



# Upstream and Gas

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Executive Vice President  
Upstream & Gas





## Profitable Growth



## Effective Execution



## Right Strategies





## What We Delivered in 2006

- ✓ Superior Safety Performance
- ✓ >5% Production Growth from 2005
- ✓ BBLT Startup
- ✓ Tengiz SGI Facilities Startup
- ✓ Angola LNG Progressing to FID
- ✓ Exploration Success
- ✓ Successful Unocal Integration
- ✓ Progress on Major Capital Projects
- ✓ Competitive Margins and Returns

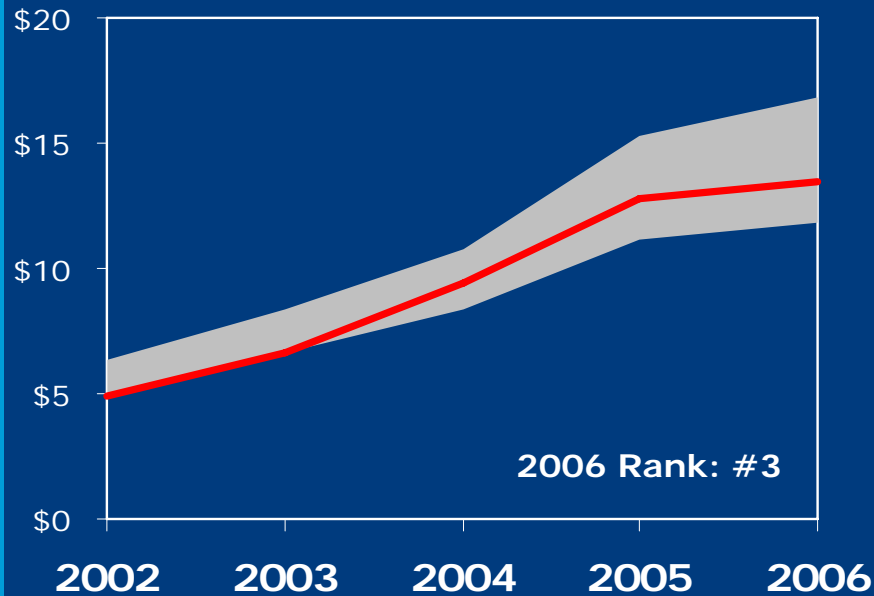


# Delivering Strong Earnings per Barrel and Competitive ROCE



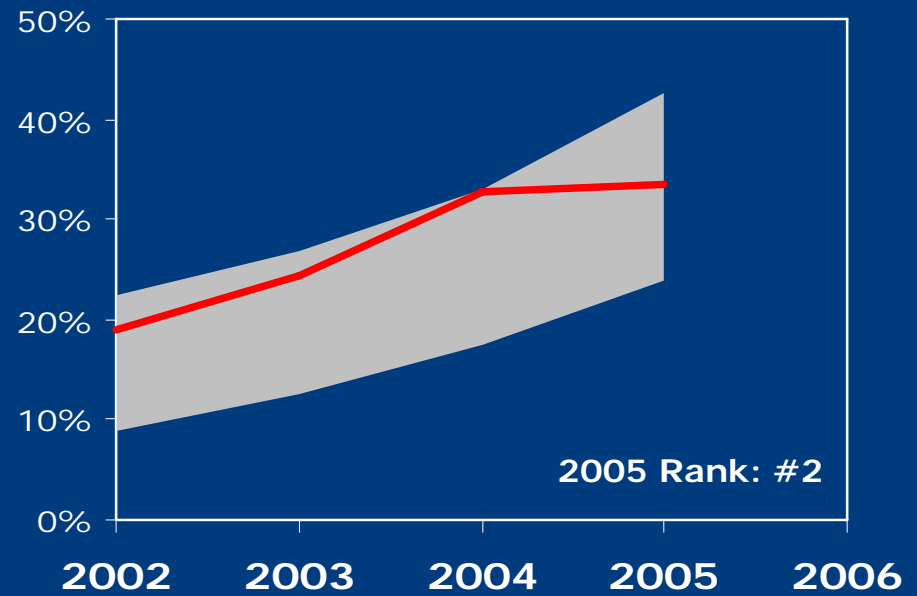
## Earnings/BOE (A/T)

\$/Barrel



## ROCE

ROCE



Competitor Group: XOM, BP, COP, RDS.

Competitive ROCE calculated based on CVX estimates and public information handled on a consistent basis. Excludes special items. Reconciliation to non-GAAP earnings measure for CVX is available at [www.chevron.com](http://www.chevron.com) under Investors.



# Right Strategies





## Upstream Has the Right Strategies

Grow profitably  
in core areas  
and build  
new legacy  
positions



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

# Positioned With a Strong Worldwide Portfolio



● Upstream Areas of Operation

- 12 billion BOE net proved oil & gas reserves
- 2.7 million BOE daily net production capacity
- E&P activities in more than 30 countries

# Leveraging an Effective Organizational Structure Across the Portfolio



Centralized functional support  
across all Business Units

- Exploration
  - Drilling & Completions
  - Project Management
  - Reservoir Management
  - Technology Support
- 
- 14 Strategic Business Units
  - Localized decision-making
  - Strengthened relationship with host governments
  - Integral part of the communities
  - Onsite functional expertise

