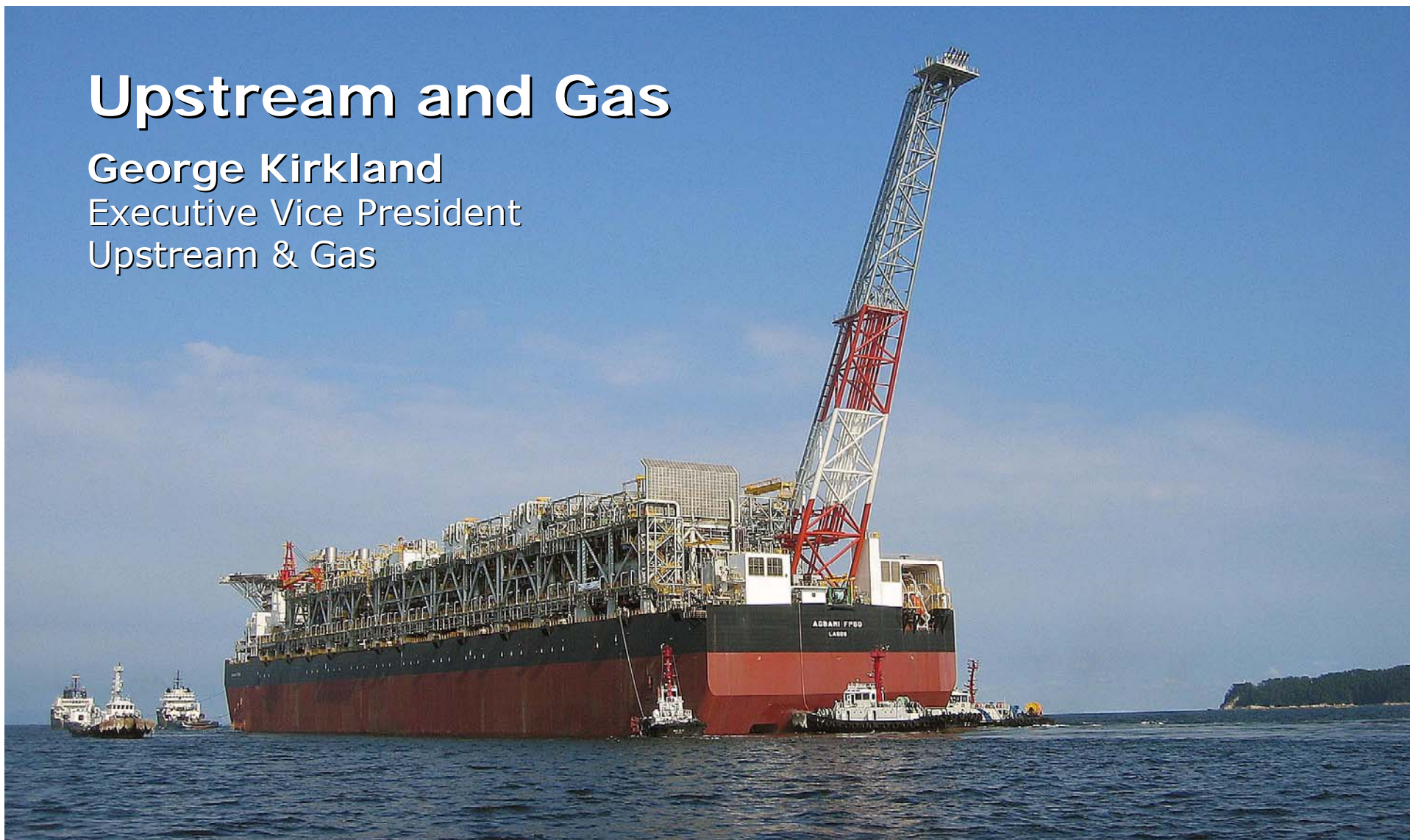




# Upstream and Gas

George Kirkland  
Executive Vice President  
Upstream & Gas





## Delivering on Our 2007 Commitments

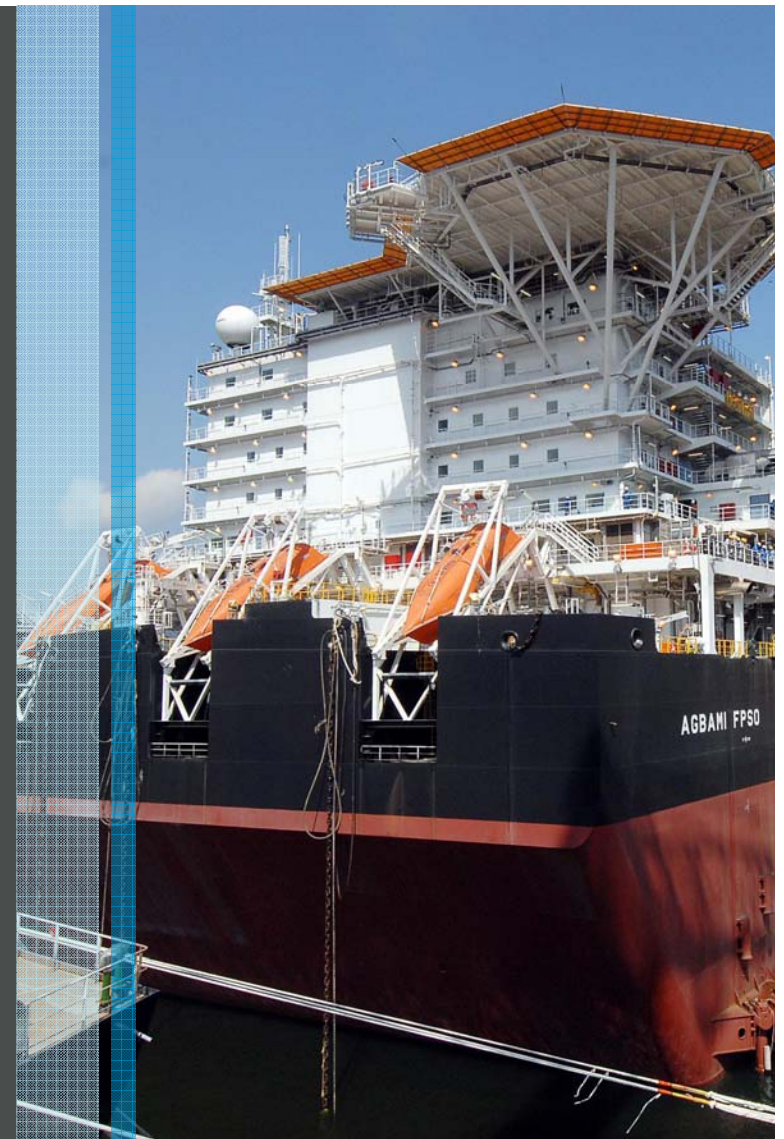
- ✓ 2.6 MMBOED Production Target
- ✓ Bibiyana Startup
- ✓ Tengiz Staged Oil Startup
- ✓ Agbami Progress
- ✓ Blind Faith Progress
- ✓ Frade Progress
- ✓ Nigeria GTL Progress
- Tahiti Progress





## Additional 2007 Accomplishments

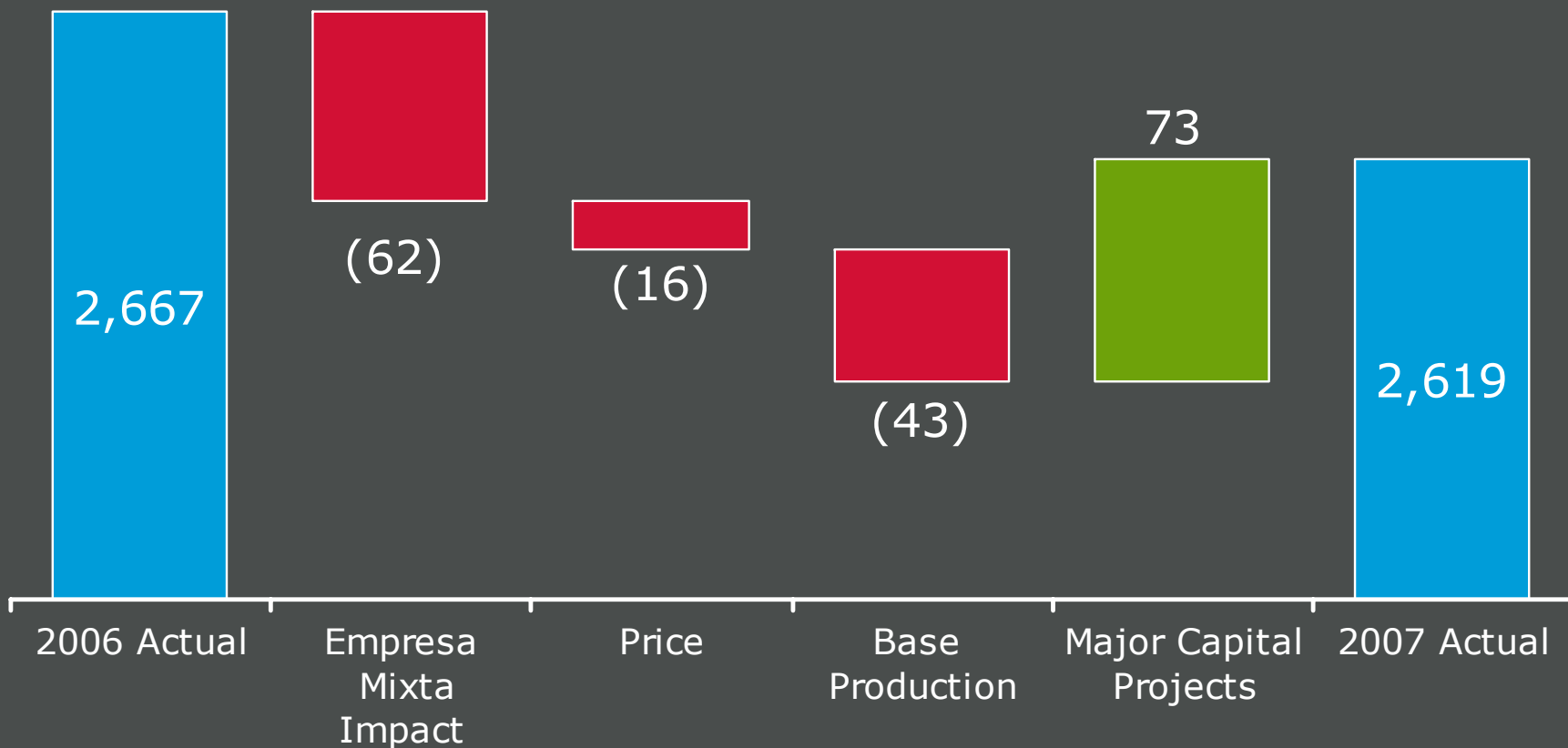
- ✓ Superior Safety Performance
- ✓ Thailand Contract Extension
- ✓ Angola LNG FID
- ✓ Chuandongbei PSC Signing
- ✓ Agbami FPSO Arrival on Location
- ✓ Gorgon Environmental Approvals
- ✓ Exploration Success
- ✓ Competitive Margins and Returns
- ✓ NWS Train 5 Progress
- Reserves Replacement



# Net BOE Production 2007 vs. 2006



Thousands of Barrels Equivalent Per Day

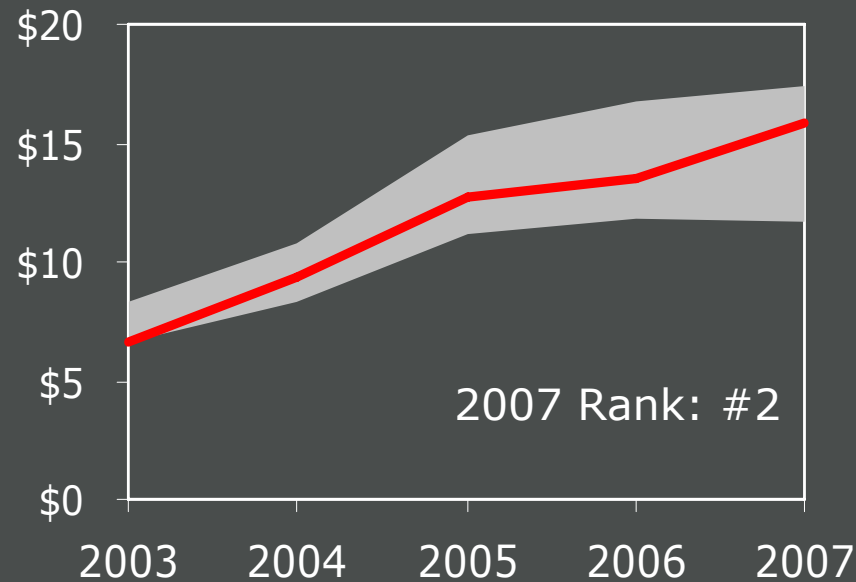


# Delivering Strong Earnings per Barrel and Competitive ROCE



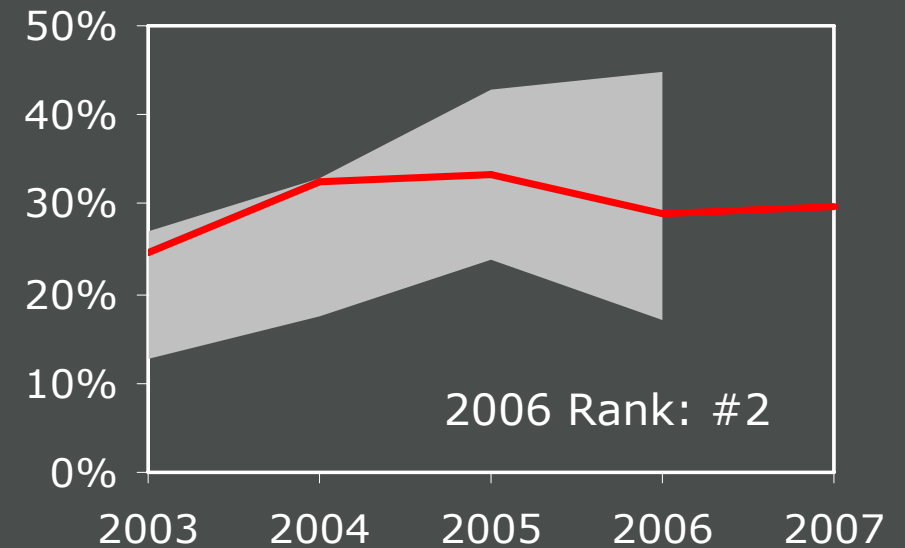
## Earnings/BOE (A/T)

