2021 Virtual Chevron Investor Day
Edited Transcript: Part I

Tuesday, March 9th, 2021

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

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Chevron

March 9, 2021
10:00 AM EST

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Prepared Remarks

Wayne Borduin:

[Slide 1] Good morning. I'm Wayne Borduin, General Manager of Investor Relations for Chevron. We're very excited to share Chevron's value proposition with you all today, and we greatly appreciate you taking the time to spend a few hours with us from your respective locations.

[Slide 2] Today's presentation will contain four parts. We begin with a corporate overview by our Chairman and Chief Executive Officer, Mike Wirth.

This will be followed by a review of our primary operating segments presented by Jay Johnson, Executive Vice President of Upstream, and Mark Nelson, Executive Vice President of Downstream and Chemicals. Pierre Breber, our CFO, will wrap up with our strategy of higher returns and lower carbon. After the prepared remarks, we'll transition to a Q&A with the sell side. And following a brief break, we will host four 30-minute breakout sessions involving eight members of Chevron's leadership team.

It's here that you'll have a chance to go a bit deeper into each of our different operating segments and our energy transition strategy.

[Slide 3] Before we begin, a reminder that today's presentation contains estimates, projections, and other forward-looking statements. These statements are subject to certain risks, uncertainties, and other factors that may cause actual results to differ. Please take a moment to review the Safe Harbor Statement that is on the screen and available online.

Thanks for your attention. I'd now like to introduce our Chairman and Chief Executive Officer, Mike Wirth.

Mike Wirth:

[Slide 4] All right, thanks, Wayne. Good morning, everyone, and welcome to Chevron's 2021 Investor Day. Joining me today is Jay, Mark, and Pierre. We wish we could be with you in person instead of virtually from California. 2020 was a year like no other with tragic loss of life and damaging economic consequences.

We've seen it around the world, in our workforce, markets, and in business results. But we also saw something else. People around the world rose to meet this challenge. Healthcare professionals were recognized as the heroes they are. Students shifted to distance learning. Businesses reconfigured supply chains and adopted remote collaboration. And scientists developed vaccines faster than ever before.

Innovation, technology, collaboration, and the power of the human spirit coming together to conquer this terrible pandemic. At Chevron, we've navigated 2020 better than most in

our industry, relying on our culture and our financial priorities as our guide, and we remain well-positioned to win in any environment. We're optimistic as we look to the future, and we're excited to share with you how we'll deliver higher returns and lower carbon.

[Slide 5]

We originally planned to hold this meeting at the New York Stock Exchange, celebrating the 100-year anniversary of Chevron's listing on the NYSE. Over our history, we've navigated pandemics, depressions, and world wars. While we can't be in New York this year, we can use this moment to reflect on what it takes to be one of only 29 companies to be listed for more than a century.

Consistent values, because the world changes, but our foundation doesn't. Staying prepared, because our business has cycles. We need to remain disciplined in order to win in any environment. And being adaptive. We live in a dynamic world where disruption has become routine. The best companies evolve with markets before someone else steps in.

A hundred years ago, our country was entering the Roaring '20s, an era of prosperity, as it recovered from both a world war and a pandemic. Oil and natural gas were a much smaller part of a much smaller energy system back then.

What's in store for the next 100 years? No one knows for certain. The future will be different from the past and will no doubt surprise us along the way. I do know that these three characteristics will live on in Chevron. They're part of our DNA and will help us navigate the future with success.

[Slide 6]

Today, you'll hear that Chevron is in a different place than others in our industry with an advantaged portfolio further enhanced by the Noble acquisition, unmatched financial strength and flexibility, underpinned by the industry's leading balance sheet. A commitment to capital discipline in our core business, in M&A, and in the energy transition. A track record of sustainably returning more cash to shareholders, our number one financial priority, and a strategy to be a leader in advancing a lower carbon future.

[Slide 7]

Let's start with some of our most important beliefs.

First and foremost, we believe energy enables modern life. Affordable and reliable energy will be needed in the future to power a growing economy and lift billions of people out of poverty. Second, we believe everyone is entitled to a clean environment, and we all will play a part in addressing the risks of climate change. As we have for many years, we support well-designed climate policies and believe a price on carbon is the most efficient mechanism to reduce emissions. And third, despite the difficulty of the last year, life on this planet keeps getting better, decade after decade, because of human ingenuity.

We believe in the power of people working together to advance the technology and innovation that will help address society's highest priorities. Just like with the COVID vaccine, no one company, no one industry, no one country will develop the solution to the dual challenges of meeting the world's growing energy needs and addressing the risks of climate change, which leads me to our commitment to ESG.

[Slide 8]

As I just mentioned, Chevron is committed to protecting the environment, which includes water, air, land, biodiversity, and climate. I encourage you to read our newest climate report, which we are releasing today, and our sustainability report. These detail our

commitments, actions, and results.

Living by our social contract with employees and other stakeholders was never more important than it was last year. Chevron hires, invests in, and retains the critical talent needed to lead in the energy future. I'm proud of how we were able to maintain our strong company culture, develop diverse talent, and support our communities during a time of tremendous need.

And finally, Chevron holds itself to the highest governance standards. Our Board of Directors is composed of exceptional and diverse individuals. They've achieved excellence in their fields, and they expect excellence from us. They're committed to seeking outside views to challenge our perspectives. In 2020, we continue to engage with shareholders on important ESG topics and issue reports aligned with SASB, TCFD, and other standards.

[Slide 9] As shown on this slide, Chevron is the industry leader in worker safety, spill prevention, and process safety.

This reflects our commitment to protecting people and the environment and our unwavering determination to keep getting better at both. During a time of unprecedented challenges, we delivered one of our safest years ever. We were prepared with an enterprise pandemic response plan that allowed us to stand up COVID response teams all around the world early in February.

I'm so proud of how the thousands of Chevron employees and contractors responded, working 24-7 on shifts, platforms, rigs, refineries, and other operating facilities. We are safely delivering energy to a recovering global economy, while our office workers provided necessary support from their homes. While we run our business safety today, we're also looking to tomorrow.

[Slide 10] We believe the future of energy is lower carbon, and we intend to be a leader in advancing a lower carbon future by taking actions in three areas:

One, significantly reducing our carbon intensity through cost-efficient investments to reduce greenhouse gas emissions in our operations. We've already exceeded our 2023 targets and are restricting even further with new goals for 2028. Jay will talk about these in a few minutes.

Two, increasing renewables and offsets, primarily through investments to grow renewable natural gas and liquid products in support of our downstream business. And increasing renewable power to our upstream operations.

And three, investing in low carbon technologies focused on carbon capture and hydrogen where we can enable commercial solutions, leveraging our capabilities and operations. Our strategy supports our business, making it more sustainable with actions that are both good for the environment and good for shareholders. Now let's turn to our portfolio.

[Slide 11] Our asset base has never been stronger. It's the result of smart choices over the years in where to invest, when to high-grade, and what to acquire. It's diverse across geographies, asset classes, and value chains, yet concentrated in areas of strength where we have competitive advantage.

During 2020, our portfolio showed its resilience, adjusting to extreme market conditions, to balance short-term cashflow, with preserving long-term value. Whether it's our low royalty position in the Permian, a growing gas business in the Eastern Med, our feedstock advantaged chemicals plants, or our leading fuels position on the U.S. West Coast, we strive for businesses that are low-cost, delivering results across the cycle, large-scale, making a difference to our shareholders, and long-lived, generating cashflow for decades.

[Slide 12] Driving higher returns begins with capital discipline. And that's why we're reaffirming our capital guidance of 14 to 16 billion dollars through 2025. As shown on the upper right, our investment program is becoming even more capital efficient, led by short-cycle investments that Jay will cover. And we expect our non-cash affiliate capital to trend down to about 15 percent of our total as TCO spending decreases.

