



human energy®

# Barclays

Global CEO-Energy Power Conference

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Executive Vice President Downstream & Chemicals

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# Cautionary statement

## CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION

### FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation of Chevron Corporation contains forward-looking statements relating to Chevron’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words or phrases such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “may,” “could,” “should,” “budgets,” “outlook,” “trends,” “guidance,” “focus,” “on schedule,” “on track,” “is slated,” “goals,” “objectives,” “strategies,” “opportunities,” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemicals margins; the company’s ability to realize anticipated cost savings and expenditure reductions; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of the company’s suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil and natural gas; the inability or failure of the company’s joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company’s operations due to war, accidents, political events, civil unrest, severe weather, cyber threats and terrorist acts, crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries, or other natural or human causes beyond the company’s control; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures to limit or reduce greenhouse gas emissions; the potential liability resulting from other pending or future litigation; the company’s future acquisition or disposition of assets or shares or the delay or failure of such transactions to close based on required closing conditions; the potential for gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, tariffs, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; material reductions in corporate liquidity and access to debt markets; the impact of the 2017 U.S. tax legislation on the company’s future results; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; the company’s ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading “Risk Factors” on pages 19 through 22 of the company’s 2017 Annual Report on Form 10-K. Other unpredictable or unknown factors not discussed in this presentation could also have material adverse effects on forward-looking statements.

Certain terms, such as “unrisked resources,” “unrisked resource base,” “recoverable resources,” and “oil in place,” among others, may be used in this presentation to describe certain aspects of the company’s portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, these and other terms, see the “Glossary of Energy and Financial Terms” on pages 50 through 51 of the company’s 2017 Supplement to the Annual Report and available at [Chevron.com](http://Chevron.com). As used in this presentation, the term “project” may describe new upstream development activity, including phases in a multiphase development, maintenance activities, certain existing assets, new investments in downstream and chemicals capacity, investment in emerging and sustainable energy activities, and certain other activities. All of these terms are used for convenience only and are not intended as a precise description of the term “project” as it relates to any specific government law or regulation.

As used in this presentation, the term “Chevron” and such terms as “the company,” “the corporation,” “our,” “we,” “us,” and “its” may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

The company’s estimates of the impact of the 2017 U.S. tax legislation, codified as Public Law no. 115-97, in particular the provisional tax benefit to the company, are based on the company’s current interpretations and assumptions and are subject to change based on additional interpretations and analysis or updated regulatory or accounting guidance that may be issued with respect to the tax legislation.



# 2Q 2018 YTD results

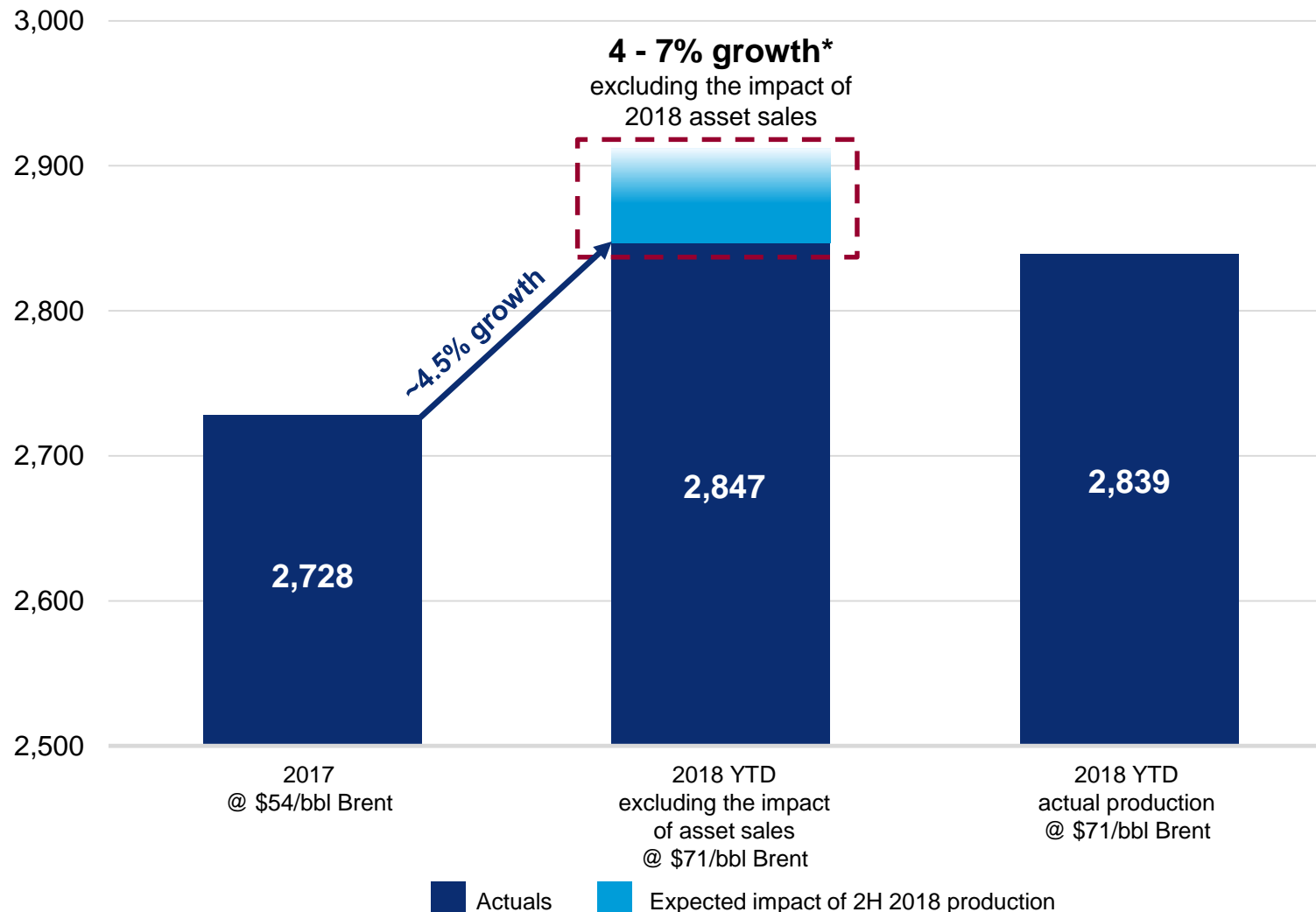
<b>Cash flow</b>	Cash generation in line with guidance	✓
<b>Capital</b>	Capital & exploratory expenditures at ~\$9B mid-year	✓
<b>Total production</b>	Trending to upper-end of guidance	✓
<b>Asset sales</b>	On target to achieve 2018-2020 guidance	✓
<b>Dividend</b>	Increased dividend per share 4% in 1Q18	✓
<b>Share repurchase</b>	Share repurchases targeted at \$3 billion per year	✓



# Worldwide net oil & gas production

## Net production

MBOED



\* Estimated production forecast @ \$60/bbl Brent.