\$/barrel



## Competitive ROCE <sup>1</sup>

ROCE



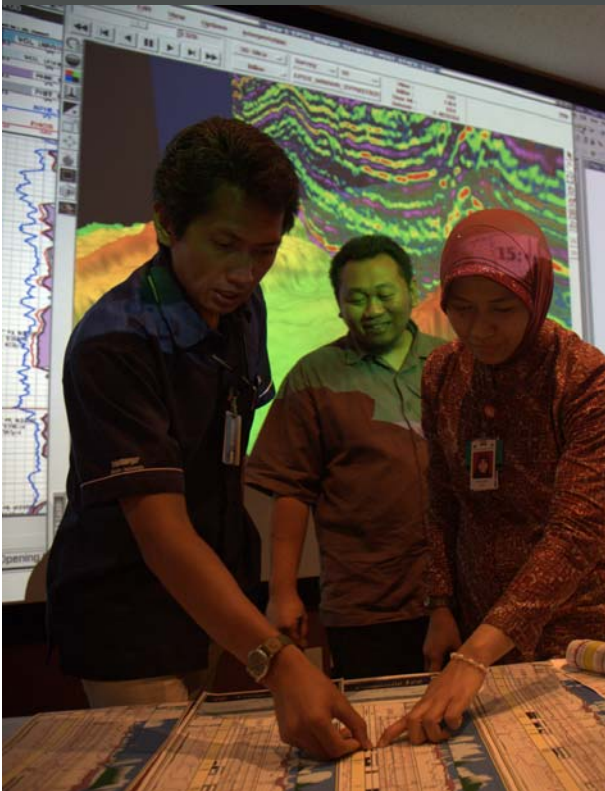
Competitor Group: XOM, BP, COP and RDS

Competitive ROCE calculated based on Chevron estimates and public information handled on a consistent basis.

Excludes special items. Reconciliation to non-GAAP earnings measure for Chevron is available at [www.chevron.com](http://www.chevron.com) under Investors.

<sup>1</sup> 2007 ROCE updated on March 26, 2008

## Right Strategies



## Effective Execution

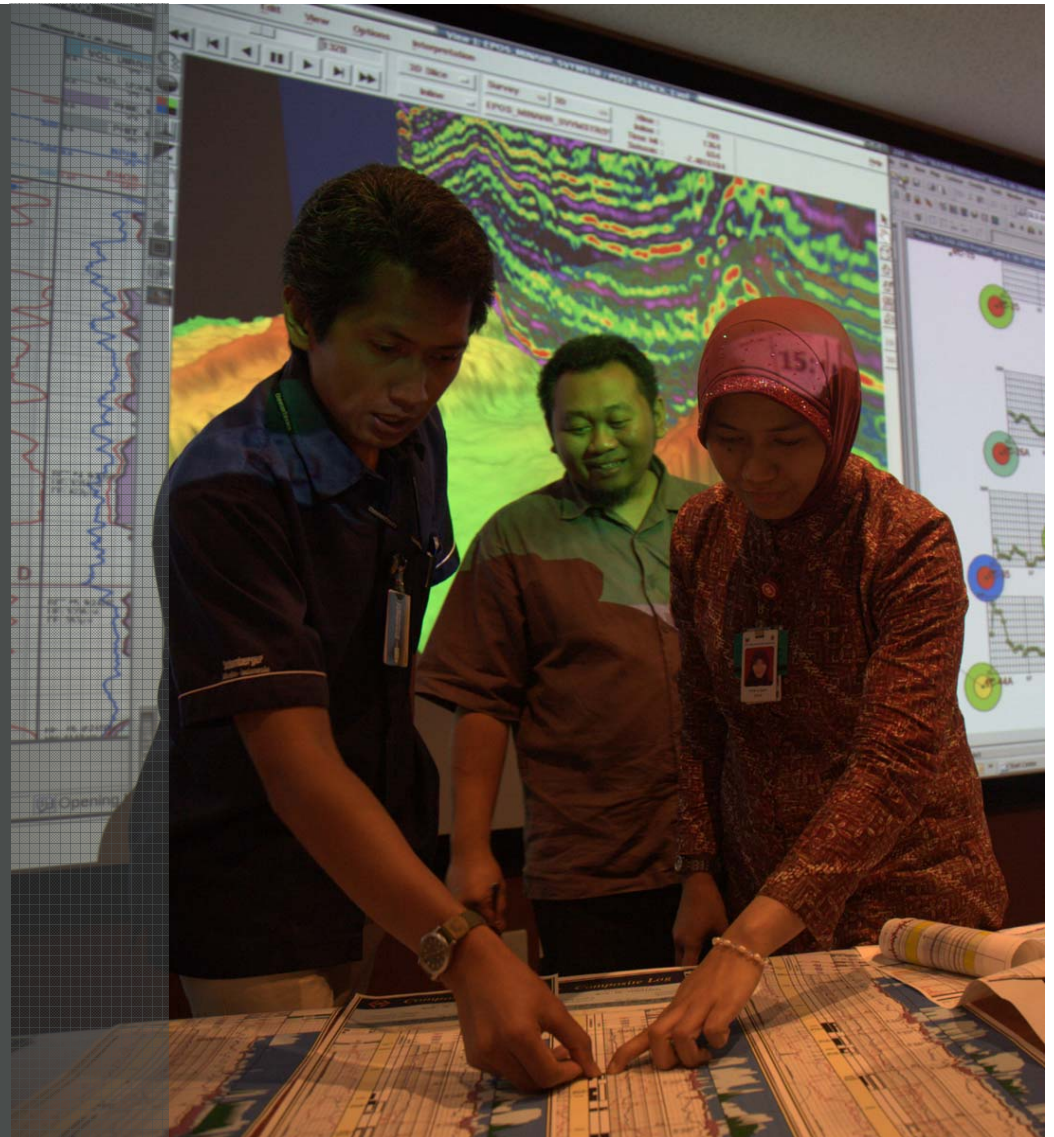


## Profitable Growth





# Right Strategies





## Upstream Has the Right Strategies



### Grow profitably in core areas and build new legacy positions

- Achieve world-class operational performance
- Maximize and grow the Base Business
- Lead the industry in selection and execution of Major Capital Projects
- Achieve superior Exploration performance
- Identify, capture and effectively incorporate new core positions



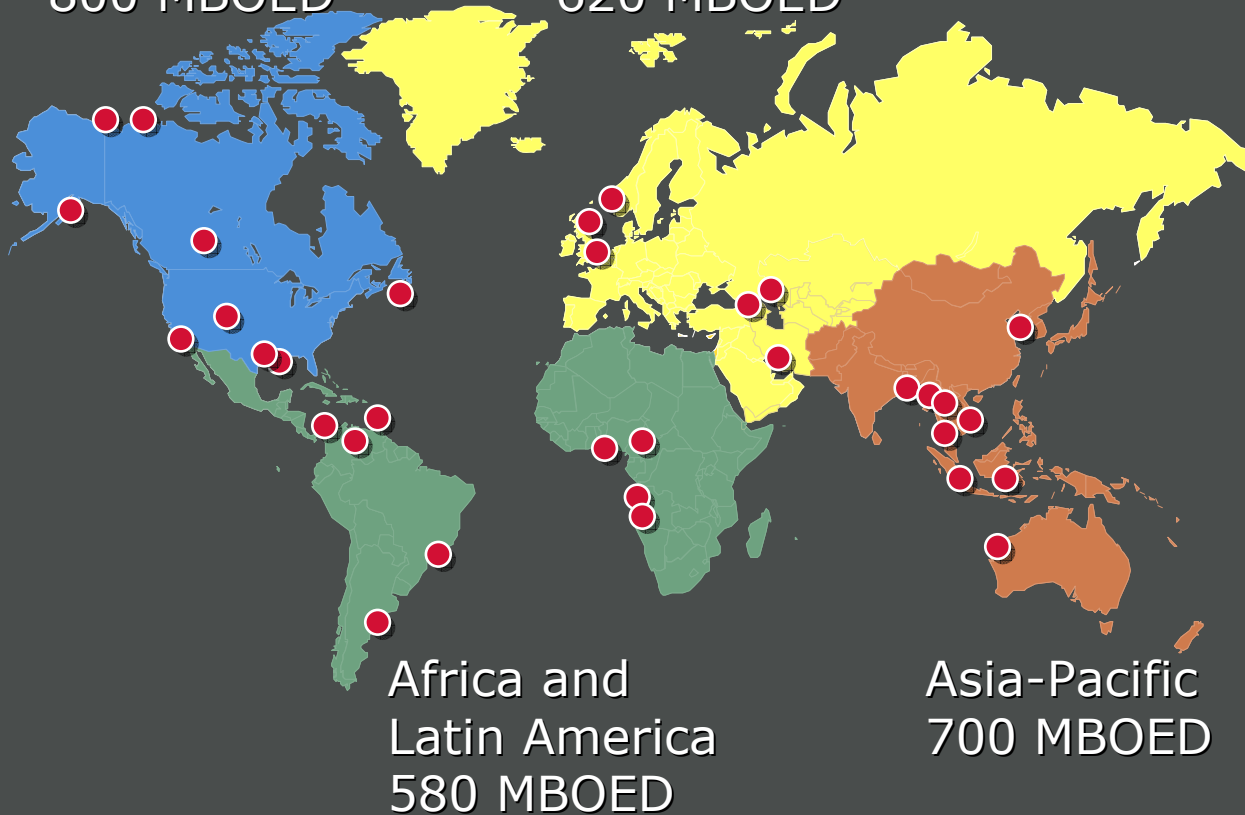
# Positioned With a Strong Worldwide Portfolio



## Regional Exploration & Production Companies

North America  
800 MBOED

Europe, Eurasia and Middle East  
620 MBOED

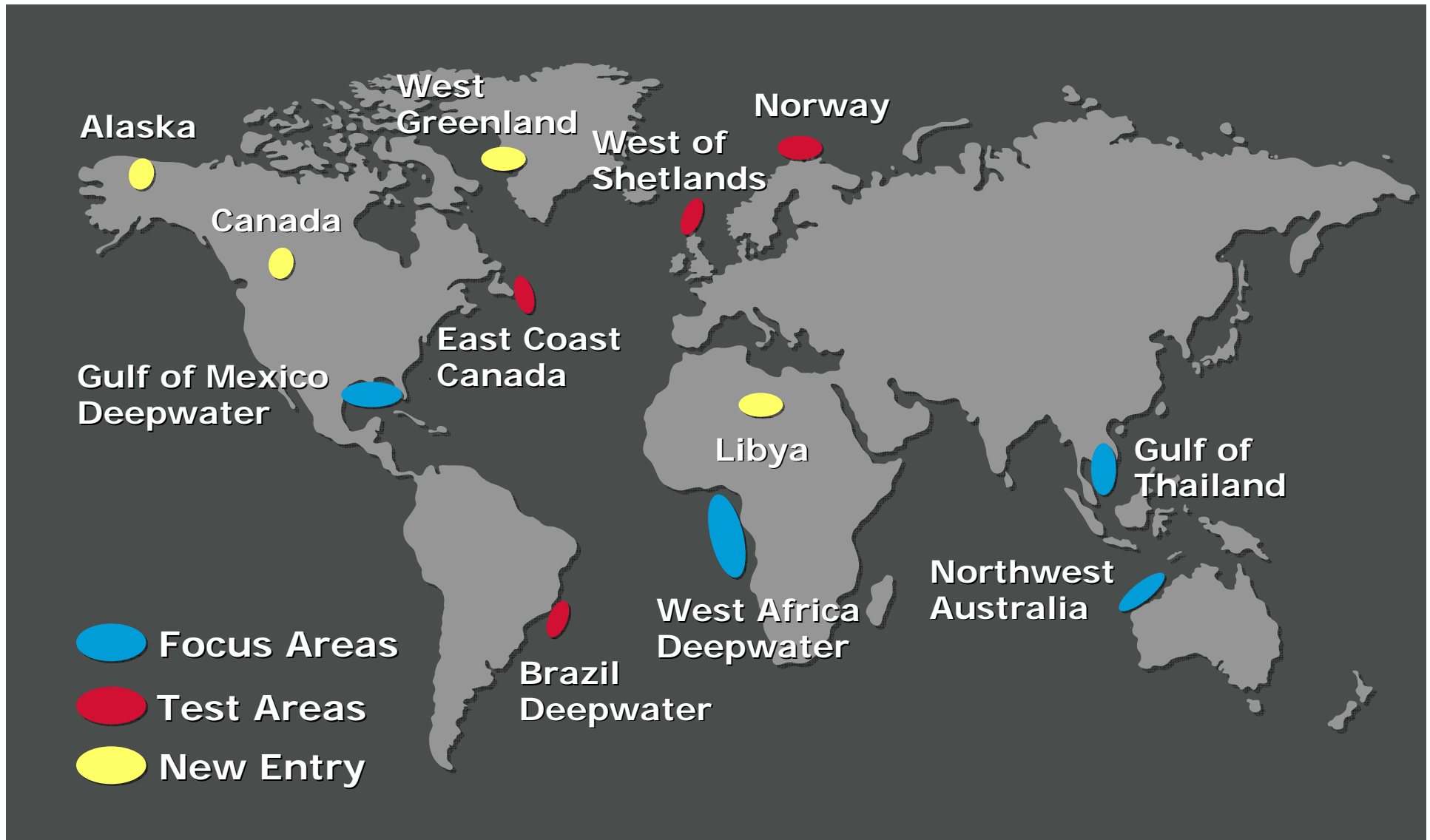


Africa and  
Latin America  
580 MBOED

Asia-Pacific  
700 MBOED

- 11 billion BOE net proved reserves
- 2.7 million BOED net production capacity
- Leading positions in key oil and gas basins