[Slide 13] As we said before, costs always matter in a commodity business. After operating as a combined company for several months, we've raised our Noble synergy target from 300 million dollars to 600 million dollars, twice our initial estimate. These incremental synergies come from more cost efficiencies as we integrated into one organization, procurement savings, from leveraging the best pricing between our contracts, and even lower exploration costs.

We expect higher Noble synergies and the lower costs resulting from our transformation last year to drive overall 2021 operating expenses down about 10 percent from 2019. Our new streamlined organization has been in place for five months. And with new ways of working and the latest digital tools, our workforce is more efficient and effective than ever.

[Slide 14] Lower costs and greater capital efficiency are the main drivers of delivering higher returns at a flat 50-dollar Brent nominal price, we expect to more than double ROCE by 2025. This improvement is anchored in self-help. We're not bidding on higher prices to bail us out.

We continue to focus on further improvements to costs and margin, including efforts announced last year to deliver more than one billion in run-rate value chain improvements by the end of this year. We're investing in only our best projects, funding only those that meet our high-return expectations. And if the market surprises to the upside, we'd expect to deliver double-digit returns like we showed at last year's meeting at 60-dollar flat Brent.

[Slide 15] Our financial framework and continued discipline deliver results that work in both a downside and an upside price scenario. In a downside case, at flat 40-dollar Brent for another five years, we expect net debt to peak around 35 percent, a level not far from the average of our peers today. In an upside case at flat 60-dollar Brent for five years, we expect to generate more than 25 billion dollars of excess cash, available primary for shareholder distributions over time.

And most importantly, we expect the dividend to be secure in either scenario and every other one in between, which brings me to a key point:

[Slide 16] Our financial priorities haven't changed, unlike others. In fact, when the full force of the pandemic became evident in 2020, our actions were guided by these priorities.

First, protecting the dividend. We haven't cut it since the Great Depression, and we've

increased it for 33 straight years. Second, investing in the business. We were able to sustain the enterprise at a lower reinvestment rate because of our vastly improved capital efficiency. Third, preserving our balance sheet. An industry leader pre-pandemic, and an industry leader today, even after completing a major acquisition. And finally, when the first three priorities are met, we have a clear history of repurchasing shares as we have in 13 of the last 17 years. I'll reiterate, where others have changed their strategies, their priorities, and their financial commitments to shareholders, we haven't.

[Slide 17] We offer something different to our employees, to our partners, to our customers, to our communities, and to our investors.

We have a track record you can count on. I started today by calling out three characteristics that have helped Chevron succeed for a hundred years on the NYSE and which remain key to our success today.

Consistent: You don't have to guess what Chevron will do next. Prepared: You can count on us to be ahead of the game. And adaptive: We intend to lead this industry for a long time into the future. Not everyone can say this and back it up.

With that, I'll turn it over to Jay to talk about Upstream.

Jay Johnson:
[Slide 18] Thanks, Mike. Good morning. I'll start by highlighting one of our newest assets, the Leviathan facility in the Eastern Mediterranean.

The Tamar and Leviathan fields supply the energy for around 70 percent of Israel's electricity, enabling a transition from coal to gas which in turn is lowering carbon emissions and improving air quality. These projects have helped Israel move towards energy independence and created a supply hub within the broader region. We'll talk more about the Eastern Mediterranean and its attractive growth prospects later in the presentation, for now let's start with the overall portfolio.

[Slide 19] This pie chart shows the scale and diversity of our resource base by asset class. As of the end of 2020 we have 84 billion barrels of unrisked resource, an increase of 18 percent from just a year earlier. In 2020, we streamlined our organization and eliminated overhead costs by realigning to three operating regions.

Our current portfolio of assets includes legacy positions in the Permian Kazakhstan, Australia, and the deepwater Gulf of Mexico as well as the newly acquired assets in the Eastern Mediterranean and the DJ Basin.

[Slide 20] Reserve and resource replenishment are important indicators of the sustainability of our business. The chart on the left shows our five-year reserve replacement ratio is 99 percent. On the right you can see that over the last ten years our resource base has increased by 30 percent. Optimization of our resource base is evident when you see the barrels associated with asset sales are greater than our production over the ten-year period. We've been able to grow our resource base and replace reserves with predominately shorter-cycle, higher-return investments despite sustained, lower capital programs. Our large resource base provides options allowing us to focus on those assets that yield higher returns.

[Slide 21] Our advantaged portfolio, combined with our commitment to operational excellence and a competitive cost structure, drives industry leading performance. As shown on the upper left, we've maintained capital discipline over the last five years.

Last year we demonstrated the flexibility in our portfolio by quickly reducing upstream's capital spend from $17 to $11 billion, effectively making this a step change within a single quarter. We've said many times that costs always matter, and, as shown on the lower left, we've maintained a highly competitive cost structure. When combined with our operational performance and portfolio, we've delivered the unit earnings and leading cash margins shown on the right.

Our focus is to drive those margins higher through disciplined execution, cost management, value chain improvements, and portfolio optimization. Let's turn now to our future investment opportunities.

[Slide 22] As our portfolio has evolved, we've become less reliant on large-scale major capital projects.

Our execution performance in short-cycle projects continues to be a strength where these types of investments have consistently met or exceeded expectations on cost, schedule, and most importantly full-cycle returns. As shown on the left by the darker bars, around 60 percent of our capital this year is allocated to short-cycle investments. We expect this to grow to about 75 percent by 2025.

This flexibility allows us to respond to dynamic market conditions to deliver more competitive and predictable returns with lower execution risk. On the right, independent analysis performed by Wood Mackenzie suggests that our portfolio of new opportunities is positioned to deliver significantly higher point-forward returns than any of our peers. Now let's turn to the Permian.

[Slide 23] Last year in response to market conditions we significantly lowered activity levels. Our current view of Permian capital spending is shown on the upper left. We continue to take a disciplined approach, and in the short term we expect to invest at levels consistent with last year. Over the next five years we expect to flex our activity higher as supply and demand come into balance.

Now consistent with this approach you can see that our production profile shifts out due to the recent drawdown in activity while still maintaining long-term value. Our acreage continues to be advantaged with its low royalty, and less than 10 percent exposure to federal acreage.

As shown on the bottom left, we generated positive free cash flow last year, and at a flat $50 Brent price free cash flow is expected to grow by 2025 to more than $3 billion a year with returns around 25 percent. Our demonstrated performance in the Permian also extends to other, short-cycle shale and tight assets.

[Slide 24] We expect our other liquids-rich, unconventional assets in the DJ basin, the Duvernay, and Vaca Muerta to also play significant roles in the coming years. As shown on the left, factory models, comprehensive benchmarking, and fast adoption of evolving technology and best practice has reduced unit development costs by 20 to 45 percent since 2017.

With the acquisition of Noble, we've gained access to additional best practice and

experience to further improve our performance. As in the Permian, we reduced activity levels last year, and we're planning to increase activity as markets re-balance and spending at TCO FGP declines. The outcome, as shown on the right, is that we expect these assets to generate competitive returns with production levels of around 400,000 barrels a day in 2025.

[Slide 25]

And while I mentioned earlier that long-cycle, major capital projects represent an increasingly smaller share of our investments, improving their performance is critical. We're committed to improving the way we develop and execute major capital projects. It starts with a mindset that we, like you, are investors pursuing higher returns across our portfolio. More specifically, we're focusing on three key areas to improve project performance.

First, we're applying a value-oriented approach to drive higher returns. This means conceptual designs with the simplest and smallest possible scope. Second, we're taking more ownership of our facility engineering and design. By shifting the concept engineering in-house we can standardize designs, better leverage digital technologies, and develop a project that meets our expectations.

And finally, we're following a conditions-based mindset focused on getting the right work completed at the right time. Powerful digital tools allow us to organize and manage complex work in ways that were impossible even a few years ago. These tools support our commitment to deliver high quality projects from concept to execution. And these aren't just future aspirations.

We're implementing them with projects we're developing in the Gulf of Mexico and Australia, and we're using these digital tools at FGP to deliver the right work in the right sequence.

