



Downstream

Mike Wirth

Executive Vice President
Downstream



Momentum for Growth

Profitable
Growth



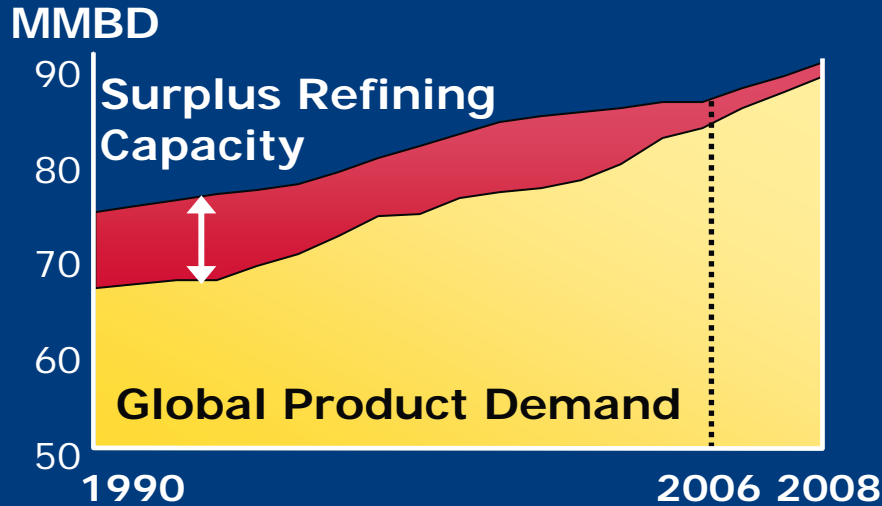
Solid
Performance



Right
Strategies



Global Product Demand Growth Continues to Challenge Supply



1990-2008

- 33% demand growth
- 20% capacity growth
- 2% surplus capacity in 2008



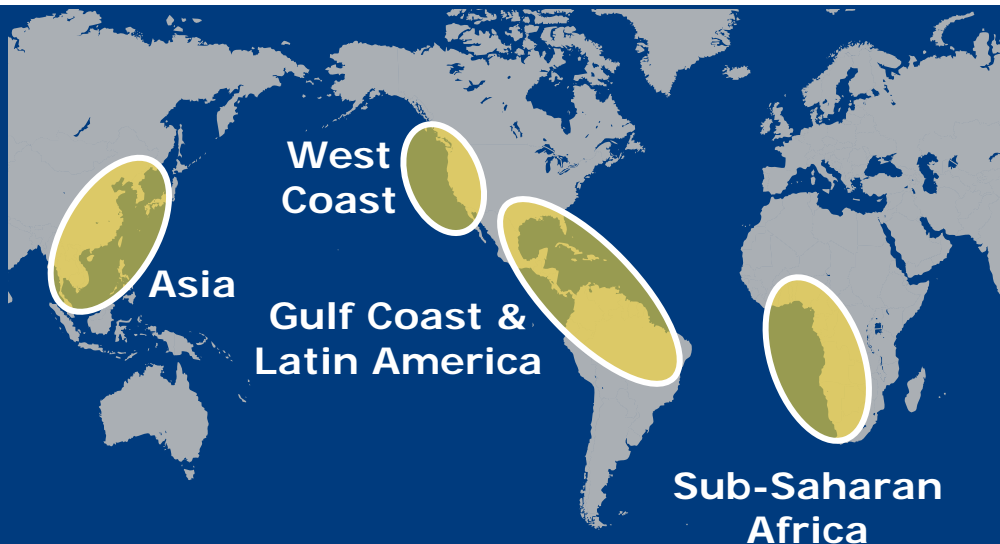
2008-2015

- 2% CAGR through 2015