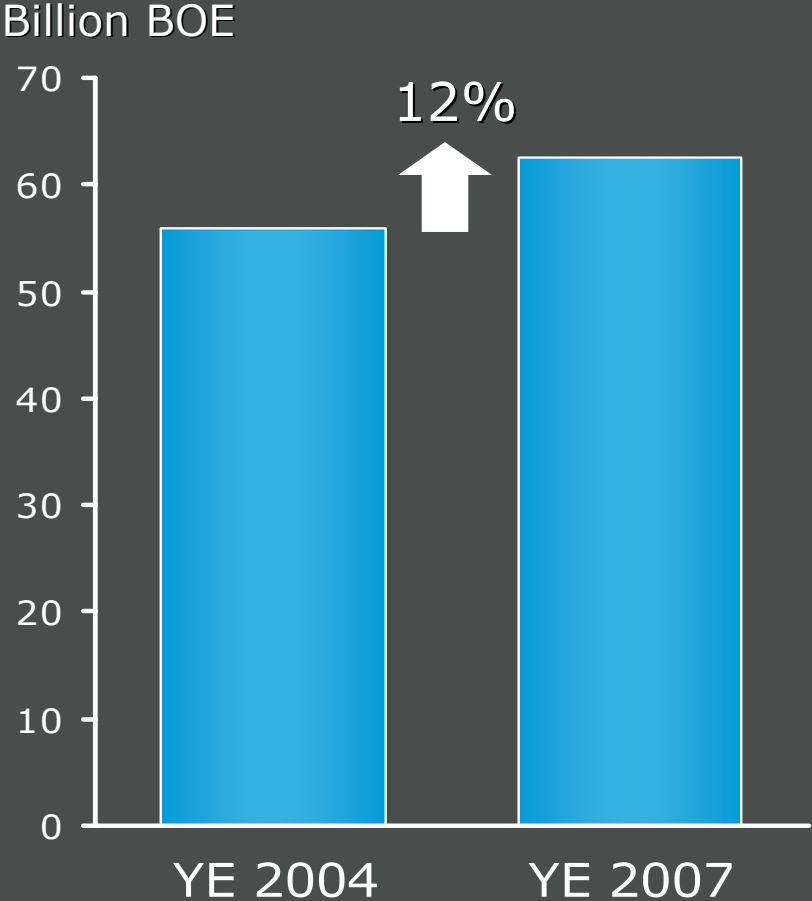
# Exploration Strategy Focus and Impact



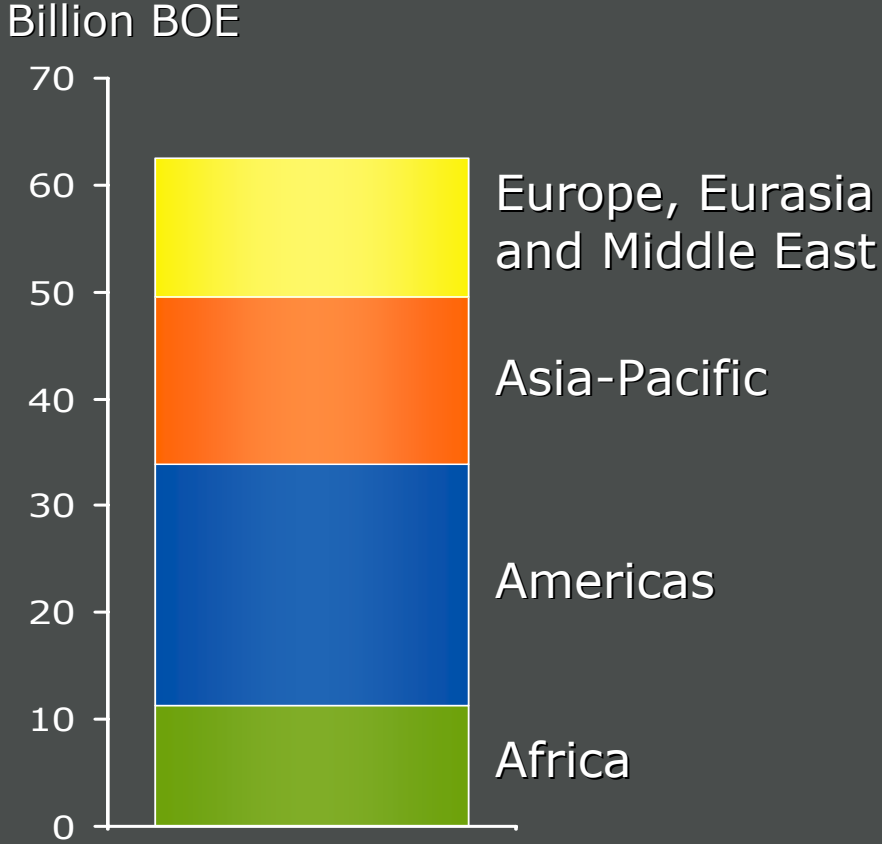


# Growing a Diversified Resource\* Portfolio

## Resource Growth



## Resource Distribution

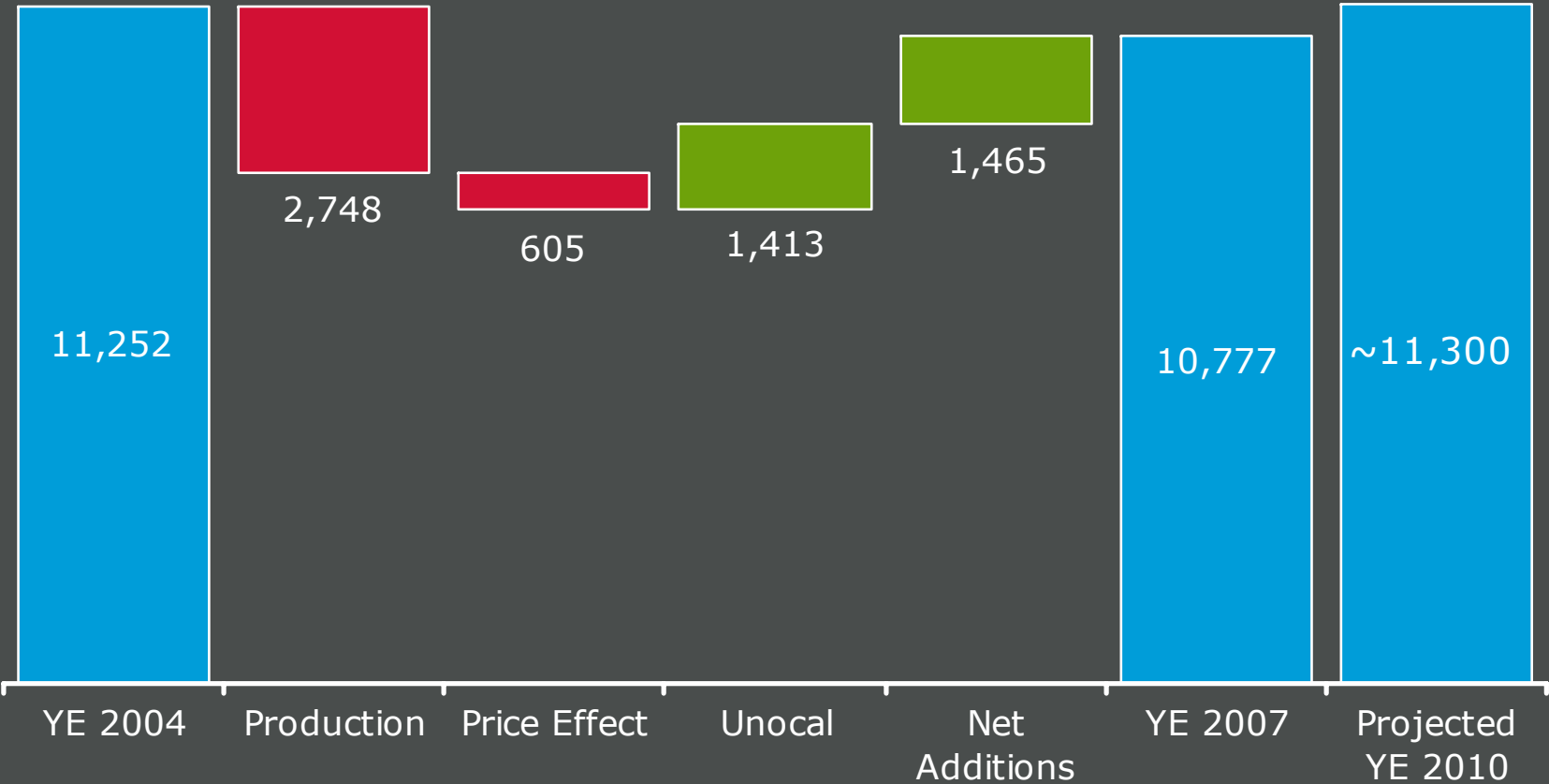


\* Resource is defined as unrisks proved, probable and possible reserves plus potential recoverable resources contingent on commerciality. Includes oil volumes associated with Athabasca Oil Sands mining. Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing activity by the Securities and Exchange Commission.



# Proved Reserve Changes 2004–2007 and 2010 Projected

Millions of Barrels

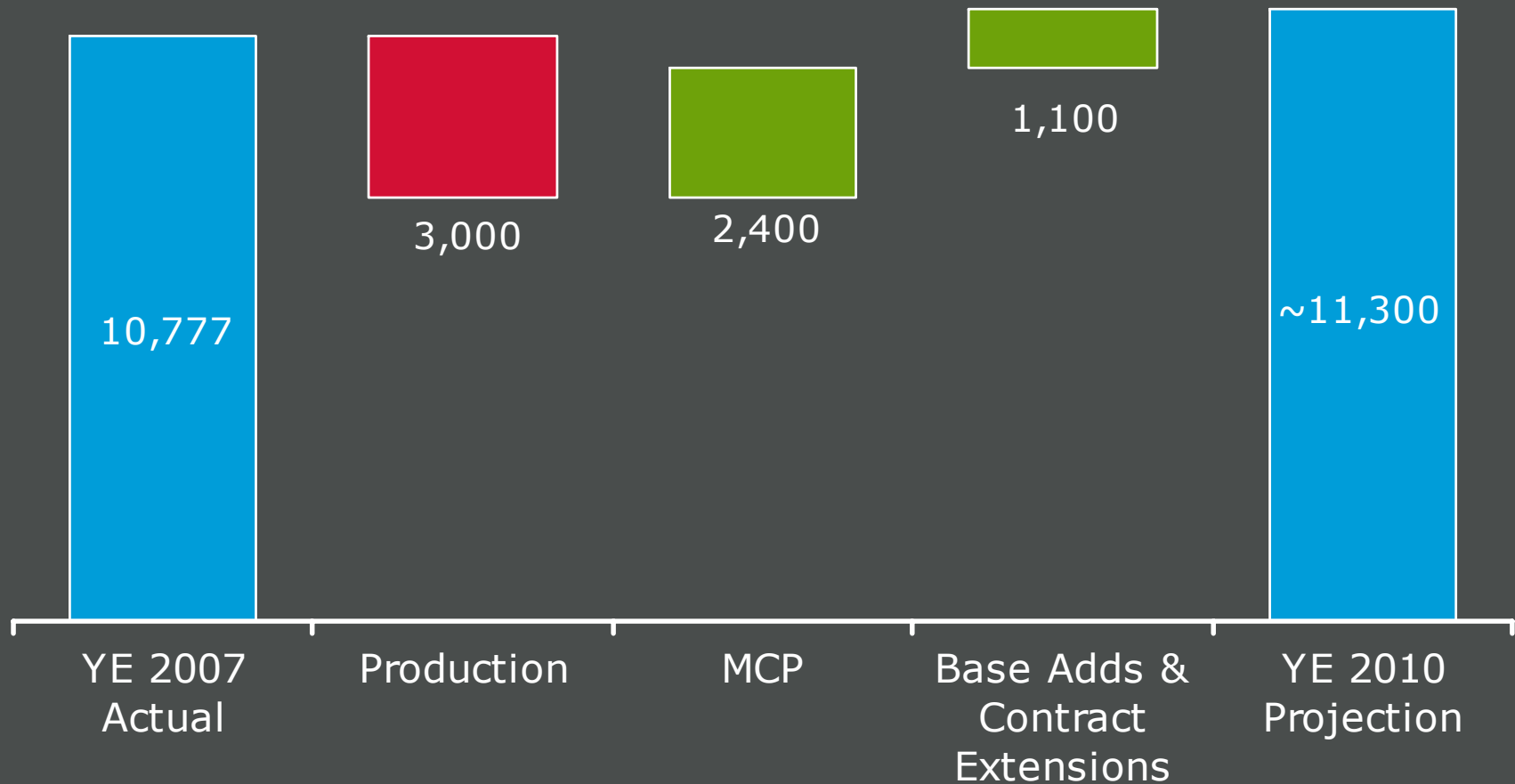


Does not include oil volumes associated with Athabasca Oil Sands mining. Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing activity by the Securities and Exchange Commission.

