

# Downstream

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Executive Vice President



# Downstream Themes



Strategy

Performance

Growth





# Strategy Focused on Improving Returns



## Improve returns

and grow earnings  
across the value chain

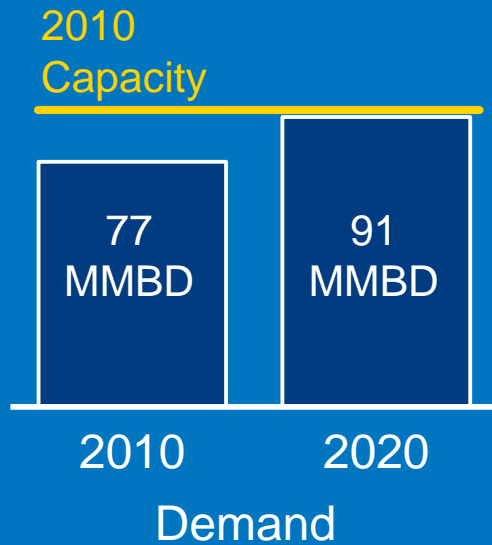
- ✓ Operational Excellence
- ✓ Focused refining and marketing portfolio
- ✓ Asset scale, flexibility, complexity
- ✓ Targeted growth



# Shifting Global Fundamentals

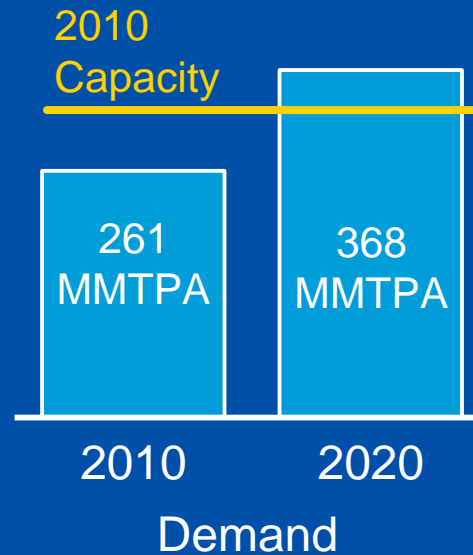


## Fuels

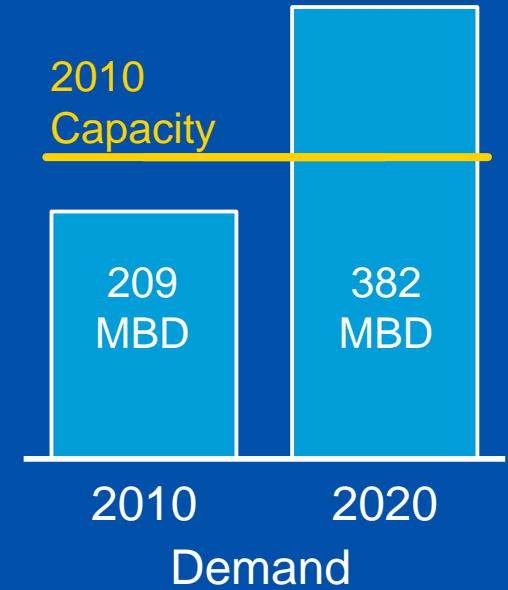


Modest growth  
and surplus capacity

## Primary Petrochemicals



## Premium Base Oils



Petrochemicals and lubricants  
are growth segments

# Fuels Demand Outlook Plays to Our Strength



## 2010 – 2020 Growth By Region

18% growth

Europe / FSU

Africa / ME

Americas

Asia

Asia is the primary engine of growth



## 2010 – 2020 Growth By Product

18% growth

Gasoline

LPG/Naphtha

Distillate

Distillate growth continues globally

# Advantaged Fuels Footprint



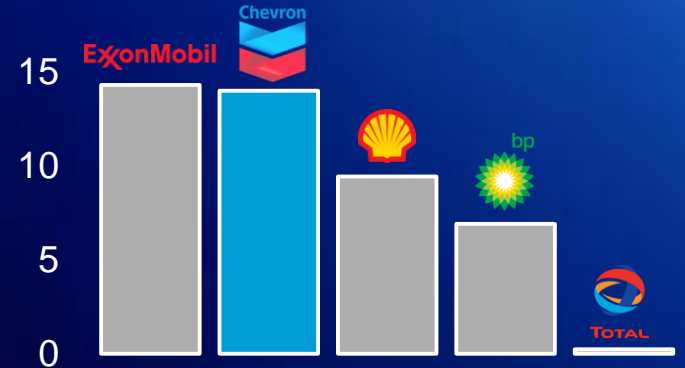
**72%** of Chevron Refining  
Equivalent Distillation Capacity