- 11 million B/D increase

Source: PIRA

The Right Strategies

Improve returns by focusing on areas of market and supply strength

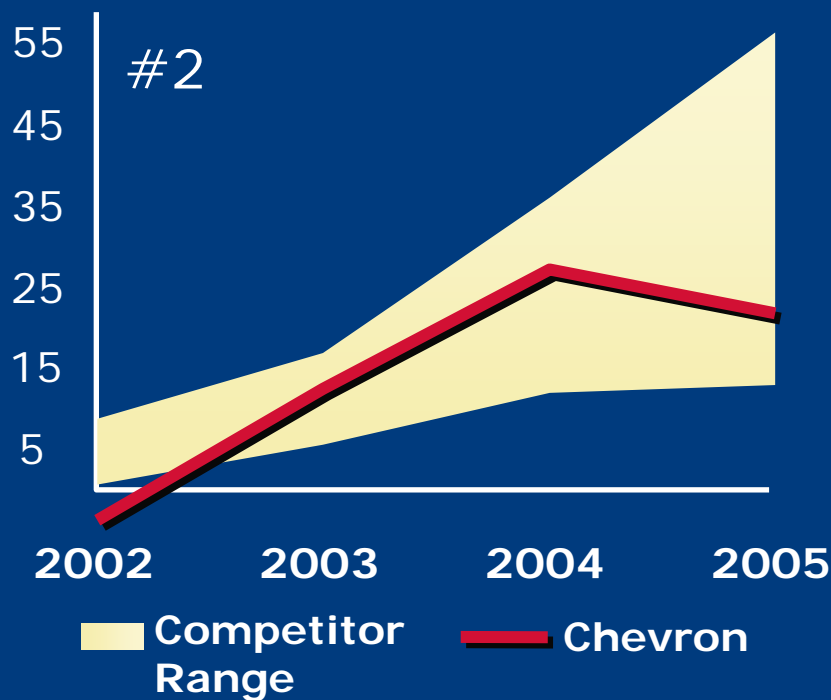


- Reduce feedstock costs
- Increase refinery flexibility & scale
- Capture integration value
- Leverage technology development

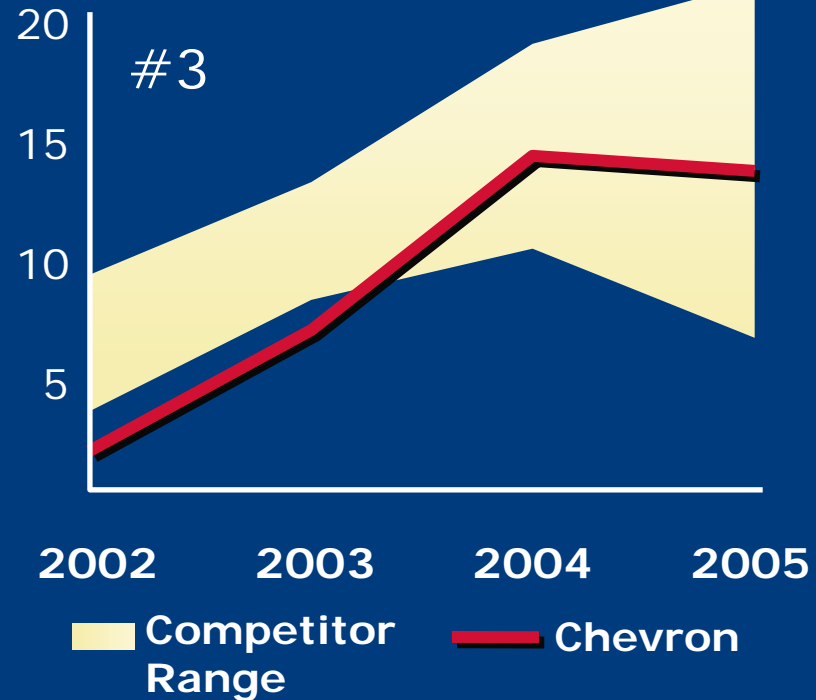
Maintaining Competitive ROCE Performance



U.S. Downstream ROCE (%)