# Proved Reserve Changes 2007–2010 Projection



Millions of Barrels

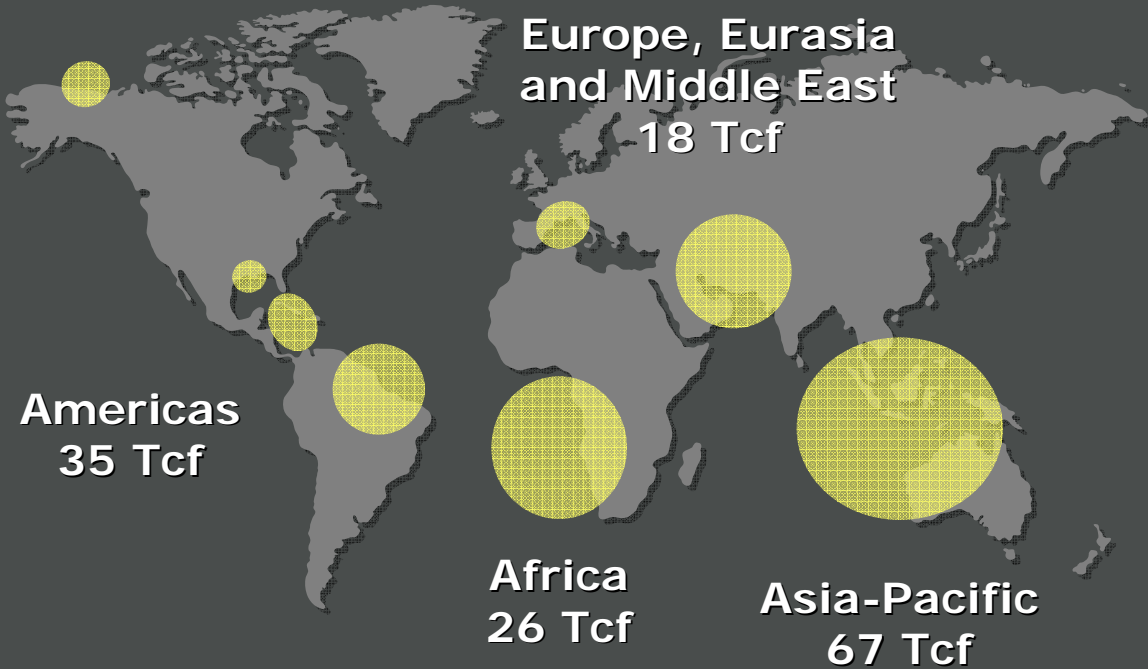


Does not include oil volumes associated with Athabasca Oil Sands mining. Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing activity by the Securities and Exchange Commission.

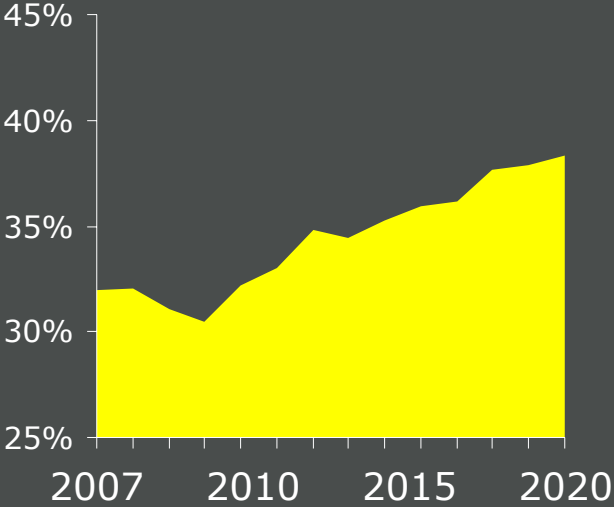


# Over 140 Tcf of Equity Natural Gas Resources\*

Gas portfolio is growing and becoming a key component of Chevron's overall production.



Gas Production as % of Total Chevron Net Production



\* Unrisked  
Circles represent geographic coverage and not the size of the resource.



## Growing the Gas Business



**Commercialize our equity resource base while growing a high-impact global gas business**

- Progressing the queue of more than 10 world-class gas projects
- Building a global portfolio of LNG supply
- Progressing the construction of our first GTL plant
- Enabling gas business growth through midstream capabilities

## Gas Business Achievements 2007



Angola LNG Plant site schematic



Site works for the Angola LNG Plant

- Angola LNG FID
- Gorgon LNG environmental approval and capacity expansion
- Bibiyana startup
- Thailand contract extension and gas sales agreement signed with PTT
- Chuandongbei sour gas PSC signed with CNPC
- Piceance tight gas entered development phase





# Effective Execution

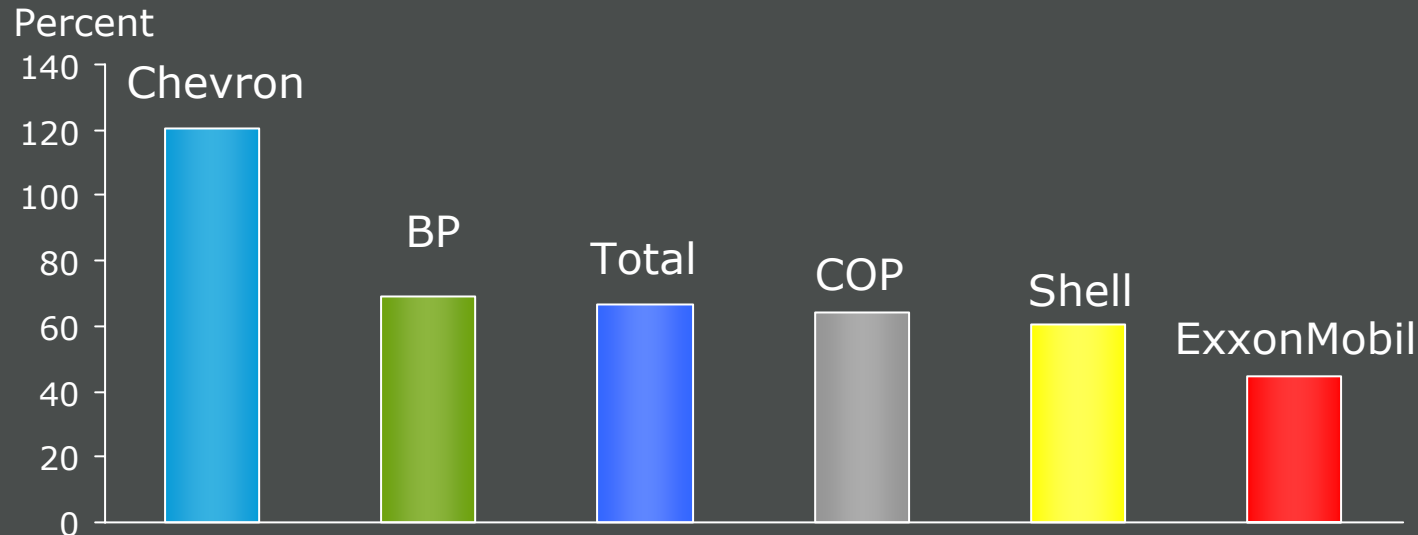




## Leader in Exploration Results

Chevron “leads its peers on our underlying exploration reserve replacement metric, having replaced an outstanding 120% of its production between 2002 and 2006 through new field exploration success alone.” *RADAR report by Wood Mackenzie, January 2008*

Reserve\* Replacement Through Exploration, 2002-2006

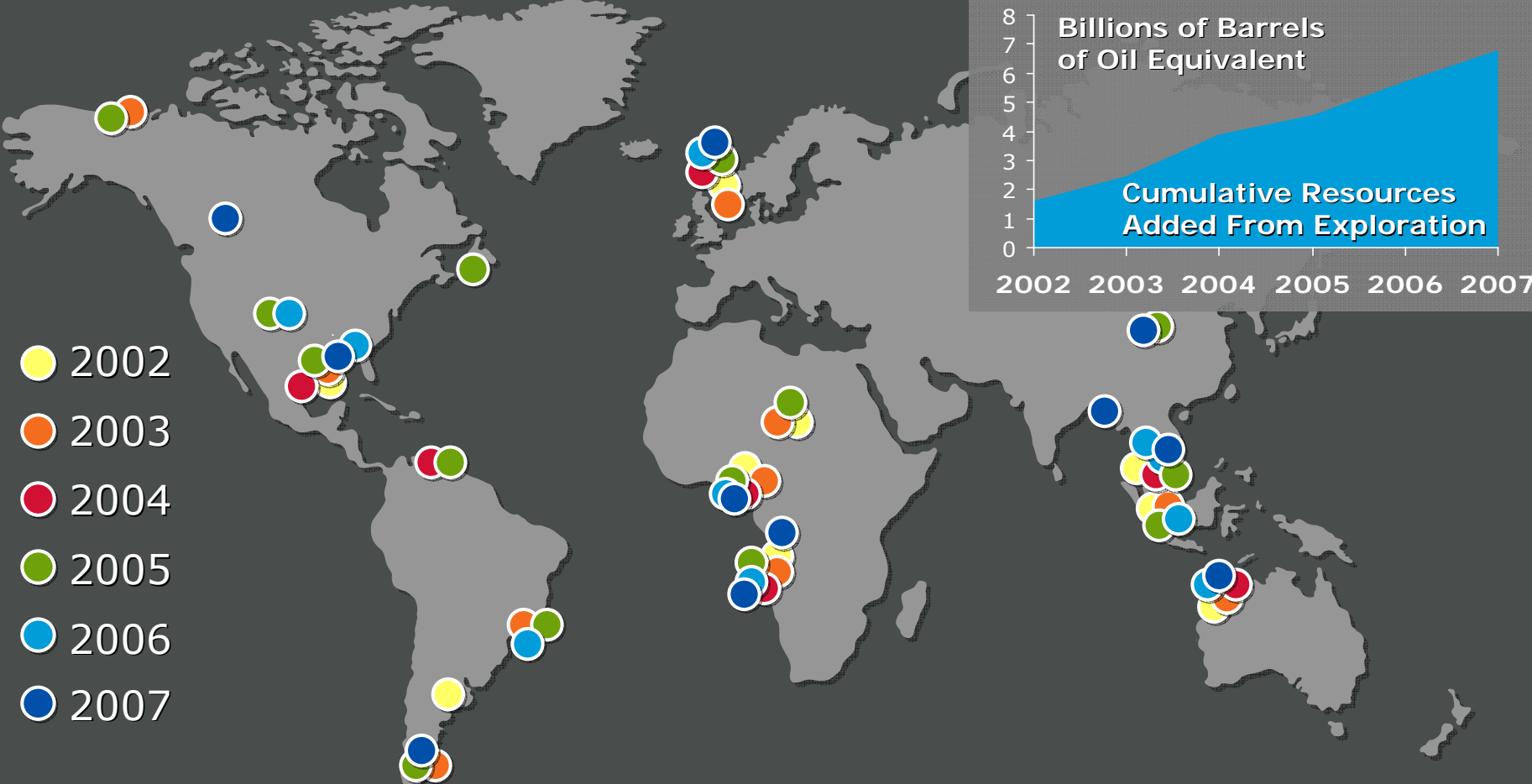


\*Wood Mackenzie reserve replacement metric does not reflect the Company's reported proved reserves.