## 2Q production 2,826 MBOED

- 2Q production impacts:
- Turnarounds (67) MBOED
- Asset sales (15) MBOED

## 2<sup>nd</sup> half growth drivers:

- Wheatstone Train 2 ramp-up
- Shale & tight growth
- Other MCP ramp-up

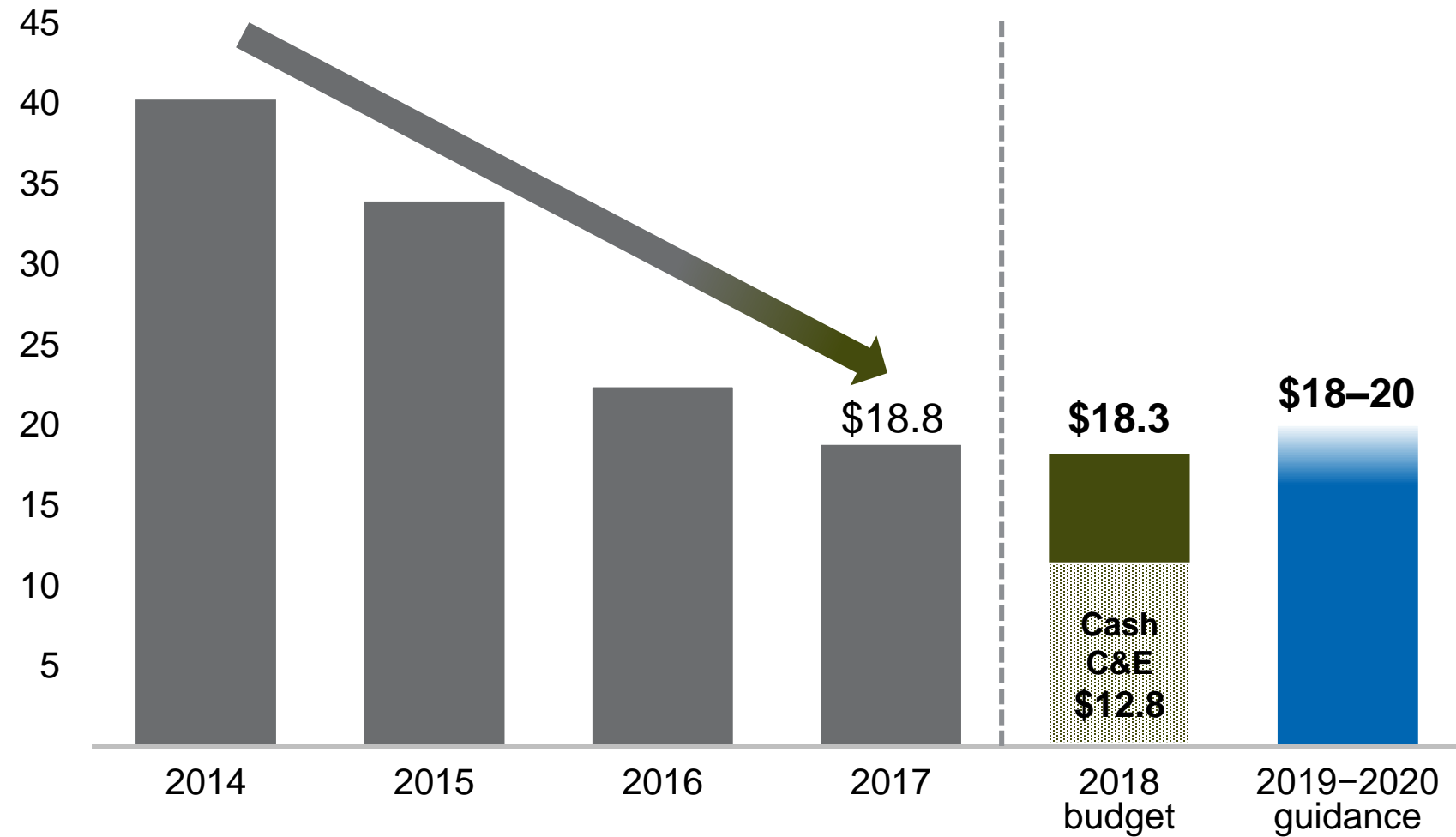
## Full year outlook:

- Upper half of guidance range

# Disciplined C&E program

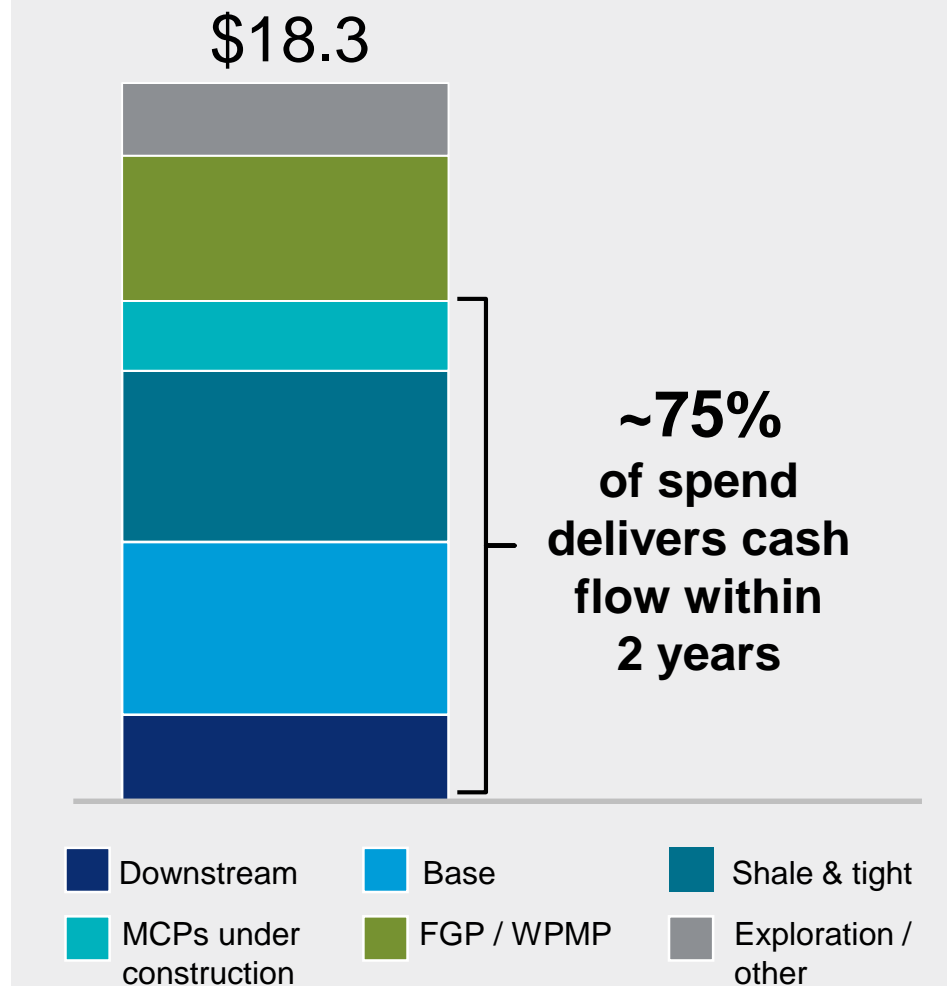
## Total capital & exploratory\*

\$ billions



## 2018 capital & exploratory budget

\$ billions



\* Assumes average annual \$60/bbl Brent, 2018-2020.  
Note: \$60/bbl Brent is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.

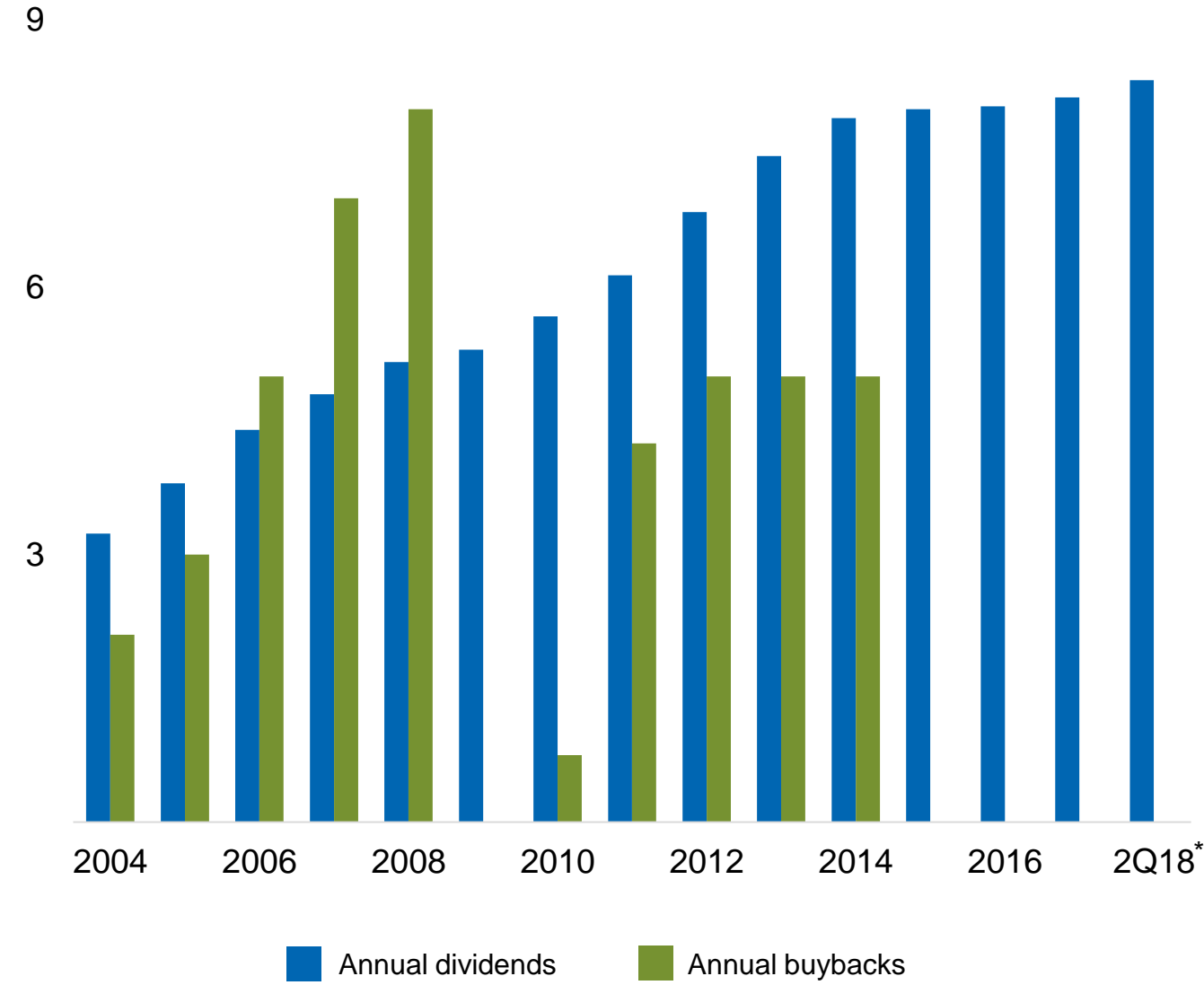


# Initiate share repurchase 3Q18

Maintain and grow dividend	4% increase in 1Q18	✓
Fund capital program	Disciplined and on track	✓
Strong balance sheet	Average through cycle <20%	✓
Return surplus cash	Share repurchases targeted at \$3B per year	✓

## Historical total shareholder distributions

\$ billions



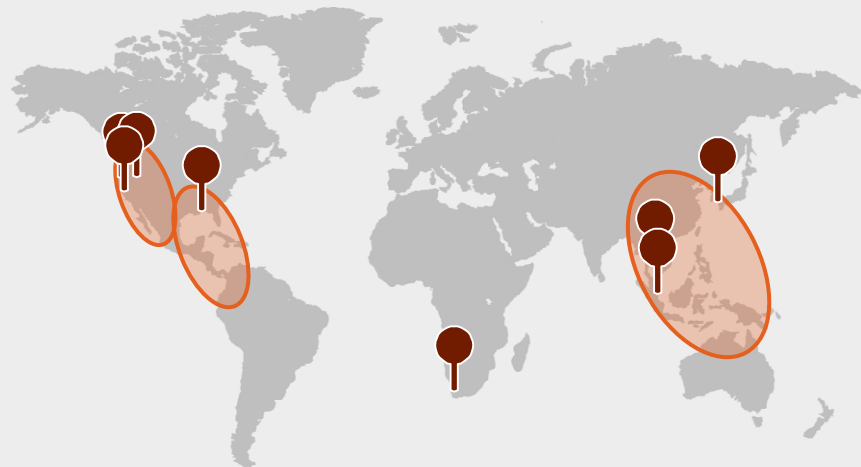
\* 2Q18 reflects rolling four quarter total.



