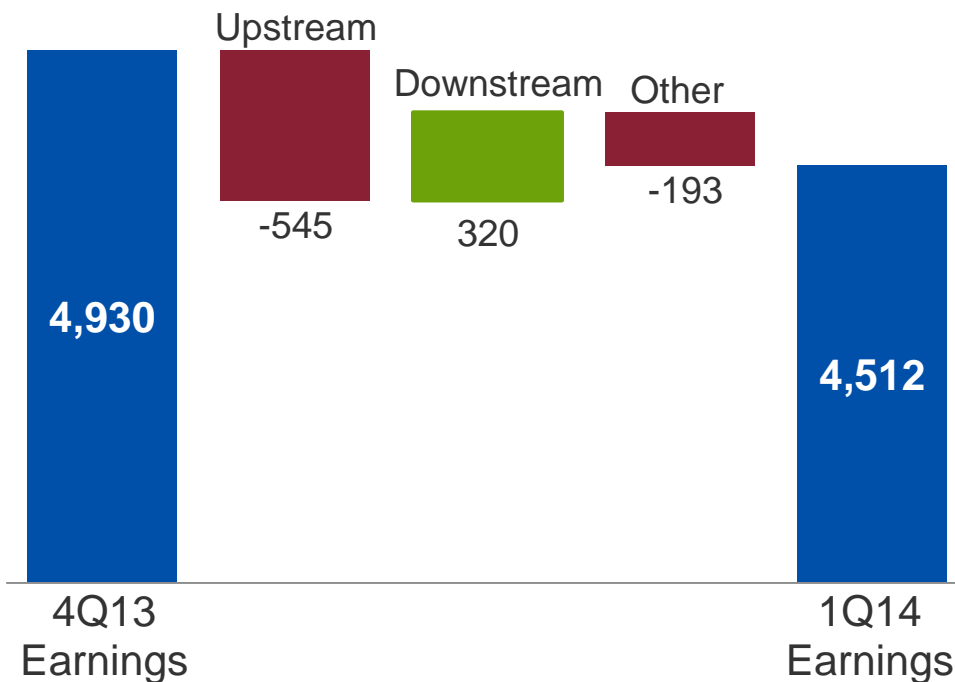
## Downstream/Other

- Higher Downstream earnings, despite negative FX swing
- Impairment of mining asset

# Chevron Earnings 1Q14 vs. 4Q13



\$ Millions



## Upstream

- Negative FX swing (-\$355 million)
- Lower liftings, higher tax effects
- Lower exploration expenses

## Downstream

- Lower operating expenses
- Stronger Chemicals results
- Volumes lower on turnarounds

