

Chevron to acquire PDC Energy

May 22, 2023



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 communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements regarding the potential transaction between Chevron Corporation (“Chevron”) and PDC Energy, Inc. (“PDC”), including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated accretion to return on capital employed, free cash flow, and earnings per share, as well as the expected delivery of higher returns and lower upstream carbon intensity) and projected operational and capital synergies, projected financial information, future opportunities, and any other statements regarding Chevron’s and PDC’s future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. Words or phrases such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “advances,” “commits,” “drives,” “aims,” “forecasts,” “projects,” “believes,” “approaches,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “progress,” “may,” “can,” “could,” “should,” “will,” “budgets,” “outlook,” “trends,” “guidance,” “focus,” “on track,” “goals,” “objectives,” “strategies,” “opportunities,” “poised,” “potential,” “ambitions,” “aspires” and similar expressions are intended to identify such forward-looking statements. All such forward-looking statements are based on current expectations of Chevron’s and PDC’s management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite PDC stockholder approval; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; the risk that regulatory approvals are not obtained or are obtained subject to conditions that are not anticipated by the parties; the effects of disruption to Chevron’s or PDC’s respective businesses; transaction costs; Chevron’s ability to achieve the benefits and projected operational and capital synergies from the proposed transaction; Chevron’s ability to promptly, efficiently and effectively integrate acquired operations into its own operations; unknown liabilities; the diversion of management time on transaction-related issues; and the effects of industry, market, economic, political or regulatory conditions outside of Chevron’s or PDC’s control. Additional risks that may affect Chevron’s results of operations and financial position appear in Part I, Item 1A “Risk Factors” of Chevron’s Annual Report on Form 10-K for the year ended December 31, 2022, and in subsequent filings with the U.S. Securities and Exchange Commission (“SEC”). Other unpredictable or factors not discussed in this presentation could also have material adverse effects on forward-looking statements. Chevron assumes no obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Important Information for Investors and Stockholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the potential transaction, Chevron expects to file a registration statement on Form S-4 with the SEC containing a preliminary prospectus of Chevron that also constitutes a preliminary proxy statement of PDC. After the registration statement is declared effective, PDC will mail a definitive proxy statement/prospectus to stockholders of PDC. This communication is not a substitute for the proxy statement/prospectus or registration statement or for any other document that Chevron or PDC may file with the SEC and send to PDC’s stockholders in connection with the potential transaction. INVESTORS AND SECURITY HOLDERS OF CHEVRON AND PDC ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the proxy statement/prospectus (when available) and other documents filed with the SEC by Chevron or PDC through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Chevron will be available free of charge on Chevron’s website at <http://www.chevron.com/investors>.

Chevron and PDC and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of Chevron is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 23, 2023, and its proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on April 12, 2023. Information about the directors and executive officers of PDC is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 22, 2023, and its proxy statement for its 2023 annual meeting of stockholders, which was filed with the SEC on April 12, 2023. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

This presentation is meant to be read in conjunction with the Chevron Announces Agreement to Acquire PDC Energy Transcript. All materials are posted on chevron.com under the headings “Investors,” “Events & Presentations.”



Winning combination in the DJ Basin

Strategic fit	Projected benefits
 <p>Attractive returns</p>	 <p>Accretive to EPS, CFPS, FCFPS & ROCE*</p>
 <p>Complements existing footprint</p>	 <p>~\$100MM annual opex synergies ~\$400MM annual capex efficiencies</p>
 <p>Lower carbon intensity basin</p>	 <p>~\$1 billion incremental FCF*</p>

* In 2024. Assumes \$70 Brent and \$3.50 Henry Hub to approximate strip prices as of May 2023. This is for illustrative purposes only and not necessarily indicative of Chevron's price forecast.
 EPS – Earnings per share.
 CFPS – Cash flow per share.
 FCFPS – Free cash flow per share. Free cash flow (FCF) is defined as net cash provided by operating activities less capital expenditures and generally represents the cash available to creditors and investors after investing in the business.
 ROCE – Return on capital employed.



