



Chevron



human energy®

fourth quarter 2015 earnings conference call and webcast

John Watson

Chairman and Chief Executive Officer

Pat Yarrington

Vice President and Chief Financial Officer

Frank Mount

General Manager, Investor Relations

January 29, 2016

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2015 key messages

Strong operating performance

- HES
- Downstream
- Production growth
- Reserve replacement

Low prices → weak financial results

Responding to market

- Progressing capital projects
- Capital and operating spend reduction
- Asset sales for value
- Prudently using balance sheet



#1 Priority unchanged

Maintain and grow dividend

Financial highlights

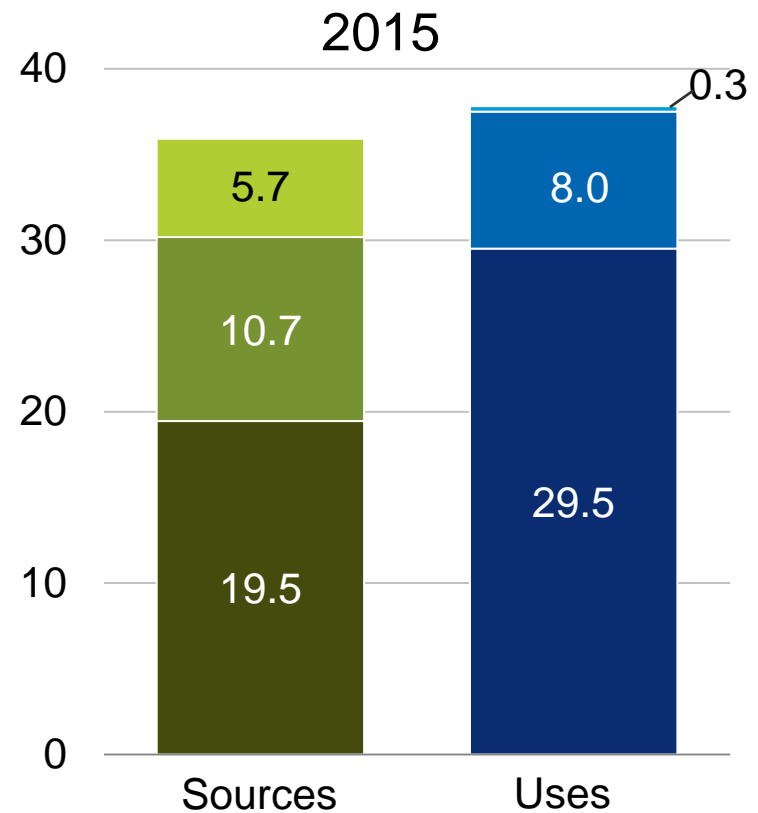
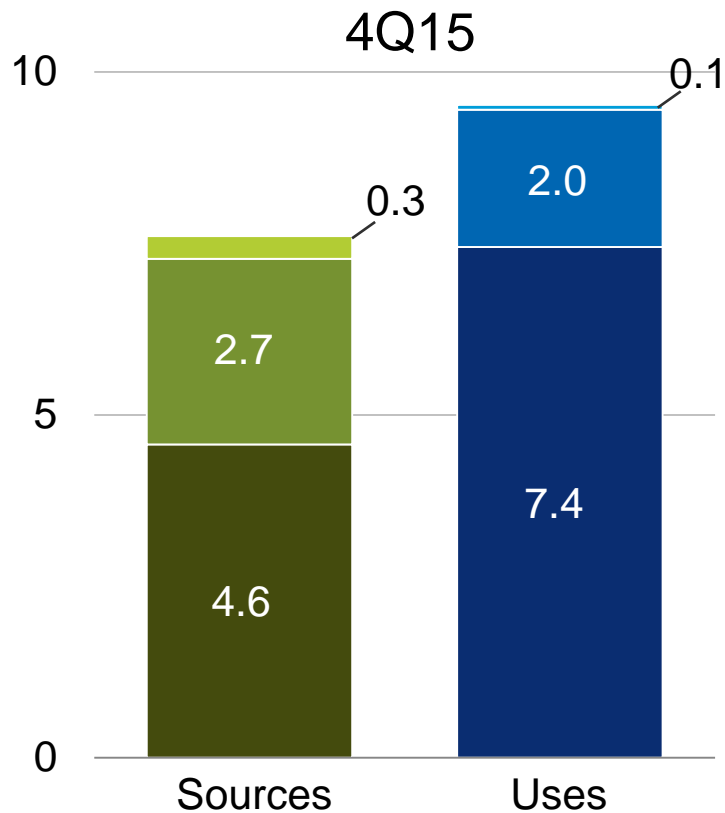
| | 4Q15 | 2015 |
|----------------------------|-----------------|---------------|
| Earnings | \$(0.6) billion | \$4.6 billion |
| Earnings per diluted share | \$(0.31) | \$2.45 |
| ROCE | | 2.5% |
| Year-end debt ratio | | 20% |
| Dividends paid | \$2.0 billion | \$8.0 billion |

Note: Reconciliation of earnings (excluding FX and special items) can be found in the appendix.



Sources and uses of cash⁽¹⁾

\$ billions



Sources of Cash:

■ Cash flow from operations⁽²⁾

■ Net Debt Issuance

■ Asset Sales

Uses of Cash:

■ Capital expenditures⁽²⁾

■ Dividends

■ Other

⁽¹⁾ Includes cash and cash equivalents, time deposits and marketable securities.