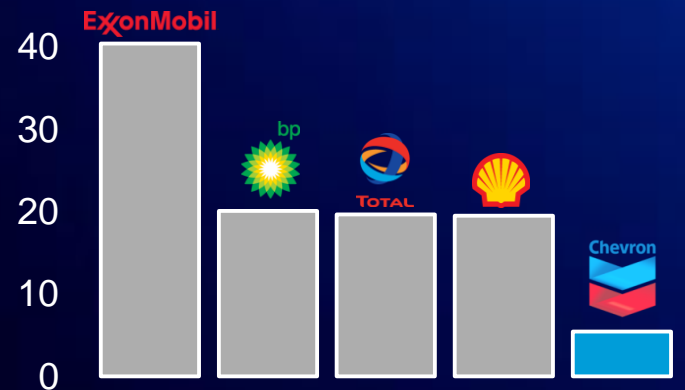
● Chevron Refineries

Equivalent Distillation Capacity  
Million Barrels Per Day

## Pacific Rim



## Rest of World

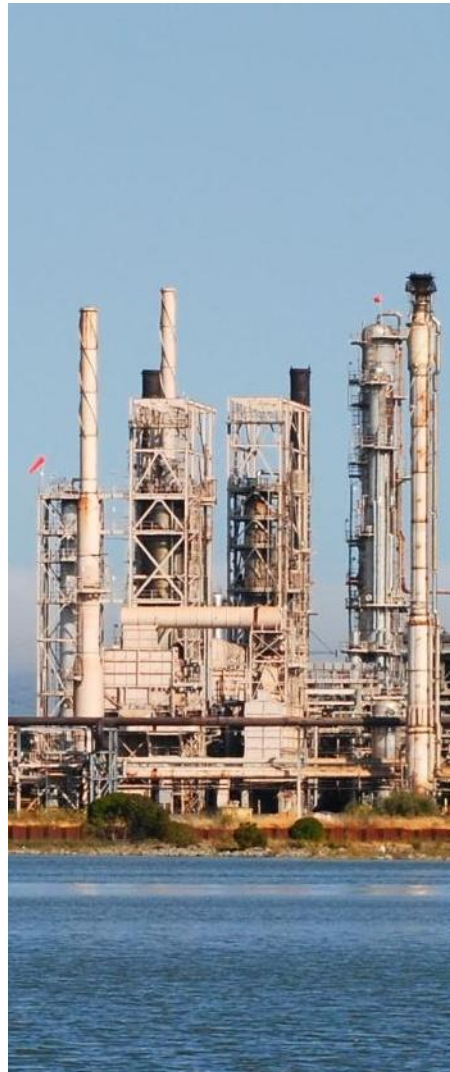
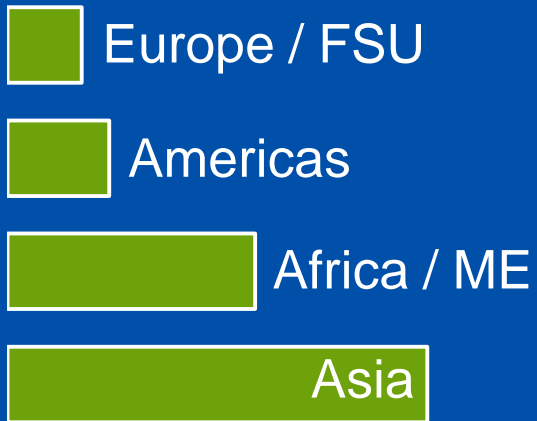