# Profitable downstream & chemicals portfolio

## Fuels refining & marketing

Focused, regional optimization



- Refinery
- Integrated fuels value chain

## Petrochemicals

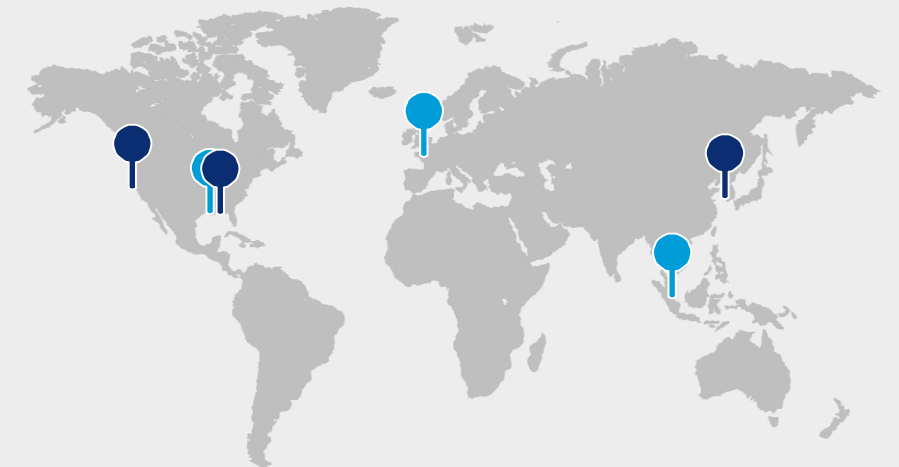
Advantaged feed, scale and technology



- Olefins / Polyolefins complex
- Aromatics complex

## Lubricants & additives

Strategic positions serving global markets



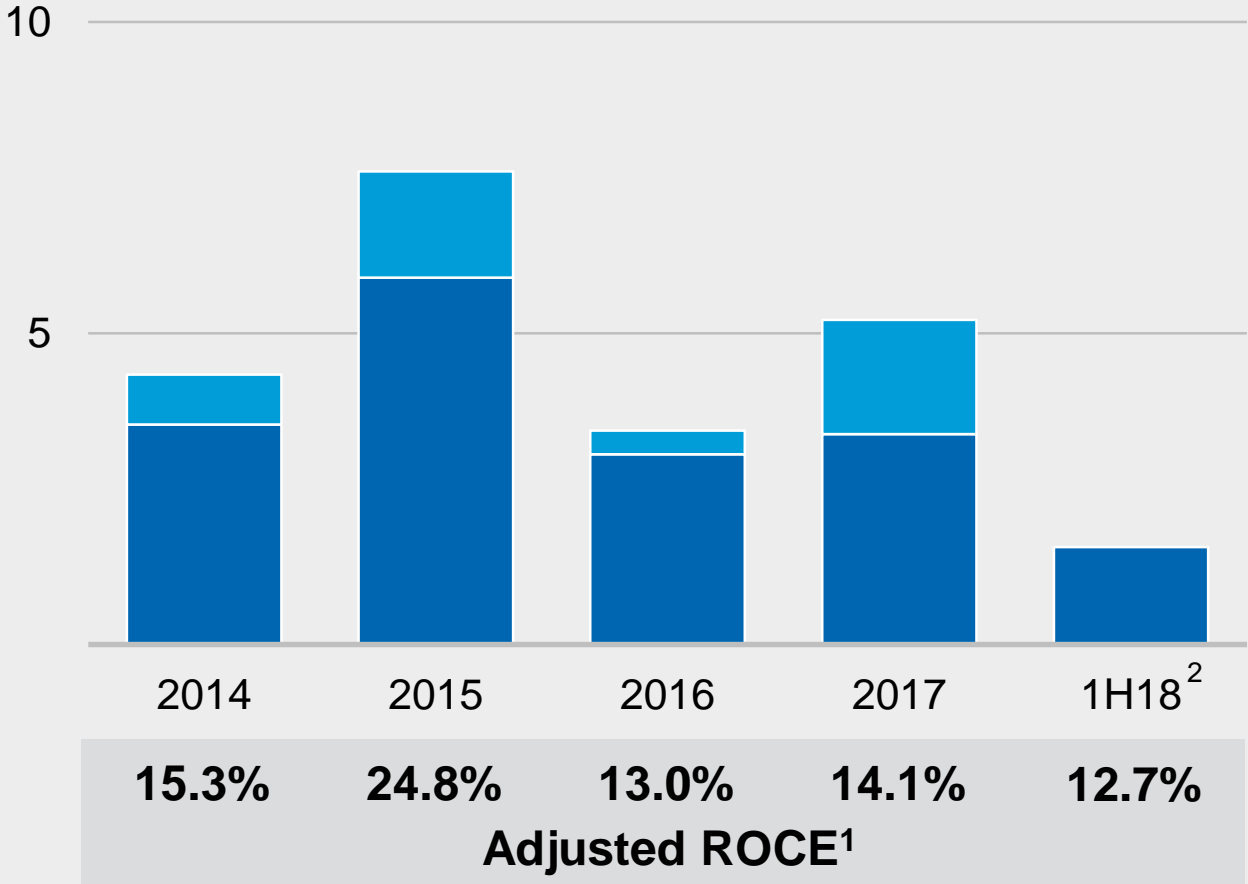
- Premium base oil plant integrated with refinery
- World-scale additives plant