# Consistent Exploration Success

Average Exploration success rate for 2002–2007 is 42%



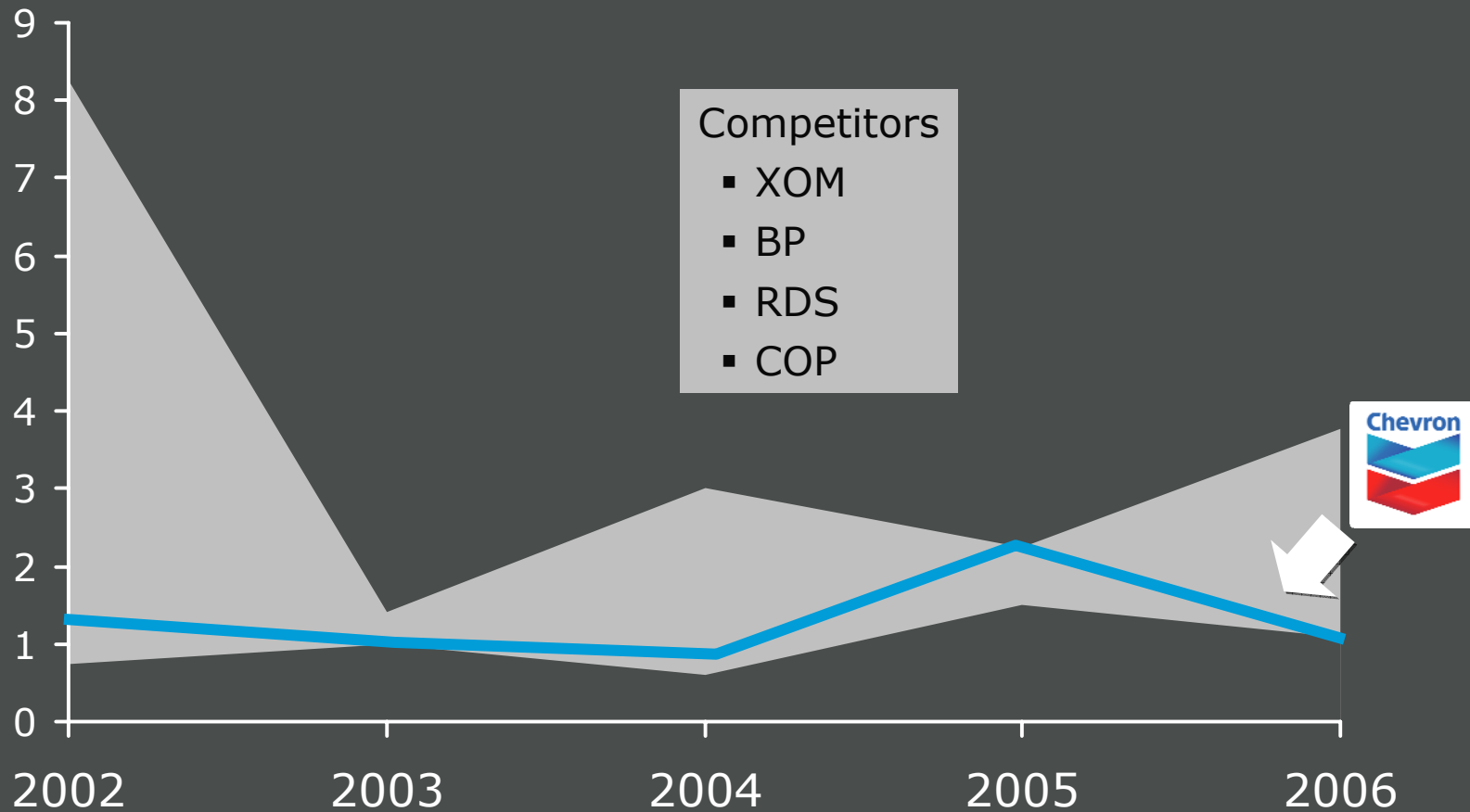
Year-End Mean Resource Estimates

# Exploration Finding Costs Are Among the Lowest



## Underlying Finding Cost

\$/BOE



Wood Mackenzie, December 2007 (Exploration Costs/Resources Found)



# Key 2008 Exploration Activities



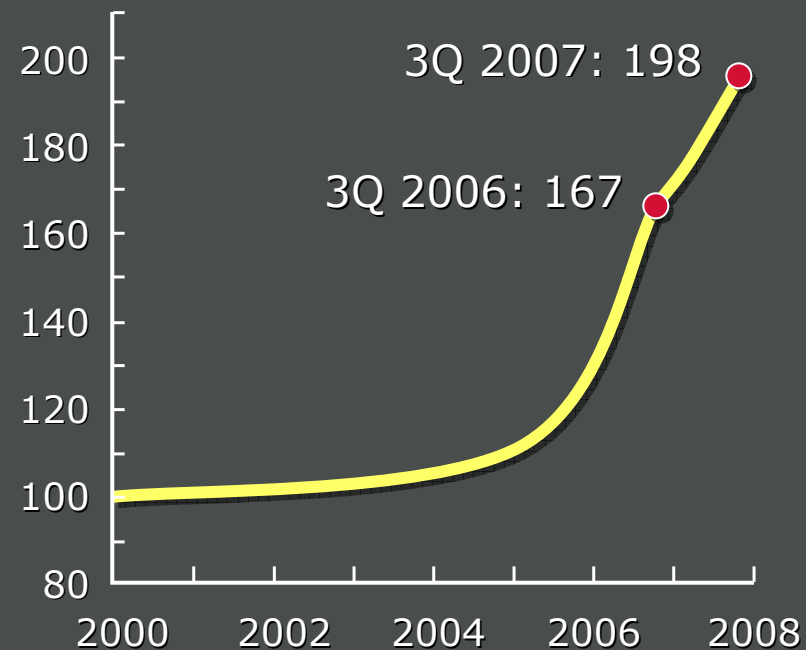


# Cost Management

- Definite cost increases, but not uniform
- Function of local markets and varies between certain items
- Combating increases through:
  - Effective contracting
  - Standardization of designs and materials
  - Modularization
  - Technology advances

Despite cost increases, our opportunity queue remains robust

IHS/CERA Upstream Capital Costs Index (2000 = 100)



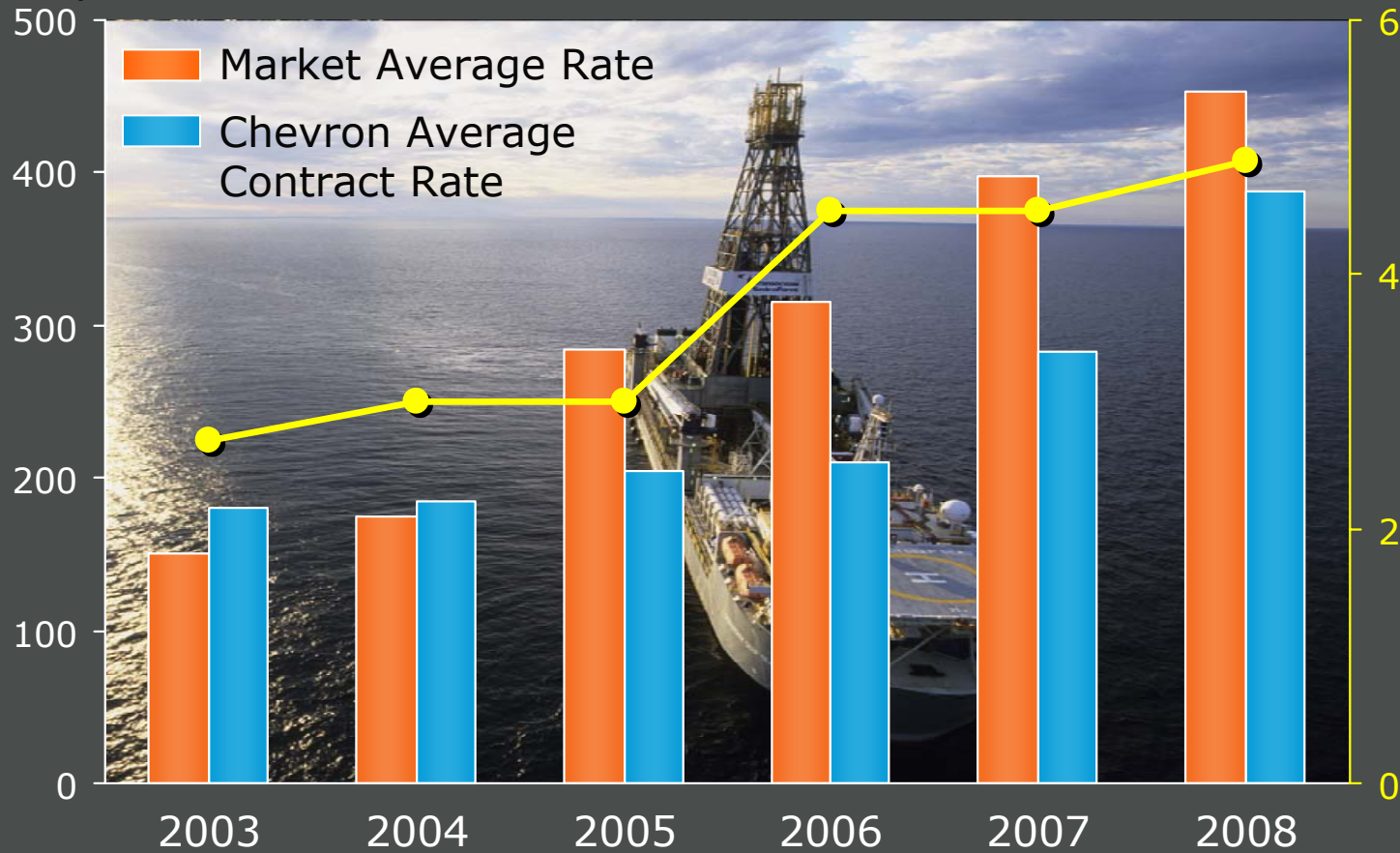
Source: Cambridge Energy Research Associates

# Superior Contracting Strategies Have Cushioned Rising Deepwater Rig Rates



Worldwide Deepwater Rig Rates  
\$M/day

Equivalent Rig Years  
Under Contract



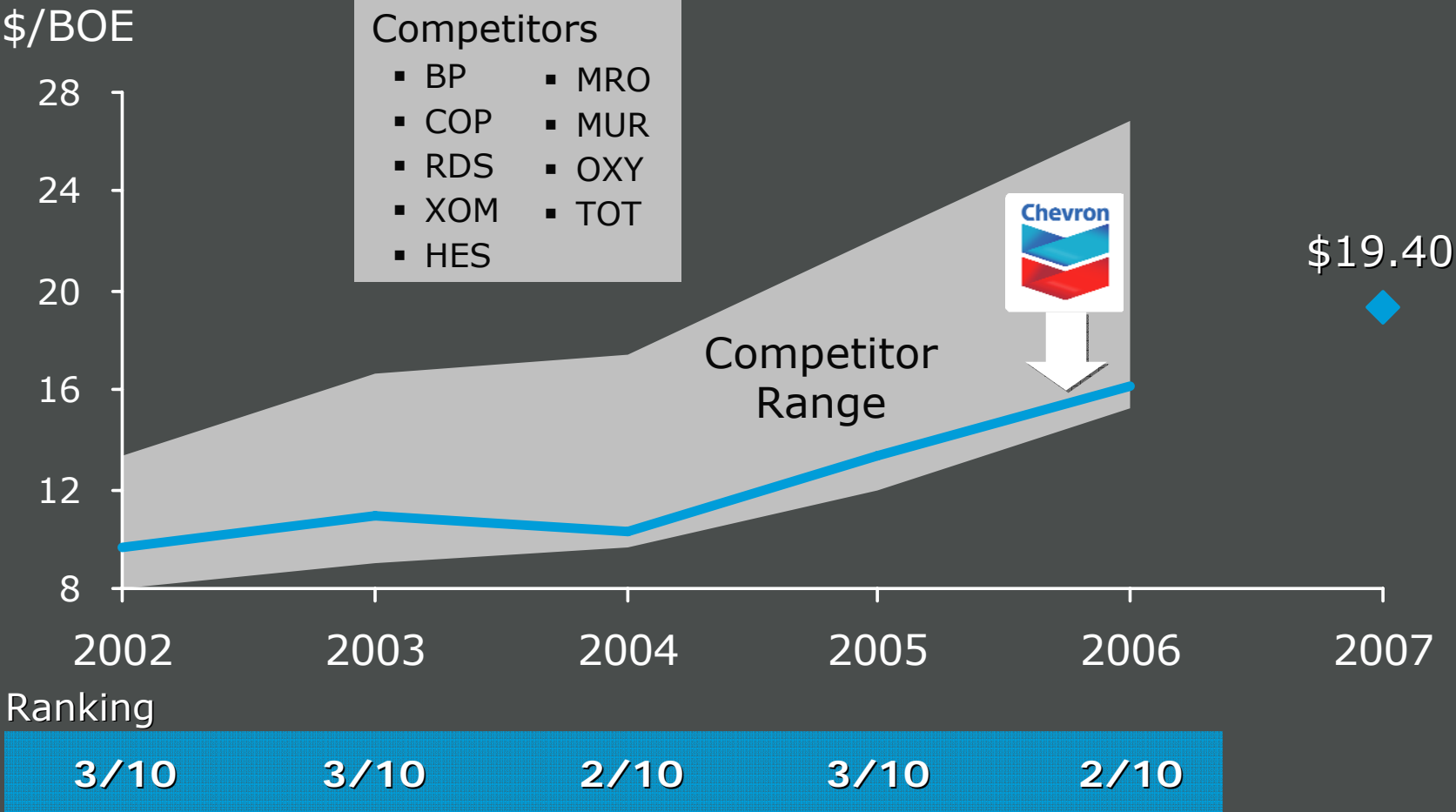
Drilling units rated for >7,500 ft water depth