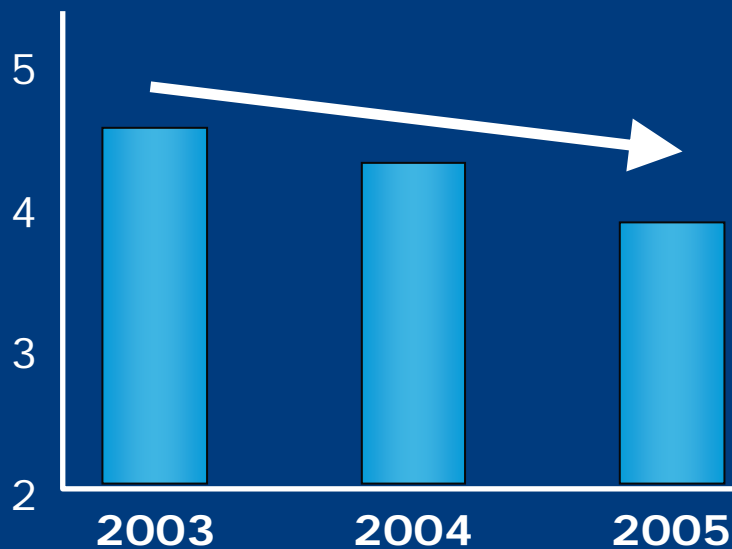
International Downstream ROCE (%)



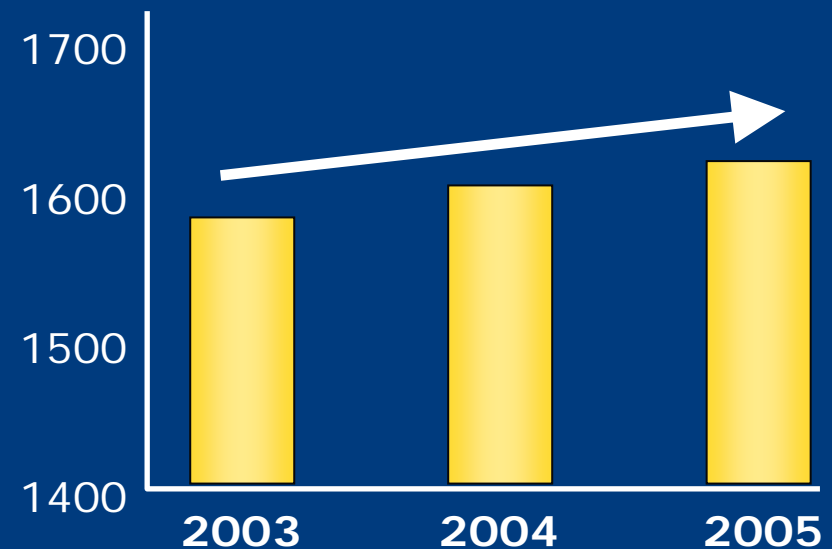
Competitor Group: XOM, RDS, BP, and COP (US only). Calculated based on CVX estimates and public information handled on a consistent basis. Excludes special items. Reconciliation to non-GAAP earnings measure for CVX is available at www.chevron.com under Investors

Continuing Portfolio Rationalization

Marketing Fixed Assets (\$B)