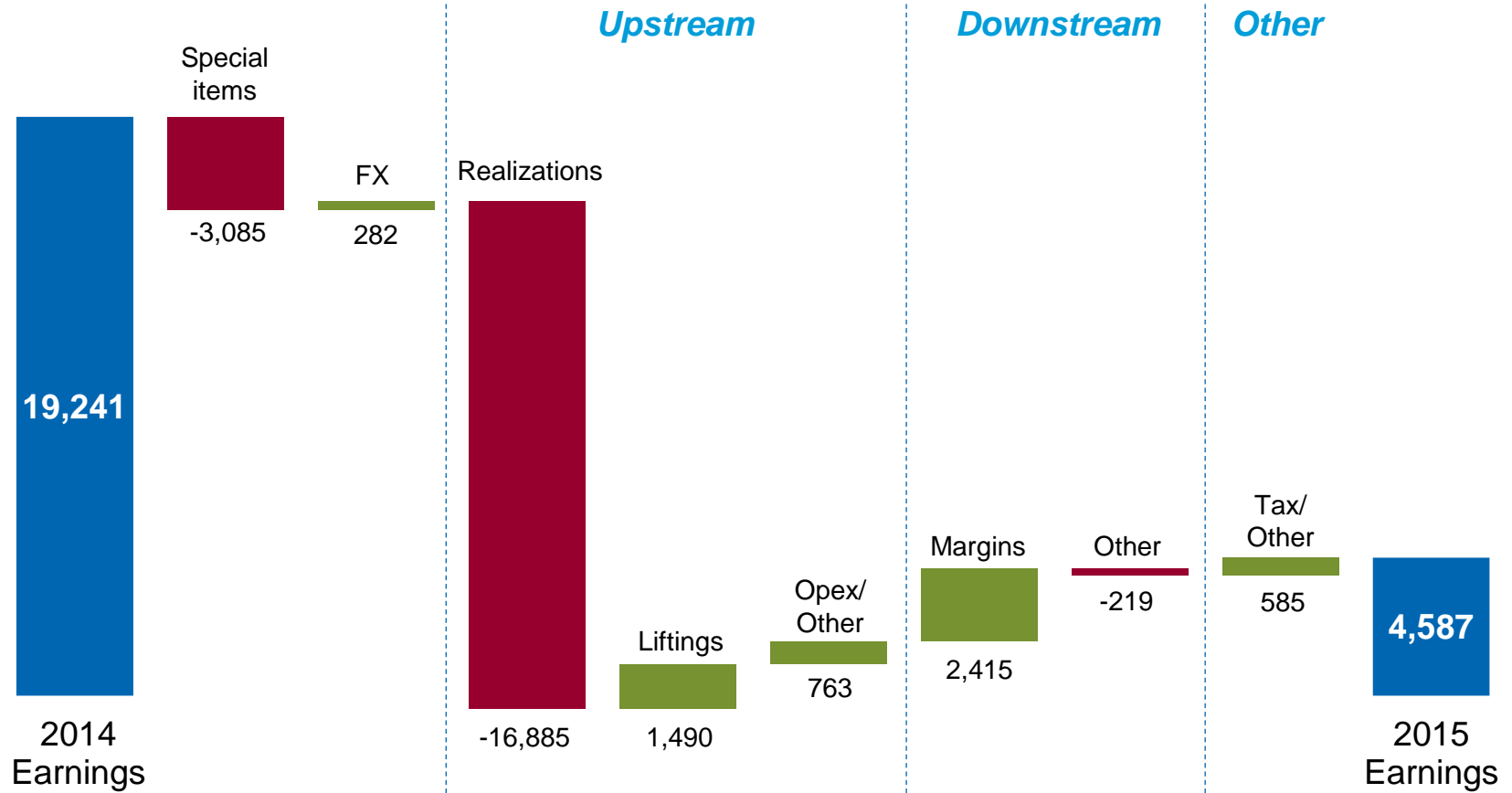
⁽²⁾ Per U.S. GAAP, expensed exploration expenditures and assets acquired from capital leases are part of "cash flow from operations" in our SEC reports. These two items are included in our "capital and exploratory expenditure" table in Attachment 2 to our earnings release.



Chevron earnings

2015 vs. 2014

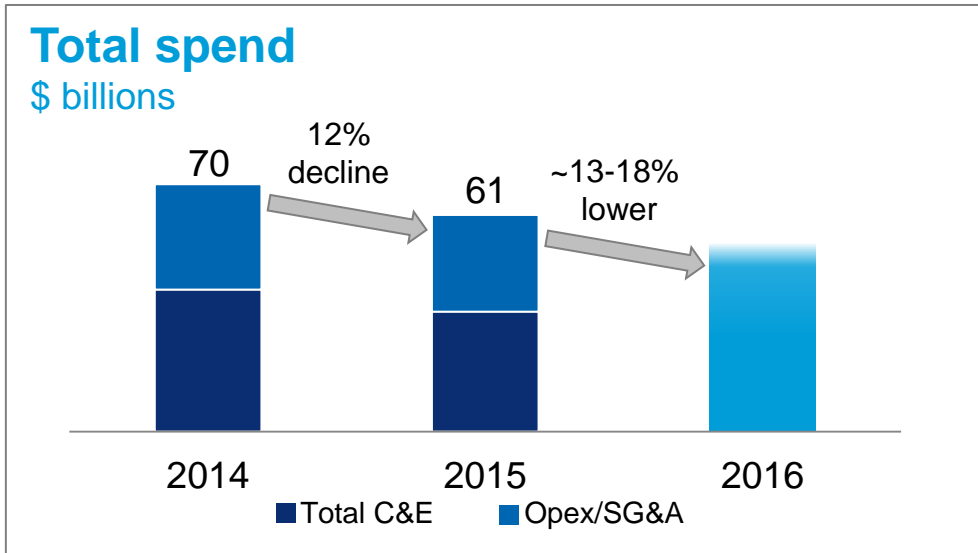
\$ millions



Note: Reconciliation of earnings (excluding FX and special items) can be found in the appendix.