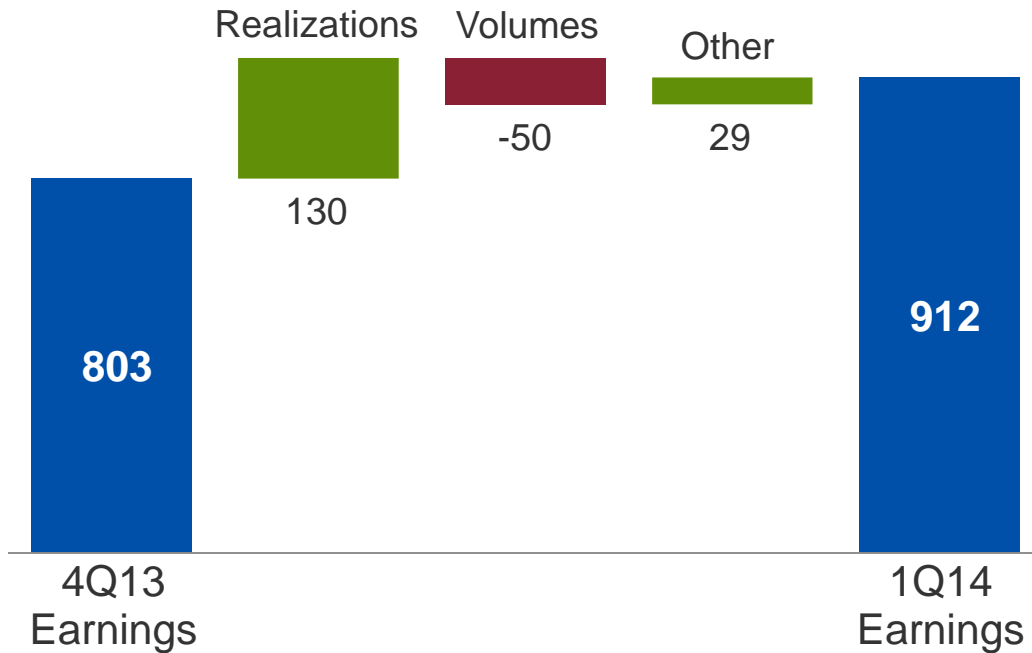
## Other

- Impairment of mining asset
- Lower corporate expenses

# U.S. Upstream Earnings 1Q14 vs. 4Q13



\$ Millions



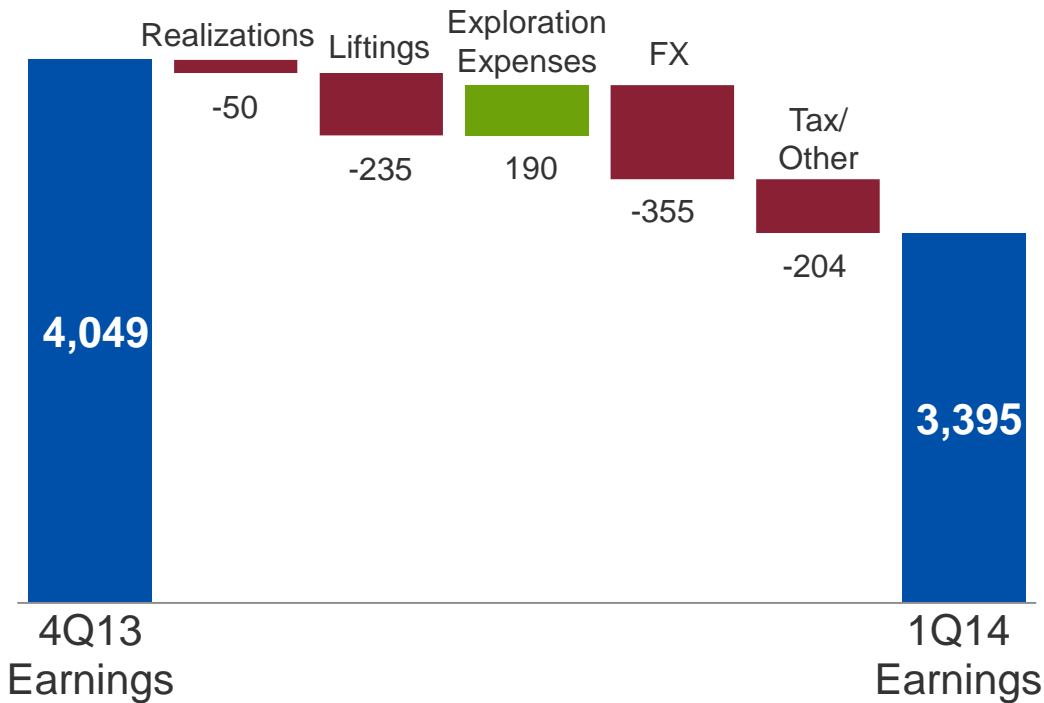
- Increase in natural gas and West Coast crude prices
- Gulf of Mexico impacted by turnarounds and normal field declines