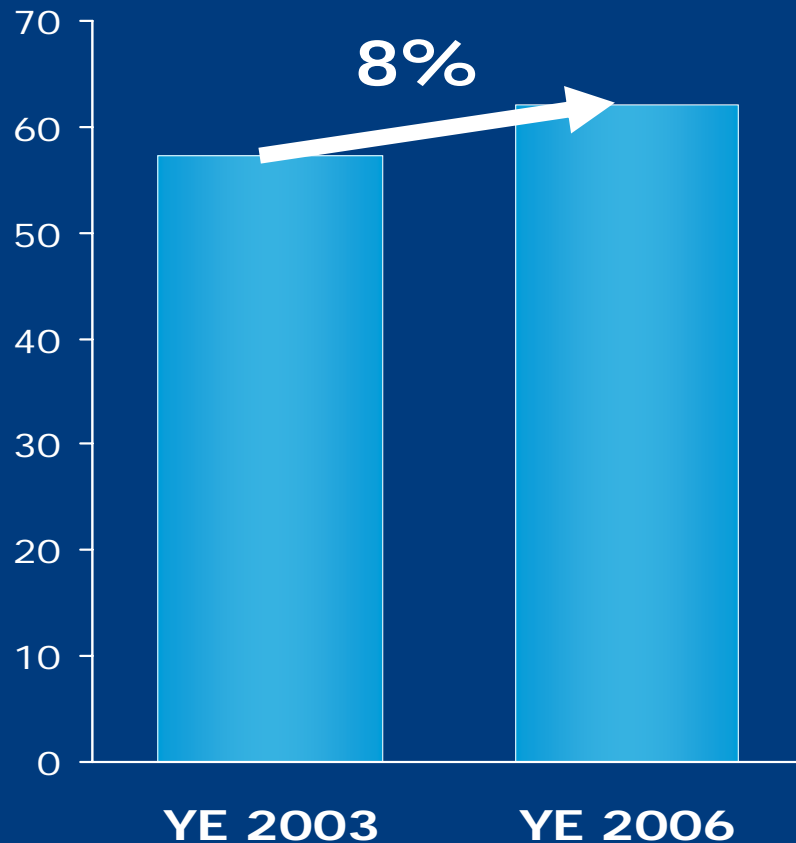




# Growing a Diversified Resource Portfolio

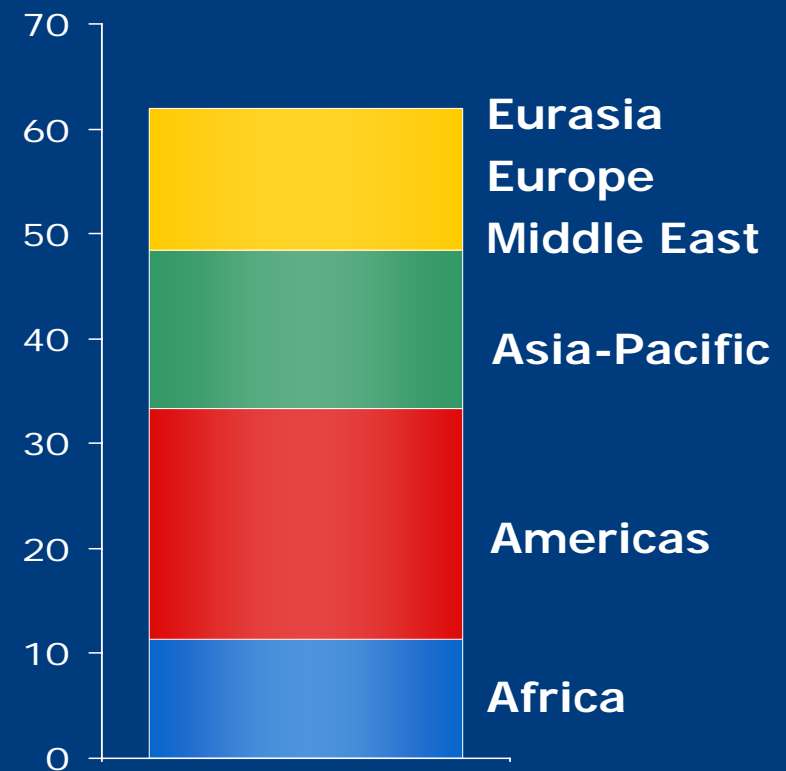
## Resource Growth

Billion BOE



## Resource Distribution

Billion BOE

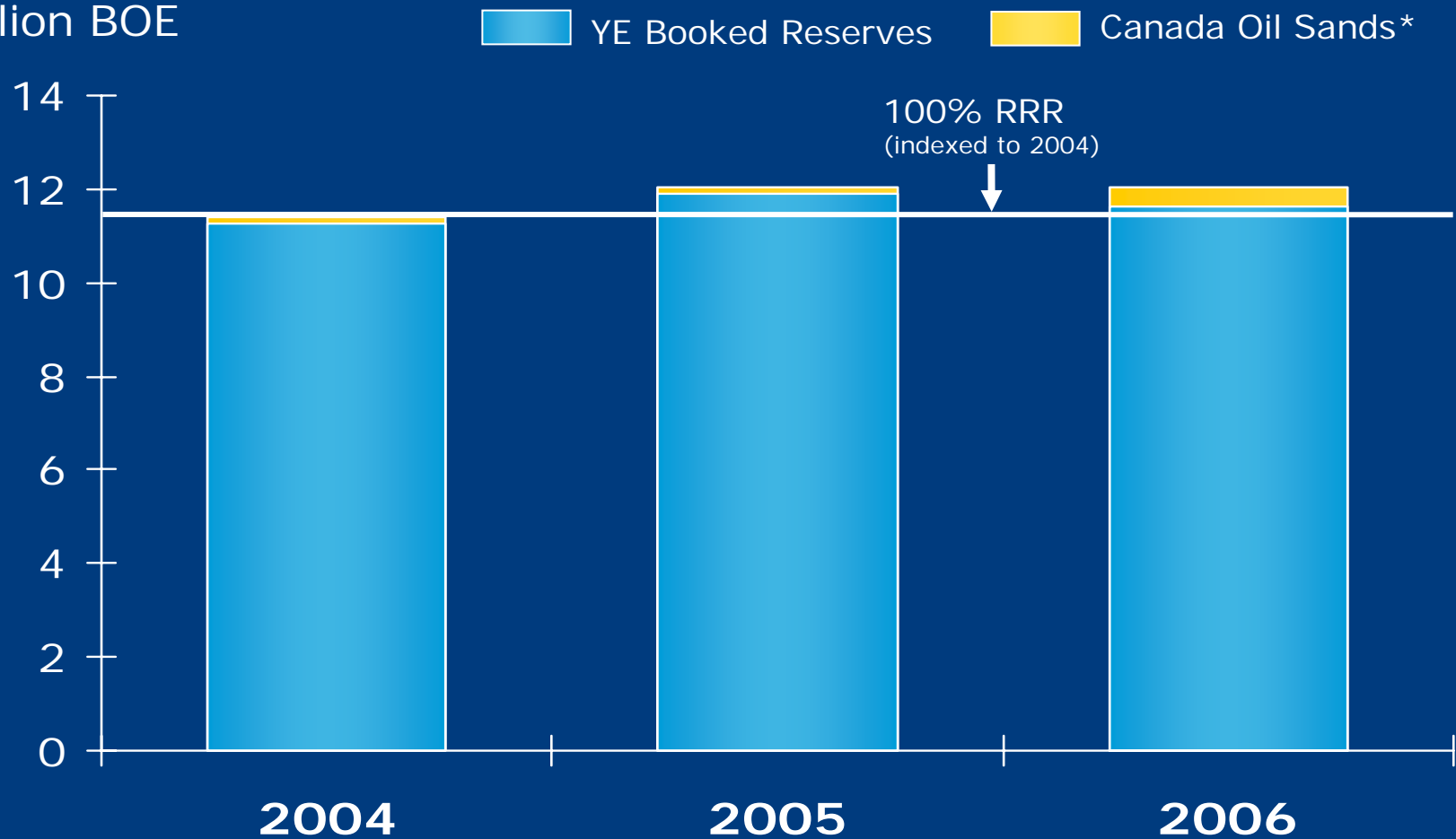


Resource is defined as unrisks proved, probable and possible reserves plus potential recoverable resources contingent on commerciality. Includes oil volumes associated with Athabasca Oil Sands mining. Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing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

# Average Reserves Replacement Greater Than 100% Since 2004

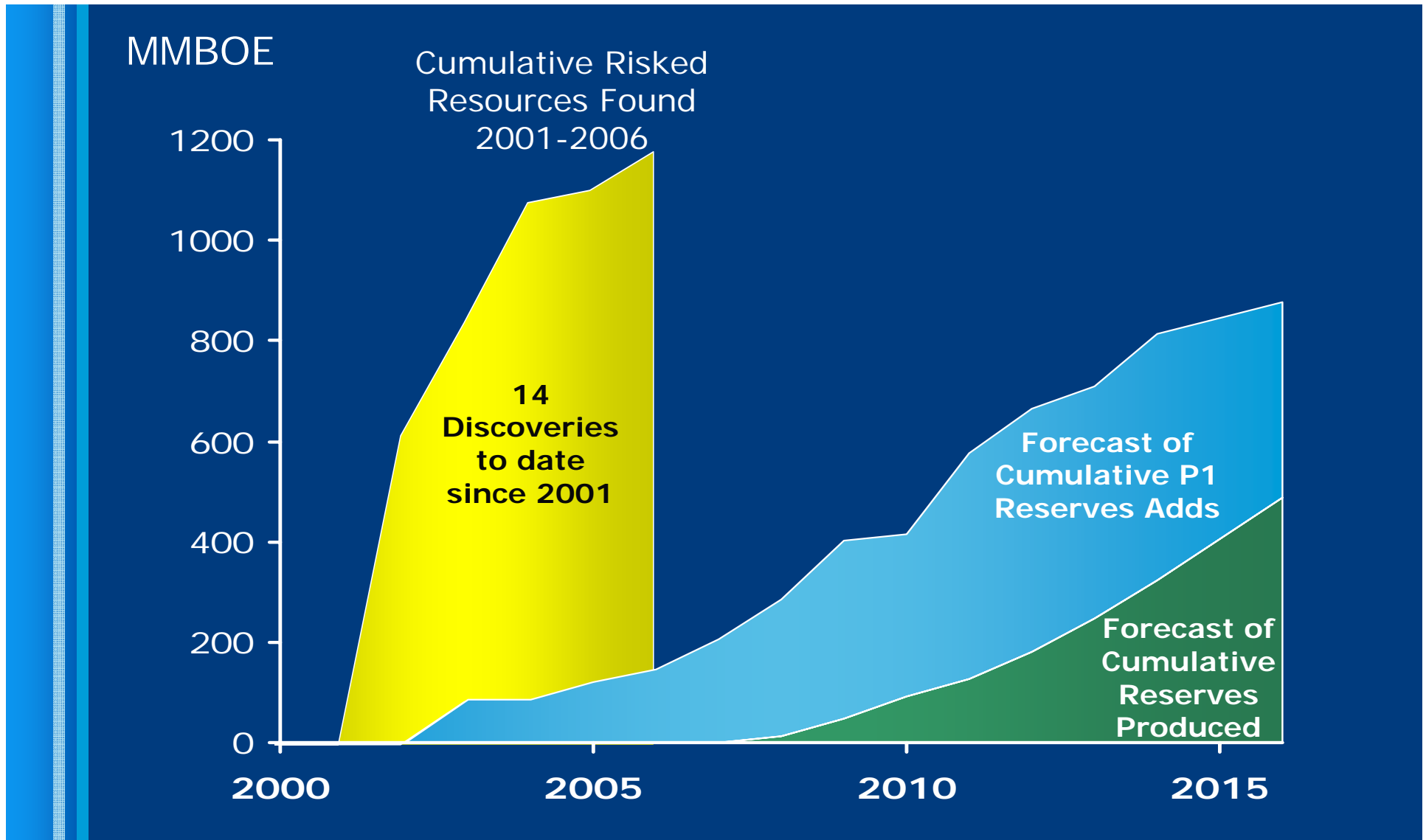


Year-End Reserves  
Billion BOE



\* Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing activity by the Securities and Exchange Commission.