# Downstream financial performance

## Reported earnings

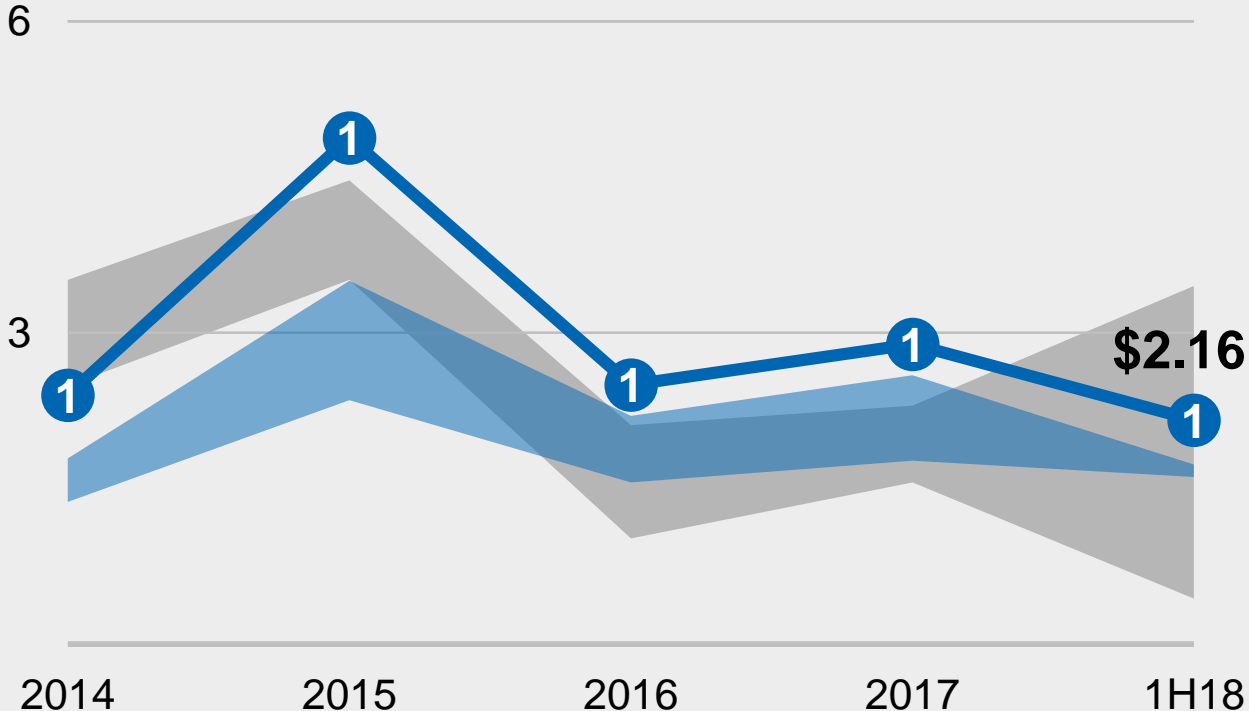
\$ billions



Asset sales and other special items  
Adjusted earnings

## Adjusted earnings per barrel<sup>1,3</sup>

\$/bbl



CVX ranking relative to IOC competitors, 1 being the highest  
IOC competitor range: BP, RDS, XOM  
Independents: ANDV, MPC, PSX, VLO

<sup>1</sup> See appendix for reconciliation of non-GAAP measures.

<sup>2</sup> Estimated 1H18 ROCE is calculated using 2017 year end capital employed and a calculated annualized earnings (1H18 x 2).

<sup>3</sup> Total downstream, excluding petrochemicals.