[Slide 26]

At FGP-WPMP we completed the offshore module fabrication program and the associated sealift to Tengiz further de-risking the project.

The quality of construction is high, and the modules have arrived at Tengiz complete and dimensionally accurate. With the project now 81 percent complete all 40 production wells have been drilled and completed, materials and equipment are on site, module restacking is nearing completion, and the remaining workscope is focused on Tengiz.

As shown by the chart on the bottom left, the pandemic has had a significant impact. The blue line shows the number of workers planned before the pandemic struck, and the grey bars show the actual workforce. We demobilized 80 percent of the people in the second quarter of last year and began re-mobilizing in the fourth quarter. By year end we reached about 95 percent of our planned winter workforce. The result is a significant backlog of work that was not completed last year.

Despite extensive safeguards progress slowed again around the new year as a resurgence of the virus caused some camps to be placed under quarantine. The workforce is expected to be able to resume unrestricted activity later this month and with effective safeguards we expect to be able to continue remobilizing our workforce to pre-pandemic levels.

Looking forward, our ability to sustain the workforce and complete work productively and in the right sequence is critical to understanding the impact of COVID on the project. We'll keep you advised as to how we're progressing as we move forward. I am immensely

proud of how the team has responded to the unprecedented challenge of continuing to safely deliver this project through the pandemic.

[Slide 27] In Australia we've built a core LNG position that's expected to generate strong cash flow for decades. Repair work at Gorgon Trains 1 and 2 is now complete, and Train-3 vessel inspections, any repairs, and the planned turnaround are expected to start in the second quarter. At Wheatstone the offshore facility is also now back to full capacity.

We continue to systematically increase the capacity of the LNG plants with the Gorgon Trains now 5 percent and the Wheatstone trains 9 percent above their original design capacity. Together, Wheatstone and Gorgon have supplied over 1,200 cargoes since startup. We're leveraging existing infrastructure to ensure continued gas supply through the Jansz-Io trunkline compression project and the infill drilling campaign in the Gorgon and Jansz fields.

And at the Northwest Shelf we've implemented third-party tolling agreements, a key element of our strategy to leverage future ullage in existing infrastructure to monetize our extensive gas resource base.

[Slide 28] In the Gulf of Mexico we're progressing a queue of attractive projects that leverage our deepwater expertise and incorporate our strategy to drive higher returns and lower carbon.

In 2020 our Gulf of Mexico assets emitted less than seven kilograms of CO_2e per barrel of production, making them some of the lowest carbon intensity production in the world. On the St Malo waterflood we've now drilled three of four new wells. At Mad Dog 2 the floating production unit was completed and sailed away from the fabrication yard in February. And at Anchor, first oil is still targeted for 2024.

All three of these sanctioned projects are expected to have development costs in the range of $14 to $17 a barrel, excluding the $2 a barrel one-time technology development cost for Anchor. Looking forward we expect to make a final investment decision on the Whale project later this year, and at Ballymore we're advancing the design and expect a final investment decision in 2022 for a subsea tie-back concept to leverage existing facilities.

Let's return now to the Eastern Mediterranean.

[Slide 29] We're excited with how this collection of assets strengthens our portfolio in a region that is positioned for growth and plays to our core strengths. Noble developed a world-class position with a track record of strong project execution, reliable operations, and long-term offtake agreements.

Tamar and Leviathan underpin this core position with around two billion cubic feet per day of production capacity. With more than 40 tcf of discovered resource we're exploring various opportunities to monetize the additional gas. We believe ongoing growth is underpinned by the evolving geopolitical and commercial environment, supporting export opportunities and growing local demand.

[Slide 30] Pulling all this together, we're positioned to strengthen performance and increase cash without help from prices.

Over the next three years, depending on market conditions, we expect to modestly grow

production despite the expiration of contracts in Indonesia and Thailand.

Further growth is expected by 2025 as the Permian, other unconventional fields and FGP-WPMP ramp up. The chart on the right shows that we expect to materially grow our leading cash margins, again at a flat nominal price.

We also expect to deliver these margins and lower break-evens by maintaining disciplined cost and capital spending across the portfolio and generating strong cash flow in the Permian.

Additionally, we expect to see higher affiliate dividends from TCO as project spending decreases well before the startup of FGP. Our focus on margin growth at a flat price has a multiplying effect on our cash flow as our production also increases. This is a powerful combination that positions us well into the future.

[Slide 31] Now, alongside our commitment to drive higher returns, we're also working to deliver lower carbon. In 2019, we announced four greenhouse-gas intensity metrics.

We've led the way in including all of our production in our metrics, regardless of operatorship. We're also reporting the carbon intensity for natural gas and oil separately to bring transparency to potential portfolio effects.

In our updated climate change report, we announced that we've already reduced flaring by more than 60 percent and reduced methane emissions by about 50 percent relative to 2016. We don't intend to stop there.

Since we've made faster progress than expected, we're setting new 2028 intensity-reduction targets. With these objectives, we're driving our combined oil and natural gas intensity about 35 percent lower than it was in 2016.

[Slide 32] Lowering carbon intensity requires resolve, advancements in technology and thoughtful investments. First, we're a leader in carbon sequestration and have invested over a billion dollars in Australia and Canada.

At Gorgon, we've injected more than 4 million tonnes of CO_2, giving us valuable insights in designing and operating world-scale carbon-sequestration facilities.

We're also teaming with Svante and Blue Planet to explore new technologies for carbon capture, utilization and storage. After successful projects in the Permian and San Joaquin Valley, we're expanding the use of renewable power throughout our portfolio. Opportunities include the U.S. Australia, Kazakhstan and Argentina to deliver 500 megawatts of carbon-free power to our operations.

We've reduced absolute methane emissions in the U.S. onshore by about 85 percent since 2013 through actions such as removing high-bleed pneumatic controllers and implementing leak detection and repair programs.

And we've made great progress putting out flares and are committed to achieving zero routine flaring across our operations by 2030, in accordance with the World Bank initiative.

We believe that the future of energy is lower carbon. And we're making the commitments

and taking the actions today to deliver the cleaner energy the world needs. Thank you for your attention. And now, I'll turn it over to Mark.

Mark Nelson:

[Slide 33] Thanks, Jay. Good morning, everyone. It's a pleasure to be here to discuss Chevron's downstream and chemicals business.

[Slide 34] Similar to upstream, we completed our restructuring in 2020, bringing our fuels and lubricants businesses together and streamlining our chemicals structure.

In our fuels business, we have a focused portfolio of eight refineries and a strong network of marketing assets with leading brands. And as mentioned, we've integrated our lubricants and fuels businesses to gain efficiency and leverage access to our sales channels and broader global supply chain.

And our commodity and specialty chemicals businesses give us a diverse, resilient and large-scale portfolio of assets. This advantages position is underpinned by access to low-cost feedstock to deliver competitive returns through commodity cycles.

[Slide 35] As you know, 2020 was a challenging year for the world and our industry. In the fuels business in particular, demand and margins collapsed as the movement of people was constrained to help fight the spread of the virus.

With several vaccines now deployed around the world, we expect demand to recover as illustrated by this outlook for high value products. With this demand recovery, more balanced inventories and announced refinery rationalization, we expect refining margins to improve but not to reach previous mid-cycle levels.

This chart starts with our 2020 performance adjusted for these margins, demonstrates expected volume recovery and, most importantly, shows our self-help contributions including: increasing feedstock flexibility and high-product yields; increasing productivity through new digital tools; optimizing product placement across our system; and, of course, a relentless focus on controlling costs.

Our self-help actions were well underway in 2020, and we're positioned to deliver significant earnings improvement going forward.

[Slide 36] While we can't control demand or underlying margins, we can control feedstocks, opex and how we well our product. With improved modeling and asset flexibility, we've diversified the feedstocks available to our US refineries by about 70 percent, generating more options in how and where we source feedstocks and creating opportunities for incremental margin.