Market data sources for similar type of rig: GDC, Fearnley Offshore, Rig Logix

Forecast



# Upstream Costs Have Been Among the Lowest



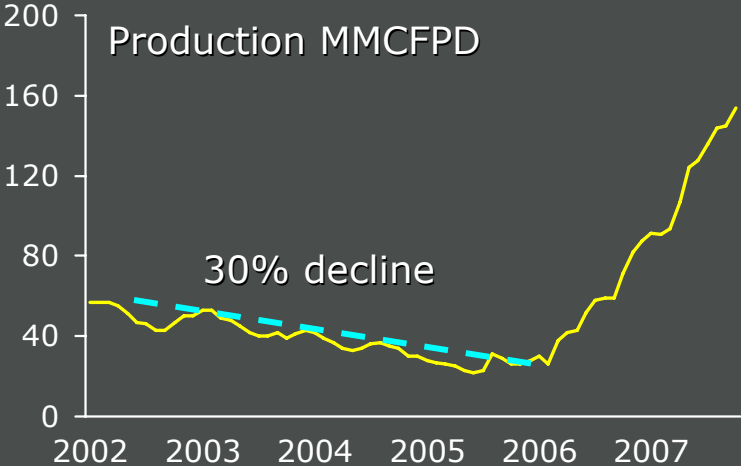
Source: [AG Edwards](#); includes production costs, exploration expense, DD&A and other expenses



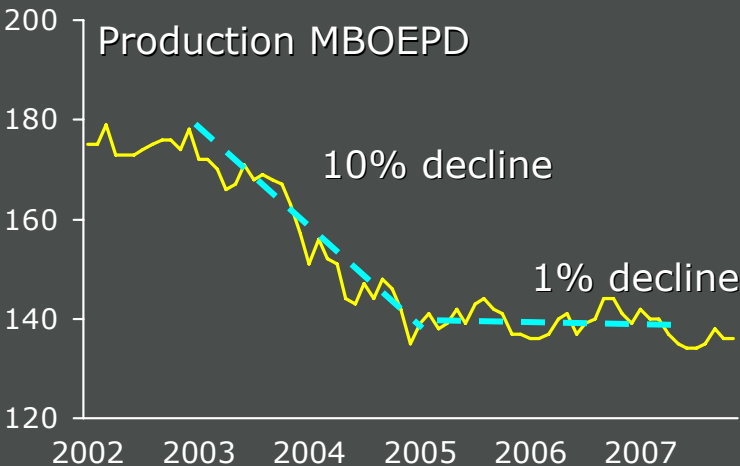


# Disciplined Base Business Focus

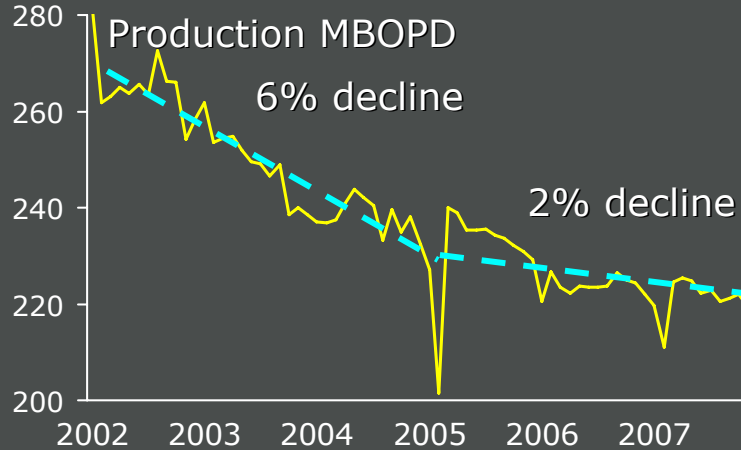
### McAllen Ranch Field



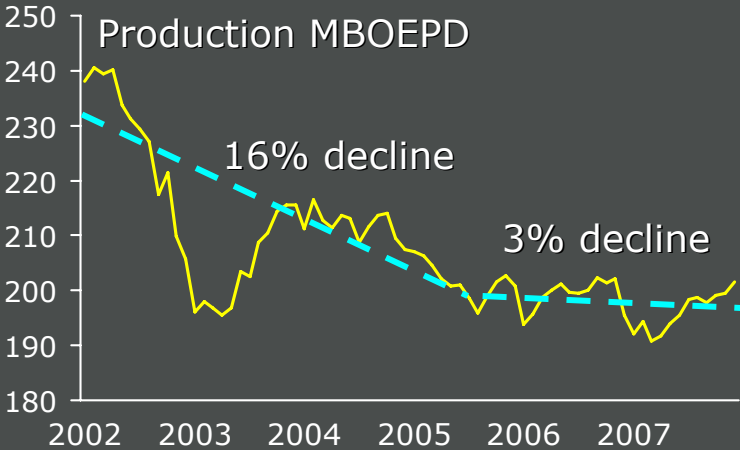
### PNZ



### San Joaquin Valley Business Unit



### Duri Steamflood, Indonesia



# Global Leader in Thermal Recovery Processes



- World's largest thermal operations: San Joaquin Valley and Duri Field
- Well-positioned for future opportunities, such as Ells River, Petropiar (Hamaca) and PNZ
- Heavy Oil Center of Excellence develops and deploys technology applications, tools and best practices





