Chevron

news release

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Chevron Affirms Production Growth; Announces New Spending Cuts

- **Upcoming project completions and shale drilling efficiency highlighted**
- **Capital spending budget for 2017-18 targets $17-22 billion per year**

NEW YORK, N.Y., March 8, 2016 – Chevron Corporation (NYSE: CVX) hosted its annual security analyst meeting in New York where executives reiterated priorities, expressed confidence in the company's near term outlook and emphasized an advantaged position when markets rebound.

"We're completing major projects that have been under construction for several years. This enables us to grow production and reduce spending at the same time, which should improve our net cash flow significantly," said John Watson, Chevron's chairman and chief executive officer. Watson reiterated the importance of dividend growth and maintaining a strong balance sheet in the company's financial priorities, noting the company's record of 28 consecutive years of dividend increases, and plans to limit debt increases beyond 2016.

"Industry conditions are tough right now, with low oil and natural gas prices. We believe markets will improve, and we'll be well positioned when they do," Watson continued. "We have an excellent upstream and downstream portfolio, and we are driving operating and administrative efficiencies across the company."

Jay Johnson, executive vice president, upstream, highlighted key plans. "We're focused on safe, reliable operations and effective project start-ups and ramp-ups. At Gorgon, we're producing LNG and the first cargo is expected to ship next week. With an advantaged position in the Permian and a deep portfolio of operating assets, we're transitioning our spending to more short-cycle, higher-return activity that utilizes existing infrastructure. We have a portfolio of assets that should allow production growth through the end of the decade, even at moderate prices."

Presentations and a full transcript of the meeting are available on the Investor Relations website at www.chevron.com.

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