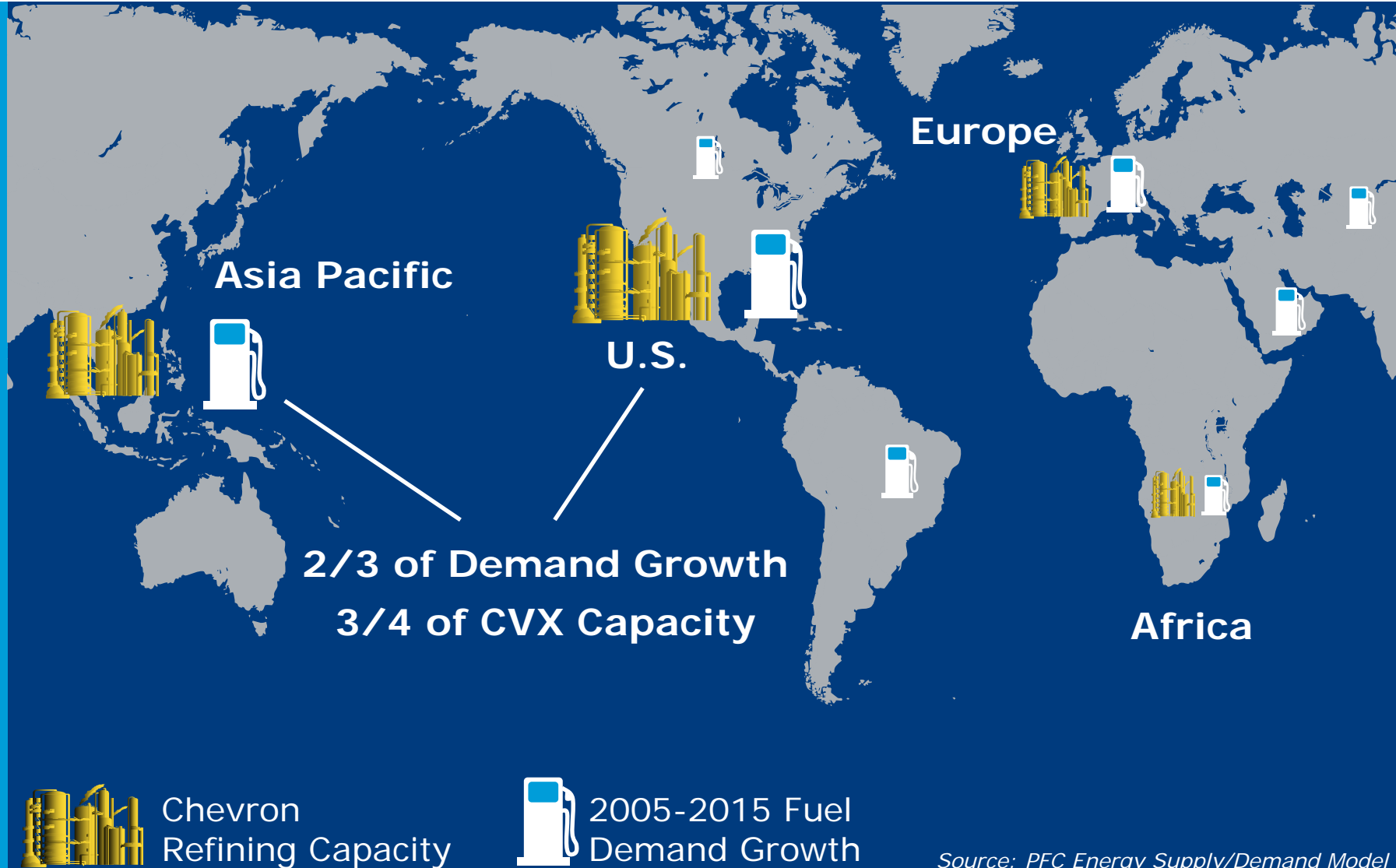


Marketing Trade Sales (MBD)



- ✓ Divested over 2,300 retail sites globally
- ✓ Generated \$1.0 billion in after-tax cash proceeds
- ✓ Eliminated \$0.9 billion in net fixed assets

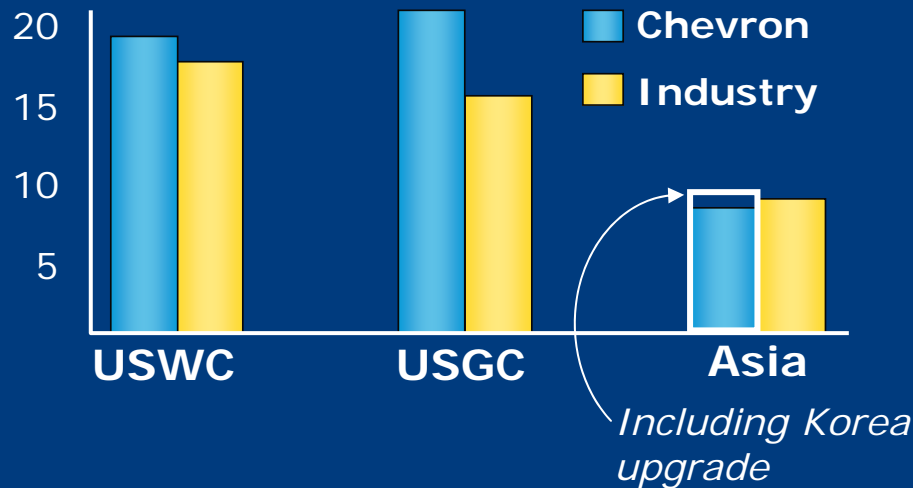
Well-Positioned to Supply Growing Markets