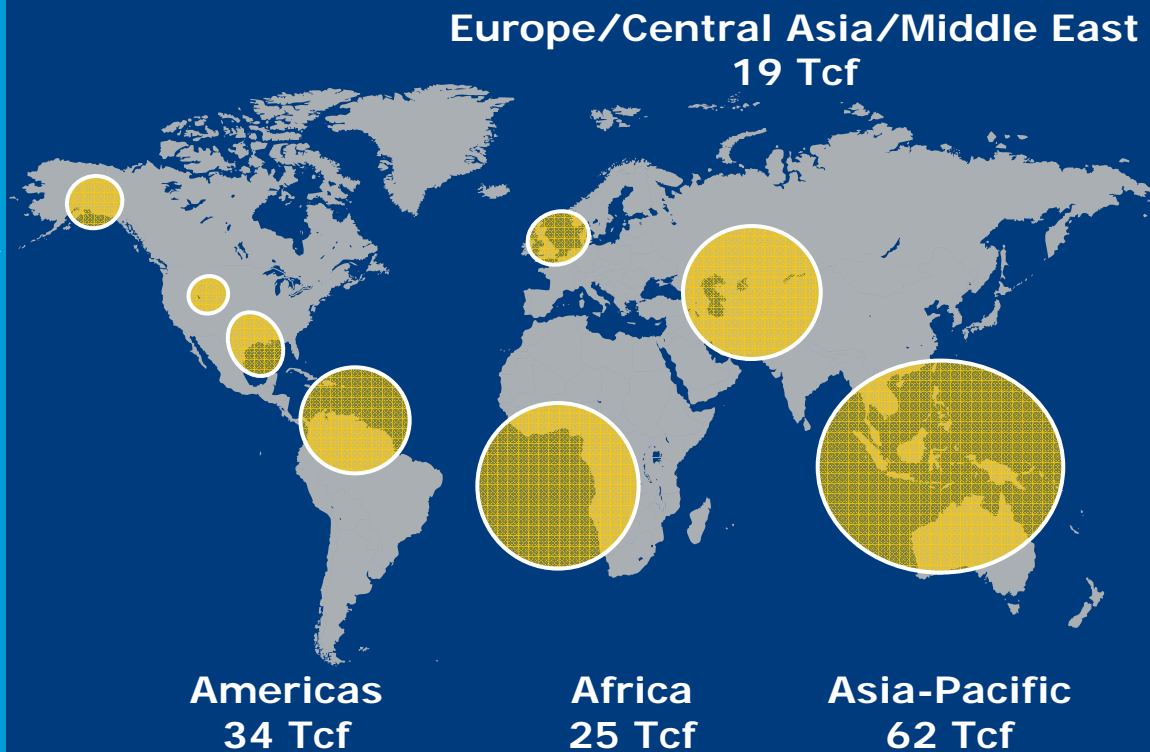
# Six Years of Success in Deepwater Gulf of Mexico



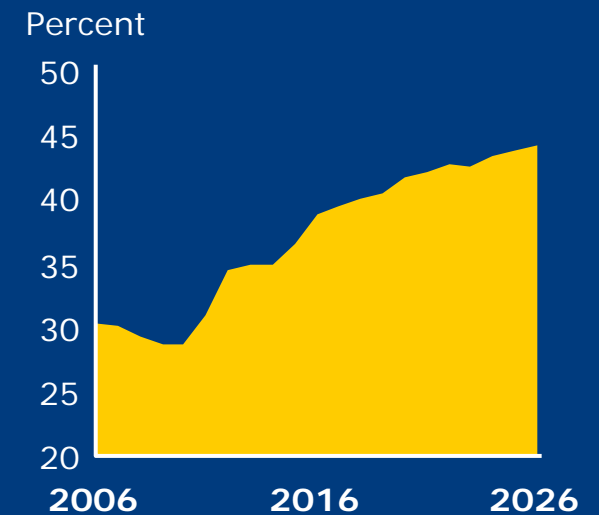


# 140 Tcf of Equity Natural Gas Resources\*

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



Gas Production as % of Total CVX Net Production



Circles represent geographic coverage and not the size of the resource.

\* Unrisked





## Growing the Global Gas Business

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

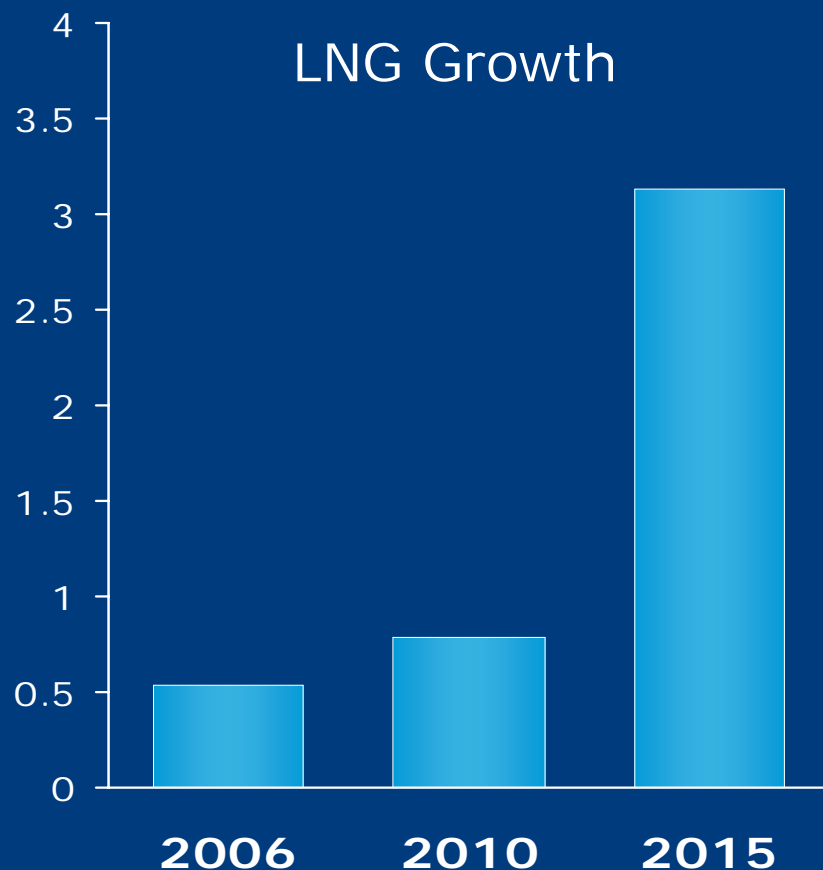


- Pursuing growth in both LNG and GTL
- Developing profitable value chains
- Applying technology to reduce costs
- Leveraging our value chains and technology to access new gas resources



## Growing a Top-Tier LNG Business

Gas to LNG  
(BCFD)



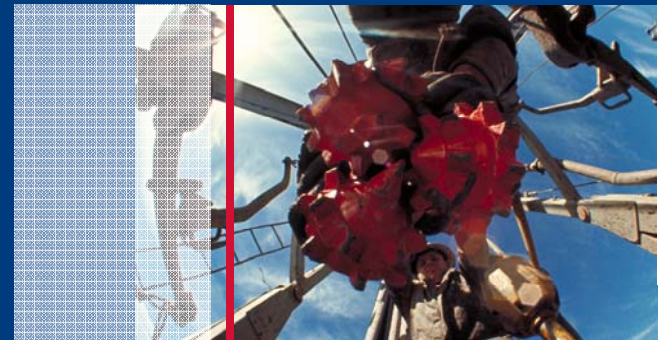
- Highest growth rate among all LNG competitors
- Anchored by extensive gas resource base

Source: Wood Mackenzie

Competitors include COP, NNPC, RDS, Sonatrach, TOT, XOM, BP, INPEX, Petronas, Gazprom, Woodside, ENI, Oman, BG