Spend profile

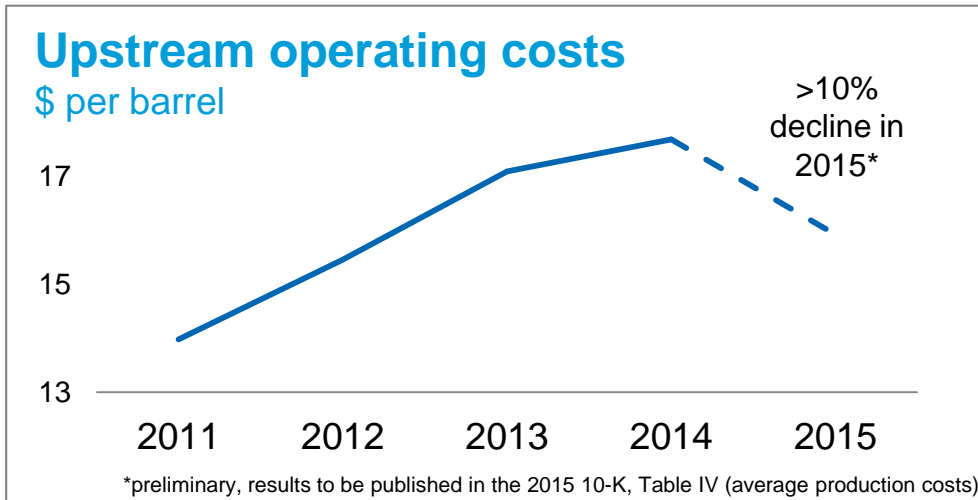


Momentum carries into 2016

with largest impact in upstream

Actions underway

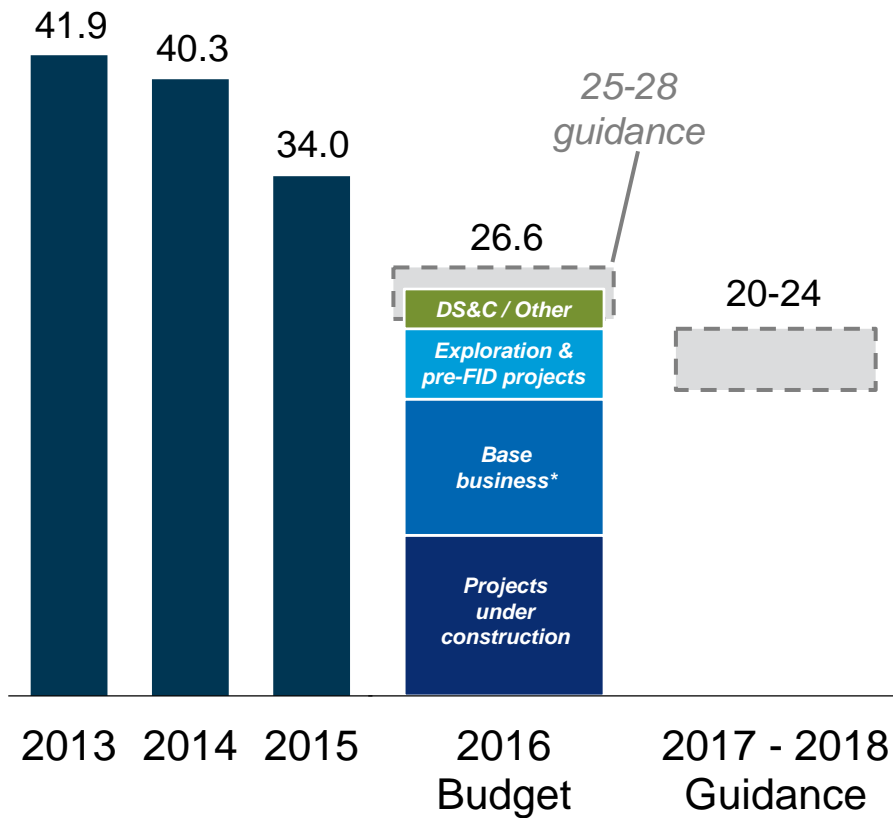
- Organization actions
- Supplier reductions
- Efficiency gains
- Activity reductions / deferrals



Capital & exploratory

Total C&E

\$ billions



*includes shale & tight

Investment priorities

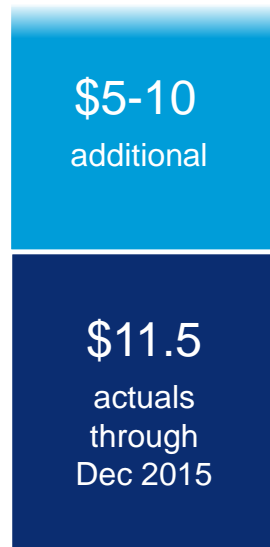
- Safe, reliable operations
- Complete projects in-flight
- Pace unsanctioned projects
- Enable short-cycle, high return investments