# International Upstream Earnings 1Q14 vs. 4Q13



\$ Millions

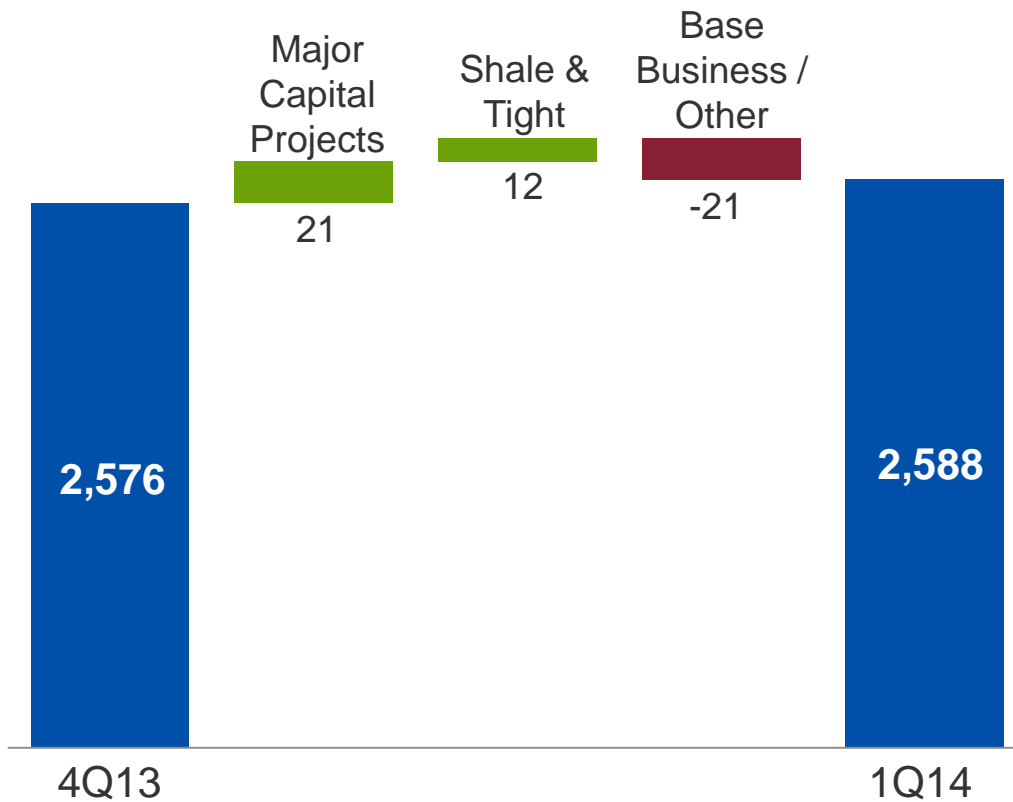


- Timing of liftings across multiple countries
- Lower well write-offs and G&G expenses
- Negative FX swing
- Unfavorable tax effects

