Chevron

news release

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Chevron Executing Plans to Deliver Higher Returns and Lower Carbon

- **Raises share buyback guidance to $5 - $10 billion per year**
- **Increases return on capital employed target to 12% by 2026 at $60 Brent**
- **Expects operating cash flow per share to grow 10% per year through 2026 at $60 Brent**
- **Reaffirms carbon intensity reduction and new energies growth targets**

NEW YORK, Mar. 1, 2022 — At its annual investor meeting today, Chevron Corporation (NYSE: CVX) reported on its progress to deliver higher returns and advance a lower carbon future.

“Chevron’s executing a straightforward strategy, grounded in capital and cost discipline,” said Michael Wirth, chairman and CEO. “We’re aiming to grow cash flow and return more of it to shareholders, leveraging our strengths to deliver lower carbon energy to a growing world.”

Higher Returns

Chevron expects to continue to improve capital and cost efficiency to deliver higher returns. In line with this objective, the company announced:

- Maintaining guidance for annual organic capital and exploratory expenditures of $15 billion to $17 billion through 2026.
- A target to reduce 2026 operating expenses per barrel by more than 10% from 2021 levels.
- Expected oil and gas production CAGR greater than 3% by 2026.

The combination of a more capital efficient investment program, lower unit costs, and higher production is expected to result in a 12% return on capital employed in 2026 and 10% CAGR of operating cash flow per share by 2026, both at $60 Brent. The company also raised its share buyback guidance range to $5 to $10 billion per year, up from prior guidance of $3 to $5 billion per year.

“We have an advantaged portfolio and an industry leading balance sheet,” said Pierre Breber, Chevron’s CFO. “With the increase in our dividend and buybacks in the middle of our updated guidance range, cash returned to shareholders is expected to grow more than 50% from last year.”

Lower Carbon

Chevron reaffirmed its targets to lower the carbon intensity of its operations and grow new energy business lines in renewable fuels, hydrogen, carbon capture and offsets.

“We’re executing projects to lower carbon intensity to progress towards our 2050 net zero aspiration for Upstream Scope 1 and 2 emissions,” said Jay Johnson, executive vice president, Upstream. “We intend to be a leader in cost and carbon efficient production.”

In addition, the company provided updates on renewable fuels, hydrogen and carbon capture projects.

“Chevron’s new energy businesses are making progress towards our 2030 goals,” said Jeff Gustavson, president of Chevron New Energies. “We’re bringing our unique capabilities, in partnership with others, to advance lower carbon energy solutions that target harder-to-abate sectors and deliver competitive returns.”

Winning Combination

Consistent with the company’s long standing financial priorities, improved cash generation from its traditional business is expected to support a growing dividend, investments in traditional and new energy businesses, a strong balance sheet, and steady buybacks.

“I believe Chevron is well positioned for the future with a leading traditional energy business and faster growing new energy business lines,” Wirth concluded. “Combined with our strong track record of financial and operating discipline, we expect to deliver on our objective of higher returns and lower carbon that will benefit stakeholders for years to come.”

Webcast

Chevron will conduct a webcast on Tuesday, March 1, 2022, at 10:00 a.m. ET to discuss the company’s strategy at the annual investor meeting.

A webcast of the discussion will be available in listen-only mode to individual investors, media, and other interested parties on Chevron’s website at www.chevron.com under the “Investors” section. Presentations, prepared remarks and full transcript of the meeting will also be available on the Investor Relations website.

Chevron is one of the world’s leading integrated energy companies. We believe affordable, reliable and ever-cleaner energy is essential to achieving a more prosperous and sustainable world. Chevron produces crude oil and natural gas; manufactures transportation fuels, lubricants, petrochemicals and additives; and develops technologies that enhance our business and the industry. We are focused on lowering the carbon intensity in our operations and seeking to grow lower carbon businesses along with our traditional business lines. More information about Chevron is available at www.chevron.com.

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This news release contains forward-looking statements relating to Chevron's operations and energy transition plans 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," "advances," "commits," "drives," "aims," "forecasts," "projects," "believes," "approaches," "seeks," "schedules," "estimates," "positions," "pursues," "may," "can," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on track," "goals," "objectives," "strategies," "opportunities," "poised," "potential," "ambitions," "aspires" 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 and demand for the company's products, and production curtailments due to market conditions; crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries; technological advancements; changes to government policies in the countries in which the company operates; public health crises, such as pandemics (including coronavirus (COVID-19)) and epidemics, and any related government policies and actions; disruptions in the company's global supply chain, including supply chain constraints and escalation of the cost of goods and services; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; changing refining, marketing and chemicals margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; development of large carbon capture and offset markets; the results of operations and financial condition of the company's suppliers, vendors, partners and equity affiliates, particularly during the COVID-19 pandemic; 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, terrorist acts, or other natural or human causes beyond the company's control; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes undertaken or 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, taxes and tax audits, 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 receipt of required Board authorizations to implement capital allocation strategies, including future stock repurchase programs and dividend payments; 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 20 through 25 of the company's 2021 Annual Report on Form 10-K and in other 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.*