Asset sales

Asset divestment proceeds

\$ billions

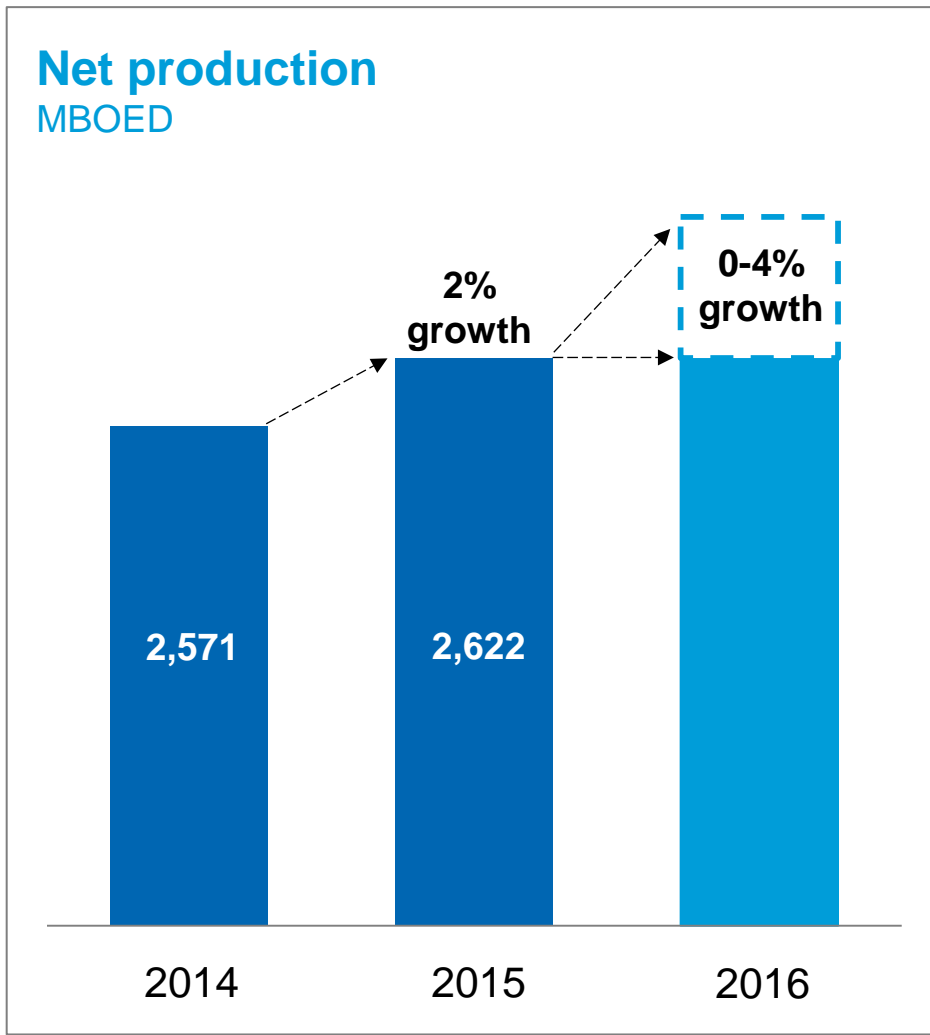


2014 - 2017

2016 in public domain

- New Zealand downstream
- Hawaii refinery
- Gulf of Mexico shelf
- Western Canada gas storage facilities
- South Africa downstream

2016 production outlook



2015 impacts

- MCP start-ups and ramp-ups
- Shale & tight growth
- Price effects
- Partitioned Zone shut-in

2016 uncertainties

- Partitioned Zone restart
- MCP start-ups and ramp-ups
- Divestments
- Price effects
- Spend levels



Reserves

Reserve
replacement
ratio

107%

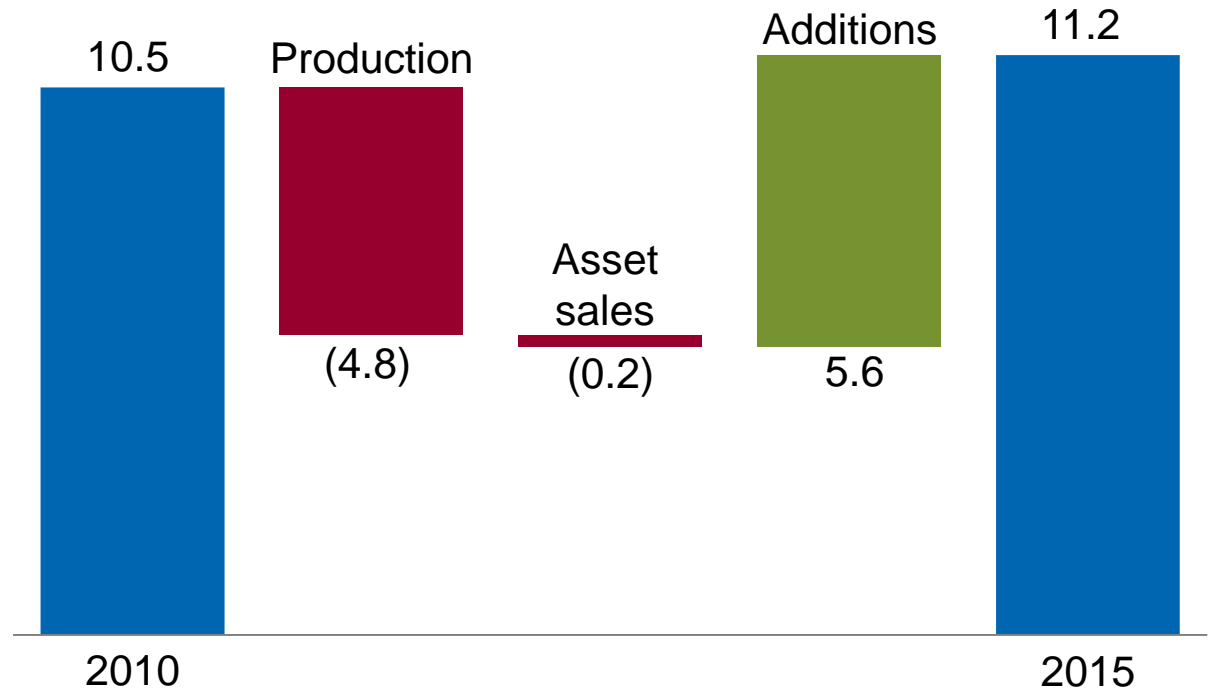
1 year

113%

5 year

5 year reserves replacement ratio

Billions of barrels of oil-equivalent



Note: Numbers do not add up due to rounding



Gorgon

Train 1

- Final commissioning
- First cargo expected 1Q16

Trains 2 & 3

- All modules delivered
- Construction ongoing
- Start-up at ~ 6 month intervals



Wheatstone

Progress

- All train 1 modules delivered
- LNG loading jetty complete
- Trunkline ready for service
- 6 of 9 wells completed
- First LNG cargo mid-2017