# Worldwide Net Oil & Gas Production 1Q14 vs. 4Q13



MBOED

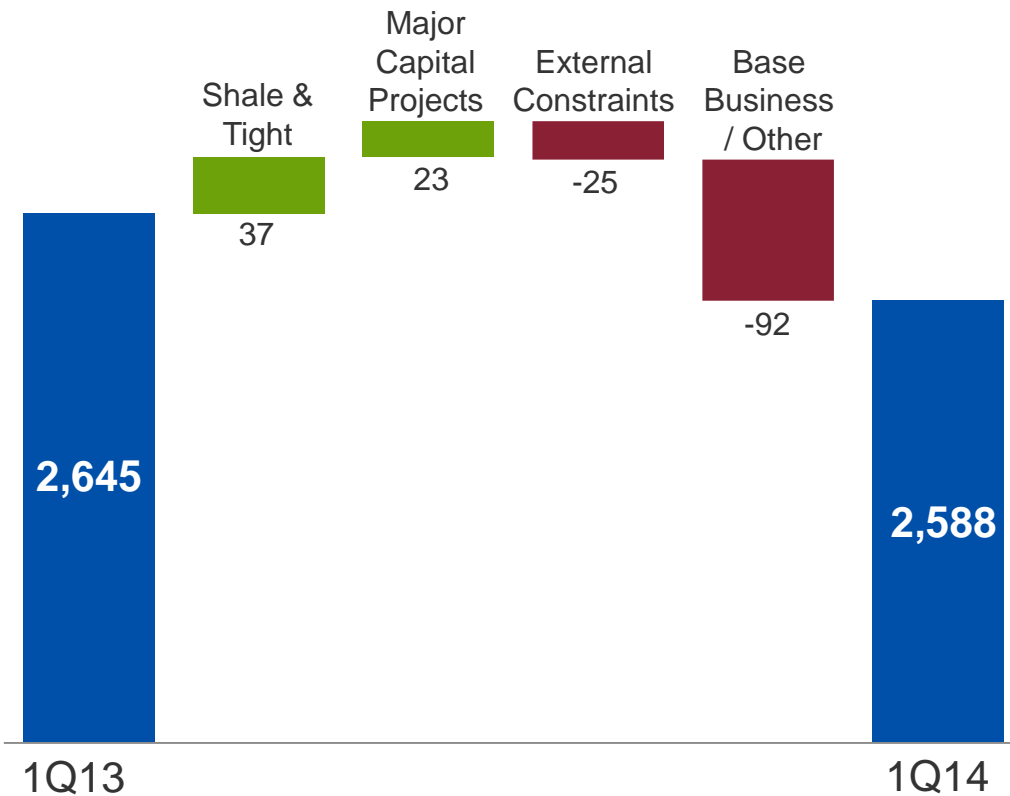


- Increases from Angola LNG, Papa-Terra projects
- Permian and Vaca Muerta production growth
- Kazakhstan weather impacts -10 MBOED