# Petrochemicals and Lubricants Demand Growth



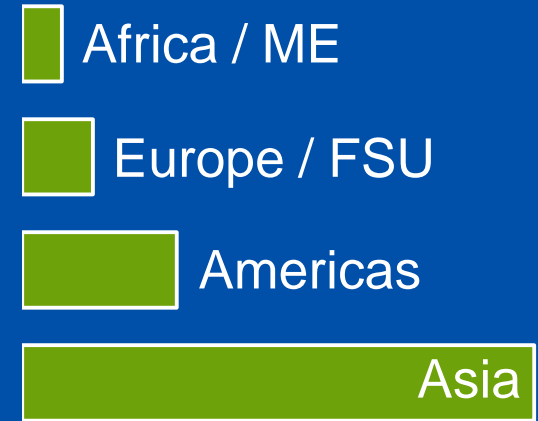
## 2010 – 2020 Growth Petrochemicals

41% growth



## 2010 – 2020 Growth Premium Base Oils

83% growth





# Downstream Themes



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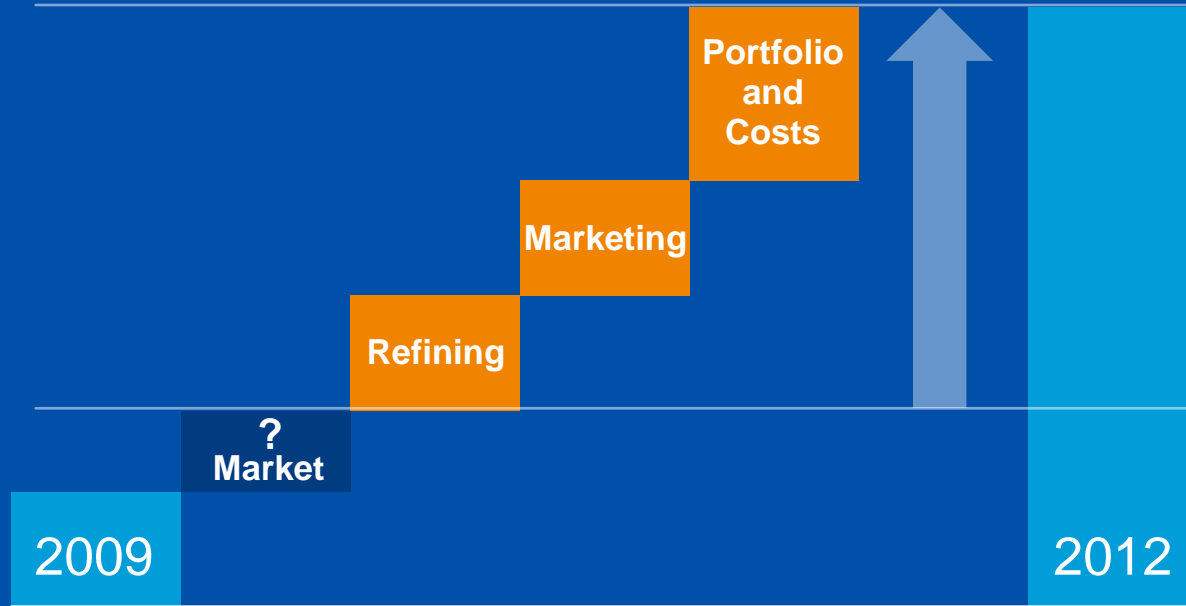


# We Deliver Results



## Return on Capital Employed 3-Year R&M Commitment

7%  
Improvement  
Target



2011 Actual

8%  
Improvement  
Captured



# Continuing Refining Improvements



Improvements (\$MM B/T)  
vs. 2008 Baseline



Feedstock and product **flexibility**

**Greater** turnaround and maintenance **efficiency**

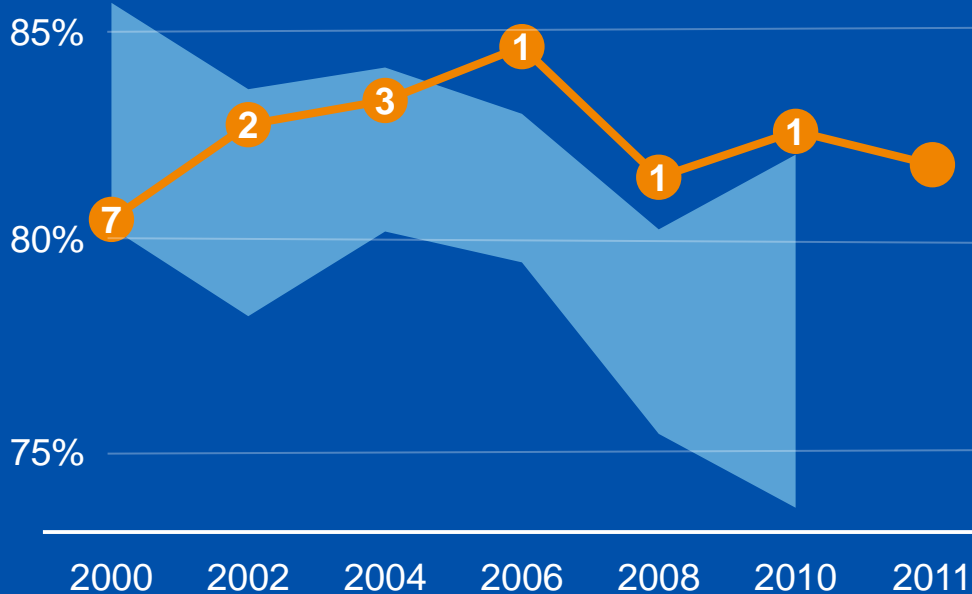
**Reduced** catalyst and chemicals **costs**