Other projects coming online

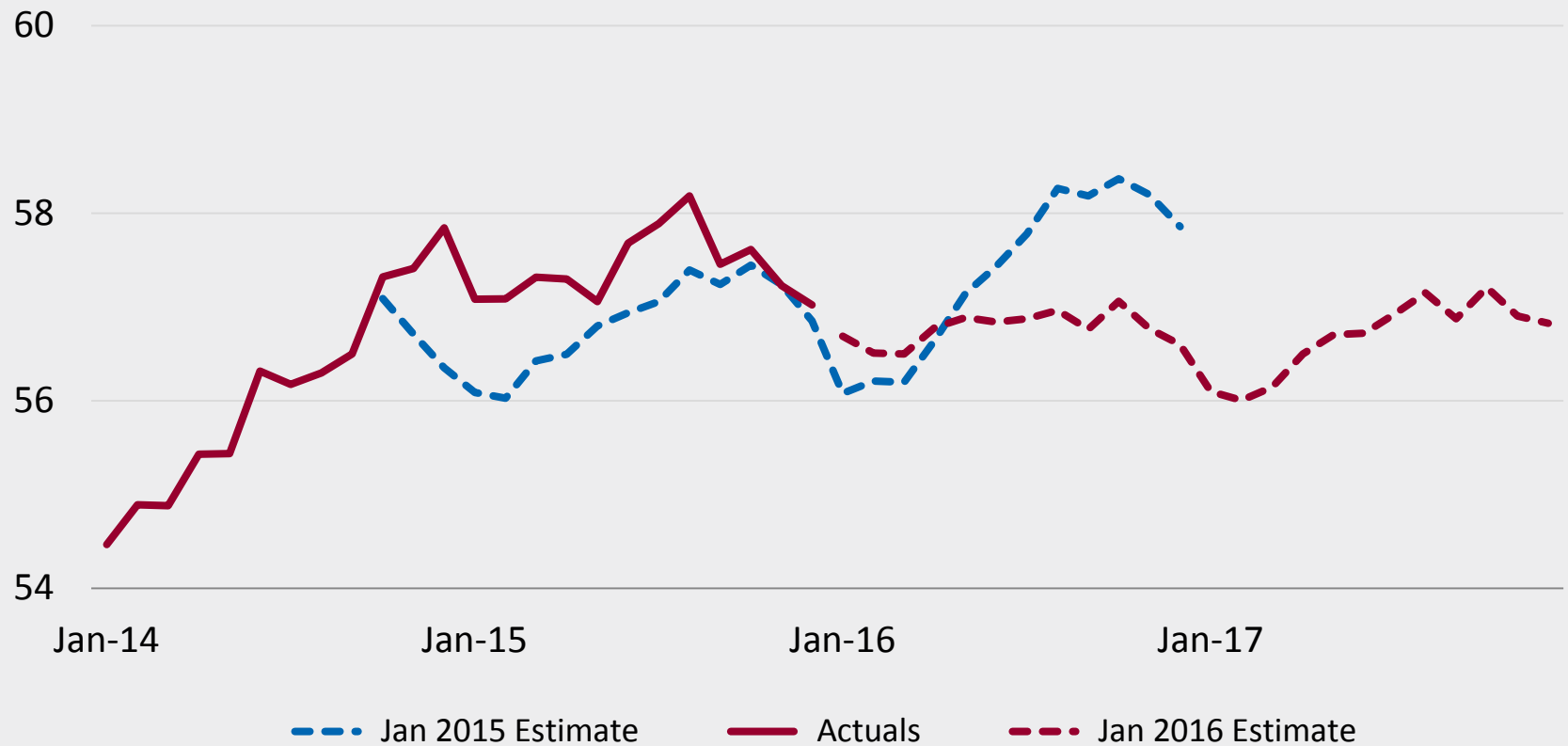
Recent and near-term

- ✓ Lianzi (Nov 2015)
- ✓ Moho Nord (Dec 2015)
- ✓ Chuandongbei (Jan 2016)
- Angola LNG
- Mafumeira Sul
- Bangka
- Alder



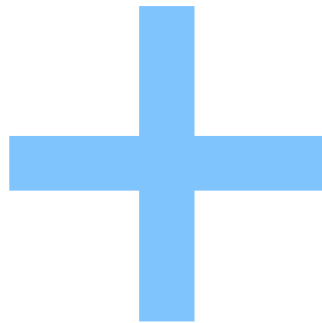
Macro

Non-OPEC liquid fuel production MMBD



Source: WoodMac Macro Short-Term Outlook Dec 2015

Questions



Answers



Appendix

Reconciliation of earnings (excluding FX and special items)

| | FY 2014 | 1Q15 | 2Q15 | 3Q15 | 4Q15 | FY 2015 |
|---|----------------|---------------|----------------|---------------|-----------------|----------------|
| Reported Earnings (\$MM) | 19,241 | 2,567 | 571 | 2,037 | (588) | 4,587 |
| UPSTREAM | | | | | | |
| Foreign Exchange | 597 | 522 | (146) | 258 | 91 | 725 |
| Asset Dispositions | 1,780 | 310 | -- | -- | -- | 310 |
| Other* | (950) | 250 | (2,710) | (245) | (1,125) | (3,830) |
| Subtotal | 1,427 | 1,082 | (2,856) | 13 | (1,034) | (2,795) |
| DOWNSTREAM | | | | | | |
| Foreign Exchange | (112) | 54 | (103) | 141 | (45) | 47 |
| Asset Dispositions | 960 | -- | 1,710 | -- | -- | 1,710 |
| Other* | (160) | -- | -- | -- | -- | -- |
| Subtotal | 688 | 54 | 1,607 | 141 | (45) | 1,757 |
| ALL OTHER | | | | | | |
| Foreign Exchange | 2 | 4 | (2) | (5) | -- | (3) |
| Other* | (345) | -- | 10 | -- | -- | 10 |
| Subtotal | (343) | 4 | 8 | (5) | -- | 7 |
| Total FX and Special Items (\$MM) | 1,772 | 1,140 | (1,241) | 149 | (1,079) | (1,031) |
| Diluted Weighted Avg. Shares Outstanding ('000) | 1,897,897 | 1,876,498 | 1,876,705 | 1,872,420 | 1,874,313 | 1,874,971 |
| Reported Earnings per Share | \$10.14 | \$1.37 | \$0.30 | \$1.09 | \$(0.31) | \$2.45 |

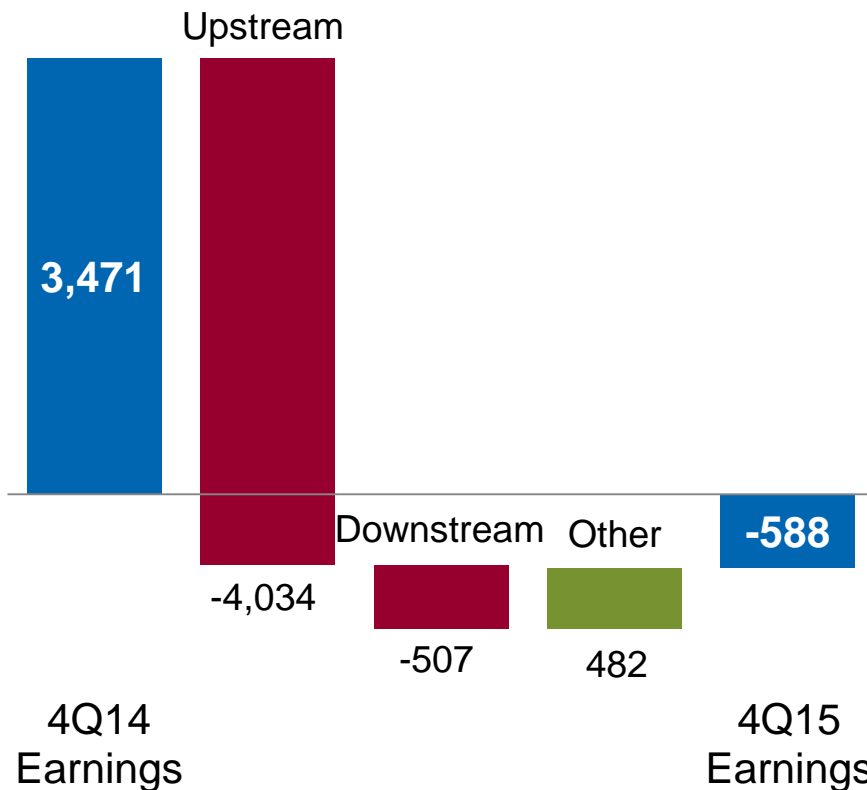
*Includes asset impairments & revaluations, tax adjustments, environmental remediation provisions, severance accruals and any other special items.