Source: PFC Energy Supply/Demand Model

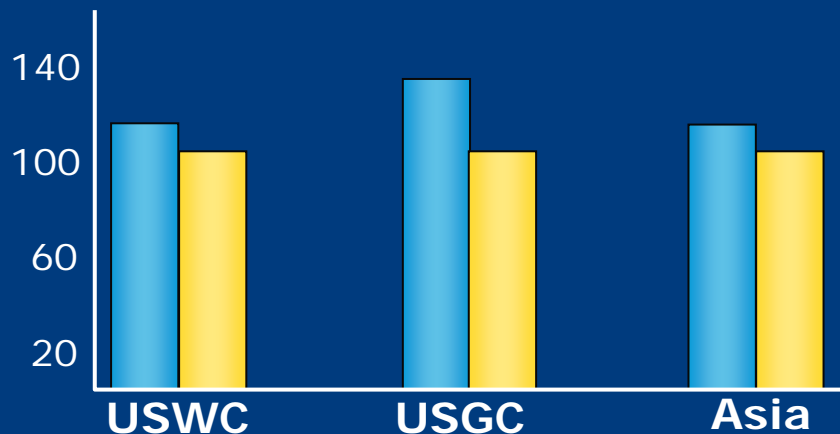
Key Refining Assets Are Competitive

Solomon Complexity



- Advantaged configuration in U.S.
- Enhancing complexity in Asia

Solomon Net Cash Margin (Indexed)



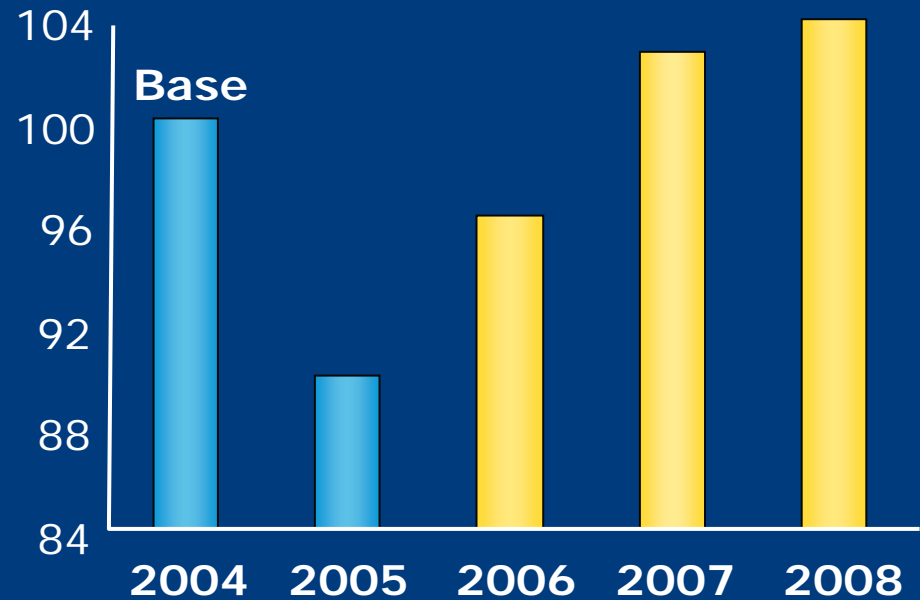
- Top quartile in North America

Committed to Improving Utilization

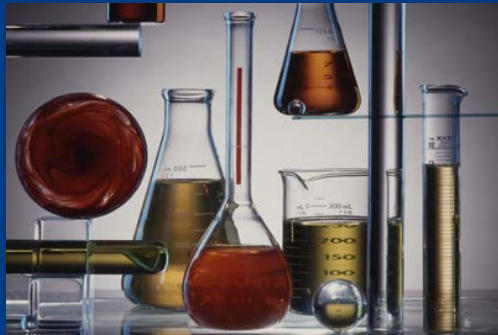
By 2008

- Deliver 6% utilization gain from improved reliability
- Achieve top tier turnaround performance