# Worldwide Net Oil & Gas Production 1Q14 vs. 1Q13



MBOED

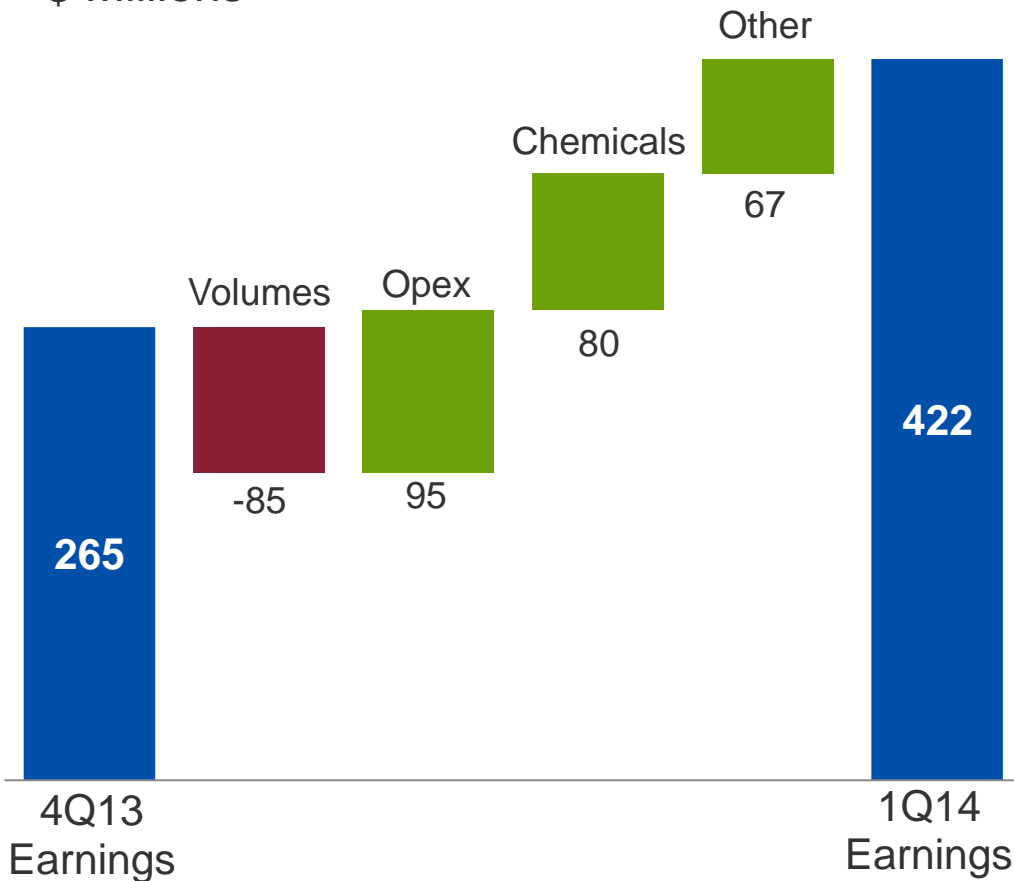


- Permian, Marcellus and Vaca Muerta growth
- Contributions from Angola LNG and Papa-Terra
- Negative weather impacts in Kazakhstan, reduced Thailand demand
- Normal field declines, miscellaneous impacts

# U.S. Downstream Earnings 1Q14 vs. 4Q13



\$ Millions

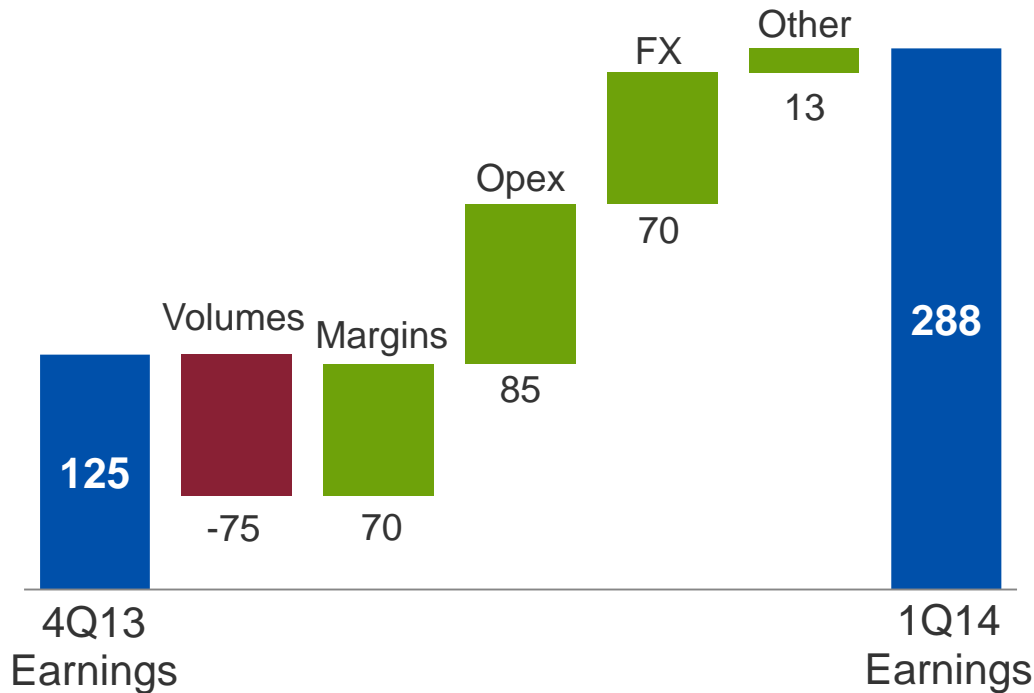


- Refinery turnarounds in California and Mississippi
- Lower operating expenses despite turnaround activity
- Stronger Chemicals margins
- Higher Midstream asset sale gains