Appendix

Chevron earnings: 4Q15 vs. 4Q14

\$ millions



Upstream

- ~45% decline in crude prices
- Lower gains on asset sales and FX
- Higher suspensions, DD&A and exploration
- + Higher volumes and lower opex

Downstream

- Lower gains on asset sales
- Swing in timing effects
- + Stronger margins

Other

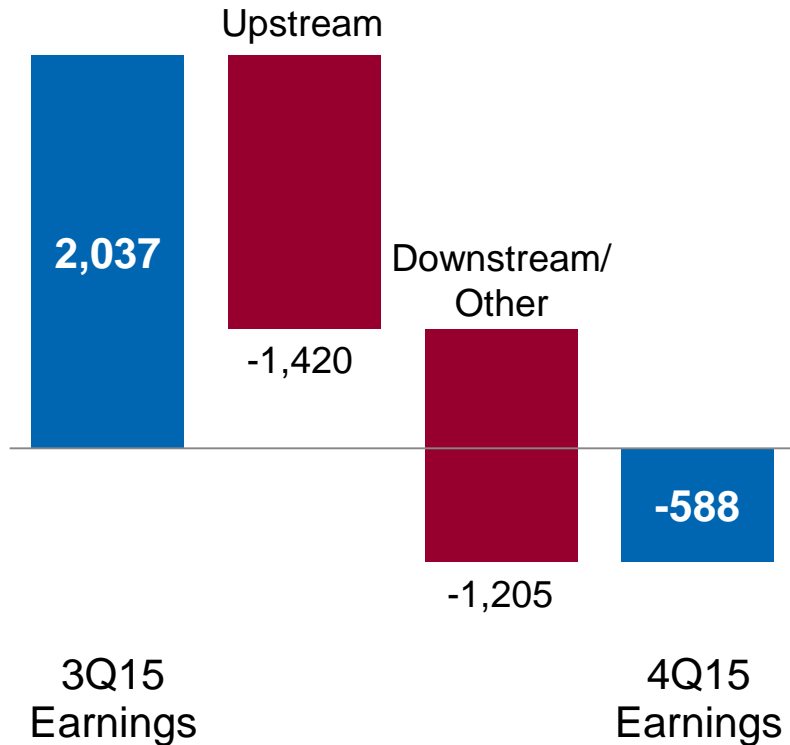
- + Lower tax effects



Appendix

Chevron earnings: 4Q15 vs. 3Q15

\$ millions



Upstream

- ~15% decline in crude prices
- Higher impairments and suspensions
- Higher exploration expenses
- + Higher volumes and tax benefits

Downstream

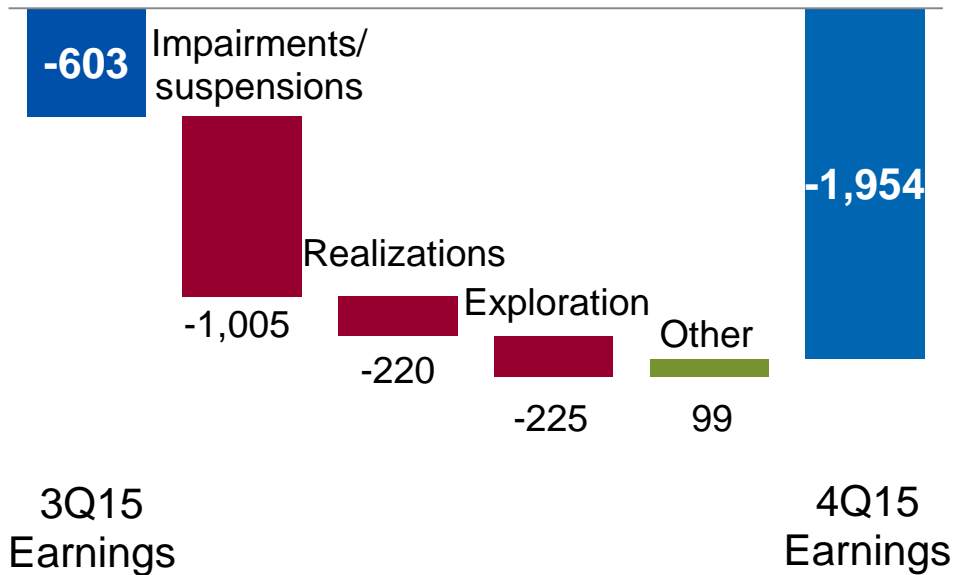
- Lower margins
- Higher operating expenses on planned turnaround activity
- Timing effects and FX