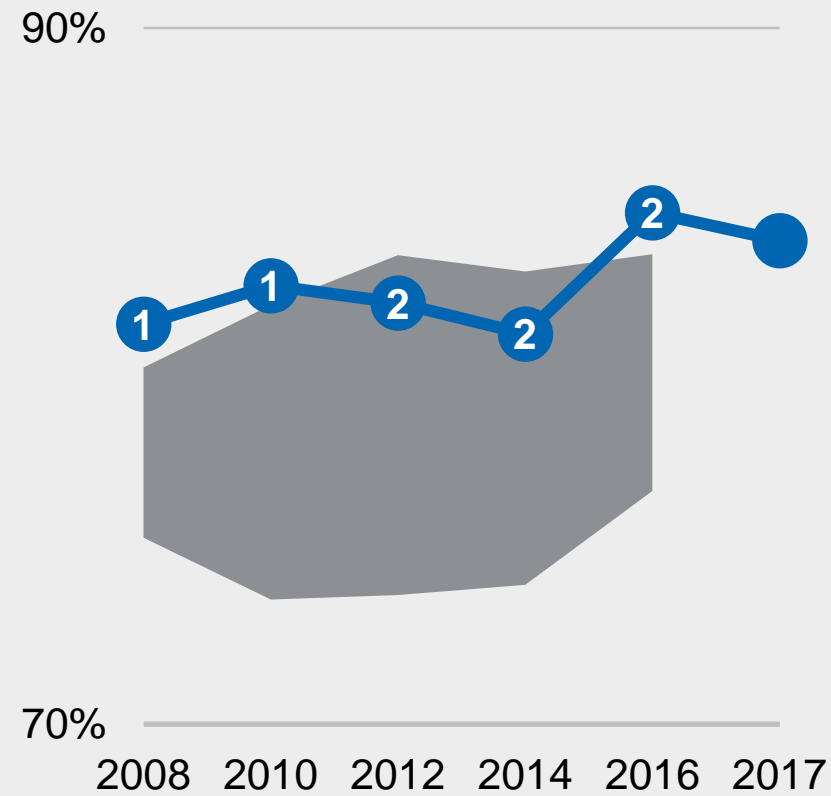




# Refinery performance<sup>1</sup>

## Utilization

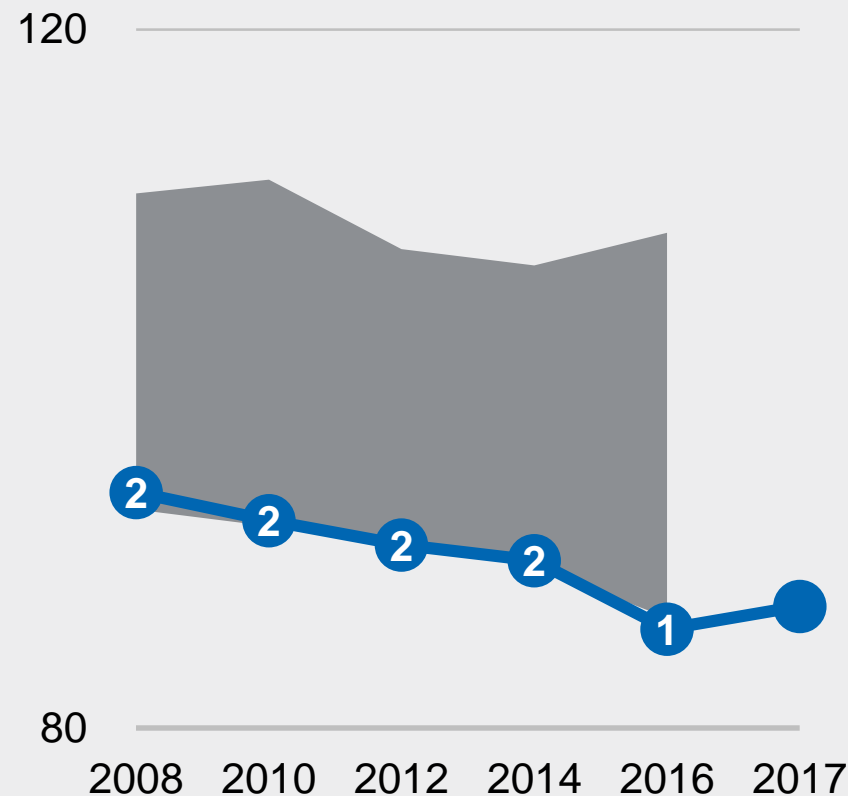
Percent



● CVX ranking relative to competitors  
 ■ Competitor range<sup>2</sup>

## Energy efficiency

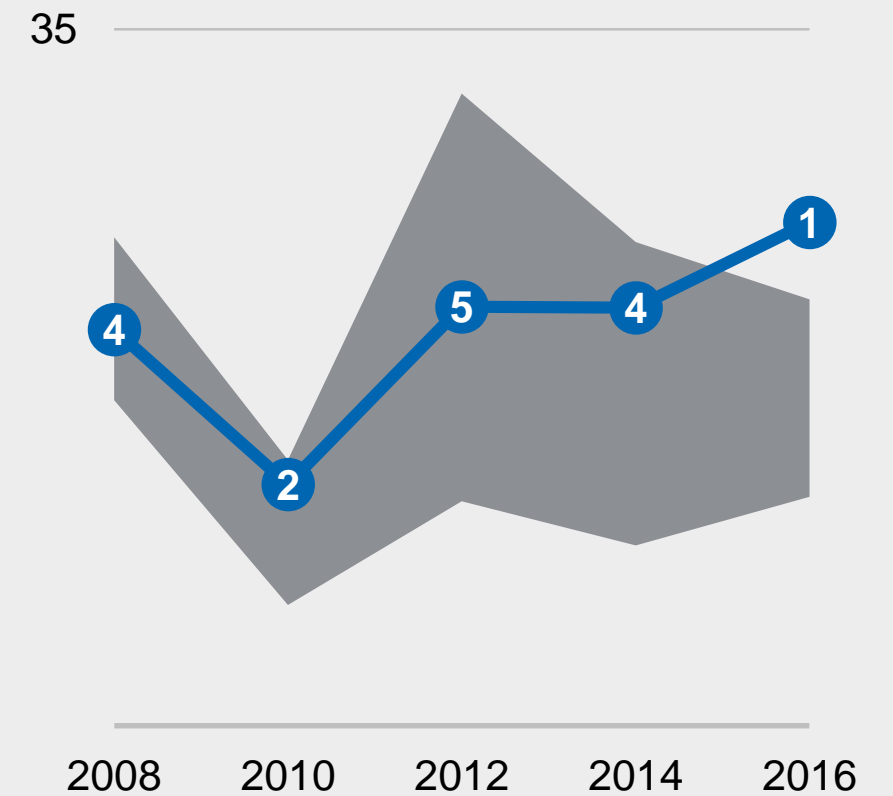
Index



● CVX ranking relative to competitors  
 ■ Competitor range<sup>2</sup>

## Net cash margin

Index



● CVX ranking relative to competitors  
 ■ Competitor range<sup>2</sup>

<sup>1</sup> Includes operated and non-operated refineries.

<sup>2</sup> Average for top eight international refiners excl. CVX with facilities included in at least 2 of the 3 regional Solomon biennial surveys.

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Sources: Solomon Associates and Chevron data

# Integrated fuels value chains

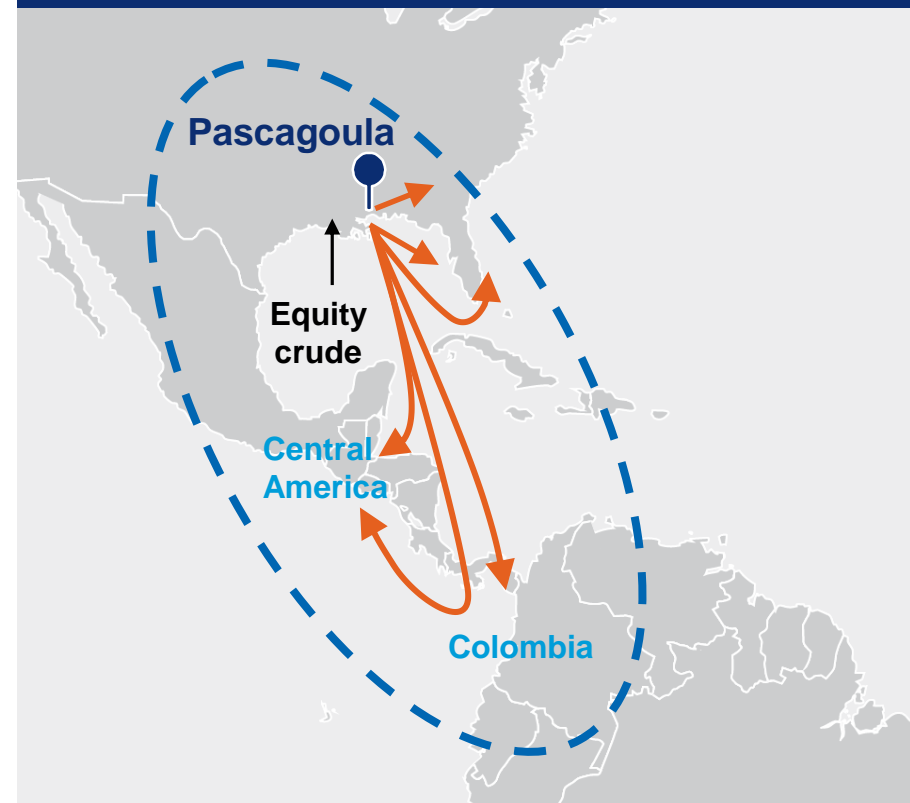
## U.S. West Coast

- #1 brand share in Western U.S.
- Mexico retail market entry
- San Joaquin Valley equity crude
- Richmond modernization startup expected 4Q18