# International Downstream Earnings 1Q14 vs. 4Q13



\$ Millions



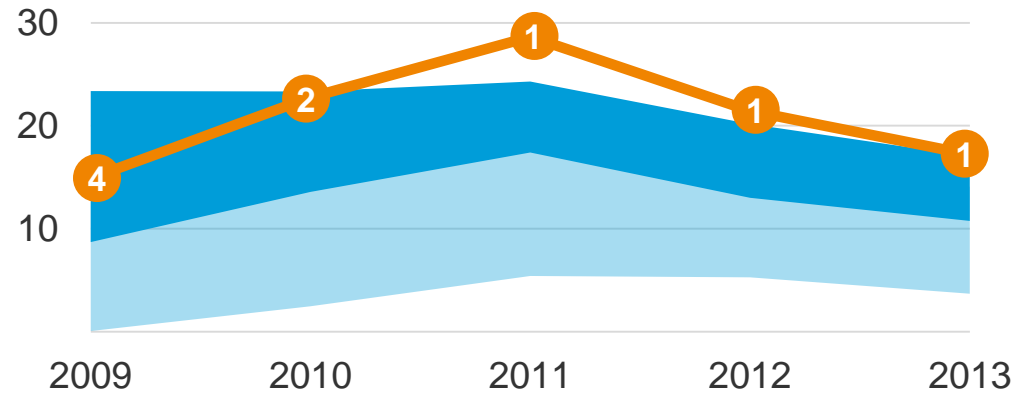
- Refinery turnarounds in Thailand and South Africa
- Stronger R&M margins in Asia
- Lower fuel costs
- Favorable FX movements