Appendix

U.S. upstream earnings: 4Q15 vs. 3Q15

\$ millions



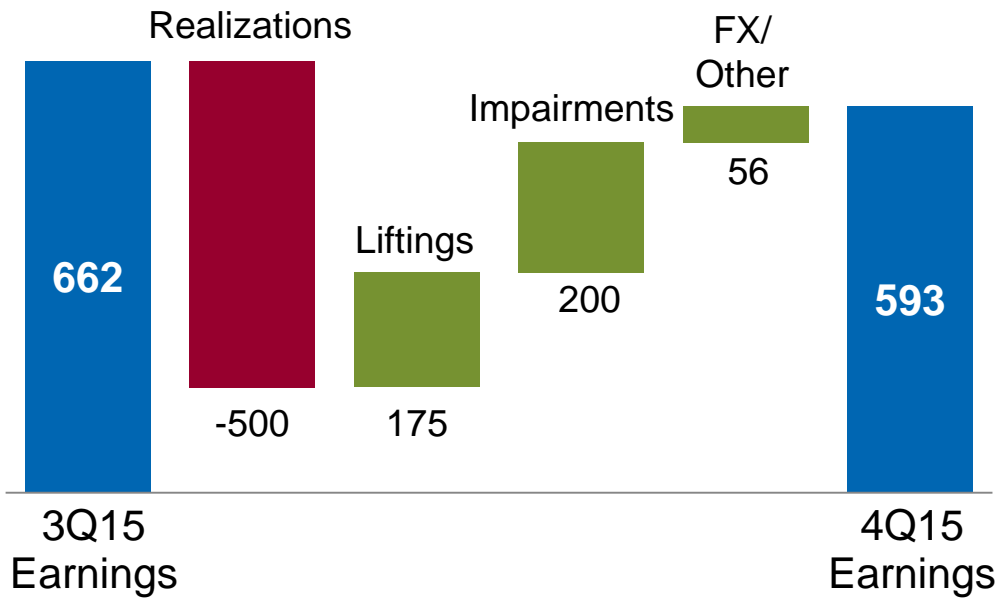
- Higher impairments and suspensions
- ~15% decline in liquids realizations
- Higher exploration expenses, mainly in Gulf of Mexico



Appendix

International upstream earnings: 4Q15 vs. 3Q15

\$ millions



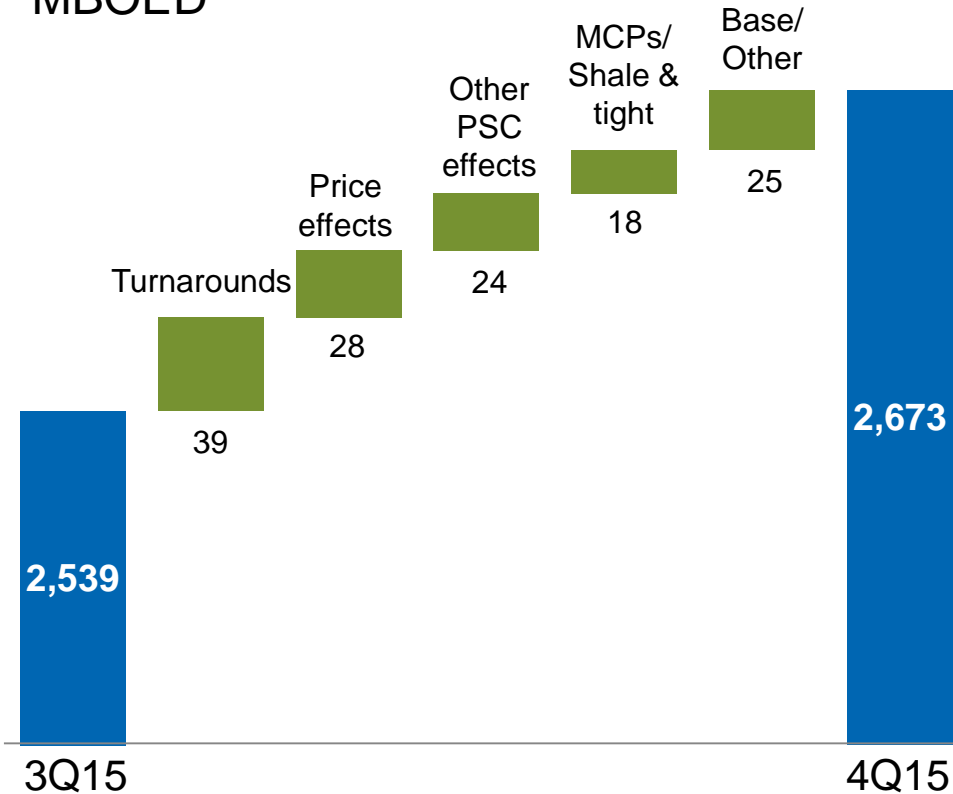
- ~15% decline in realizations
- Higher volumes
- Absence of 3Q15 impairments



Appendix

Worldwide net oil & gas production: 4Q15 vs. 3Q15

MBOED



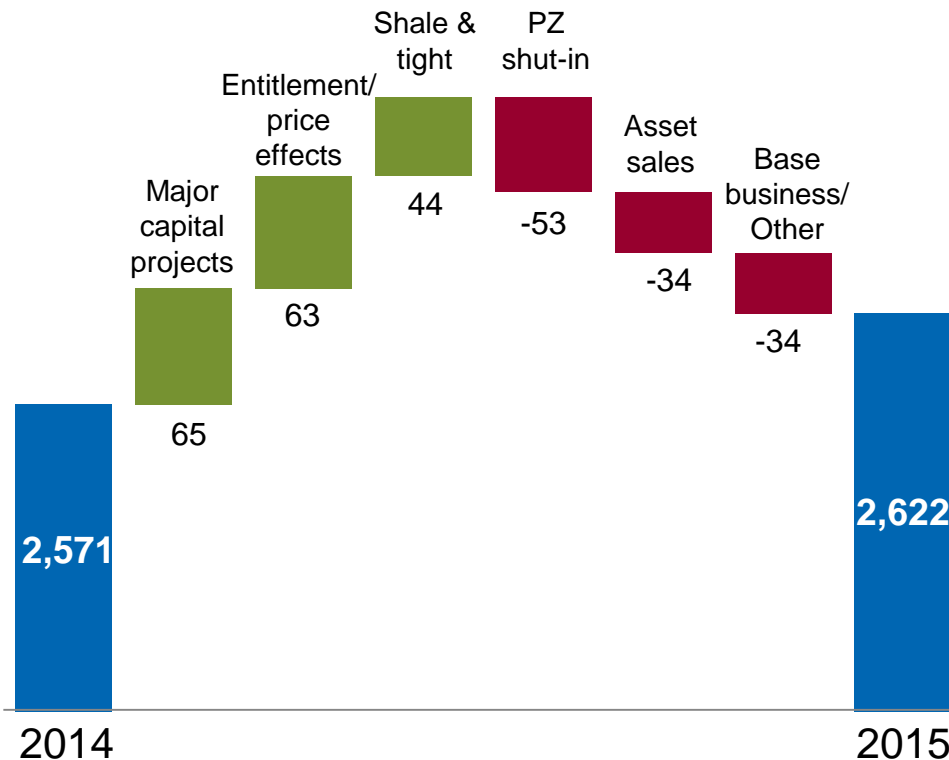
- Absence of planned Tengiz turnaround
- Price and other PSC effects
- Permian, Bangladesh and Lianzi growth