# Profitable Growth





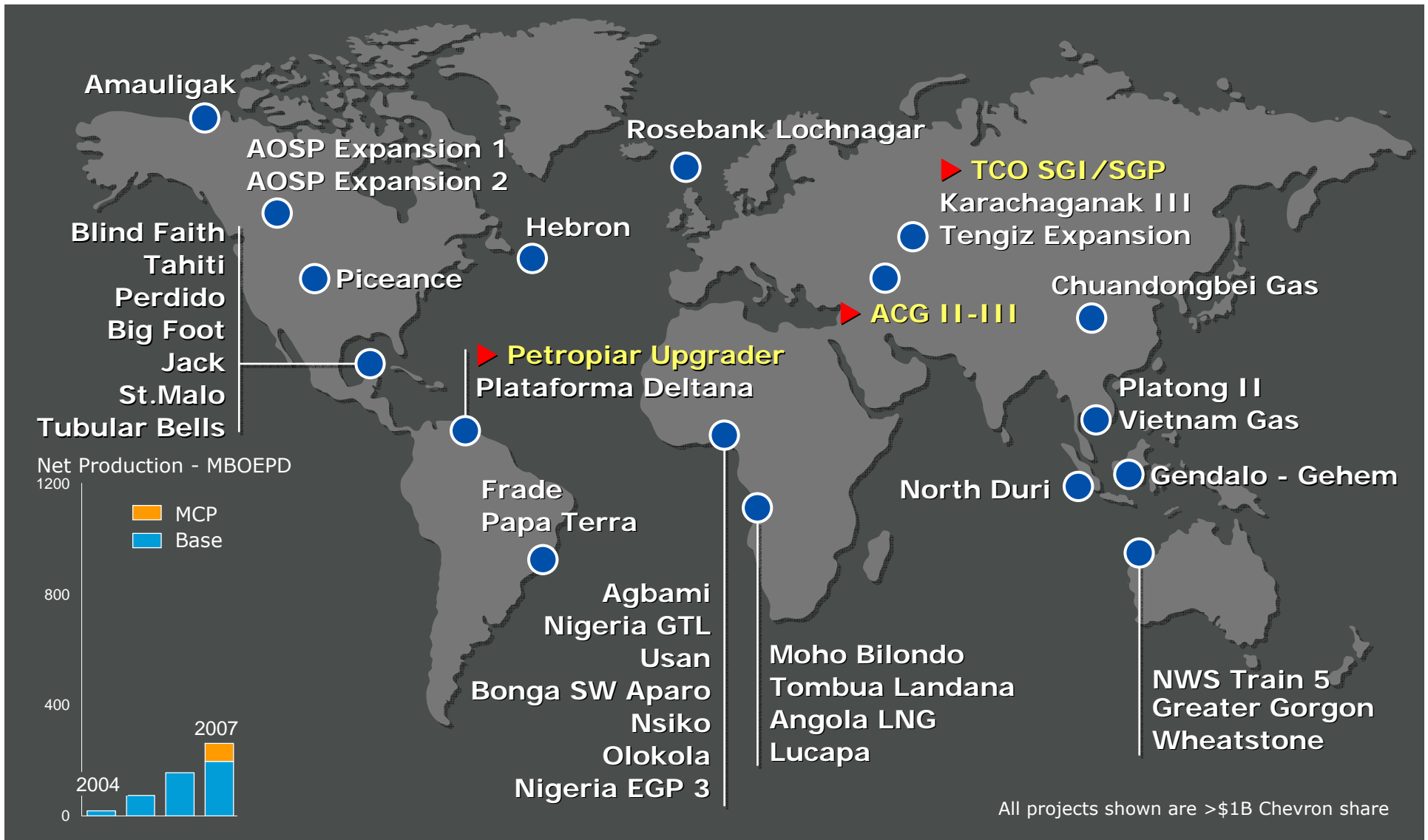
# A Leading Portfolio of Projects



All projects shown are >\$1B Chevron share

# A Leading Portfolio of Projects

▶ 2004-2007

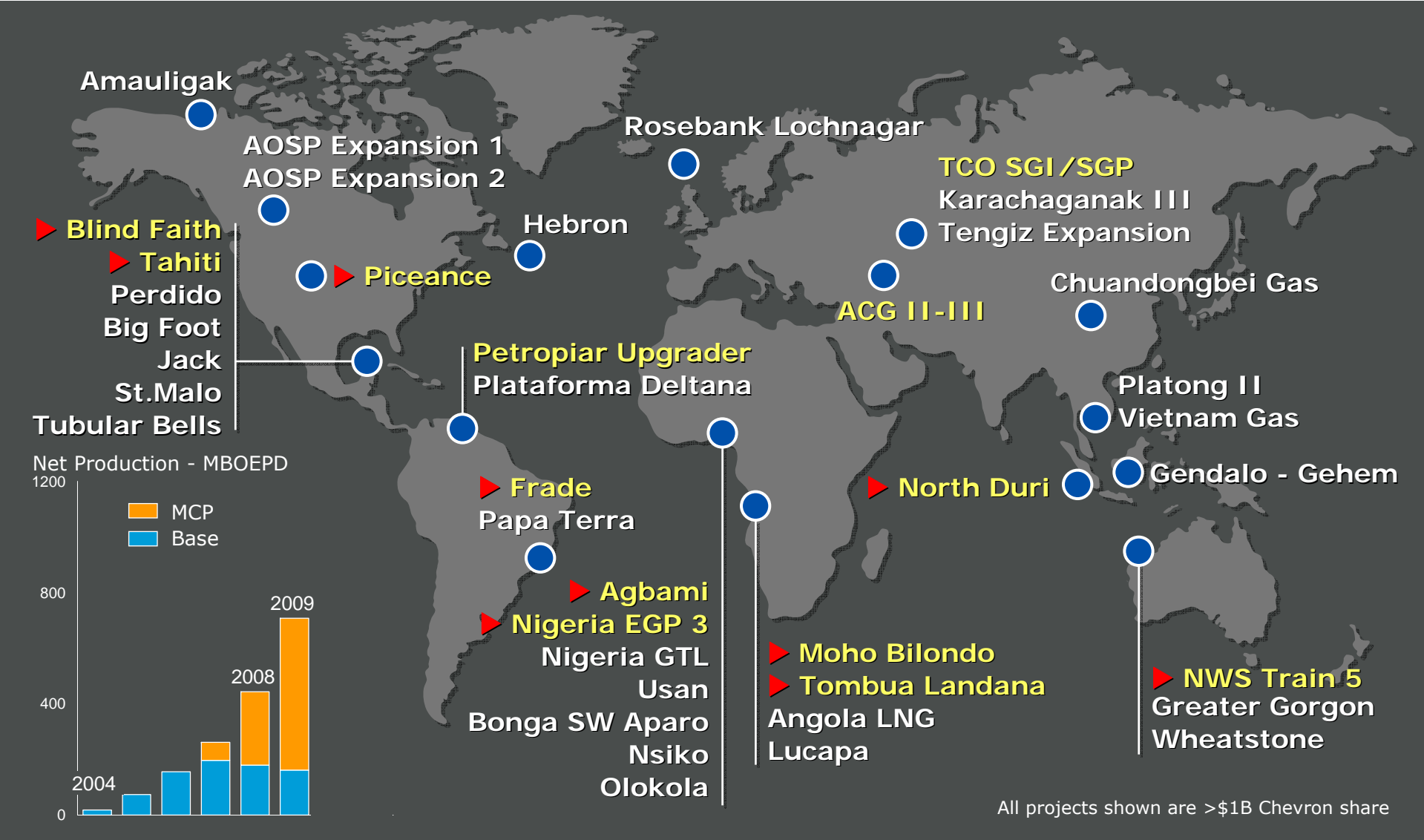


All projects shown are >\$1B Chevron share



# A Leading Portfolio of Projects

▶ 2008-2009

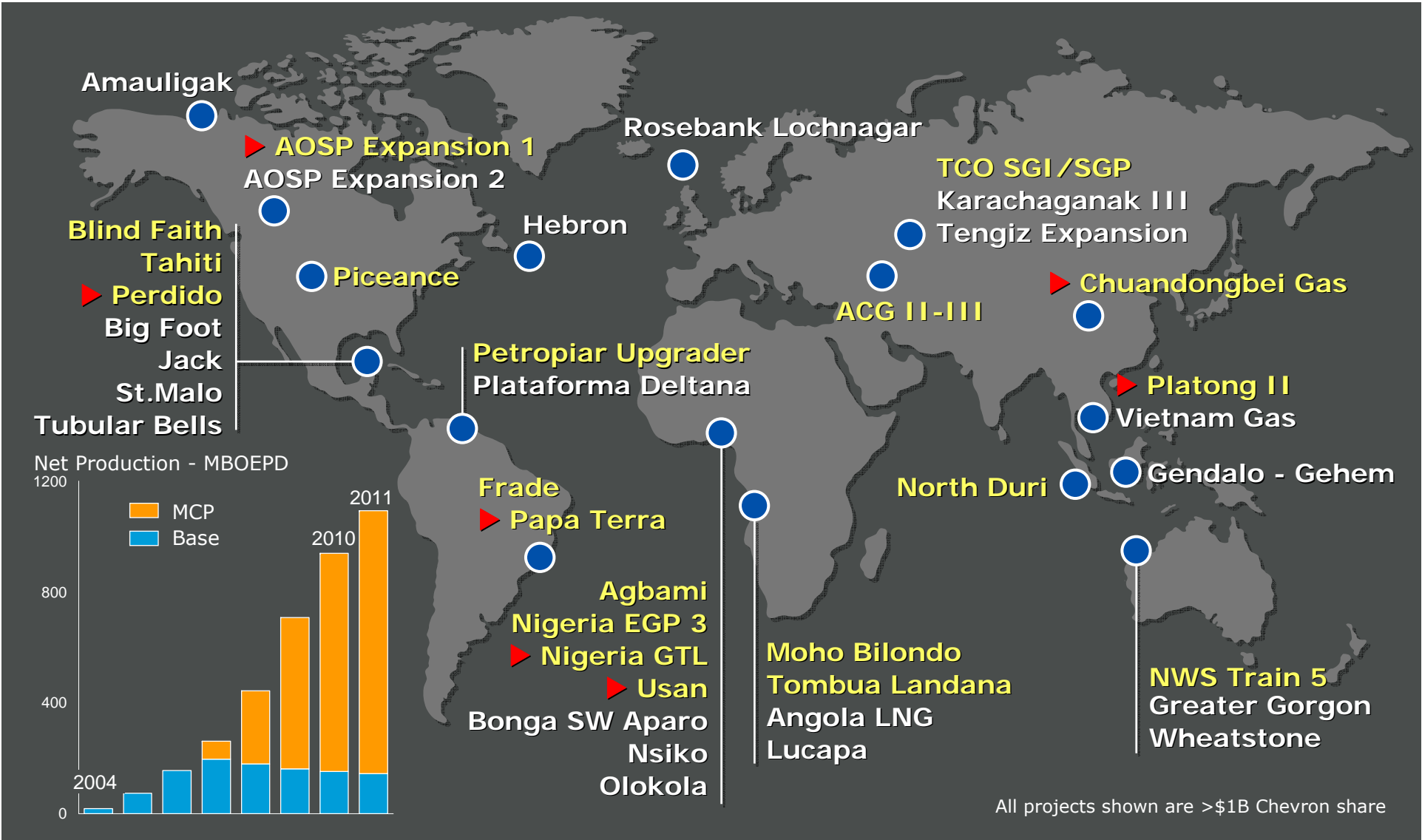


All projects shown are >\$1B Chevron share



# A Leading Portfolio of Projects

## ▶ 2010-2011



All projects shown are >\$1B Chevron share

# Execution Focus

## 2008 & 2009 Startup Projects



### Blind Faith – Gulf of Mexico

- ✓ Drill and complete 3 wells in initial development plan
- ✓ Set topsides on hull and complete integration
- ✓ Tow to location 1Q 2008
- Drill and complete 4th well 2Q 2008
- First oil 2Q 2008



### Tahiti – Gulf of Mexico

- ✓ Drill all 6 wells in initial development plan
- ✓ Topsides modules ready to install
- ✓ Tow spar hull to field 1Q 2008
- Subsea installation Phase 1 complete 2Q 2008
- Set topsides on hull 3Q 2008
- Subsea installation Phase 2 complete 1Q 2009
- First oil 3Q 2009





# Execution Focus 2008 Startup Projects



## Agbami – Nigeria

- ✓ FPSO arrived in Nigeria at year-end 2007
- FPSO and subsea hookup in progress
- Complete 5 producers and 1 injector by first production date
- First oil by 3Q 2008



## Tengiz Sour Gas Injection/ 2nd Generation Plant – Kazakhstan

- ✓ Staged oil startup and sour gas injection
- Construction and commissioning of oil, gas and sulfur plants 3Q 2008
- Full production facilities startup 3Q 2008



# Global Leader in Sour Oil & Gas Processing



## Wyoming

### Carter Creek Sour Gas Plant

Excellent safety,  
reliability and  
environmental  
record



## Tengiz

### Sour Production Facilities

One of a kind with  
excellent  
performance



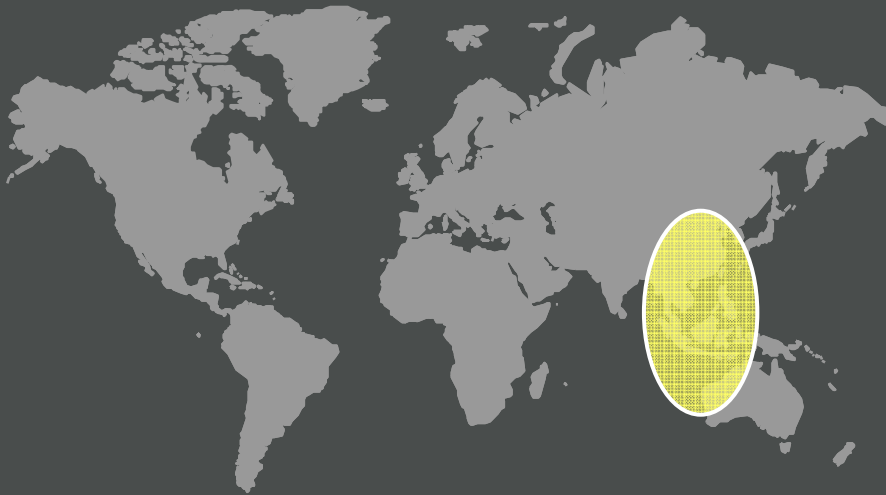
## China

### Chuandongbei Project

New opportunity  
to apply our sour  
production  
capabilities and  
technologies



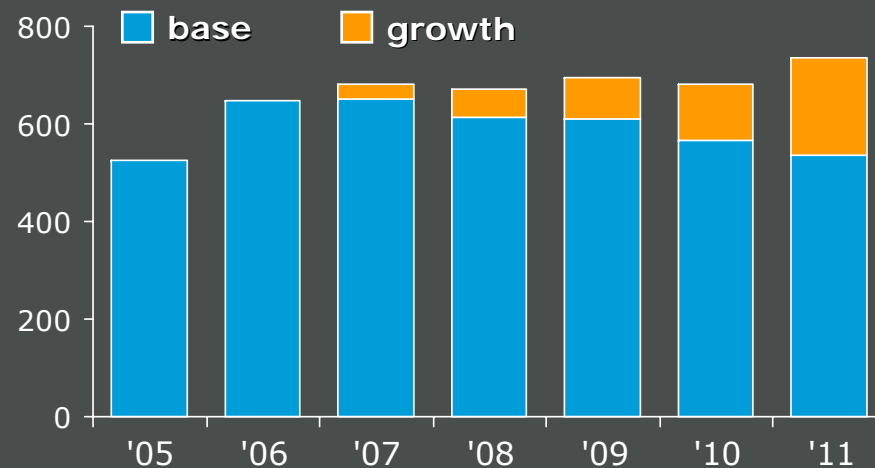
# Significant Position in Asia-Pacific



## 2007-2011 Growth

- NWS Train 5
- Chuandongbei Gas Project
- Bibiyana
- North Duri Steamflood
- Platong II

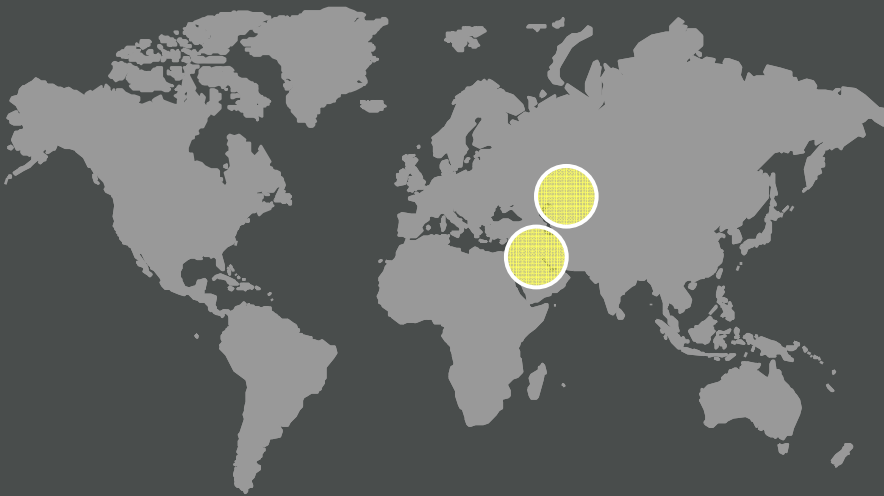
## Net Production MBOEPD



## 2012+ Growth

- Gorgon
- Wheatstone
- Vietnam Gas Development
- Gendalo - Gehem

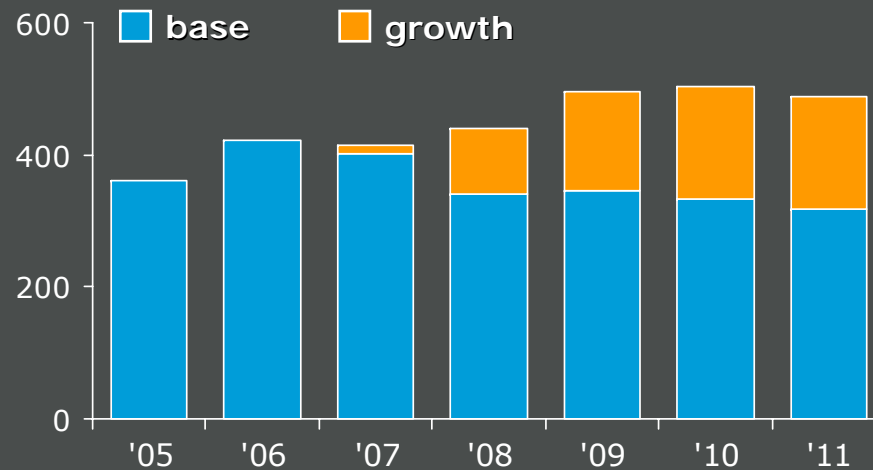
# Strong Presence in the Caspian and Middle East Regions



## 2007-2011 Growth

- Tengiz SGI/SGP
- Azeri-Chirag-Guneshli Phase III
- PNZ – Large Scale Steamflood Pilot

## Net Production MBOEPD



## 2012+ Growth

- Tengiz Expansion
- Karachaganak III Expansion

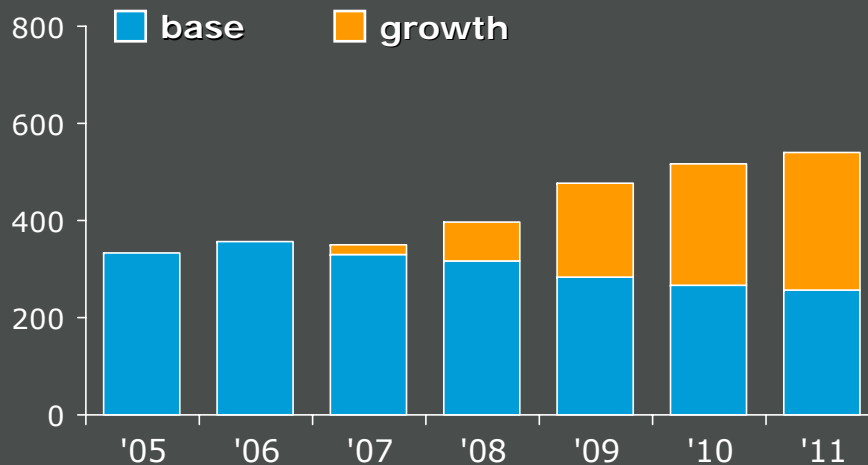
# New Projects Will Increase Production in West Africa