We've implemented structural changes that sustainably lower operating cost after an increase in our 2020 unit opex due to reduced refining utilization. This work includes making turnarounds more efficient, safely extending the average time between turnarounds and using advanced analytics to manage the on-site workforce.

Additional opportunities exist in where we sell our high value products. We've been able to place about 95 percent of this volume into our contracted sales channels, generating the best margins across our value chains.

And with the acquisition of Puma Energy's marketing assets in Australia last year, we expect to more than double our profitable volumes there, providing a stable, attractive market for products from Asia. These are just some of the many self-help actions we're taking to improve earnings.

[Slide 37] We continue to take a disciplined approach to our attractive petrochemicals business, which is grounded in a constructive macro outlook, a track record of strong execution and selective future growth.

We expect demand to grow over the long term as the world population increases and petrochemicals are utilized to create more efficient and cost-effective goods. And with our ethane feedstock advantage, we're well positioned to deliver competitive returns through the cycle.

We anticipate unit opex reductions at CPChem of approximately 5 percent by 2025 through cost management and debottlenecking. At GS Caltex, we remain ahead of schedule and on budget for a third quarter startup of the olefins mixed-feed cracker in South Korea, a remarkable achievement given the challenges presented by the pandemic. Future growth prospects in this segment are promising as well and are expected to drive higher returns through the cycle.

We continue to assess the best alternatives for our U.S. Gulf Coast II project and are progressing FEED at Ras Laffan. As shown on the chart, both projects are well positioned on the cost curve, benefiting from their ethane feedstock advantage.

[Slide 38] We're lowering carbon across a range of products. In renewable natural gas, we continue to find attractive partnership opportunities. We're capturing previously unabated methane from dairy farms and converting it into a negative-carbon-intensity natural gas.

And we recently announced the expansion of our partnership with Brightmark to further increase RNG production. By 2025, we expect a 10-times increase in RNG volumes compared to last year.

We also see significant growth opportunities in renewable fuels. Progress continues with our capital-efficient project at El Segundo to co-process bio-feedstocks starting mid-year. And we expect to have more than half of our U.S. retail sites selling renewable or biodiesel by 2025.

And lastly, we expect to grow our renewable base-oil volumes significantly over this same time period. Leveraging our leading technology partnership at Novvi, we're looking at new markets and obtaining qualifications to grow sales and maintain our leadership position.

Opportunities like these are consistent with our strategy of higher returns and lower carbon, demonstrating the discipline to invest in ways that are good for both our shareholders and the environment. With that, I'd like to turn it over to Pierre.

Pierre Breber:

[Slide 39] Thanks, Mark. Good morning, everyone. Why is our message "higher returns, lower carbon"?

[Slide 40] It starts with acknowledging where we are. The energy industry has been losing investor

share to other sectors for a decade.

And investors increasingly want both financial performance and societal benefits. "Higher returns, lower carbon" is our objective to address both trends and win back investors.

[Slide 41]

Mike spoke earlier about how we'll increase returns. The chart shows our ROCE improvement by segment. We've adjusted the starting point for 2020 to $50/bbl Brent and mid-cycle refining margins 10 to 15 percent lower than last year's assumptions and kept both flat in nominal terms through 2025.

A doubling of returns with flat capex is a formula for growing free cash flow. Over the next five years, we expect free cash flow to grow at a compound annual rate greater than 10 percent.

Greater capital efficiency and self-help cost and margin improvement drive this double-digit growth rate, supporting future dividend increases and all at flat nominal oil prices and margins.

[Slide 42]

To regain investor confidence, energy companies have to commit to capital discipline in their core business, in M&A and with the energy transition.

Chevron has been leading the way with the most disciplined organic program among our peers in recent years and, as Mike affirmed earlier, outlook that keeps it that way.

Chevron has also shown leading discipline in M&A when we've sold assets in a stronger market pre-COVID or acquired them last summer during a low part of the cycle or walked away when the price was bid up.

And lastly, capital discipline also applies to low-carbon investments. Let's talk more about our energy transition strategy.

[Slide 43]

Mike provided an overview of our three actions areas. The first is to lower scope one and two carbon intensity in all of our upstream assets whether we operate or not. As shown on the chart, we've lowered it by 20 percent since 2016.

Our 2028 goals are aligned with the second Paris stocktake and are expected to take us down 35 percent since 2016 to 24 kilos per BOE, which we expect to be first quartile ahead of the majority of the industry.

The pie chart shows the categories of carbon reductions from our $2 billion of cost-efficient abatement investments between now and 2028.

These reductions are based on our marginal abatement cost curves, or MACC, which rank carbon-reduction opportunities by their cost efficiency.

[Slide 44]

We're working towards a net-zero future beyond 2028 and intend to update our targets every five years in line with future Paris stocktakes. Going forward, we expect our upstream to become lower carbon in this decade as carbon-efficient assets like the Permian grow in our portfolio and from the reductions enabled by the MACC investments highlighted on the previous slide.

Looking further out, we have additional MACC investments identified. These projects are generally less cost efficient, require additional policy support or are not as mature in development. These future projects have the potential to lower our upstream carbon intensity into the mid-teens.

Additional reductions to net zero by mid-century, about 20 million tons per year in total, need significant technology advancements, supportive government policy and development of large offset markets.

[Slide 45] Our second energy transition area is to increase renewables and offsets in support of our business. Mark already shared our growth expectations in renewable natural gas and renewable liquids. Not only do these products reduce our customers' emissions, they also generate valuable credits that support our fuels-refining business.

With renewable power, we see partnership opportunities to supply more to our operations and aren't planning to pursue wind and solar as a stand-alone business.

Finally, we're pursuing opportunities that will generate offsets for our emissions and those of our customers. Advancing a lower carbon future will require both conventional and renewable energy. It won't be one or the other. Our products coexist with lots of alternatives and will continue to be the most competitive offering for many uses.

[Slide 46] Our third focus area is to invest in low-carbon technologies to enable commercial solutions. Over 90 percent of global greenhouse gas emissions are not related to passenger vehicles.

Finding solutions to emissions from manufacturing, agriculture, heavy-duty transport and other activities will require technological and commercial breakthroughs.

Carbon capture and hydrogen could meet some of these needs. And we can leverage our technical capabilities and operations and our experience with both in partnership with others to accelerate progress with these growing technologies.

And last month, we announced our second "future energy" fund, three times larger than our first, targeting venture investments in hydrogen and CCUS as well as emerging power and mobility. Bruce and Barb will cover these and more in all three energy-transition areas during their break-out session.

And we're planning to share a deeper dive of our energy-transition progress in September during our management roundtable investor event.

[Slide 47] To wrap up, we're focused on increasing returns and lowering carbon. And we're backing it up by making changes to our compensation. To our long-term incentive program, we've added relative ROCE improvement.

And to our annual bonus program, we've added energy transition as a separate category. "Higher returns, lower carbon." To earn a higher valuation, we must do both and show that higher returns are sustainable in a lower-carbon future. With that, I'll hand it back to Mike.

Mike Wirth:
[Slide 48] Okay. Thanks, Pierre. Before moving to Q&A, I'd like to recap the key messages from

today's presentation. First, we're committed to delivering higher returns and expect to more than double ROCE by 2025 at flat nominal oil prices.

Second, higher returns aren't enough. We also expect to lower carbon in our business, grow renewables and advance new low-carbon technologies.

Third, we have the balance sheet and the discipline to be resilient to the downside. And more than $25 billion of excess cash shows our leverage to the upside. We're in a different place than others in the industry, a company you can count on in good times and in tough ones now and into the future. Thanks for your interest in Chevron.

Before we begin Q&A, just a couple of ground rules. If you'd like to ask a question, please do so using the hand-raising feature in Zoom. Please remain muted until I call on you. And please limit yourself to two questions. And ask them upfront so that we can get to as many people as possible. There should be ample opportunity between this opening session and the breakouts that follow to get to everyone.