Improved **energy efficiency**

# Sustained Top-Tier Reliability



## Solomon Utilization Chevron vs. International Majors



- 1 CVX Ranking Relative to Competitors  
1 being the best
- Competitor Range (Majors tracked by Solomon)

Sustaining  
high-level of  
performance

Deploying  
turnaround  
improvement  
initiatives



# Superior Energy Efficiency and Cash Margin

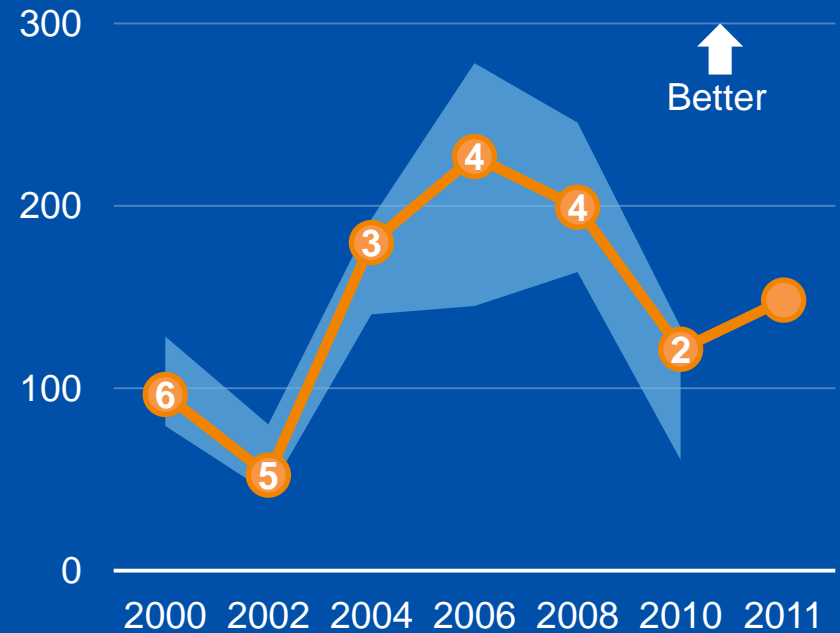


## Energy Intensity Index



- 1 CVX Ranking Relative to Competitors  
1 being the best
- Competitor Range (Majors tracked by Solomon)