## U.S. Gulf Coast

- Leading brand in Central America
- Top net cash margin refinery
- GOM / Venezuelan equity crudes
- Opportunity to integrate Permian



## Asia Pacific

- Long-standing partnerships
- World-class manufacturing
- Evaluating Singapore resid upgrading



# Petrochemicals value chains

## U.S. Gulf Coast

- Advantaged feedstock
- USGC Petchem above nameplate capacity
- Evaluating Petchem project II
- Leading NAO producer and #1 HDPE marketer



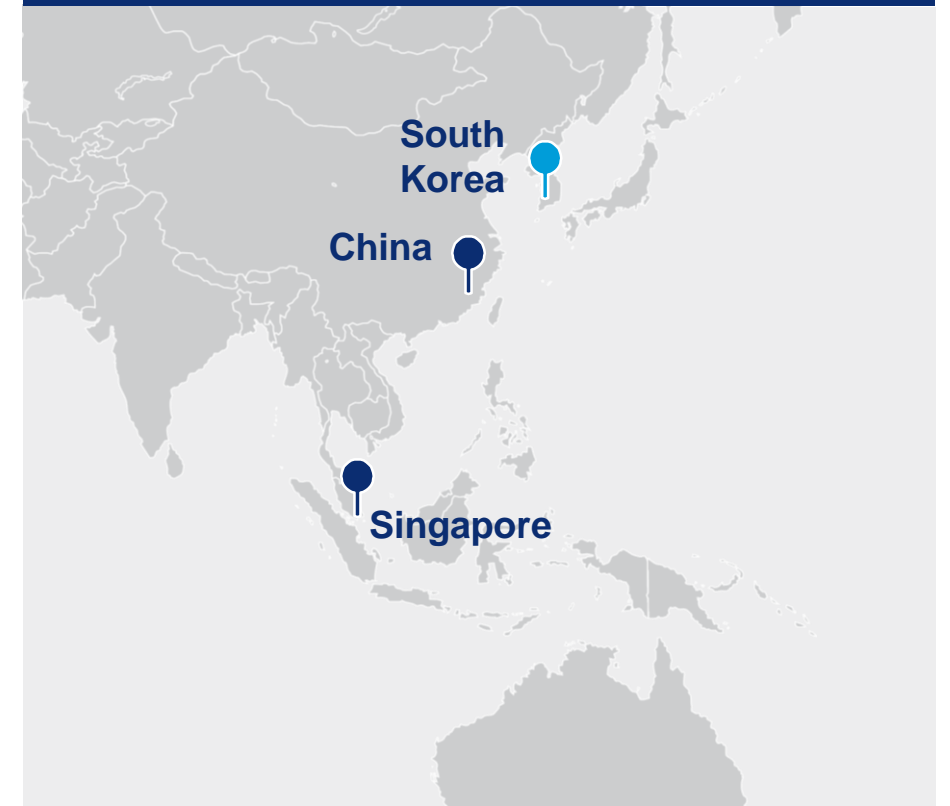
## Middle East

- Strategic partnerships enable access to advantaged feedstock
- Proximity to growing demand centers



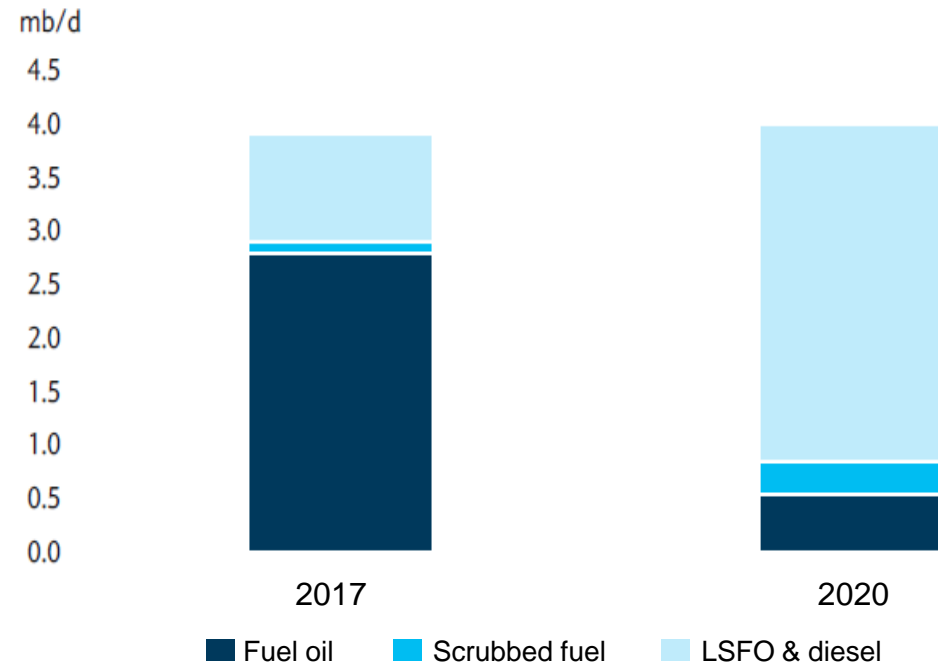
## Asia

- GS Caltex
  - 4<sup>th</sup> largest aromatics single site integrated with ~800 MBD refinery
  - Mixed feed olefins cracker in FEED
- Proximity to Asian demand