Solomon Utilization
(Indexed)



Optimizing Energy Value Chain



Reducing feedstock costs



Improving refinery flexibility

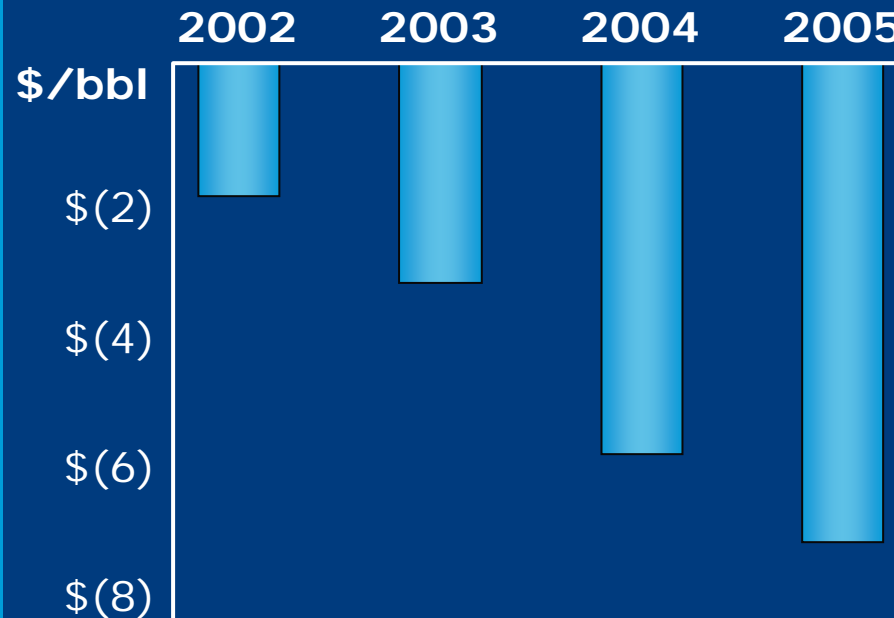


Positioning for new fuels market entry



Reducing Feedstock Costs

Chevron U.S. Crude Costs vs. WTI



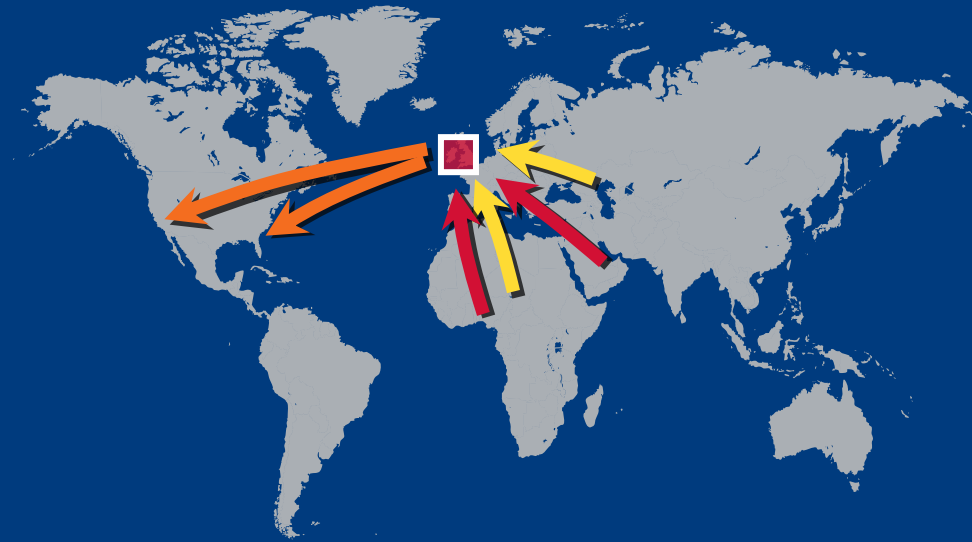
- ~ 2 API° heavier slate than industry
- ~ 25% more crude sulfur than industry

Improving Refinery Flexibility

Pembroke Refinery, U.K.