## Net Cash Margin Indexed to 2000 Average



# 2011 Portfolio Actions



Country Exits 27

Asset Divestments

- Pembroke Refinery
- UK, Ireland Marketing
- 13 Terminals

2005-2011  
Cash (B/T) \$8B



# Portfolio Rationalization Continues



## Signed

- Spain
- Caribbean
- Perth Amboy
- Alberta Envirofuels

## Soliciting Bids

- GS Power

## Under Review

- Egypt
- Pakistan
- Caltex Australia Refining





# R&M Restructuring Strengthens Returns



## Country Count



**Focused** footprint

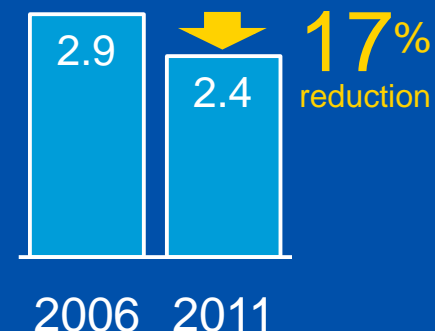
**Simpler** model

**Reduced** costs

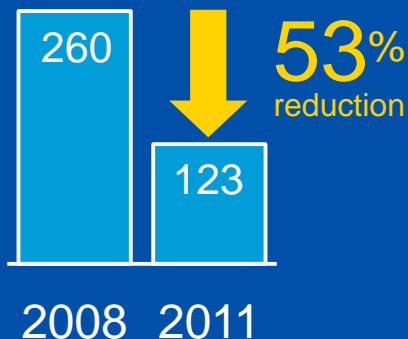
**Higher** returns

## Trade Sales

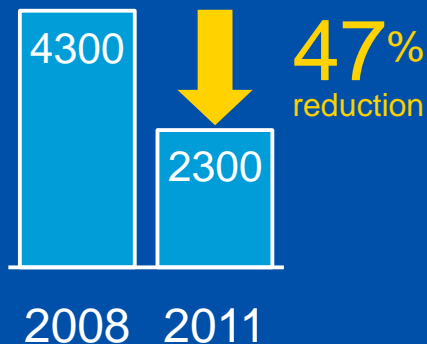
Million Barrels / Day



## Terminal Count

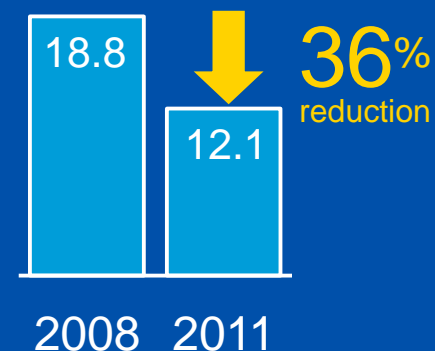


## Company-Owned Stations



## Headcount

Thousands

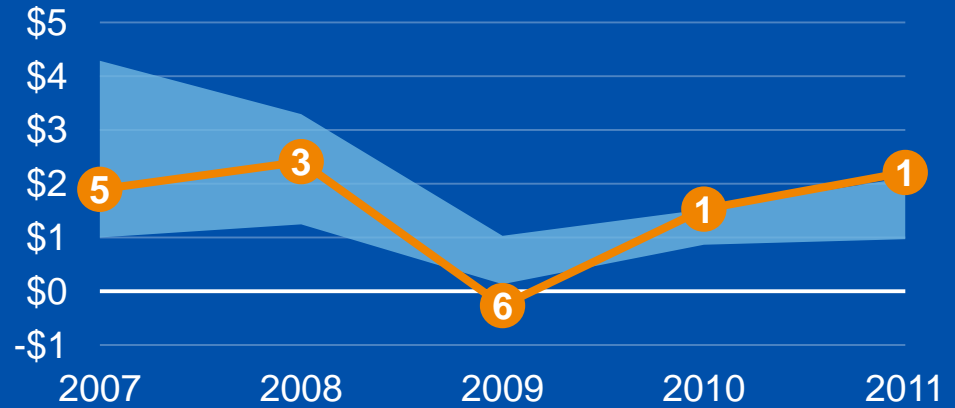


# Strong Competitive Performance



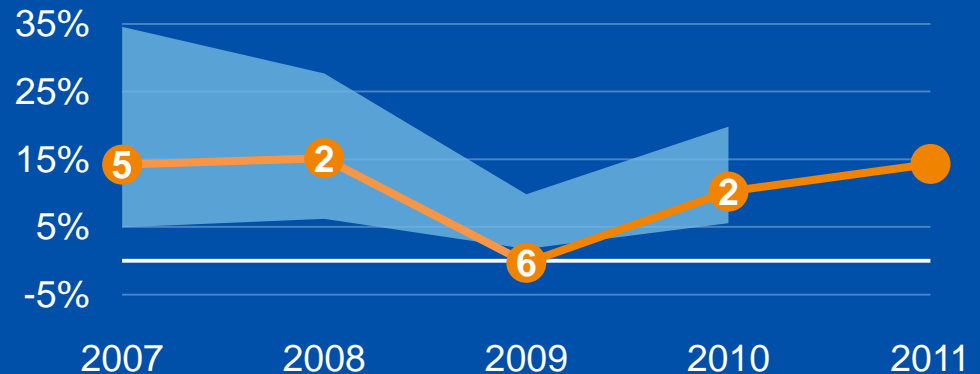
**\$2.21** per barrel

2011 Adjusted Earnings\*



**14.3%**

2011 Adjusted ROCE



**1** CVX Ranking Relative to Competitors  
1 being the best

Competitor Range: BP, COP, RDS, TOT, XOM,

\* Adjusted earnings per barrel exclude Chemicals due to availability of volume data.