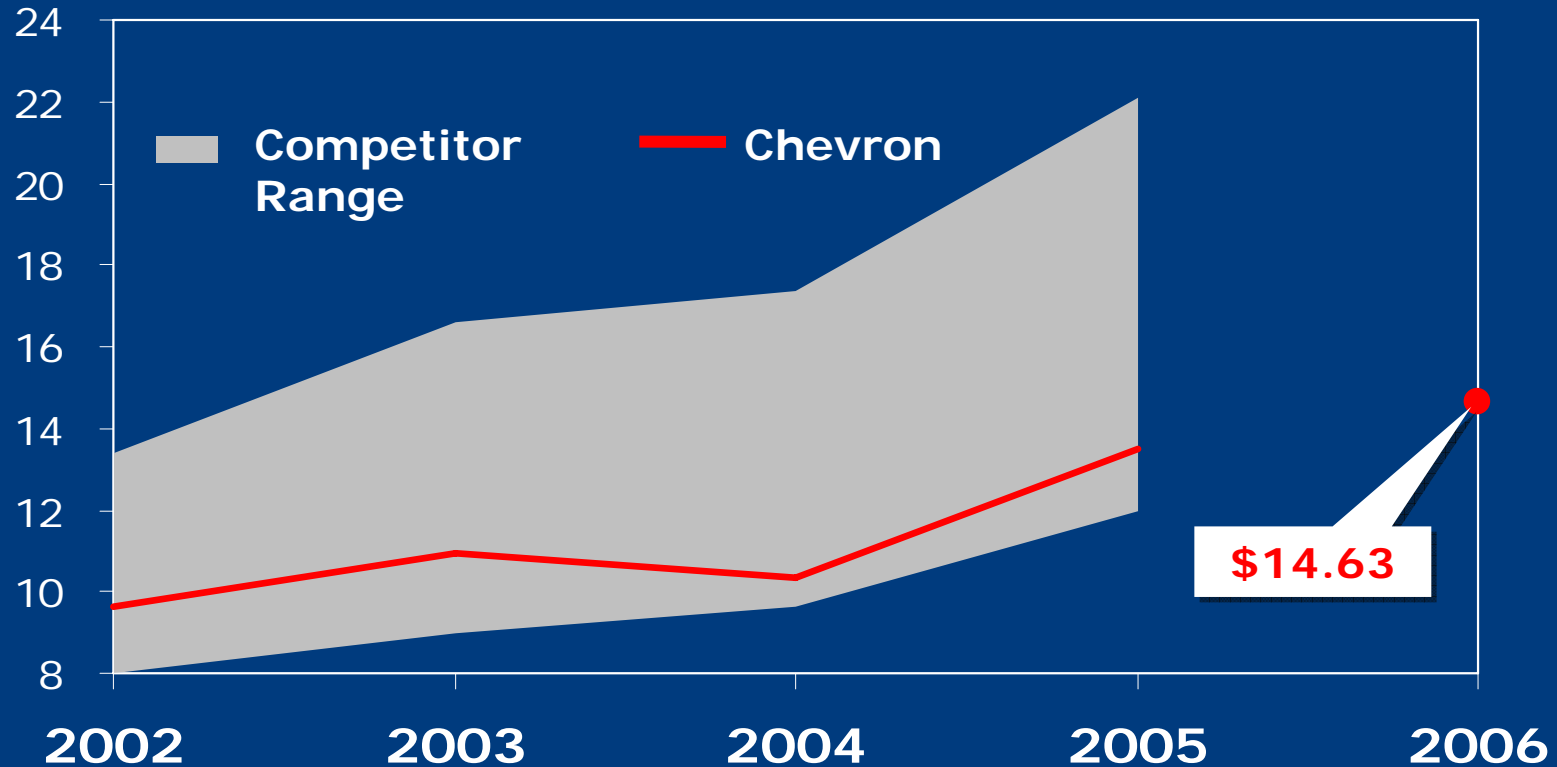
# Effective Execution



# Upstream Costs Have Been Among the Lowest



\$/BOE



Ranking: 3/10

3/10

2/10

3/10

Source: AG Edwards; includes production costs, exploration expense and DD&A  
 Competitors include BP, COP, RDS, XOM, HES, MRO, MUR, OXY, TOT





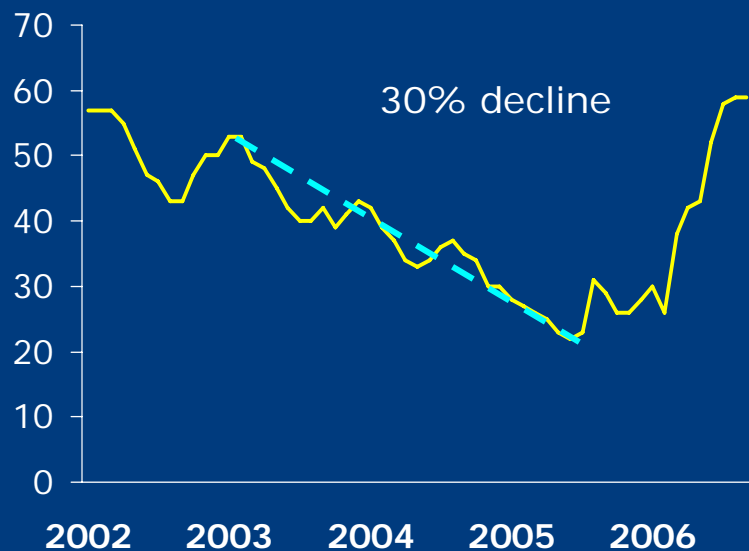
# Disciplined Base Business Focus

North America - South Texas  
New seismic interpretation

Saudi Arabia/PNZ  
Waterflood optimization

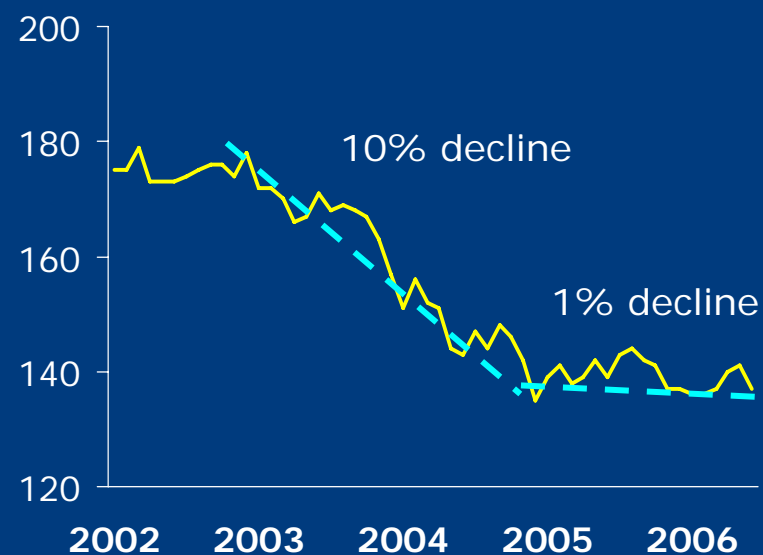
## McAllen Ranch Field

Production - MMCFPD



## Wafra Ratawi Field

Production - MBOEPD





## A Clear Leader in Drilling & Completions

Focused and disciplined plan to identify and capture

- Best practices
- Innovative technologies
- Process improvements

Savings of over \$400 MM realized in 2006

- Operational Reliability: \$70 MM
- Operational Efficiency: \$100 MM
- Technology: \$125 MM
- Contracting: \$100 MM