# International Maritime Organization (IMO) 2020

## Expected IMO 2020 impact on marine transportation fuel demand<sup>1</sup>

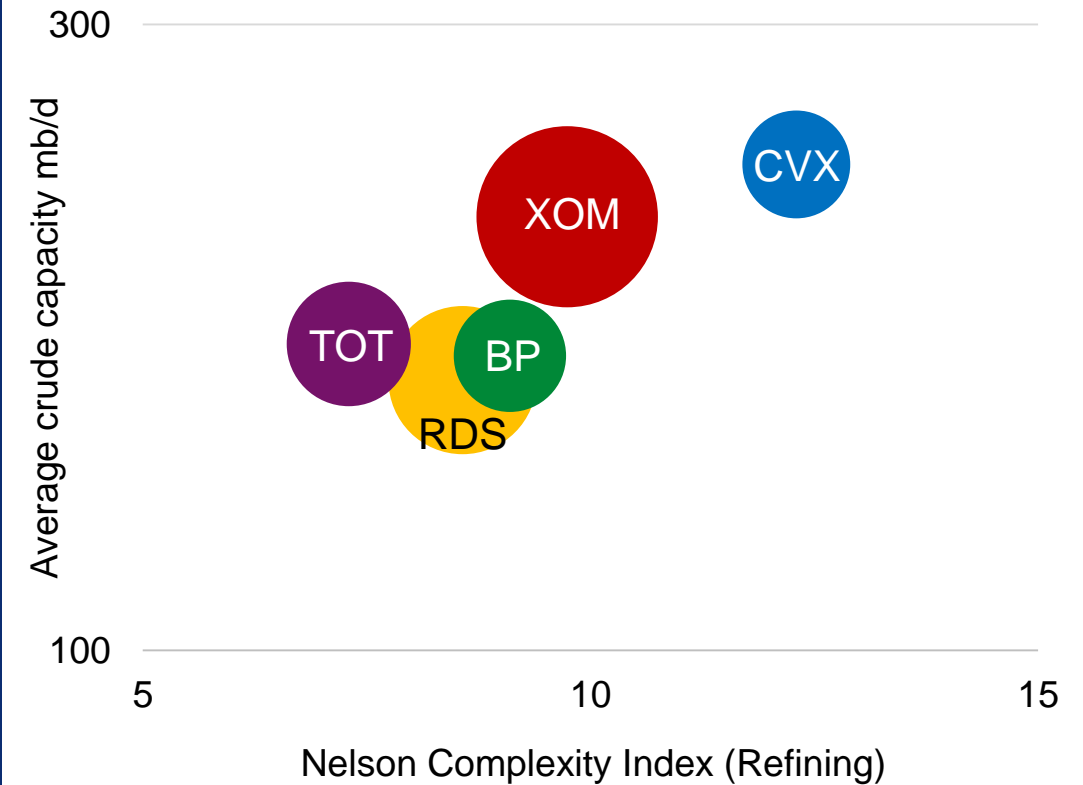


**Stricter sulfur regulations in January 2020**

**Complex refineries advantaged**

**Demand for middle distillates likely to increase**

## Refining complexity<sup>2,3</sup>



<sup>1</sup> Barclays "Disruption ahead from IMO 2020".  
Source: OPEC, BP, IEA for historic data, Barclays Research for 2020.

<sup>2</sup> Circle size indicates sum of refining distillation capacity.  
<sup>3</sup> Data contains interest in affiliates.  
Source: Oil and Gas Journal, Chevron research.



# Winning in any environment

**What we have**

**What we will do**

**What investors get**

**Advantaged  
portfolio**

**Sustainable  
at lower prices**

**Strong  
balance sheet**

**Grow  
production  
and cash  
margins**

**Be  
returns-driven  
in capital  
allocation**

**Lower our cost structure**

**Get more  
out of assets**

**High-grade  
portfolio**

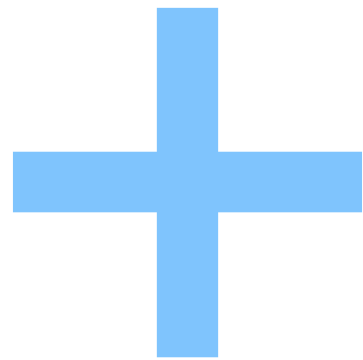
**Superior total  
shareholder return**

**Free cash flow  
growth**

**#1 priority:  
maintain and  
grow dividend**



questions



answers



# Appendix



# Appendix: reconciliation of Chevron's adjusted earnings

	TOTAL DOWNSTREAM				
	1H18	2017	2016	2015	2014
<b>Reported Earnings (\$MM)</b>	<b>\$1,566</b>	<b>\$5,214</b>	<b>\$3,435</b>	<b>\$7,601</b>	<b>\$4,336</b>
Adjustment Items:					
Asset Dispositions	--	(675)	(490)	(1,710)	(960)
Other Special Items <sup>1</sup>	--	(1,160)	110	--	160
Total Adjustment Items	--	(1,835)	(380)	(1,710)	(800)
<b>Adjusted Earnings (\$MM)<sup>2</sup></b>	<b>\$1,566</b>	<b>\$3,379</b>	<b>\$3,055</b>	<b>\$5,891</b>	<b>\$3,536</b>
<b>Average Capital Employed (\$MM)<sup>3, 4</sup></b>	<b>\$24,744</b>	<b>\$23,928</b>	<b>\$23,430</b>	<b>\$23,734</b>	<b>\$23,167</b>
<b>Adjusted ROCE<sup>1, 2, 3, 4</sup></b>	<b>12.7%</b>	<b>14.1%</b>	<b>13.0%</b>	<b>24.8%</b>	<b>15.3%</b>

<sup>1</sup> Includes asset impairments & revaluations, certain non-recurring tax adjustments & environmental remediation provisions, severance accruals, and any other special items.

<sup>2</sup> Adjusted Earnings = Reported earnings less adjustments for asset dispositions and other special items, except foreign exchange.

<sup>3</sup> Includes a realignment of liabilities for the U.S. pension and other post-employment benefits. See page two of 2017 Supplement to the Annual Report.

<sup>4</sup> Estimated 1H18 ROCE is calculated using 2017 year end capital employed and a calculated annualized earnings (1H18 x 2).





# Appendix: reconciliation of Chevron's adjusted earnings

	TOTAL DOWNSTREAM, EXCLUDING PETROCHEMICALS				
	1H18	2017	2016	2015	2014
<b>Earnings (\$MM)</b>	<b>\$895</b>	<b>\$4,671</b>	<b>\$2,823</b>	<b>\$6,586</b>	<b>\$3,176</b>
Adjustment Items:					
Asset Dispositions	--	(675)	(490)	(1,710)	(960)
Other Special Items <sup>1</sup>	--	(1,160)	110	--	160
Total Adjustment Items	--	(1,835)	(380)	(1,710)	(800)
<b>Adjusted Earnings (\$MM)<sup>2</sup></b>	<b>\$895</b>	<b>\$2,836</b>	<b>\$2,443</b>	<b>\$4,876</b>	<b>\$2,376</b>
Volumes (MBD)	2,700	2,689	2,675	2,735	2,711
Earnings per Barrel	\$2.16	\$4.76	\$2.88	\$6.60	\$3.21
Adjusted Earnings per Barrel	\$2.16	\$2.89	\$2.50	\$4.88	\$2.40

<sup>1</sup> Includes asset impairments & revaluations, certain non-recurring tax adjustments & environmental remediation provisions, severance accruals, and any other special items.

<sup>2</sup> Adjusted Earnings = Reported earnings less adjustments for asset dispositions and other special items, except foreign exchange.