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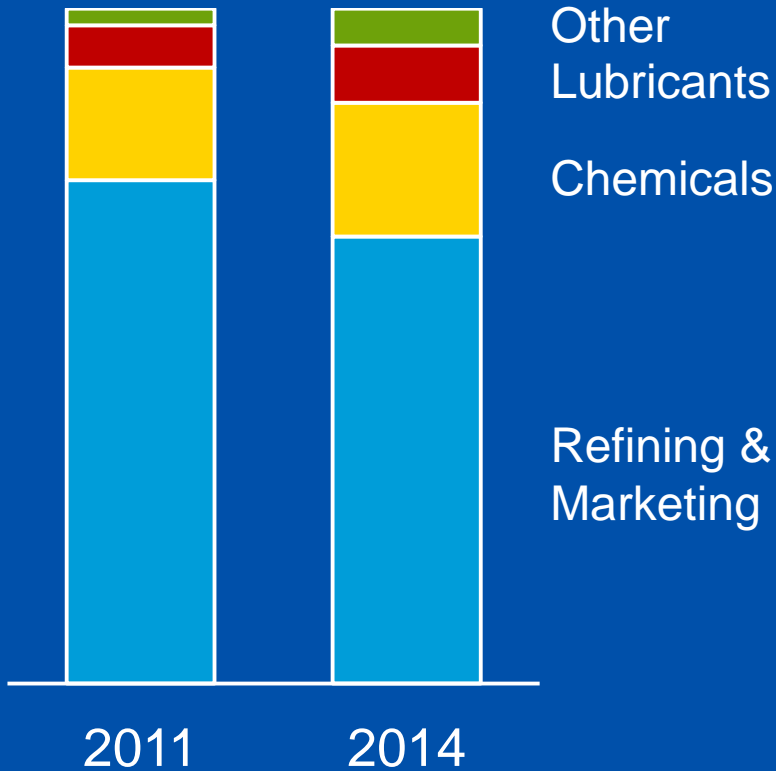






# Portfolio Optimization Emphasizes Higher Return Segments

## Relative Capital Employed



Growth in  
**higher return**  
segments

**Conscious**  
investment shift

Portfolio **balance**

# GS Caltex – Yeosu, South Korea

## Deep Integration, Positioned for Growth



**4th** largest refinery in the world

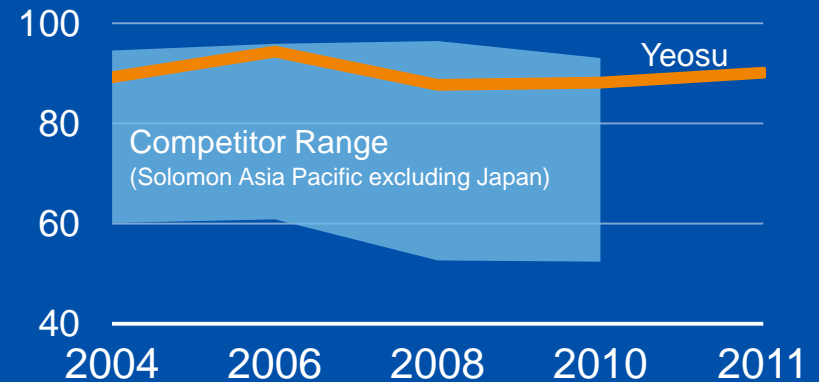
**3rd** largest aromatics plant in the world