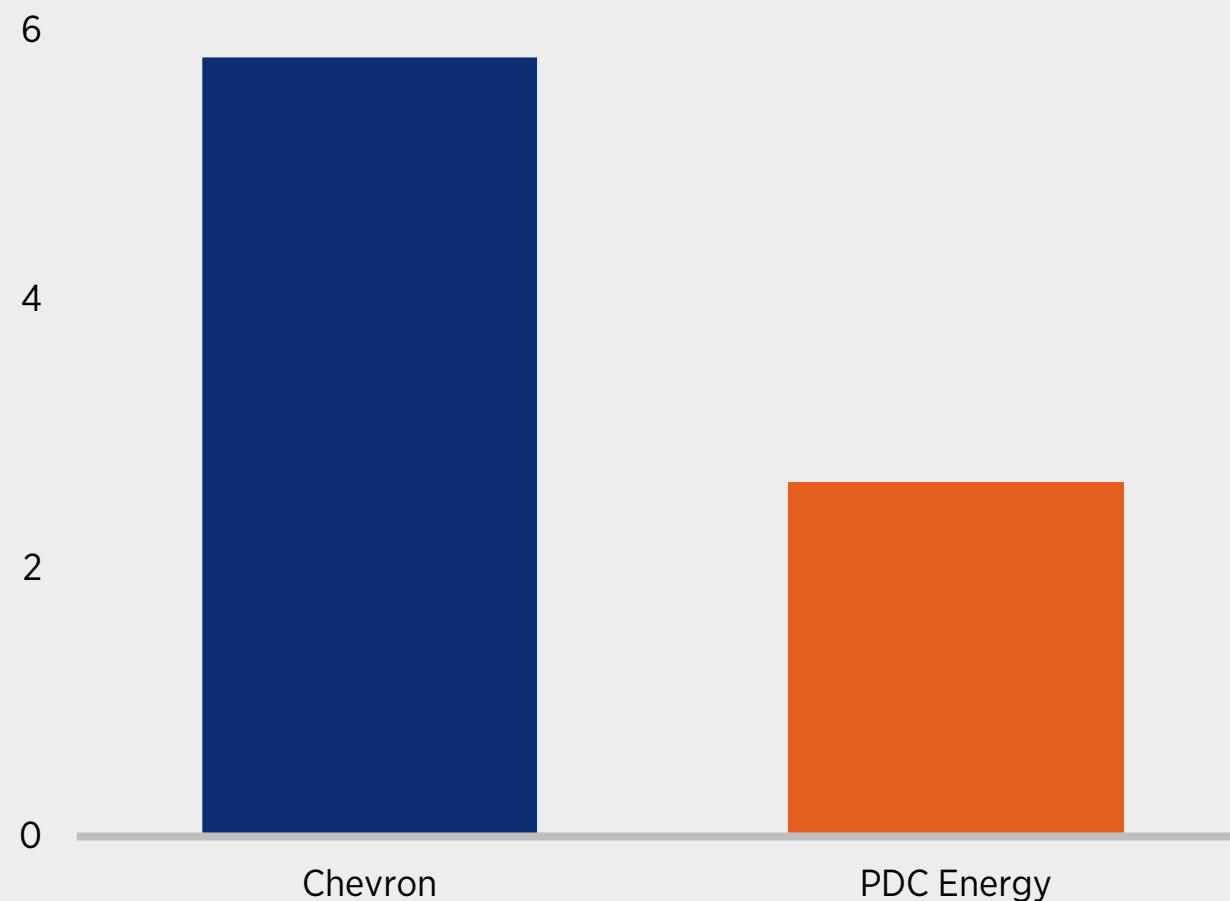
Key transaction terms

100% equity consideration
at 0.4638 exchange ratio

14% premium
based on 10-day average closing price¹

Target closing²
year-end 2023

Chevron vs. PDC Energy 2024E Valuation Multiple³
EV / EBITDA



¹ As of May 19, 2023.

² Subject to PDC Energy shareholder approval, regulatory approval and other customary closing conditions.

³ Bloomberg consensus estimates as of May 19, 2023.

EV - Enterprise value.

EBITDA - Earnings before interest, taxes, depreciation & amortization.