Main Session Q&A

Mike Wirth: With that, let's get started with Q&A. Today batting lead-off and in his last Chevron Investor Day with us, the pride of the Mississippi State Bulldogs, Doug Terreson from Evercore.

Doug Terreson: (Evercore) Thank you, Mike. Good morning, everybody. So, Mike, while your focus on value creation and return on capital employed is not new, as it's been an important driver of superior share price performance since you became CEO a few years ago.

It seems to me like the company's doubling down on the value-based model today with a plan to double return on capital employed by 2025, pretty big objective. And on this point, slide 14 seems to provide a credible pathway for this outcome. With my question being twofold.

First, will the cost and margin and capital efficiency gains be split proportionally between upstream and downstream? And second, if oil prices remain near current levels, which seems pretty likely to us, surplus cash flow would be such that Chevron's net debt could approach zero in a few years, even with dividend growth. So, my question is how might capital return priorities change if oil prices stay near current levels? So, two questions.

Mike Wirth: Okay, Doug, thanks. And you're right. A value-based approach is going to continue to characterize the way we think about the business and the way we execute the business.

Pierre, in his comments, had a chart that showed the relative contributions from the segments to improvement in returns. And while they're both significant, I think we'll see a little bit more coming out of the upstream business. It's a larger business for us than the downstream. So, from a portfolio standpoint, we need upstream to contribute a little bit more.

On your question about cash, if we are in a price environment such as today, we certainly will generate cash surplus to the needs. And we'll use it in alignment with the financial

priorities that we outlined. And so, the dividend is number one. We've kept the dividend secure through a very challenging period of time for the industry, and you can be assured that we're very mindful of the importance of the dividend to our investors.

Number two, we said our capital program is what it is. We reaffirmed that guidance, so we don't need to put more money to organic capital spending. Number three, the balance sheet in good shape right now, even after this very difficult period of time. But in the near term, the cash will go to the balance sheet, and you'll see debt come down.

But as I said in my comments, we've got a history. 13 of the last 17 years, we've repurchased shares. On average, the price that we paid has been within a dollar of the average price over that entire 17 years.

And we've got a track record of returning cash to shareholders through share repurchases. And I think that's something that all other things equal and our confidence in the future performance of the business in markets, you can expect our track record to continue there.
Thanks for the question. Next, we're going to go to Phil Gresh from J.P. Morgan. Good morning, Phil.

Phil Gresh:
(JP Morgan) Hey, good morning. Thanks for taking the question.

First one will just be a bit of a follow-up to Doug's question just on the capital allocation piece. I'm curious with oil prices where they are, what is a scenario where you would consider higher levels of capital spending? What would you have to see to consider that in the upstream business specifically?

And with respect to your answer to Doug's question on the balance sheet, is there a level of absolute leverage that you like to see the balance sheet get to before considering share buybacks given that you didn't have a specific announcement around that today? Thank you.

Mike Wirth: Okay, Phil, thank you. So, I'll take the first one, and then I'll have Pierre speak to the balance sheet. We've laid out our capital plan. It delivers improvement in returns. It delivers improved upstream cash margins, and it delivers a 10-percent compounded annual growth rate in free cash flow.

And it's really premised on our long-term view of supply and demand and prices. And so, we don't chase the price of the day, and the fact that today's prices have recovered pretty well from where they were last year, it doesn't really change our thinking about how to invest to create long-term value for shareholders. So, we're not going to chase an oil price and change our capital program because we're in a strong environment.

And only if we were to see a collapse, as we saw last year, would we really gear it back in a weaker environment. We're investing for the long-term to create value. We've got a great portfolio, and our capital plan is premised really on a long-term view of prices, which no doubt will be both above and below at some point as we're progressing that. Pierre, I'll let you speak to the question about leverage.

Pierre Breber: Yeah. Thanks, Mike. Thanks, Phil. Look, one other point I'll make on the first question is we're also looking to the equity markets. I mean we've been on a good run, but our stock is still trading below pre-COVID levels, and the equity markets really allocate capital, and so the commodity markets maybe have a stronger price signal than the equity markets are showing right now.

In terms of a debt range, we don't have one really to start a buyback program. What we're going to do, and Mike really alluded to this, is if we start a buyback program, we want to be able to sustain it for multiple years. It's not something you'd want to do for a few quarters.

You want to do it hopefully for several years. As Mike said, we've done it 13 out of 17 years. So, that means to start one, you want to have confidence around the excess cash generation in future years and a strong enough balance sheet to weather some downturns in oil prices.

So, we have a track record that's very strong in this space. We're looking at it very closely in the short-term. As Mike said, excess cash goes to the balance sheet, but because capital is in a very tight guidance range, and because our [balance sheet] is very strong. Over time that excess cash will be returned to shareholders in the form of dividends and sustained buyback program.

Mike Wirth: Okay. Phil, thank you. Next, we're going to go to Jeanine Wai at Barclays. Good morning, Jeanine.

Jeanine Wai: (Barclays) Hi. Good morning. Can you hear me okay?

Mike Wirth: I can.

Jeanine Wai: Okay, great. Sometimes I have issues. I just wanted to maybe dovetail and press a little further on Doug and Phil's questions. The balance sheet is in a good spot.

You know, you've talked about the leverage, and you've talked about your history of return of cash. But can you maybe just review your five-year view of supply and demand and how that specifically affects the level of buybacks? I guess the main question that we keep coming back to is previously, your old plan, $60 Brent flat nominal you had five billion in your share buybacks. And arguably now, you may be in a better position to do that because capital efficiency is better. You've hi-graded your projects, and you've repositioned the cost structure.

So, I think the main question is people are seeing that a lot of the levers are fixed with capex being fixed, the leveraged kind of guidance out there and price forecast. So, are you in a better position to do something like a five billion a year, or would it be something less, given your view on supply and demand and maybe added conservatism?

Mike Wirth: Okay. So, first, I'll start with supply and demand, Jeanine. Look, we've come through a pretty difficult time here recently, and markets are rebalancing, but there's still a ways to go. There are several million barrels a day of demand that hasn't returned versus pre-COVID levels, and there's several million barrels a day of supply that are withheld from the market.

So, the rebalancing process, while it's been perhaps a little stronger from a price standpoint and relatively orderly, there's still a ways to go on that.

I think we have to watch this carefully, and there's certainly the prospects of volatility and perhaps surprises still ahead of us on this. Longer term, if you look out, the drivers that we look at remain largely intact, and demand growth in energy around the world is driven by a growing population, seven-and-a-half billion people on the planet today, nine billion by 2040, and a rising middle class.

And all of that requires more energy, and it will require energy of all types. And so, we see still continued growth in our core business out for the next couple of decades. That said, we've seen with shale and other things that we can get capital costs down, and we can develop these at competitive prices. And so, we've got what I would call a sober view on the long-term balances and what that means for prices.

Your second question, we have improved our situation as we've come through this challenging time. And, as you note, our forward capital guidance is low, and we've been able to take some cost out of the business, and we showed the upside and the downside cases. In the upside case, at $60, we generate $25 billion over five years. And as Pierre just said, that is going to go back to shareholders in the form of dividends and share repurchases in that scenario.

So, I don't want to commit to an exact share repurchase level. That's a decision that would lie ahead of us. If and when we chose to resume that, we'll consult with our board on both the dividend and the share repurchase program. But fundamentally, we're in a very strong position.

And so, I appreciate that all three of these questions have gotten to the strength of our portfolio, the strength of our cash-generating capacity, and our intent to return cash to shareholders. I just don't want to speculate on when and how much, as we're still in this process of rebalancing. But you can be assured that we are absolutely committed to it.

Okay. Next question will be Neil Mehta from Goldman Sachs. Good morning, Neil.

Neil Mehta: (Goldman Sachs)

Good morning, guys. Thanks for the time and the presentation today. The kickoff question is just related to two projects that got some discussion point, but if you can dig in a little bit deeper it would be terrific. And this might be for Jay.