## 2007-2011 Growth

- Agbami
- Tombua Landana
- Moho Bilondo
- Usan
- Nigeria GTL
- Nigeria EGP 3

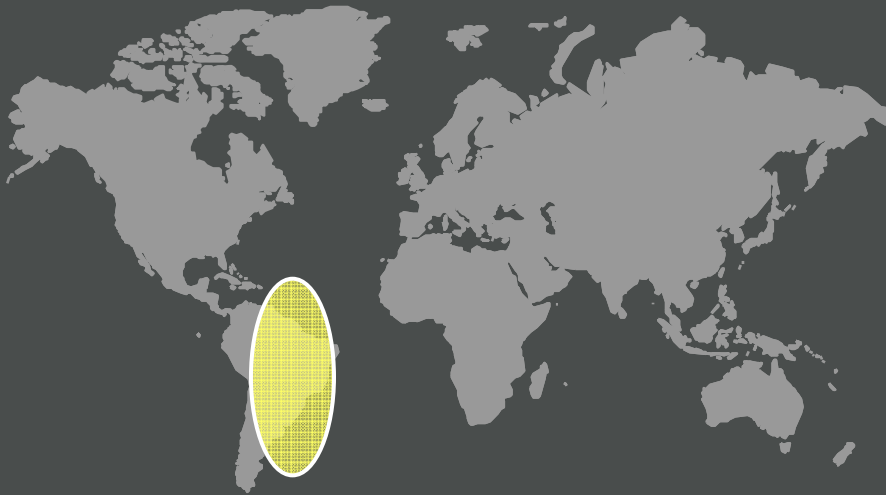
## Net Production MBOEPD



## 2012+ Growth

- Angola LNG
- Bonga SW/Aparo
- Olokola LNG
- Negage
- Lucapa

# Deepwater Brazil Adding to Latin America's Growth



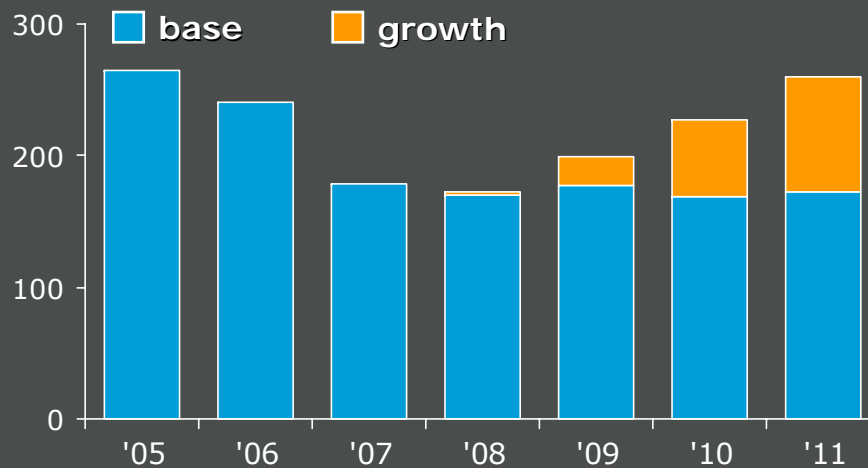
## 2007-2011 Growth

- Frade
- Papa-Terra

## 2012+ Growth

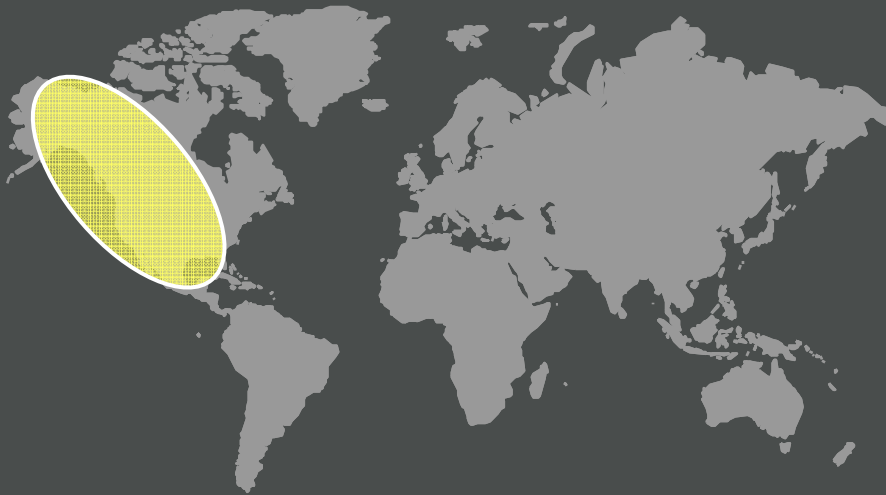
- Plataforma Deltana
- Starfish
- Petropiar Expansion

## Net Production MBOEPD





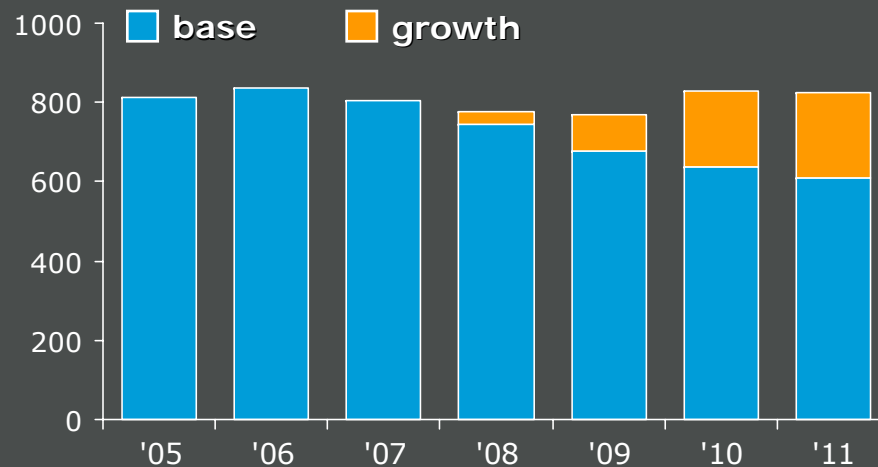
# Sustaining North American Production



## 2007-2011 Growth

- Blind Faith
- Tahiti
- Piceance
- San Ardo
- Perdido
- AOSP Expansion 1

## Net Production MBOEPD



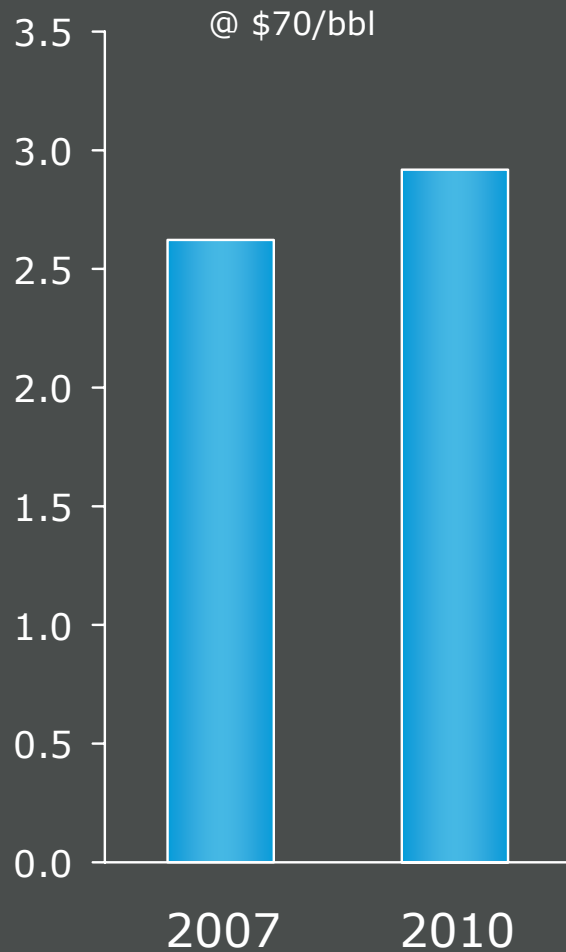
## 2012+ Growth

- Big Foot
- Tubular Bells
- Tonga
- AOSP Expansion 2
- Jack
- Hebron
- St. Malo
- Amauligak

# Production Growth Driven by a Steady Queue of Projects



## Net Production MBOED



Startup	Project	Chevron Operator	WI %	100% Peak Production MBOEPD	Current Project Phase
2007	Tengiz SGI/SGP	✓	50	250	Prod
	Bibi yana	✓	98	85	Prod
	San Ardo	✓	100	15	Prod
2008	Agbami	✓	68	250	Const
	Blind Faith	✓	75	70	Const
	NWS Train 5		17	95	Const
	N Duri Steamflood	✓	100	70	Const
	Moho Bilondo		32	90	Const
	Callanish-Brodgar		16-25	45	Const
	ACG III		10	340	Const
2009	Tombua Landana	✓	31	100	Const
	Tahiti	✓	58	135	Const
	Frade	✓	52	90	Const
	Piceance	✓	100	70	Const
	Nigeria EGP 3	✓	40	140	Const
2010	Perdido		33-60	130	Const
	Nigeria GTL	✓	75	35	Const
	AOSP Expansion I		20	100	Const



# Our Continued Commitment to Earnings and Returns



Production CAGR >3%	2005-2010
Reserves Replacement Ratio >100%	2008-2010
TCO SGP Full Capacity	2008
Blind Faith Startup	2008
Agbami Startup	2008
NWS Train 5 Startup	2008
Tahiti Startup	2009
Frade Startup	2009
Tombua-Landana Startup	2009





# Appendix

# Upstream Major Capital Projects Asia-Pacific Region



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
Bibiyana Gas Development	Bangladesh	Chevron	98.0	0.3	85	Production	2007
NWS Train 5	Australia	Other	16.7	2.1	95	Construction	2008
North Duri Steamflood Development (all phases)	Indonesia	Chevron	100	1.3	70	Construction	2008
Platong II	Thailand	Chevron	69.8*	3.1	65	Construction	2011
Chuangdongbei Gas Area	China	Chevron	49.0	TBD	80	Design	TBD
Greater Gorgon Offshore Development & LNG	Australia	Chevron	50.0	TBD	440 Capacity	Design	TBD
Wheatstone	Australia	Chevron	100	TBD	TBD	Evaluation	TBD
Gendalo - Gehem	Indonesia	Chevron	80.0	TBD	TBD	Design	TBD
Vietnam Gas Development	Vietnam	Chevron	42.9*	4.3	85	Evaluation	2012

\*Represents a weighted average of Chevron's interest across multiple blocks

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level

# Upstream Major Capital Projects Caspian and Middle East Regions



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
Tengiz Sour Gas Injection/ Second Generation Plant	Kazakhstan	Chevron	50.0	7.2	250	Production	2007
Azeri-Chirag-Guneshli (ACG) Development III	Azerbaijan	Other	10.3	Refer to Operator	340	Construction	2008
Large-Scale Steamflood Pilot	PNZ	Chevron	50.0	0.2	10	Construction	2007
Tengiz Expansion	Kazakhstan	Chevron	50.0	TBD	TBD	Design	TBD
Karachaganak Expansion III	Kazakhstan	Other	20.0	Refer to Operator	235	Evaluation	2012+

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level

# Upstream Major Capital Projects West Africa Region – Angola/Congo



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
Benguela Belize Lobito Tomboco (BBLT) Deepwater Development	Angola	Chevron	31.0	2.5	200	Production	2006
Tombua Landana Deepwater Development	Angola	Chevron	31.0	3.8	100	Construction	2009
Moho Bilondo Deepwater Development	Congo	Other	31.5	Refer to Operator	90	Construction	2008
Angola LNG	Angola	Chevron (co-operator)	36.4	TBD	110	Construction	2012
Negage	Angola	Chevron	31.0	TBD	TBD	Evaluation	TBD
Lucapa	Angola	Chevron	31.0	TBD	TBD	Evaluation	TBD

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level

# Upstream Major Capital Projects West Africa Region – Nigeria



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
Agbami Deepwater Development	Nigeria	Chevron	68.2	5.4	250	Construction	2008
Usan Deepwater Development	Nigeria	Other	30.0	Refer to Operator	180	Construction	2011
Nigeria GTL	Nigeria	Chevron	75.0	2.9	35	Construction	2010
Nigeria EGP3	Nigeria	Chevron	40.0	2.8	140	Construction	2009
Bonga SW/Aparo Deepwater Development	Nigeria	Other	19.7*	Refer to Operator	150	Design	2012
Olokola LNG Plant	Nigeria	Other	19.5	TBD	500 capacity	Design	TBD
Olokola Gas Supply	Nigeria	Chevron	40.0	TBD	360	Design	TBD

\*Equity is pending execution of the pre-unit agreement.

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level

# Upstream Major Capital Projects Latin America Region



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
<b>Frade Deepwater Development</b>	Brazil	Chevron	51.7	2.8	90	Construction	2009
<b>Papa-Terra BC-20 Deepwater Development</b>	Brazil	Other	37.5	TBD	80	Evaluation	2011
<b>Plataforma Deltana</b>	Venezuela	Chevron	60.0	TBD	TBD	Evaluation	TBD
<b>Petropiar Expansion</b>	Venezuela	Other	30.0	TBD	TBD	Evaluation	TBD
<b>Starfish</b>	Trinidad and Tobago	Other	50.0	TBD	TBD	Evaluation	TBD

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level

# Upstream Major Capital Projects North America Region



Project	Location	Operator	WI %	C&E \$Billion	Peak Prod MBOED	Current Phase	Startup
Piceance	Mid Continent	Chevron	100	7.3	70	Construction	2009
San Ardo Steamflood	SJV	Chevron	100	0.3	15	Production	2007
Tahiti Deepwater	GOM	Chevron	58.0	4.7	135	Construction	2009
Blind Faith Deepwater	GOM	Chevron	75	1.4	70	Construction	2008
Perdido Region Deepwater	GOM	Other	33.3 – 60.0	4.5	130	Construction	2010
Athabasca Oil Sands Project (AOSP) Expansion 1	Canada	Other	20.0	10.2	100	Construction	2010
Jack	GOM	Chevron	50.0	TBD	TBD	Evaluation	TBD
St. Malo	GOM	Chevron	41.3	TBD	TBD	Evaluation	TBD
Big Foot	GOM	Chevron	60.0	TBD	TBD	Evaluation	TBD
Tonga	GOM	Chevron	20.5	TBD	TBD	Evaluation	TBD
AOSP Expansion 2	Canada	Other	20.0	TBD	TBD	Evaluation	TBD
Tubular Bells	GOM	Other	30.0	TBD	TBD	Evaluation	TBD
Hebron	Canada	Chevron	28.0	TBD	TBD	Evaluation	TBD
Amauligak	Canada	Other	32.5	TBD	TBD	Evaluation	TBD

C&E is estimated 100% gross project C&E

Peak production is estimated 100% gross production when project is at its maximum level