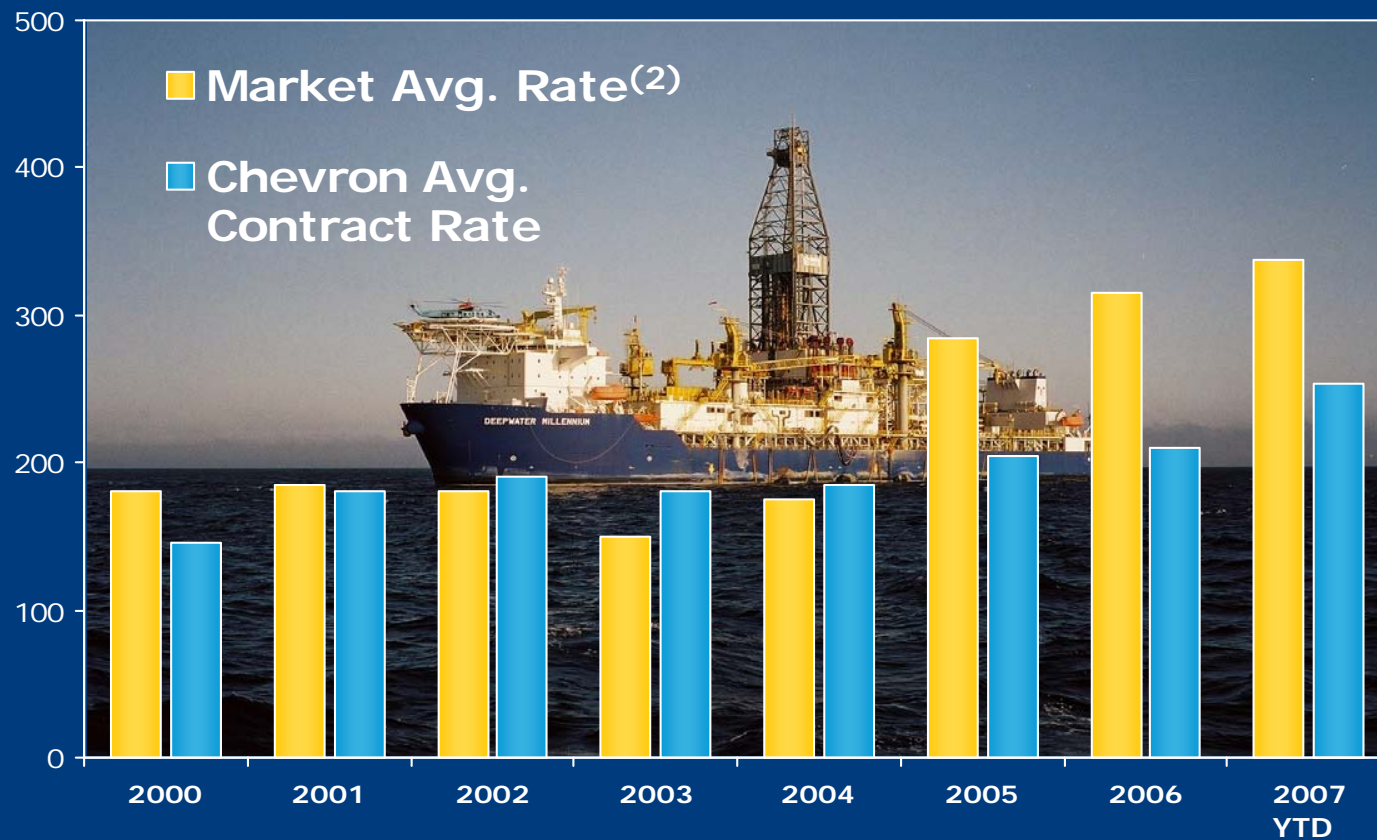


# Superior Contracting Strategies Have Cushioned Rising Deepwater Rig Rates



## Worldwide Deepwater Rig Rates <sup>(1)</sup>

\$M/Day



(1) Drilling units rated for >7500 ft water depth

(2) Market data source: Fearnley Offshore

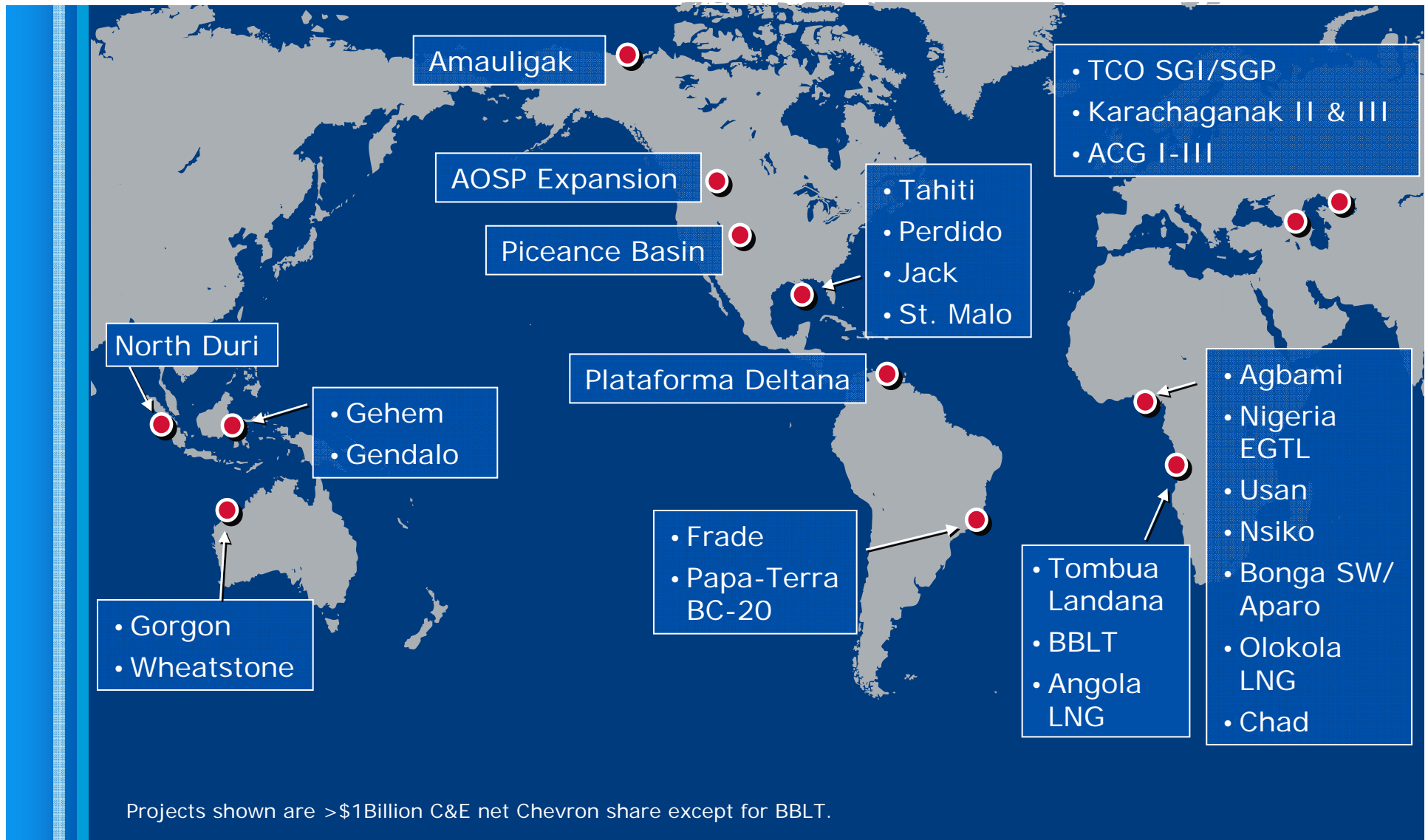
# Profitable Growth







# World-Class Portfolio of Projects



Projects shown are >\$1Billion C&E net Chevron share except for BBLT.

# Industry-Leading Queue of Projects: 2003



■ >\$1B

■ >\$200MM

|                    |                |                   |                 |
|--------------------|----------------|-------------------|-----------------|
| Blind Faith        |                |                   |                 |
| Plataforma Deltana |                |                   |                 |
| AOSP Expansion 1   |                | NWS Train 5       | NWS Train 4     |
| Usan               | Angola LNG     | Moho Bilondo      | Chad            |
| Perdido            | Tahiti         | BBLT              | Karachaganak II |
| North Duri         | Gorgon         | Sanha Bomboco     | Hamaca Upgrader |
| Bonga SW/Aparo     | Frade          | Nigeria EGTL/EGP3 | Belanak         |
| Hebron             | Tombua Landana | Agbami            | Tengiz SGI/SGP  |



# Industry Leading Queue of Projects – 1Q 2007



■ >\$1B  
■ >\$200MM  
★ New

|                      |                    |                |                   |                 |
|----------------------|--------------------|----------------|-------------------|-----------------|
|                      | ★ Vietnam          |                | ★ San Ardo        |                 |
|                      | ★ Platong          |                | ★ ACG III         |                 |
|                      | ★ Big Foot         |                | NWS Train 5       |                 |
|                      | ★ Karachaganak III |                | Blind Faith       |                 |
|                      | ★ Wheatstone       |                | Moho Bilondo      | ★ BTC Pipeline  |
|                      | ★ Papa-Terra BC-20 | ★ Olokola LNG  | ★ Piceance        | ★ ACG II        |
|                      | ★ Gendalo          | ★ Nsiko        | Nigeria EGTL/EGP3 | ★ Bibiyana      |
| ★ Tubular Bells      | ★ Gehem            | Angola LNG     | Tengiz SGI/SGP    | NWS Train 4     |
| ★ Rosebank Lochnagar | ★ Amauligak        | Usan           | Tombua Landana    | BBLT            |
| ★ Puma               | ★ Jack             | Bonga SW/Aparo | Frade             | Sanha Bomboco   |
| ★ Knotty Head        | ★ St. Malo         | North Duri     | Agbami            | Chad            |
| Hebron               | Plataforma Deltana | Gorgon         | AOSP Expansion 1  | Karachaganak II |
|                      |                    |                | Perdido           | Hamaca Upgrader |
|                      |                    |                | Tahiti            | Belanak         |





# Leader in the Caspian Region



## Tengiz Sour Gas Injection Second Generation Plant

- Project is approximately 93% complete
- 2006: SGI Stage 1 startup
- 2007: SGP startup

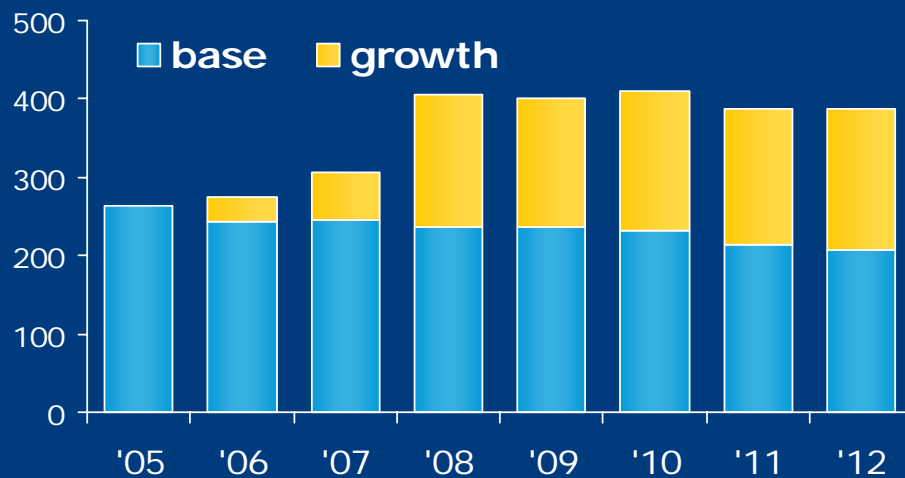
## Azeri-Chirag-Guneshli Development

- 2006: ACG II initiated production
- 2007: BTC Pipeline ramp-up
- 2008: ACG III startup