The first, with Tengiz, it sounds like you guys are making progress in terms of remobilization. When do you think you're going to be in a position to provide an update to the market around either capital and how are you thinking about the timeline of in-service for that asset in the forecast?

And the second is Gorgon. While it's been a strong cashflow generator, its performance over the last couple months has been choppier. So, an update on both of those assets would be helpful.

Mike Wirth:

Okay, Neil, I'll just make a comment about TCO, and then I'll hand it over to Jay to add a little bit of color, and I'll let him address Gorgon as well.

At TCO, there are a number of significant accomplishments over the last few quarters

that significantly de-risk the go-forward construction.

Jay mentioned all the modules had been completed. The quality is extremely high. And they're all onsite. The logistics were done in three shipping seasons, which was a risk that we were very attentive to. So, we've got all the modules on place. Nearly all of them are set on foundations. The big pressure boost compressor facilities, all four of those are on foundation. We've got 75 preassembled pipe racks that are in place, have been set, and have been welded up.

We've built a hospital there to deal with COVID risk. We're preparing to launch a vaccine program in the not-too-distant future.

So, we're 81 percent complete, and there have been a lot of really positive developments that de-risk the go-forward.

The pandemic is still the challenge as we go forward. There's a lot of safeguards in place that will guide activity in the field.

So Jay, why don't you build out a little bit more on when we expect to be able to provide some further updates, and then I'll let you touch on Gorgon as well.

Jay Johnson: Thanks, Mike. So, as you pointed out, we've put a lot of safeguards in place and made some critical progress over the last year. But clearly the biggest impact of the pandemic required us to demobilize most of our workforce through the main work season of last summer.

We started remobilizing in the fall. We reached about 95 percent of our planned winter workforce, which was good. And the safeguards were proving to be effective. But in the winter, we had a resurgence of virus, as we saw, around the world. This also happened in Kazakhstan and in our camps.

But importantly, instead of having to demobilize again, this time because of the precautions we had, the medical facilities Mike talked about, we were able to quarantine the camps where we had incidents of the virus and keep everyone in place. And as we said, we're expecting to be able to work without restrictions hopefully towards the end of this month.

And so, what's really critical for us is to move into the spring campaign, and start gearing up the momentum that we had. Quite honestly, before the pandemic hit, we were making great progress and really had a lot of momentum. We need to rebuild that. We need to show that we can sustain a workforce through the spring and summer to really address the backlog that's in front of us.

That backlog has to be worked off in the right sequence. We have to take work to completion. The good news is we have all the materials and equipment onsite. The restacking operations are nearing completion, and those modules are being set on foundations. Each time we set a module on foundation, we open up another group of work fronts.

And we are taking a very disciplined approach. We are staying very focused on cost. We're not just throwing people at these projects, but we're working in a disciplined fashion to achieve the productivity, the sequencing, and the completion that we need.

It's too early to be able to tell you what the overall impact on cost and schedule are going to be at this point. We need to see how these programs advance through the spring and summer. But we will keep you advised as we move through the year.

Mike Wirth: Okay, Jay, do you want to talk about Gorgon and the last couple of quarters, and the go-forward view on Gorgon?

Jay Johnson: Thanks, Mike. Happy to. On Gorgon, we have successfully completed the repairs to the heat exchangers on both Train 1 and Train 2. And now, in the second quarter, we've really got three issues or three tasks ahead of us. The first is to do the inspections, and if there's any repairs required on Train 3, we'll do those here in the second quarter. We also have to take the scheduled turnaround that was planned for Train 3, which will also occur in the second quarter.

The reliability of Gorgon has been steadily increasing. And we're actually quite pleased with it. These defects that we're having to address on the first two trains, Trains 1 and 2, the investigation is still underway. But the initial indications are that these were manufacturing defects that were there from the beginning of manufacture, not an operational issue. And so, overall, we've actually been quite pleased with the advancing reliability of the Gorgon facilities and the ability of them to run at their capacity.

As I mentioned in the opening remarks, we've actually increased the initial capacity by 5 percent, and that incremental 5 percent is pretty valuable for us. And so, we look forward to getting through the second quarter and establishing a good run of production as we enter the second half of this year.

Mike Wirth: All right. Thanks, Jay. Let's go to Paul Sankey from Sankey Research. Good morning, Paul.

Paul Sankey: (Sankey Research) Hey, guys. Can you hear me okay?

Mike Wirth: Yes, I can.

Paul Sankey: A top Chevron shareholder has requested that I state that I am not a cat, to start this.

Mike Wirth: [Laughs]

Paul Sankey: Anyway, if we could go to my first question on Slide 12, Mike, one of the successes that you've had in terms of relative performance was really a cap on capex post 2014 downturn. Can you commit to the 16 billion that you've got in your outlook at the upper end as being a hard cap, that you won't exceed that?

And further, to Slide 15, could you just talk about what goes up in terms of capex at a higher oil price assumption? So, obviously you can see there that you've got the $40 assumption, where you cull yourselves, and then you've got the $60 assumption. I assume we derive that you're planning the company at $50. But I just wondered how much and where the extra spending comes in. That's part one.

Part two, which is a huge question, is how would your plans change in the case of the carbon tax that you're now calling for? Thank you.

Mike Wirth: Okay, Paul. Well, look, I'm glad to hear that you're not a cat. So, thank you for clarifying that. On capital spending, yeah, we laid out a five-year plan through 2025, 14 to 16 [billion dollars in C&E expenditures]. So, you know, that's a budget. We intend to stay with that budget. So, if you want to call it a hard cap, you can call it a hard cap.

But we can deliver the plan that we outlined within that range of capital spending. And that is consistent with the way we've been running the company, and it's consistent with the strength of the portfolio that we have.

If you look at the scenarios, the $40 and the $60 scenarios, you do see that capital flexes up and down a little bit in there. And that really is moving to the lower end of that range, and moving to the higher end of that range.

And the big swing is in our flexible capital spending, which is in unconventionals. So, it's the Permian, it's the DJ Basin, it's Argentina, it's Canada. And there's a little bit of sequencing perhaps of early-stage development as we might go into a lower case on some of the other capital projects within our portfolio and keeping them on pace in a higher price environment.

But you know, one of the things that last year should have demonstrated to everyone is we have not only the capacity to flex our capital, but we've got the will to do it. And in fact, that is what we did last year, and it's how we intend to continue to respond. But look, that's a pretty broad fairway, $40 to $60 on average over the five years. And we can manage well within that.

I'm not going to speculate on a carbon price and how it might change capital allocation, because the details on these things really matter, Paul. The magnitude of the carbon price, the timing, and the way it would be administered. It’s one of the things, as we talk about support for a price on carbon, we've been careful not to sign onto a particular proposal yet. Because we've got a whole series of attributes that we think are part of well-designed and sound carbon-pricing policy that we would like to see.

And so, if there were to be a proposal brought forward that doesn't reflect broad-based application across the economy, [we’d advocate for] a balanced and equitable step-up of the carbon price transparency, so that consumers know the impact. You know, these are things that matter, and we would work hard to get those in. We may not support a bill or proposal that doesn't have what we would think is a well-constructed foundation.

So, more to follow as we see whether or not this becomes a reality here in this country. Certainly, in many places we operate, you know, there is a price on carbon today. And it's reflected in our capital allocation.

The last thing I'll say is all of our planning includes a price on carbon. Those are different prices in different jurisdictions, where they exist or where we anticipate them. Just like our oil and gas and refining margin assumptions, we have prices on carbon that vary around the world, and we have ranges that we use to plan for that.

So, we already use it in our planning. And if we were to see something here in the U.S., that'll become part of the planning as well.

Okay. Next, Biraj Borkhataria from RBC.

Biraj Borkhataria:
(RBC)

That's okay. Thanks for the presentation and some of the incremental details. I really appreciate it. A couple of questions. The first one is on carbon intensity.