Fuels, petrochemicals and base oil **integration**



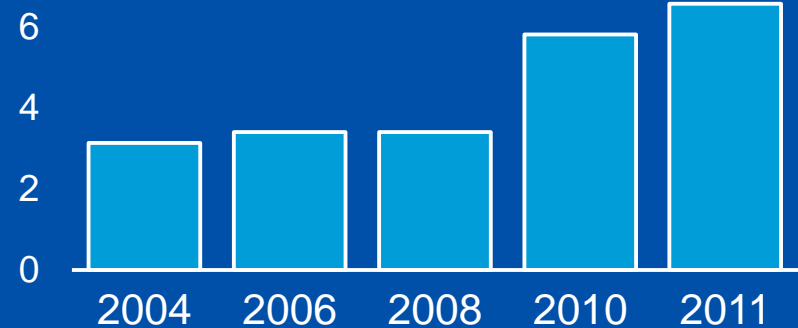
### Solomon Utilization

Yeosu vs. Competitor Range



### Equivalent Distillation Capacity

Million Barrels Per Day



# Chevron Phillips Chemical Company Top Performer in Advantaged Geographies



**First** quartile peer return-on-assets

**Largest** IOC petrochemical producer in Middle East

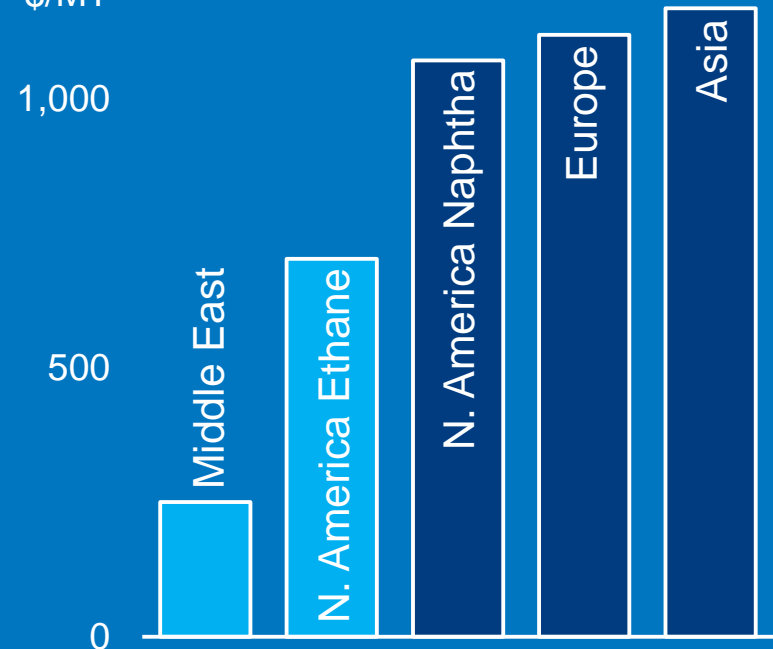
**Plans** for 1.5MM MTA Cedar Bayou Texas ethylene cracker



Peer group: Borealis, Dow, LYO, NCX, RDS, Westlake, XOM

## Access to low cost feedstock

Ethylene Cash Cost  
\$/MT



**100%** of Chevron Phillips ethylene capacity in Middle East and North America

# Chevron Lubricants

## Industry Leading Premium Base Oil Technology



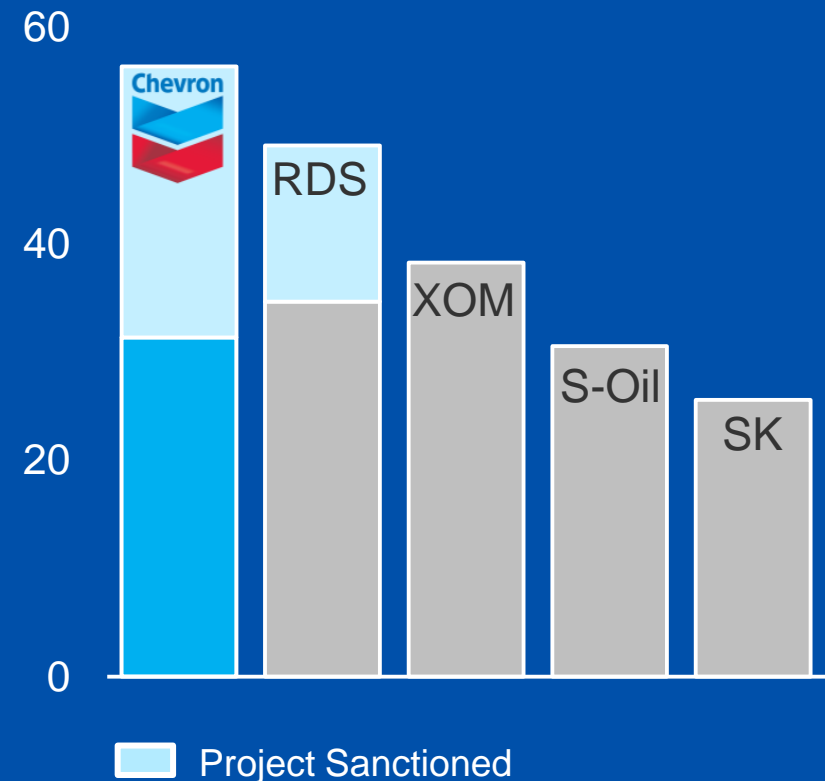
**First** all-hydroprocessing  
base oil plant