## Other

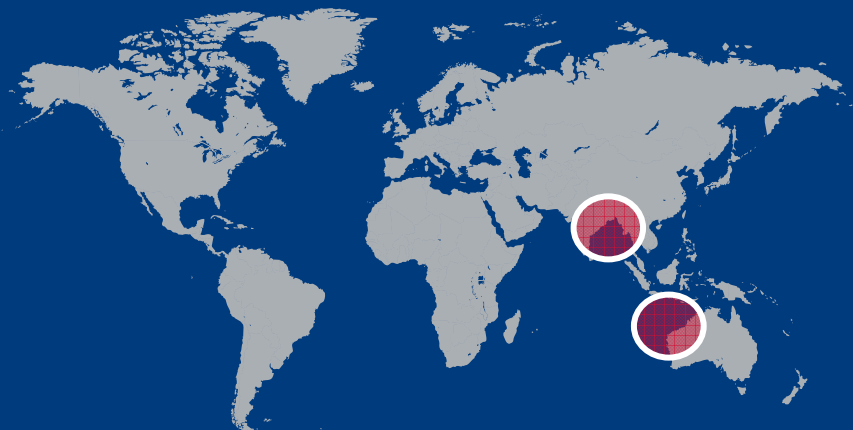
- Karachaganak III

## Net Production MBOEPD





# Significant Position in Asia-Pacific



## Gorgon

- December 2006: Environmental framework provided by WA minister
- 2007: Finalizing FEED

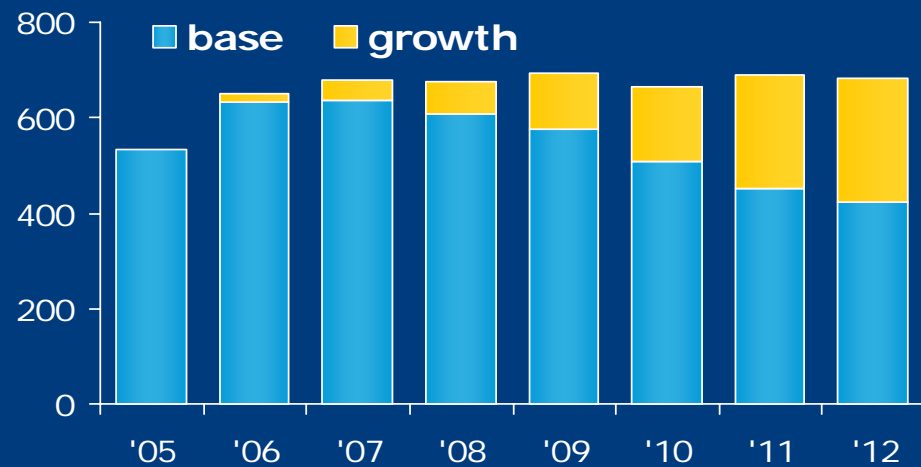
## Bibiyana

- 600 MMCFD gas processing plant
- 1H 2007: Startup

## Other

- NWS Expansion Train 5
- North Duri Steamflood
- Platong II
- Vietnam Gas Development

## Net Production MBOEPD





# New Projects Will Double Production in West Africa



## Agbami

- Ongoing: drilling, construction and subsea activities
- 4Q 2007: FPSO tow
- 2008: Production startup

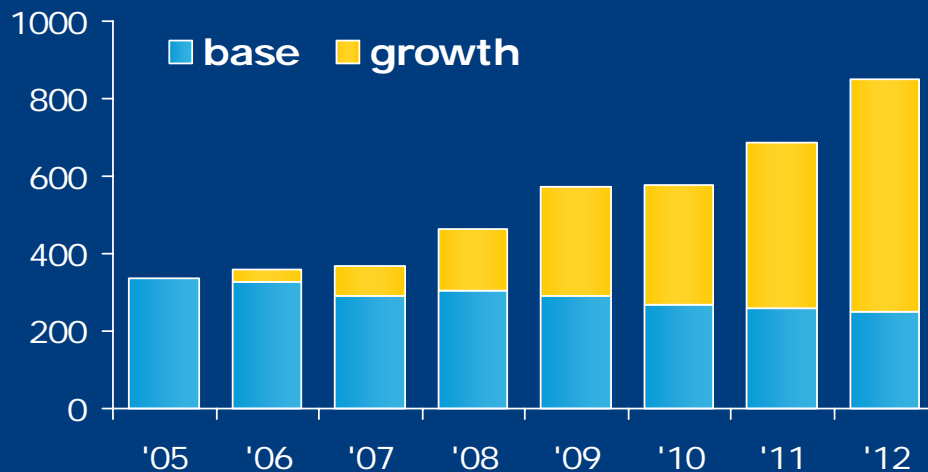
## West Africa LNG

- 2007: Angola LNG – FID
- 2007: Olokola LNG – FID (FEED >90% complete)

## Other

- BBLT
- Tombua Landana
- Nigeria EGTL
- Nigeria EGP3 A&B
- Usan
- Bonga SW/Aparo
- Moho Bilondo

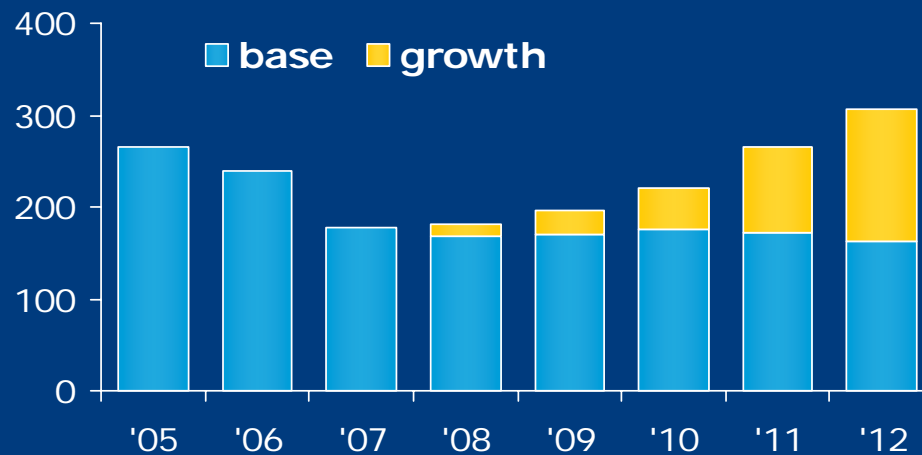
## Net Production MBOEPD



# Deepwater Brazil Adding to Latin America's Growth



## Net Production MBOEPD



## Frade

- Project is approximately 10% complete
- 2007: FPSO hull work to begin
- 2009: First production

## Papa-Terra

- 2006: Field development plan filed
- 2008: FID
- 2011-12: First production

## Other

- Dolphin Deep
- Starfish
- Plataforma Deltana



# Sustaining North American Production



## Tahiti

- Project 60% complete
- 2006: Drilling operations complete
- 2007: Well completion operations
- 2008: First production

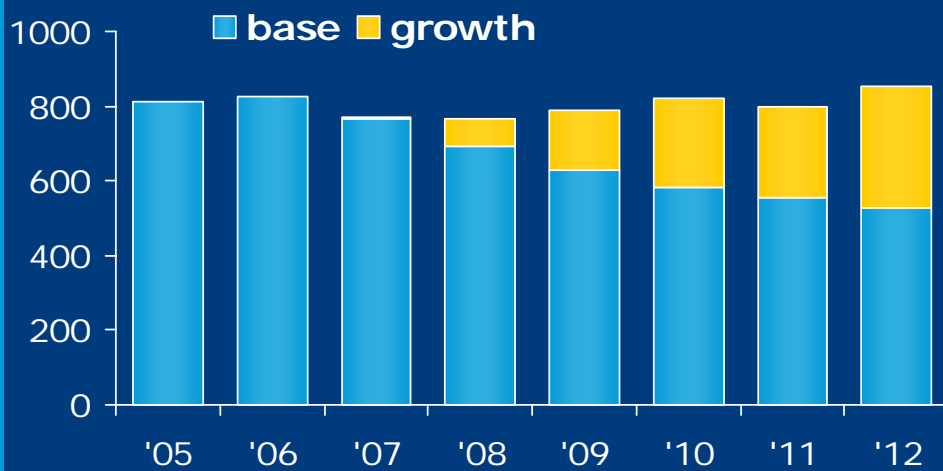
## Piceance

- 40,000 CVX acres
- 2007-2008: 2-rig drilling program
- 2008: Permanent gas sales