I appreciate the detail in Slides 43 and 44. I'm thinking about it in a wider context for the upstream Chevron figure is a lot higher than the industry average. But obviously you're trying to drive that lower every time. When I think about the portfolio over the long term and what changes, obviously the Permian is the biggest change in terms of that growth [inaudible] that because of where the Permian sits relative to the group, just so I can get a sense of how that moves over time, so some figures around that would be helpful.

And then, the second question is on renewable fuels. And Mark, you referenced this in your section. Regulation remains very supportive and looks, if anything, that things might accelerate. So, I was wondering, particularly focused on the U.S., you know, how you can look at accelerate your exposure to that space, if at all. Thank you.

Mike Wirth:

Okay, Biraj, you broke up a little bit, but I think I got the question on carbon intensity. So let me try to respond to that, and then I'll ask Mark to address the renewable fuels question.

Our current [oil & gas] carbon intensity is actually well below industry average, if you look at global industry average. And that's where you broke up a little bit, so I couldn't quite understand your comment there. But we're well below the industry average. In fact, really top quartile, and we intend to stay top quartile.

We have reported our data on 100 percent basis, whether we operate or not. Because just as we account for profit from every barrel, we think we should account for carbon from every barrel and not exclude things simply because we're a non-operator. So, it's a very complete inventory of our Scope 1 and Scope 2 emissions.

And yes, about the Permian Basin, it's actually one of the lowest emitting assets that we have. And we're working to take those emissions even lower. We're a leader in eliminating methane. There's third-party data you can look at that says we're essentially the best in the industry. We don't flare there. And we're using new technology to ensure we can identify any leaks very rapidly and address those.

And we're looking to electrify the drilling and completion activity to a much greater degree than before. We talked about renewable power to support our Permian operation. And we're looking to accelerate that. So, there's things we think we can do to bring Scope 1 and Scope 2 down even further in the Permian.

But the portfolio effect in the chart that talks about the path to net zero, in large part, is a reflection that as the Permian grows within our portfolio, it's lower than our portfolio average today and helps bring that down even further.

Mark, maybe you can take the question on the renewable fuel opportunities.

Mark Nelson:

Thanks, Mike. And Biraj, thanks for the question. You are right. We do intend to grow renewables as part of our business. And it does help to be in policy-enabled markets. And given our presence in the U.S. West Coast, we see significant opportunity there. And that's evidenced by our tenfold growth that we mentioned in the earlier presentation for

renewable natural gas.

Given our approach to renewable natural gas, that's actually the most carbon-negative intensity fuel available. And the system supports that.

Renewable diesel, given our strong hydro-processing capabilities in the U.S. West Coast, we look forward to participating in both the manufacturing and marketing of renewable diesel over time.

And renewable base oil is a little bit different. That actually is not policy-enabled today. That's driven by our own technologies and the ability to have better quality product in the marketplace. And we can talk in more detail perhaps in the breakout sessions later. Thanks again for the question.

Mike Wirth: Okay. Next, we're going to go to Devin McDermott with Morgan Stanley.

Devin McDermott: (Morgan Stanley) Great. Good morning. Thanks for the time today. So, I have two questions. The first one is asset-specific, and the second is a higher-level strategy question.

On the asset side, along with the Noble transaction, you also acquired a large gas position in Eastern Mediterranean. It's been, I guess, a little over a year now since phase one of Leviathan came online. And there's a lot of opportunity for further high return, low decline expansions both through the facilities into Israel and also elsewhere in the region.

I was wondering if you could talk in a little bit more detail around some of the milestones that will be required for additional expansion there in the Eastern Med to come to fruition, or the extent that's baked in or not baked into some of the volume growth in your plans. That's question one.

And then, question two is around sustainability and some of the lower carbon strategies. You just talked about some of the renewables investments in the core business, but another pillar of that is this new energy fund and some more early-stage investments.

And my question specifically is around the strategy to incorporate some of those early-stage investments in the core business over time. So, how are those monetized? Maybe give some examples from the phase one fund on what you're able to do there.

Mike Wirth: Okay, thanks, Devin. I'm glad you asked about Leviathan and the gas position in the Eastern Mediterranean. Terrific resource. And an area where we're seeing particularly in the geopolitical and commercial front, a lot of progress in relationships regionally that are opening up trade opportunities between Israel and neighboring countries.

There are a number of different ways that we can grow that business. We've got capacity at both Tamar and Leviathan today that we can further utilize. And there are opportunities to deliver gas by pipe, to take advantage of LNG facilities that have ullage capacity that's unused right now. There are opportunities to move that gas into power generation and then export the power into neighboring markets.

And then, finally, there can be opportunities in energy transition with gas and some of the things that can enable in terms of hydrogen or other opportunities. So, a number of different potential pathways to further commercial success.

You asked about milestones, and I think the milestones to watch will be commercial milestones that allow us to further sell out the capacity that exists today in those assets and would put us in a position then to potentially engage in further expansion.

Noble, all credit to Noble Energy. Terrific job in preparing that. We bring certain things in terms of our experience with big international pipelines, with LNG sales and customers around the world, with some of the things around energy transition technologies, with our balance sheet that are additive to what Noble was able to do in commercializing the initial production there. And we think the combination of those two is really exciting.

The last thing I'll say about that is, we've got a number of good exploration blocks as well in the Eastern Mediterranean. As we put the two companies together, we're acquiring seismic right now. And so, it's an area that certainly offers the potential for even additional resource.

On the question about our venture fund, in Future Energy Fund II, which is three times the size of the initial fund, we're putting this into a wide range of companies.

Carbon capture. Carbon storage. Within the last couple of weeks, we've announced two different geothermal investments. We've talked about advanced nuclear fusion technology. More efficient motors. There's a range of things. These are start-ups. These are small companies with novel technology ideas.

And it's early to know which of those will be commercially successful, and which will scale up. We're prepared to be very involved in pilots, in being a customer, being a partner, being an investor, and helping to scale these.

From the first energy fund, it's still early to declare any winners on that. But this is something we've been doing for 20 years. And the last thing I'll say is, in our core business, we've been investing in venture firms or venture capital for two decades. We've had a number of successes that have scaled up. We've more than covered our initial investment and gotten a return on that. But importantly we learn. We learn where some of these technology vectors are headed, and how they can change our business.

And so, it's been a profitable enterprise for us. But it's also been good in terms of broadening out our capacity and our technology capabilities. And I'm very confident that in the energy transition themes that same pattern will play out.

Okay. Next, we've got Alastair Syme from Citi.

Alastair Syme:
(Citi)

Great. Thanks for the opportunity. A couple of questions on the shale part of the portfolio. On the Permian, you look like you've increased your return on capital target despite the fact that you've lowered the oil price assumption, so it sort of hints to much greater efficiency gains.

Can you talk around how you framed the debate around NPV efficiency, given that rates of growth and the volume is going to be a pretty big part of that calculation to NPV?

And then the other question was just on the other part of the shale and tight portfolio. Can you briefly frame how you distinguish between the DJ, the Vaca Muerta and the

Duvernay around breakevens and resource potential? Even if it's just a simple ranking of those three plays. Thank you.

Mike Wirth: Yeah. We're trying to drive higher returns, and one of the things, and Jay made mention of this in some of his comments, Alastair. We've changed our approach to project development. There was a time when we would really optimize around NPV, which could lead to an over-investment upfront in facilities. And there are ways to be more disciplined and austere in the capital side of these things to drive higher returns.

And you may sacrifice a little bit of NPV in theory, but what you do is you simplify designs, you improve execution, and you create future options for follow-on investment should the conditions support that. So, we're really driving at a high-return business. Look, it's got a big NPV, too. And I'll just say if we were to optimize around NPV, we might approach it a little bit differently. But I think we would trade off something in terms of returns. And returns are our primary focus.