**No.1** producer of premium  
base oils in Pacific Rim

**World leader** in premium  
base oil production by 2013



### Premium Base Oil Capacity by end of 2013 MBD





# Chevron Oronite – Specialty Chemicals

## Growing High Return Segment



**World-scale**  
plants in all three  
demand regions

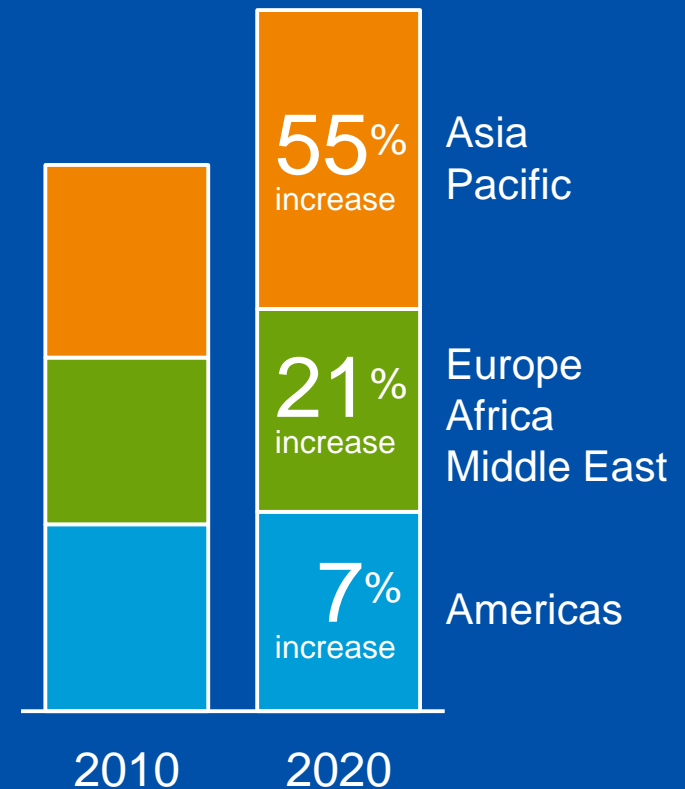
**Largest** additives  
plant in Asia

**No.1** market share  
and technology

- Marine
- Railroad
- Natural gas engine oil



### Lubricant Additives Demand



# Investing in Asia, Chemicals and Lubricants



## Pascagoula

Premium Base Oils  
25 MBD



## Saudi Arabia

Olefins & Derivatives  
3.3 million MT/year



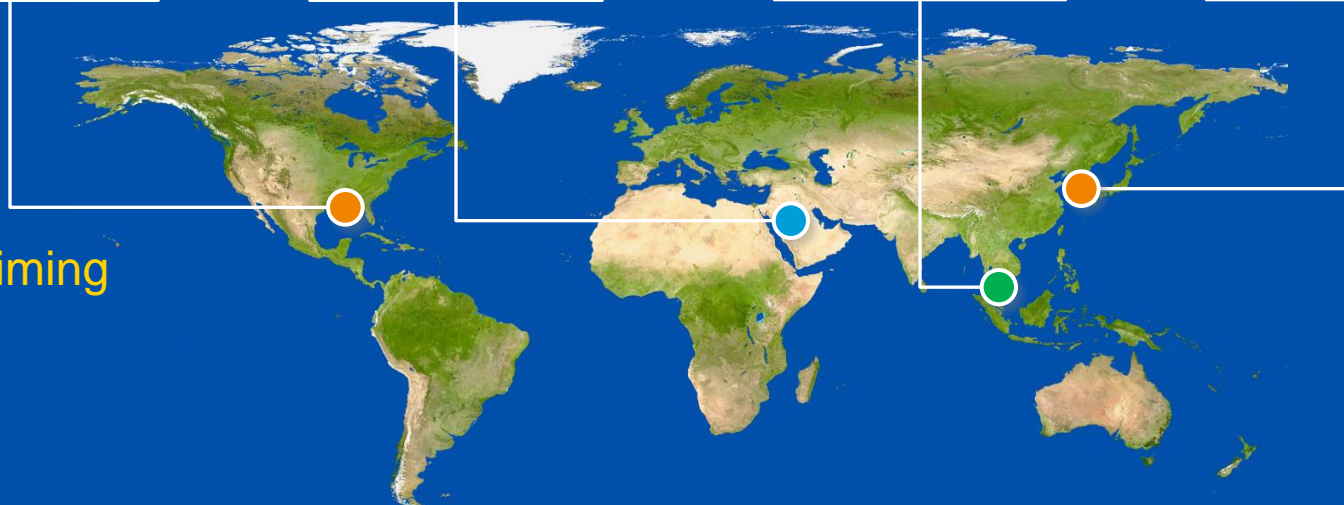
## Singapore

Additive Expansion  
120,000 MT/year



## South Korea

Gas Oil Conversion  
53 MBD



## Startup Timing

- 2012
- 2013
- 2014

# Well-Positioned for Today and the Future



## Strategy

Improve returns

- Operational excellence
- Focused portfolio
- Competitive assets

## Performance

Top-tier performance

- Safety
- Reliability
- Profitability

## Growth

Targeting growth

- Asia
- Chemicals
- Lubricants





# Questions and Answers





# Break