## Other

- San Ardo
- AOSP Expansion
- Blind Faith
- Perdido

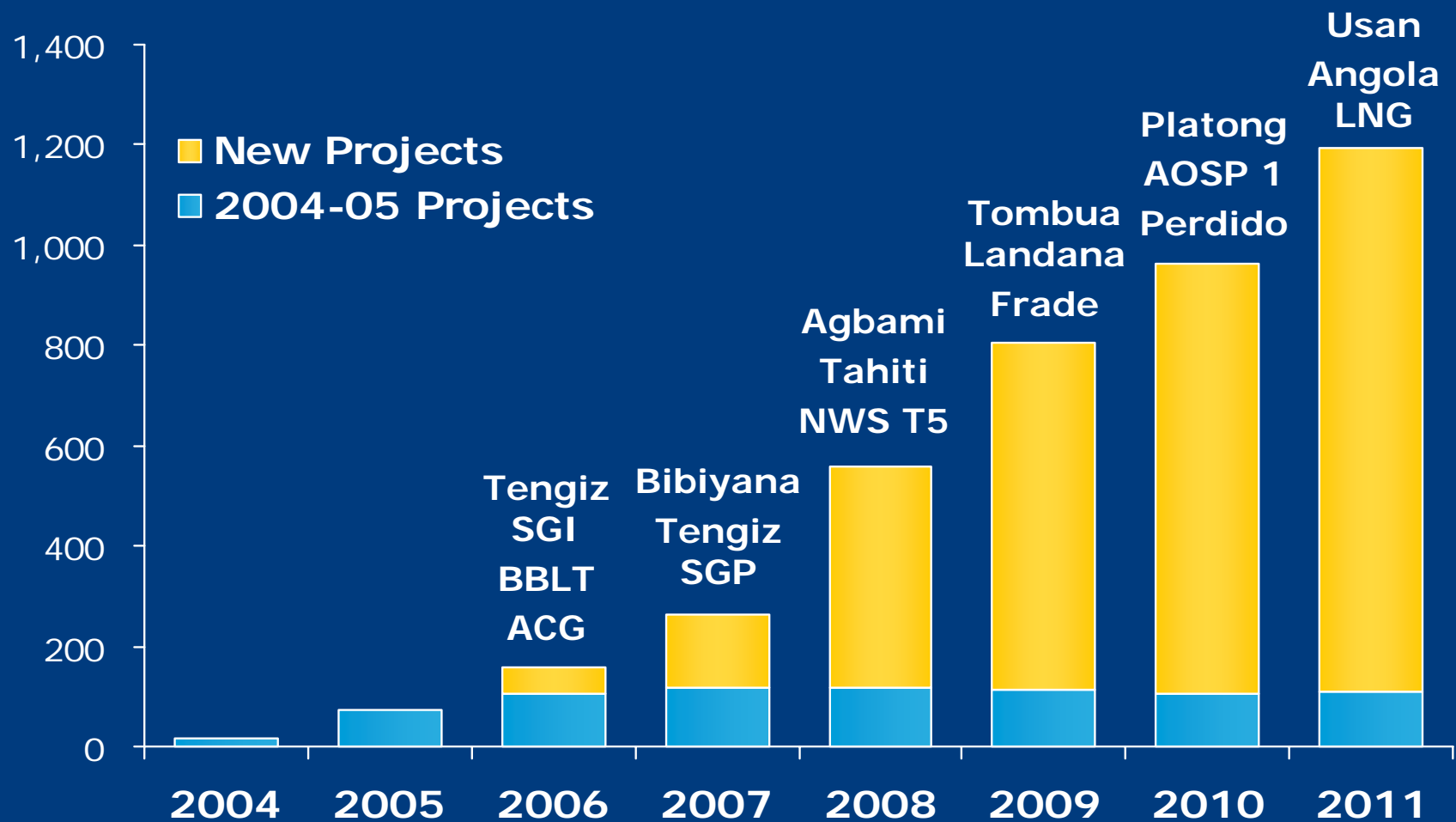
## Net Production MBOEPD



# Production Growth Driven by a Steady Queue of Projects



## Net Production MBOED

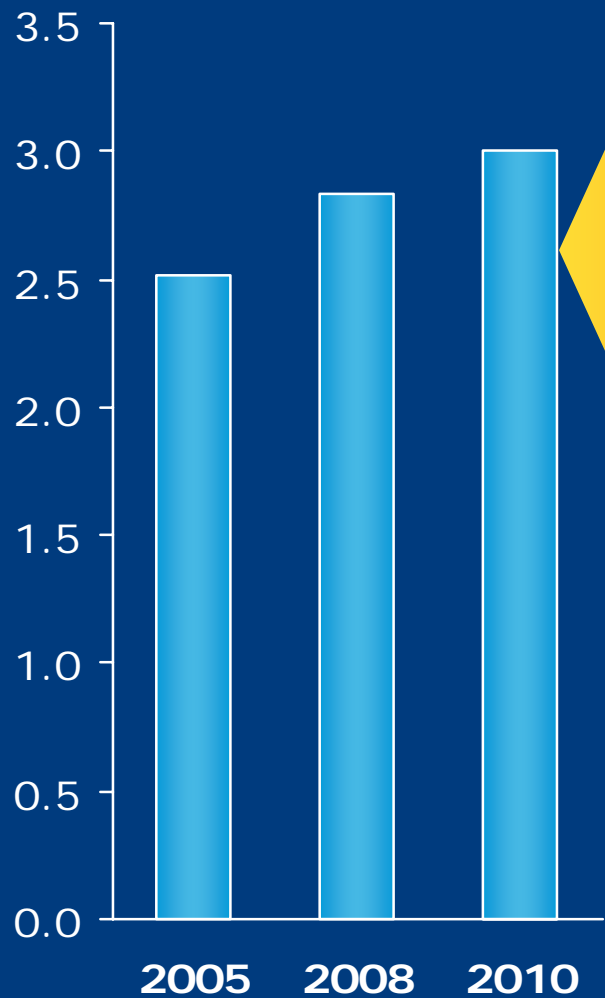


Projects shown represent a subset of the total queue.

# Greater Than 3% Production Growth Driven by a Steady Queue of Projects



## Net Production MBOED




| Start-up | Significant Project       | Chevron Operator | WI %         | 100% Peak Production MBOEPD | Current Project Phase |
|----------|---------------------------|------------------|--------------|-----------------------------|-----------------------|
| 2006     | BBLT                      | ✓                | 31.0         | 200                         | Prod                  |
|          | Dolphin Deep              |                  | 50.0         | 35                          | Prod                  |
|          | ACG II                    |                  | 10.3         | 520                         | Prod                  |
| 2007     | Tengiz SGI/SGP            | ✓                | 50.0         | 250                         | Const                 |
|          | Bibiyana                  | ✓                | 98.0         | 80                          | Const                 |
| 2008     | Agbami                    | ✓                | 68.2         | 250                         | Const                 |
|          | Tahiti                    | ✓                | 58.0         | 135                         | Const                 |
|          | Blind Faith               | ✓                | 62.5         | 45                          | Const                 |
|          | NWS Train 5               | ✓                | 16.7         | 95                          | Const                 |
|          | N Duri Steamflood         | ✓                | 100          | 70                          | Design                |
|          | Moho Bilondo              |                  | 31.5         | 80                          | Const                 |
|          | ACG III                   |                  | 10.3         | 300                         | Const                 |
|          | Callanish-Brodgar         |                  | 16-25        | 50                          | Const                 |
| 2009     | Tombua Landana            | ✓                | 31.0         | 100                         | Const                 |
|          | Nigeria EGP3 A&B          | ✓                | 40.0         | 140                         | Const                 |
|          | Frade                     | ✓                | 51.7         | 90                          | Const                 |
|          | Nigeria EGTL              | ✓                | 75.0         | 34                          | Const                 |
| 2010     | Perdido                   |                  | 37.5         | 130                         | Const                 |
|          | AOSP Exp. I<br>Platong II | ✓                | 20.0<br>69.7 | 100<br>65                   | Const<br>Eval         |



# Applying Technologies to Commercialize Challenging Resources



## Jack Discovery & Test

- 
- An aerial photograph of an offshore oil rig and several support vessels in the open ocean. The rig is a large, complex structure with multiple levels and cranes. Several smaller support vessels are positioned around it, connected by lines. The sea is a deep blue, and the sky is a lighter blue with some clouds.
- Integrated team
  - Drillstem test design
  - Superior seismic imaging
  - Completion frac-pack design
  - "Clear Leader" drilling performance

- Set records for pressure, depth and duration of test
- Better understanding of reservoir and fluid characteristics
- Optimum field development design and commerciality assessment