# Strong 2013 Financial Performance



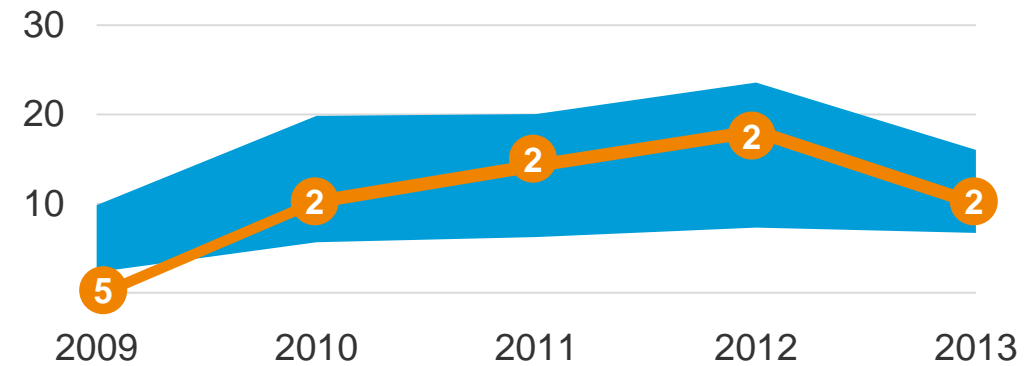
17.2%

Upstream  
2013 Adjusted ROCE



10.0%

Downstream  
2013 Adjusted ROCE



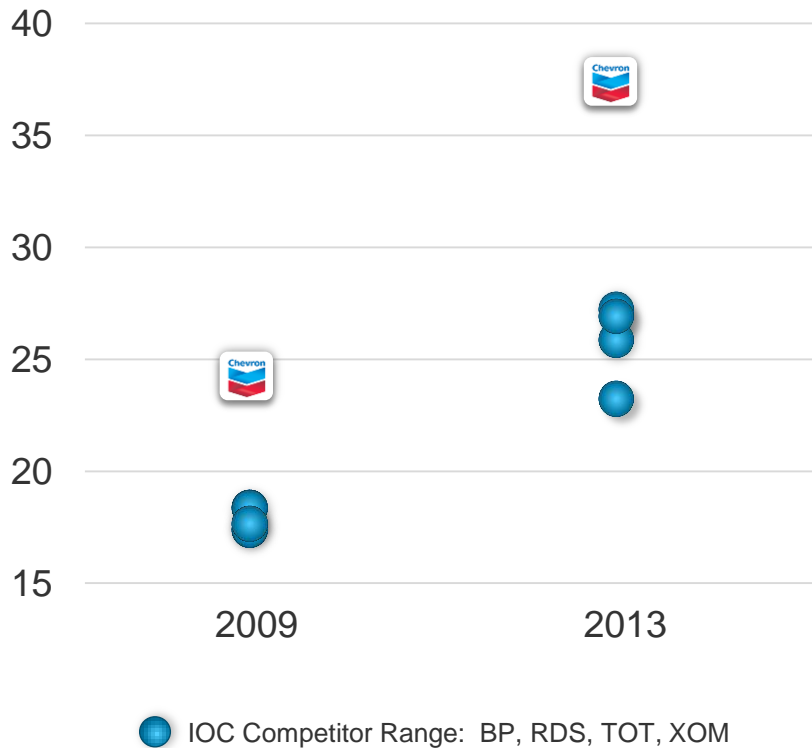
- CVX Ranking relative to IOC Competitors, 1 being the best
- IOC Competitor Range: BP, RDS,TOT, XOM
- Others: APA, APC, BG, COP, DVN, ENI, EOG, HES, MRO, OXY, STO

# Superior Upstream Cash Margin Position



## Cash Margin

Adjusted Cash Margin \$/BOE



## Cash Margin Price Sensitivity

Adjusted Cash Margin \$/BOE



# Key Upstream Updates



## Deepwater

### Jack/St. Malo

- On budget and on-track for 4Q14 start-up
- Completed testing of flowlines and export pipelines

### Tubular Bells

- Commissioning in progress, project is ~90% complete

### Big Foot

- Oil export pipeline installed
- Finalized prep for heavy lift of drilling module to topsides



## LNG

### Gorgon

- Project 80% complete
- Final two gas turbine generators installed
- Jetty roadway, loops and passing bays installed

### Wheatstone

- Project 33% complete
- Completed rock blanket foundation for platform
- Development drilling underway



## Shale / Tight

### Permian

- 25 rigs active, ~120 wells drilled this year
- Focused on capital and execution efficiency
- Midland: Active vertical program; commence horizontal mid-2014
- Delaware: 8 rig program ongoing

### Vaca Muerta

- Continued ramp-up
- Additional exploration and other agreements signed





# Other Highlights



## Upstream

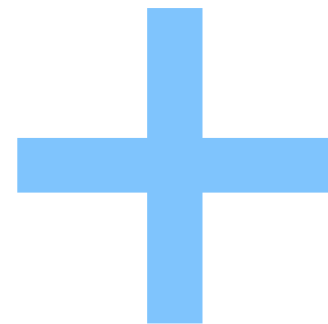
- U.K. – reached FID on Alder Field development in the Central North Sea
- Azerbaijan – achieved first production from the Chirag Oil Project
- Myanmar – announced acquisition of offshore shallow water acreage

## Downstream

- Achieved mechanical completion:
  - Pascagoula Premium Base Oil Facility
  - CPCChem 1-Hexene Plant Project
  - Oronite Singapore Expansion Project
- CPCChem commenced construction on Gulf Coast Petrochemicals Project