And improvement in [book] returns [will lead to] improvement in cash returns to shareholders. So that's the way we look at it. You're right. The returns continue to look better in the Permian because our performance, our understanding of the resource continues to improve. On the other shale and tight, we're earlier in the development of all of these. The DJ is very attractive. As you saw, the development costs in the one chart that Jay showed are amongst the lowest that you'll see anywhere.

In Argentina, we've recently done some additional exploration and appraisal work up in the north, and we're evaluating now the performance of that. And we're relatively early in the Duvernay, so I don't want to put them in a rank order other than to say they're all very attractive. They're attractive versus a lot of other alternatives.

They're all a little bit unique in terms of the oil, gas, or condensate production and the market access. And so, it's not just a matter of resource quality or development cost.

It's also a matter of market and what you see in terms of realizations, and we look at these really on an end-to-end basis. So, they're all good. They're all a little bit different from one another. Next, we're going to go to Paul Cheng at Scotia Bank.

Mike Wirth: Morning, Paul. Paul, you might be muted. I'm not hearing you.

Let's see here. Looks like we're having a little bit of difficulty with Paul. Maybe we'll come back to Paul. I see Doug Leggate's smiling face, there. He's not smiling yet. There he is. Good morning, Doug.

Doug Leggate: (Bank of America) Thank you. It's great to see you guys. I appreciate you making the accommodation to be virtual. It really helps all of us out, so thank you for that.

My question might be for Pierre, but whoever wants to jump in. I've got to say, I'm pretty impressed by what you guys are showing as a free cash flow outlook, so I'm going to ask a little bit about Slide 41. It looks like the cash margins and the volumes are not that different from last year, given that the dominance of the upstream in the story. But the free cash flow looks like it's stepping up pretty significantly in 2025.

While you're maintaining the same kind of level as you did 10 dollars higher in 2023. Last year you showed us at 60; this year you're showing us at 50. So, it looks like a big improvement in the free cash flow story, and I'm just wondering if you can walk us through the moving parts as to how you've been able to do that with a ten-dollar lower oil price.

Mike Wirth: That's a great question for Pierre because he spends a lot of time on this, so I'll let him take that one.

Pierre Breber: Thanks, Doug. Look, we do have strong free cash flow growth, and we did also last year as you said. Actually, we had doubling free cash flow per share in last year's investor day. Because we did have that $5 billion buyback each year which was resulting in accretion to the share count. But fundamentally it's the same drivers. You're seeing Tengiz come on, which are very cash efficient barrels when they come on. And the Permian growth, so that's the lion's share of it.

We just talked about on Alastair's question how we're able to get more efficient in the Permian in particular so the return on capital and the free cash flow generation that you're seeing for our Permian operation is not too different at $50 as it was from $60 as we continue to get better and more capital efficient. We have the royalty advantage. We have now a little additional scale even with Noble. So, it's fundamentally from those two assets. It' very similar to what we saw last year, without the benefits of the accretion from the share buyback.

Mike Wirth: Okay. Thanks, Doug. I appreciate the fact that you do see the free cash flow strength that we're representing in the plan because I think it's a very compelling part of our investor proposition. Let's see if we can get Paul Cheng connected back in here. There he is.

Paul Cheng: (Scotiabank) Hey, Mike. Can you hear me this time?

Mike Wirth: I can hear you, Paul.

Paul Cheng: Hello? Okay, perfect. Thank you. Two questions.

Looking at longer term, let's say 10-20 years from now, do you still see yourselves, your core domain is oil and gas, or is it a broader base energy? So, in other words in the lower carbon, over time, do you see your overall asset mix or maybe the revenue or profitability cash flow from your current core operation will come down as a percentage?

That's the first question.

Mike Wirth: Okay. Why don't you ask both, Paul, so we can get to both here? We're just trying to do that from an efficiency standpoint.

Paul Cheng: Sure. The second question is that on an ESG effort like CCUS or hydrogen, do you look at those as just a carbon offset being [inaudible] become really a profit center going forward? And…

Mike Wirth: Okay. I'm going to answer the first question…

Paul Cheng: …[inaudible] business for you. And what it needs in order for you to get there, and

mostly in your technologies.

Mike Wirth: Okay. Paul, you really broke up on that second one. So, I'm going to answer the first one and take a quick shot. I heard technologies at the end on the second one, and if I don't get to it, we can come back in the breakout. 10 to 20 years from now will our core domain be oil and gas?

I actually think the answer to that is yes. I think it will be. Because 10 to 20 years from now the world is going to be using more oil and gas than it is using today. And I know that may not be something everybody believes, or everybody wants to be the case, but that is in fact what I think the data really does suggest. We intend to be one of the very best, one of the most responsible, one of the lowest carbon oil and gas companies.

And so, for us to step away from what we're really good at, for us to step away from what we might be one of the best in the world and leave that to others to do --- I don't think is something that's good for the trajectory towards a lower carbon future. And I don't think it's good for our shareholders for us to step away from our core strengths. Now, having said all that I think 10 to 20 years from now we will be seeing changes in mix. And Mark talked about a number of renewable products that we're getting into.

We're investing in carbon capture and storage. Pierre mentioned hydrogen. I think 10 to 20 years from now these things will have begun to become bigger parts of our business. Which ones and how still remains to be seen, but I have no doubt that those will be a bigger part of our portfolio in the future. So, I think the mix will change. Will the core still be oil and gas? Yes. Will oil and gas be much lower carbon intensity, absolutely it will. Will we be producing a lot more renewable fuel?

Absolutely we will. And I expect us to still be a very strong player in that future.

On the second question, Paul, where you broke up, I'll just say from a technology standpoint, I've mentioned carbon capture and storage already. We've mentioned hydrogen. Geothermal is an area we've got a lot of history and there are new and novel ideas on geothermal where our subsurface capabilities can match up with some of these other companies and technologies and perhaps really unlock things more broadly geographically than historic geothermal has been.

So, there are a number of technologies we're very, very high on and we're placing our bets on those things that we think match up with capabilities we have or are likely to be able to leverage. Okay. We've got a couple of minutes left. I'm going to try to squeeze in one more, and maybe two. Lucas Herrmann from Exane. Let's see if we can get to you.

Lucas Herrmann: (Exane) Mike, thanks very much for the opportunity. A couple of questions if I might.

Just in line with the way that you're thinking is it's shifting towards more value, less carbon, how does that lead the way that you think about your portfolio going forward? You've always been very active in terms of managing it. But where does that leave your thinking around disposition? And the second, if I might, one of the things that struck me as very attractive about your portfolio in particular is you've got considerable duration in it.

And you've got a portfolio which many assets strike me as requiring relatively limited

maintenance spend. So as Tengiz falls out in 2023 or around that timeframe, and the substantial capex associated with that program fall away. What do you think the actual scope is for you to continue to actually put considerable downward pressure on the capital profile of your business? Especially if there is greater focus by that time on a lot of the short cycle assets?

Mike Wirth: Yeah. From a portfolio standpoint, Lucas. We're going to look at higher returns, lower carbon. And so, assets that can deliver higher returns, assets that can deliver lower carbon will be favored in our portfolio. But there will be a balance. We have to do both. It's not an either/or. So, I think that will continue to be a dominant theme. In terms of duration, we do have a lot of long-lived assets. We continue to bring our sustaining capital down.

And it's a very capital-efficient portfolio, and I think that's the predominant message I'd like you to take away is we can be disciplined on capital because our portfolio allows it. And our capabilities continue to get better, and that allows us to deliver these strong, long-term cash flows at relatively low capex.

I am going to try to get… now I'm getting the message here that we've got to go to break. So, Sam, I think we had Sam Margolin teed up.

We'll get to you in the breakout, I promise. We are right at the bottom of the hour here. So thank you for staying with us for the first part of the presentation. We now have a 15-minute break, and then we will pick up in the four breakout sessions. I think everybody has received links and instructions for that. So, we'll see you back in 15 minutes at 45 past the hour in whatever time zone you're in. Thank you.