- Adding value to equity crudes
- Capitalizing on market opportunities



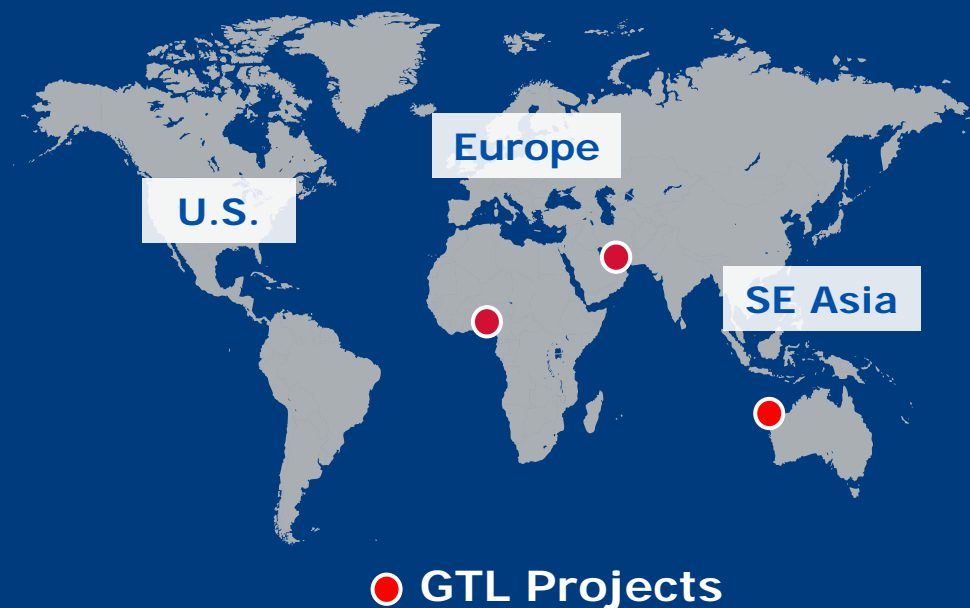
- ➔ Equity Crude Supply
- ➔ Product Exports
- ➔ GTL Diesel Opportunity

Positioning for GTL Market Entry



- Ultra-clean fuel
- High performance
- Attractive markets

GTL Diesel Potential Markets



Differentiating Through Growth and Technology



Upgrades



Expansions



Refining Technologies



Growth Projects

Crude Flexibility



- ✓ Yeosu
2007
- El Segundo
2007
- Richmond
2008

Capacity Upgrades



- ✓ El Segundo FCC
2005
- ✓ Pascagoula FCC
2006

Expansion



- ✓ Singapore
2004
- Pascagoula

✓ Completed or under construction

Strengthening Competitive Position in Asia



Yeosu, South Korea



- World's 4th largest refinery (650 MBD) – CVX 50% interest
- Major player in petrochemicals
- 30% market share in Korea

- 150 MBD Vacuum Unit
- 55 MBD Hydrocracker
- 17 MBD Base Oil Plant



Reduce crude costs by \$1/bbl
Increase HVP by over 40 MBD

Leveraging Technology for Differentiated Performance



A Half-Century of Hydroprocessing Leadership



Modern Hydro Cracking



Resid Conversion



Lube Hydro Processing



Premium Lube Technology



GTL Fuel and Lubes



Heavy Oil Conversion



Our Commitment

- Raised Stake in Singapore Refinery ✓ 2004
- \$500 MM EBIT Target ✓ 2005
- El Segundo FCC Upgrade ✓ 2005
- Pascagoula FCC Upgrade 2006
- Complete Korea Expansion 2007
- Achieve Top-Tier Turnaround Performance 2008
- Improve Utilization by 6% 2008