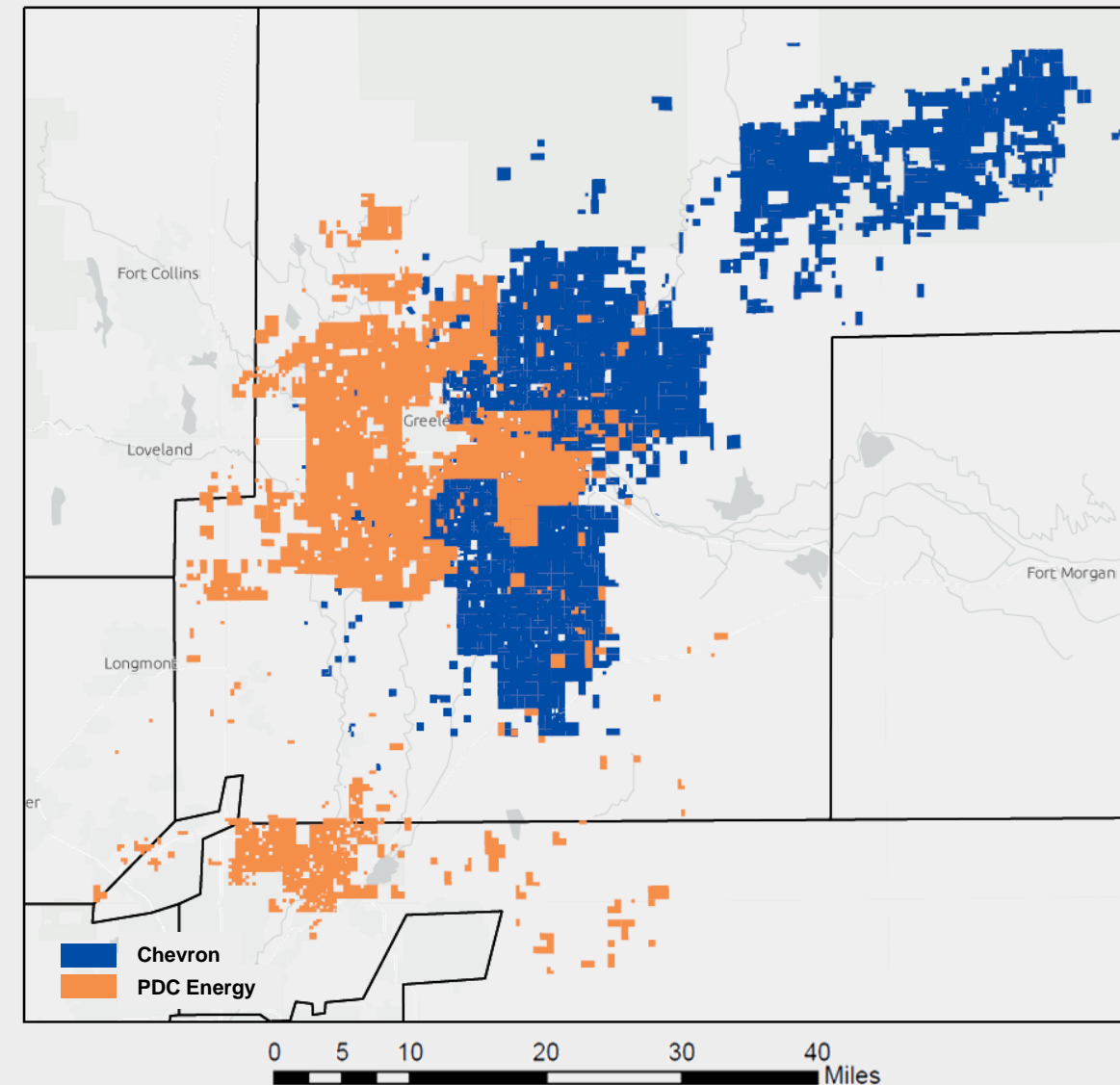
Complementary acreage DJ Basin

~275,000 net acres

~216 MBOED in 1Q23 | ~60% liquids

~1 billion barrels of proved reserves

Operational, midstream and capital synergies expected



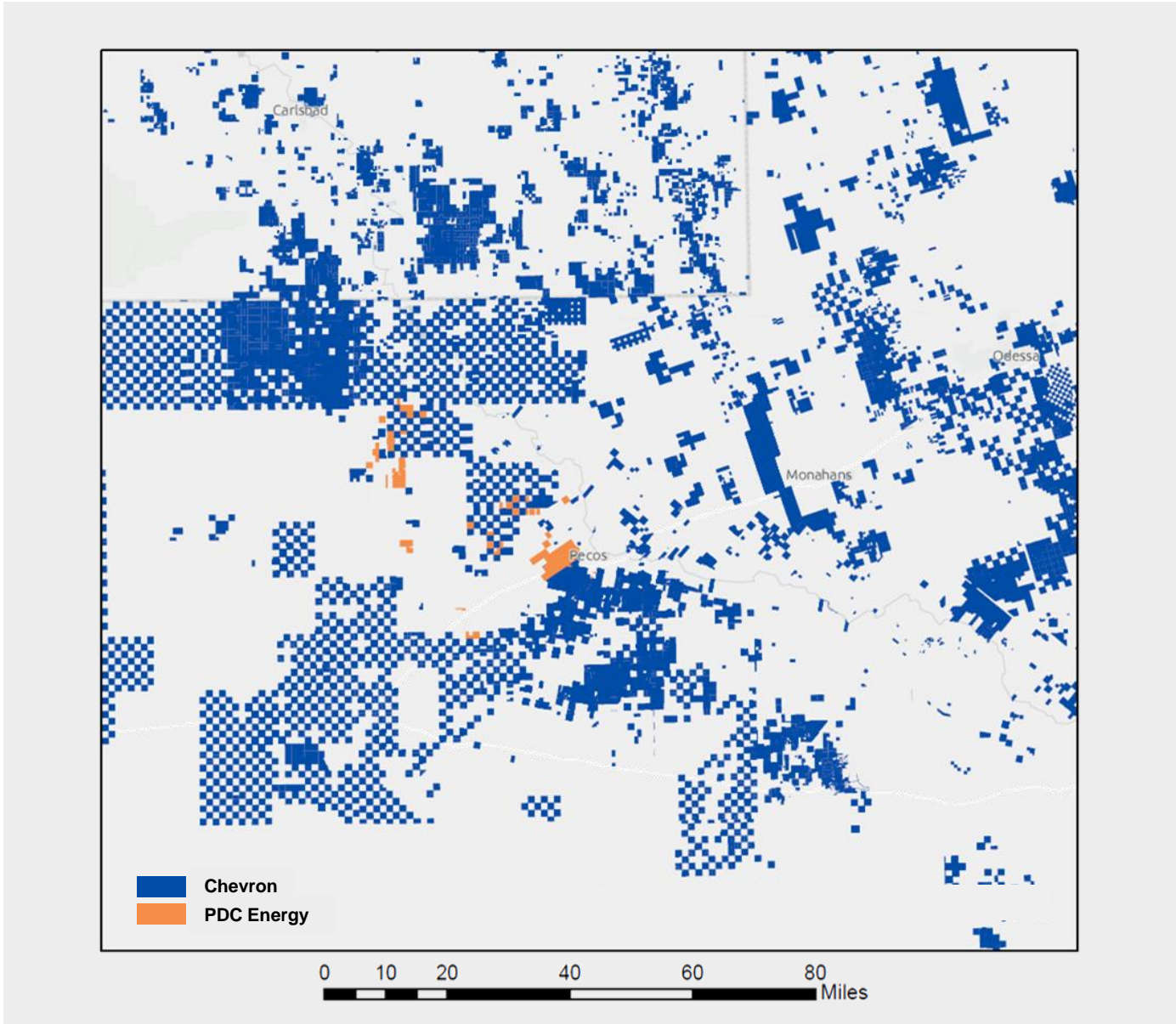
Additional acreage Delaware Basin

~25,000 net acres

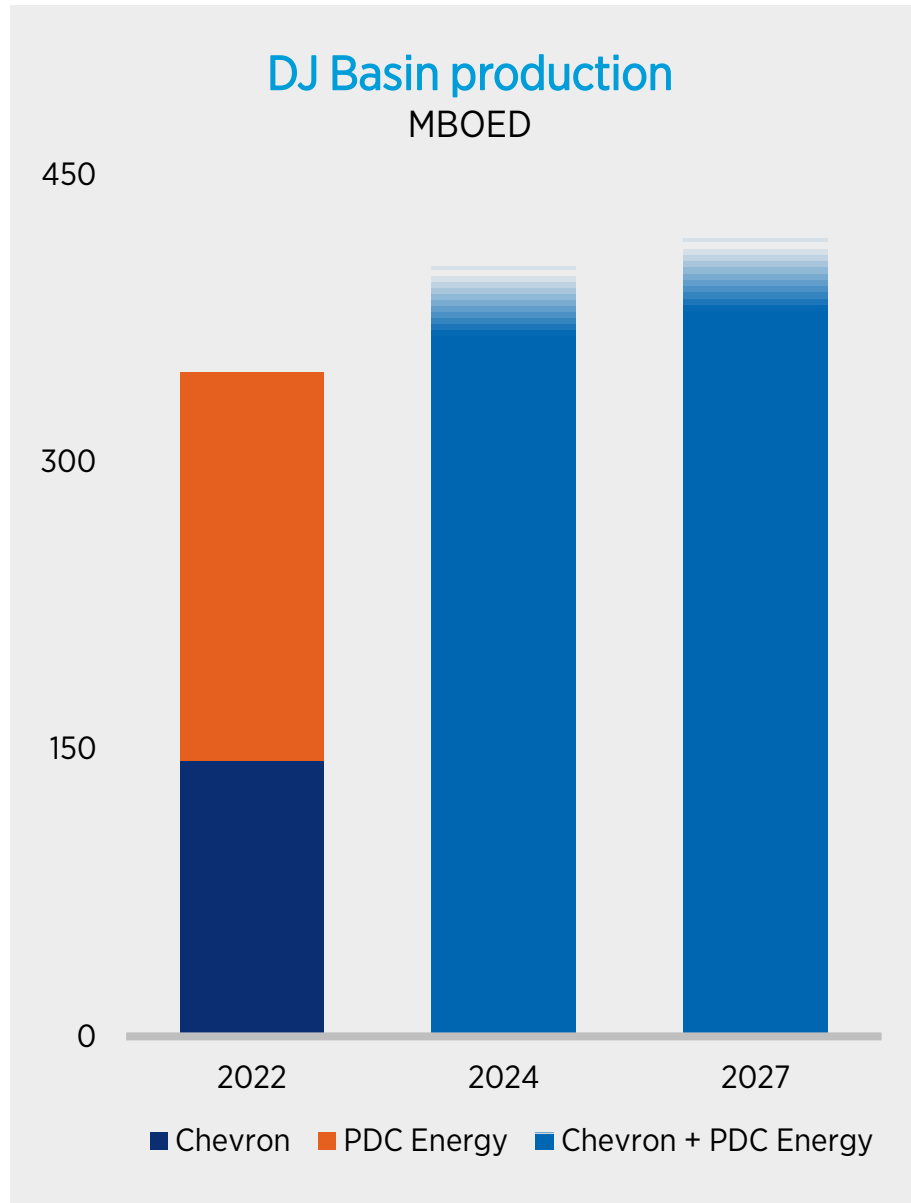