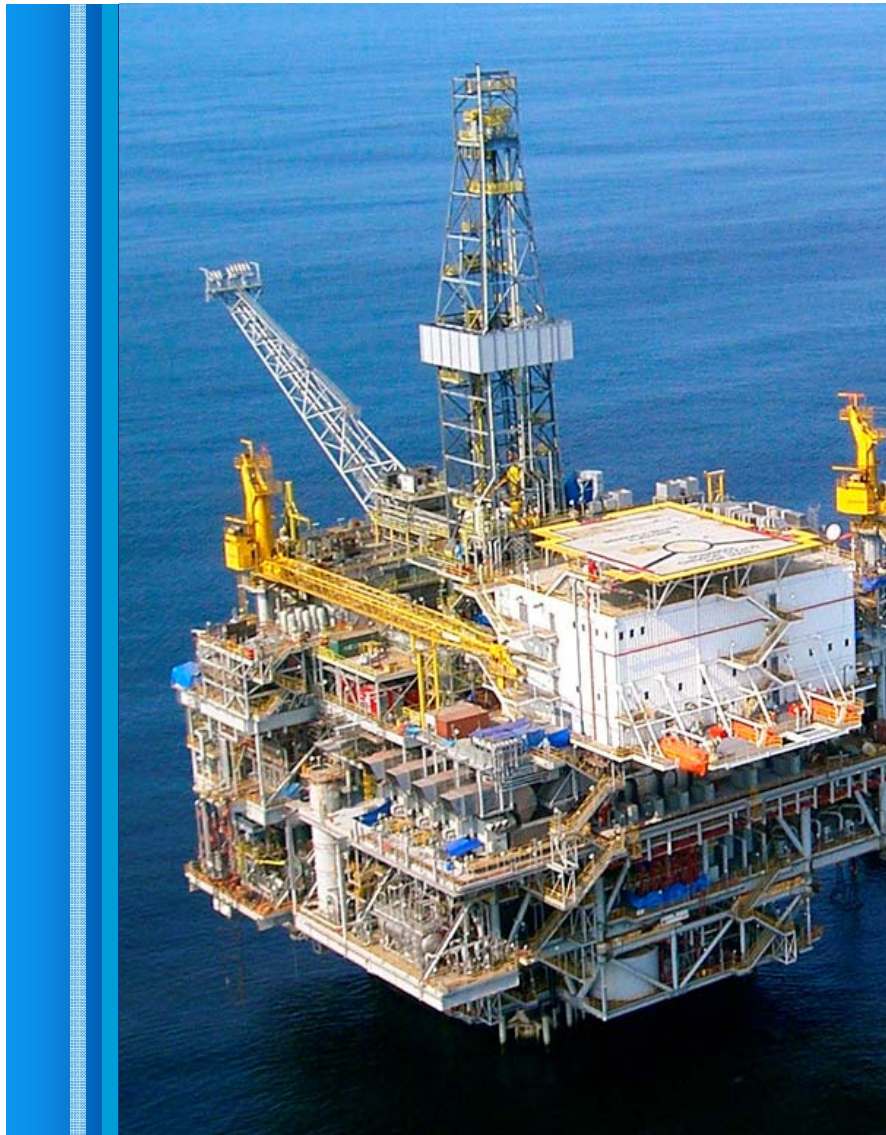


## Focus and Execution Are Key

- ✓ Superior exploration performance
- ✓ Competitive performance of base assets
- ✓ Executing on an industry-leading queue of Major Capital Projects
- ✓ Greater than 100% reserves replacement
- ✓ Progress toward commercializing vast natural gas resource



# Our Continued Commitment to Earnings and Returns



|                      |           |
|----------------------|-----------|
| Production CAGR >3%  | 2005-2010 |
| TCO SGP Startup      | 2007      |
| Bibiyana Startup     | 2007      |
| Agbami Startup       | 2008      |
| Tahiti Startup       | 2008      |
| Blind Faith Startup  | 2008      |
| Frade Startup        | 2009      |
| Nigeria EGTL Startup | 2009      |



# Appendix

# Upstream Major Capital Projects Caspian Region



| Project   | Location   | Operator | WI % | C&E \$Billion | Peak Prod MBOED  | Current Phase | Startup              |
|---|------------|----------|------|---------------|------------------|---------------|----------------------|
| <b>Tengiz Sour Gas Injection/<br/>Second Generation Plant</b> | Kazakhstan | Chevron  | 50.0 | 6.0           | 250              | Construction  | 2006 SGI<br>2007 SGP |
| <b>Azeri-Chirag-Guneshli (ACG)<br/>Development II</b>         | Azerbaijan | Other    | 10.3 | 4.2           | 520              | Production    | 2006                 |
| <b>Azeri-Chirag-Guneshli (ACG)<br/>Development III</b>        | Azerbaijan | Other    | 10.3 | 4.1           | 300              | Construction  | 2008                 |
| <b>Karachaganak Expansion III</b>                             | Kazakhstan | Other    | 20.0 | TBD           | 220              | Evaluation    | 2012                 |
| <b>Baku-Tbilisi-Ceyhan (BTC)<br/>Pipeline</b>                 | Caspian    | Other    | 8.9  | 4.8           | 1000<br>capacity | Production    | 2006                 |

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

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



# Upstream Major Capital Projects Asia-Pacific Region



| Project  | Location   | Operator | WI % | C&E \$Billion | Peak Prod MBOED | Current Phase | Startup    |
|--|------------|----------|------|---------------|-----------------|---------------|------------|
| Greater Gorgon Offshore Development & LNG      | Australia  | Chevron  | 50   | TBD           | 235 Capacity    | Design        | After 2010 |
| Bibiyan Gas Development                        | Bangladesh | Chevron  | 98.0 | 0.2           | 80              | Construction  | 2007       |
| Vietnam Gas Development                        | Vietnam    | Chevron  | 43.0 | TBD           | 80              | Evaluation    | 2011       |
| North Duri Steamflood Development (all phases) | Indonesia  | Chevron  | 100  | 1.8           | 70              | Design        | 2008       |
| Platong II                                     | Thailand   | Chevron  | 69.7 | TBD           | 65              | Evaluation    | 2010       |
| NWS Train 5                                    | Australia  | Other    | 16.7 | 2.1           | 95              | Construction  | 2008       |

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

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

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



| Project  | Location | Operator | WI % | C&E \$Billion | Peak Prod MBOED | Current Phase | Startup |
|--|----------|----------|------|---------------|-----------------|---------------|---------|
| <b>Benguela Belize Lobito Tomboco (BBLT) Deepwater Development</b> | Angola   | Chevron  | 31.0 | 2.5           | 200             | Production    | 2006    |
| <b>Tombua Landana Deepwater Development</b>                        | Angola   | Chevron  | 31.0 | 3.8           | 100             | Construction  | 2009    |
| <b>Moho Bilondo Deepwater Development</b>                          | Congo    | Other    | 31.5 | --            | 80              | Construction  | 2008    |
| <b>Angola LNG</b>  | Angola   | Chevron  | 36.4 | TBD           | 115             | Design        | 2010-11 |

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

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

# Upstream Major Capital Projects West Africa Region – Nigeria



| Project                                     | Location | Operator | WI % | C&E \$Billion | Peak Prod MBOED | Current Phase | Startup |
|---|----------|----------|------|---------------|-----------------|---------------|---------|
| <b>Agbami Deepwater Development</b>         | Nigeria  | Chevron  | 68.2 | 5.2           | 250             | Construction  | 2008    |
| <b>Nsiko Deepwater Development</b>          | Nigeria  | Chevron  | 95.0 | TBD           | 100             | Design        | 2012    |
| <b>Bonga SW/Aparo Deepwater Development</b> | Nigeria  | Other    | ~20  | TBD           | 150             | Design        | 2011    |
| <b>Usan Deepwater Development</b>           | Nigeria  | Other    | 30.0 | TBD           | 180             | Design        | 2011    |
| <b>Olokola LNG Plant</b>                    | Nigeria  | Other    | 18.5 | TBD           | 500 Capacity    | Design        | 2012    |
| <b>Olokola Gas Supply</b>                   | Nigeria  | Chevron  | 40.0 | TBD           | 300             | Design        | 2012    |
| <b>Nigeria EGP3A&amp;B</b>                  | Nigeria  | Chevron  | 40.0 | 2.4           | 140             | Construction  | 2009    |
| <b>Nigeria EGTL</b>                         | Nigeria  | Chevron  | 75.0 | 2.9           | 34              | Construction  | 2009    |

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

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

# Upstream Major Capital Projects Latin America Region



| Project                                       | Location          | Operator | WI % | C&E \$Billion | Peak Prod MBOED | Current Phase | Startup |
|---|-------------------|----------|------|---------------|-----------------|---------------|---------|
| <b>Frade Deepwater Development</b>            | Brazil            | Chevron  | 51.7 | 2.8           | 90              | Construction  | 2009    |
| <b>Dolphin Deep</b>                           | Trinidad & Tobago | Other    | 50.0 | 0.3           | 35 capacity     | Production    | 2006    |
| <b>Papa-Terra BC-20 Deepwater Development</b> | Brazil            | Other    | 37.5 | TBD           | 100             | Evaluation    | 2011-12 |

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

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

# Upstream Major Capital Projects North America Region



| Project                                 | Location | Operator | WI % | C&E \$Billion     | Peak Prod MBOED | Current Phase | Startup |
|---|----------|----------|------|-------------------|-----------------|---------------|---------|
| Tahiti Deepwater                        | GOM      | Chevron  | 58.0 | 3.5               | 125             | Construction  | 2008    |
| Blind Faith Deepwater                   | GOM      | Chevron  | 62.5 | 0.9               | 50              | Construction  | 2008    |
| Perdido Deepwater                       | GOM      | Other    | 37.5 | Refer to Operator | 130             | Construction  | ~2010   |
| San Ardo Steamflood                     | SJV      | Chevron  | 100  | 0.3               | 15              | Construction  | 2007    |
| Athabasca Oil Sands Project Expansion I | Canada   | Other    | 20.0 | 10.0              | 100             | Construction  | 2010    |

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

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