Appendix

Worldwide net oil & gas production: 2015 vs. 2014

MBOED



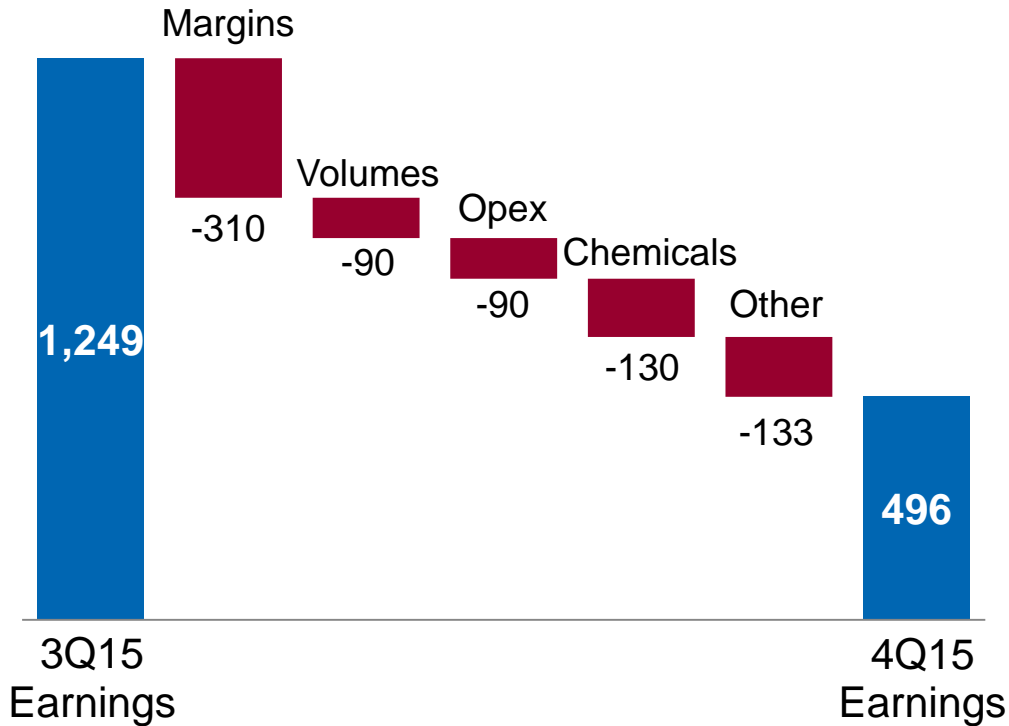
- Jack / St. Malo, Tubular Bells and Bibiyana expansion ramp-ups
- Permian and Marcellus growth
- PZ shut-in
- Asset sales impact (GOM, Chad, Netherlands)
- Decline rates within guidance



Appendix

U.S. downstream earnings: 4Q15 vs. 3Q15

\$ millions

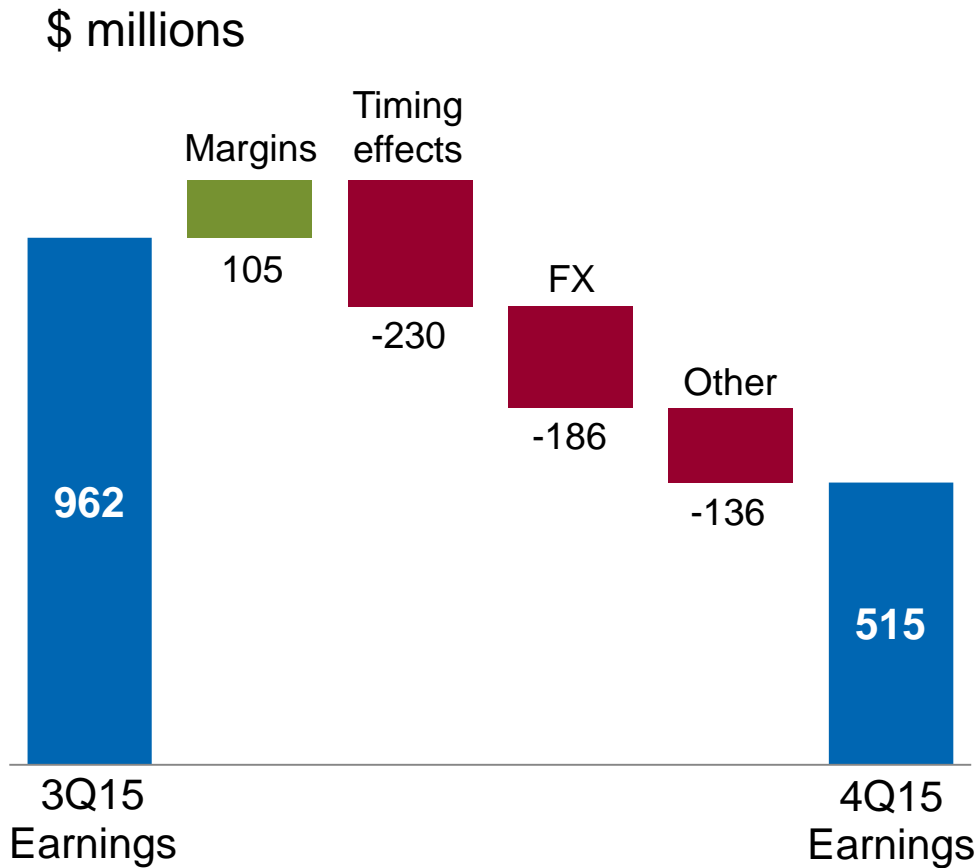


- Lower refining margins
- Turnarounds at Richmond and El Segundo refineries
- Lower Chemicals margins and higher opex



Appendix

International downstream earnings: 4Q15 vs. 3Q15



- Higher Asian margins
- Swing in timing effects
- Unfavorable FX