# Questions



# Answers

# Appendix

## Reconciliation of Chevron's Adjusted Earnings



	TOTAL UPSTREAM									
	1Q14	2013	4Q13	3Q13	2Q13	1Q13	2012	2011	2010	2009
<b>Adjusted Earnings * (\$MM)</b>	<b>\$4,457</b>	<b>\$20,809</b>	<b>\$4,852</b>	<b>\$5,092</b>	<b>\$4,949</b>	<b>\$5,916</b>	<b>\$21,788</b>	<b>\$24,786</b>	<b>\$17,677</b>	<b>\$10,632</b>
Adjustment Items:										
Asset Impairments & Revaluations	(150)	--	--	--	--	--	--	--	--	(100)
Asset Dispositions	--	--	--	--	--	--	2,000	--	--	400
Tax Adjustments	--	--	--	--	--	--	--	--	--	--
Environmental Remediation Provisions	--	--	--	--	--	--	--	--	--	--
Restructurings & Reorganizations	--	--	--	--	--	--	--	--	--	--
Litigation Provisions	--	--	--	--	--	--	--	--	--	--
Total Special Items	--	--	--	--	--	--	2,000	--	--	300
Cumulative Effect of Changes in Accounting Principles	--	--	--	--	--	--	--	--	--	--
<b>Reported Earnings (\$MM)</b>	<b>\$4,307</b>	<b>\$20,809</b>	<b>\$4,852</b>	<b>\$5,092</b>	<b>\$4,949</b>	<b>\$5,916</b>	<b>\$23,788</b>	<b>\$24,786</b>	<b>\$17,677</b>	<b>\$ 10,932</b>
Net Production Volume (MBOED) **	2,494	2,509	2,488	2,499	2,492	2,560	2,523	2,587	2,674	2,617
Reported Earnings per BOE	\$19.18	\$22.72	\$21.20	\$22.15	\$21.81	\$25.68	\$25.76	\$26.25	\$ 18.11	\$ 11.44
Adjusted Earnings per BOE	\$19.85	\$22.72	\$21.20	\$22.15	\$21.81	\$25.68	\$23.59	\$26.25	\$ 18.11	\$ 11.13
Average Capital Employed (\$MM) ***	\$132,347	\$121,145	\$109,943	\$109,943	\$109,943	\$109,943	\$101,566	\$86,589	\$77,662	\$71,387

\* Adjusted Earnings = Reported Earnings less adjustments for certain non-recurring items noted above.

Earnings of competitors are adjusted on a consistent basis as Chevron to exclude certain non-recurring items based on publicly available information.

\*\* Excludes own use fuel (natural gas consumed in operations).

\*\*\* 2013 year-end capital employed is the proxy for quarterly average capital employed in 2014.

# Reconciliation of Chevron's Adjusted Earnings



	TOTAL DOWNSTREAM, INCLUDING CHEMICALS									
	1Q14	2013	4Q13	3Q13	2Q13	1Q13	2012	2011	2010	2009
<b>Adjusted Earnings * (\$MM)</b>	<b>\$610</b>	<b>\$2,237</b>	<b>\$390</b>	<b>\$380</b>	<b>\$766</b>	<b>\$701</b>	<b>\$3,899</b>	<b>\$3,091</b>	<b>\$2,228</b>	<b>\$(67)</b>
Adjustment Items:										
Asset Impairments & Revaluations	--	--	--	--	--	--	--	--	--	--
Asset Dispositions	100	--	--	--	--	--	400	500	400	540
Tax Adjustments	--	--	--	--	--	--	--	--	--	--
Environmental Remediation Provisions	--	--	--	--	--	--	--	--	--	--
Restructurings & Reorganizations	--	--	--	--	--	--	--	--	(150)	--
Litigation Provisions	--	--	--	--	--	--	--	--	--	--
<b>Total Special Items</b>	<b>100</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>400</b>	<b>500</b>	<b>250</b>	<b>540</b>
Cumulative Effect of Changes in Accounting Principles	--	--	--	--	--	--	--	--	--	--
<b>Reported Earnings (\$MM)</b>	<b>\$710</b>	<b>\$2,237</b>	<b>\$390</b>	<b>\$380</b>	<b>\$766</b>	<b>\$701</b>	<b>\$4,299</b>	<b>\$3,591</b>	<b>\$2,478</b>	<b>\$473</b>
Average Capital Employed (\$MM)**	\$23,253	\$22,464	\$21,674	\$21,674	\$21,674	\$21,674	\$21,518	\$21,682	\$21,816	\$21,840

\* Adjusted Earnings = Reported Earnings less adjustments for certain non-recurring items noted above.

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\*\* 2013 year-end capital employed is the proxy for quarterly average capital employed in 2014.