~28 MBOED in 1Q23 | ~62% liquids

Acreage held by production

Operational and capital synergies expected

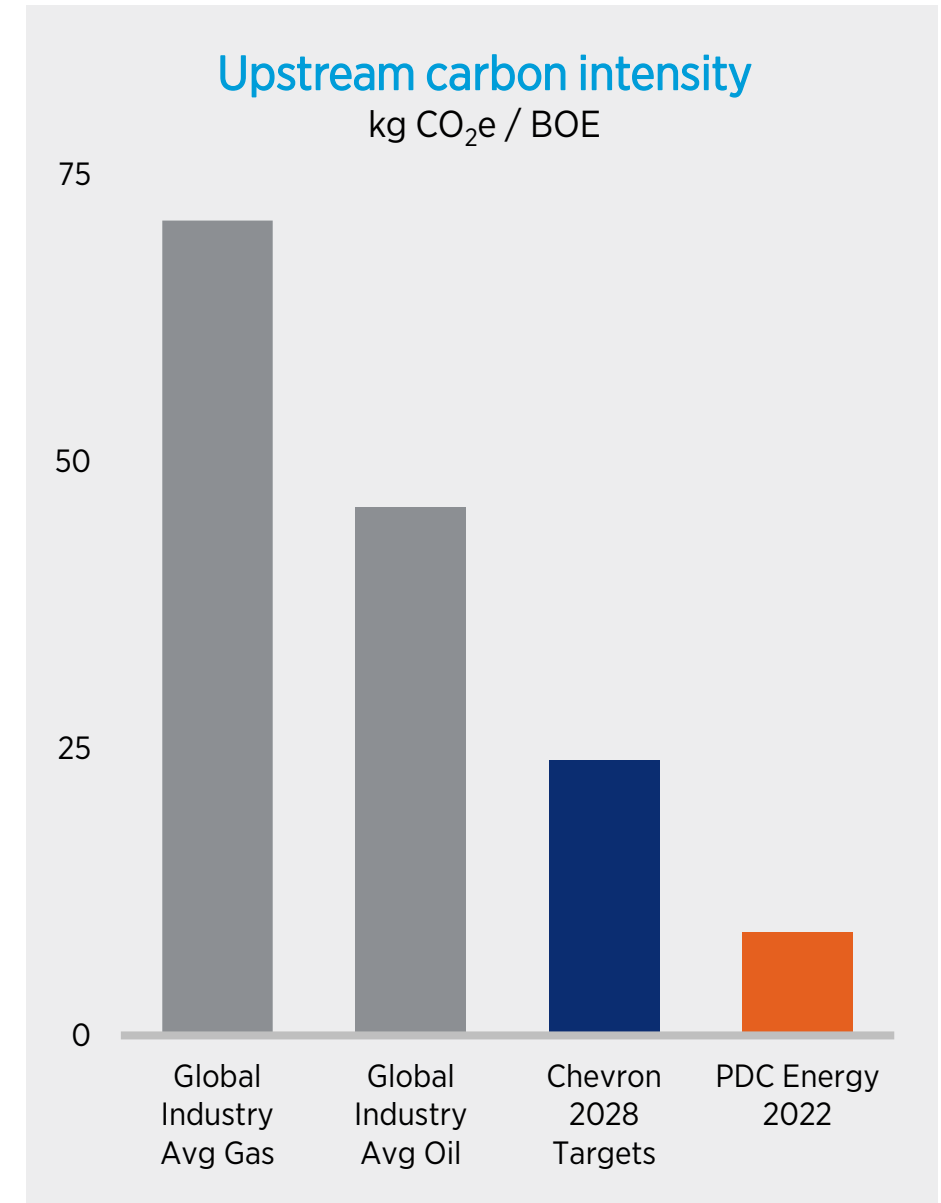


Strong strategic fit



10% increase in proved reserves

Lower upstream carbon intensity expected



Sources: Chevron's Climate Change Resilience Report, IEA, PDC Energy disclosures.



PDC expected to deliver higher returns and lower carbon

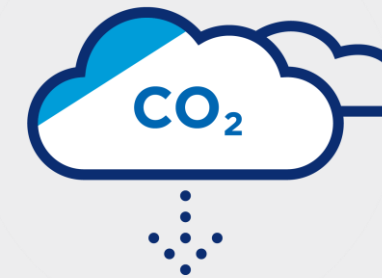
Higher returns



Accretive
to EPS, CFPS, FCFPS and ROCE*

~\$1 billion
in incremental annual FCF*

Lower carbon



~9 kg CO₂e/BOE
2022 PDC carbon intensity

Zero routine flaring
in the DJ Basin

* In 2024. Assumes \$70 Brent and \$3.50 Henry Hub to approximate strip prices as of May 2023. This is for illustrative purposes only and not necessarily indicative of Chevron's price forecast. Free cash flow is defined as net cash provided by operating activities less capital expenditures and generally represents the cash available to creditors and investors after investing in the business.



questions + **answers**

