news release

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Chevron Reinforces Plan to Deliver Higher Returns, Lower Carbon

- **Targets more than doubling return on capital employed by 2025**
- **Expects free cash flow to grow more than 10% per year by 2025**
- **Increases expected Noble synergies to $600 million, twice the initial estimate**
- **Targets 35% carbon intensity reduction by 2028**

SAN RAMON, Calif., March 9, 2021 — At its annual investor meeting today, Chevron Corporation (NYSE: CVX) announced plans to increase return on capital employed and lower carbon intensity to enable superior distributions to shareholders.

“Chevron’s message to investors is summarized in four words – higher returns, lower carbon,” said Michael Wirth, Chevron’s chairman and CEO. “We’re building on our track record of capital and cost discipline to deliver higher returns. And we’re taking action to advance a lower carbon future.”

Higher Returns

Chevron will continue to drive a disciplined capital and cost program to deliver higher returns for shareholders. In line with this objective, the company announced it has:

- Reaffirmed its 2021-2025 guidance for organic capital and exploratory expenditures of $14 billion to $16 billion.
- Doubled its initial estimate of Noble synergies to $600 million, which contributes to an expected reduction in 2021 operating expenses of 10% from 2019.

The combination of a more capital efficient investment program and lower costs is expected to result in a doubling of the company’s return on capital employed and 10% CAGR of free cash flow by 2025 at $50 Brent.

“The path to increase return on capital employed is straightforward – invest in only the highest-return projects and operate cost efficiently,” said Pierre Breber, Chevron’s CFO. “Capital discipline and cost efficiency always matter. We have the portfolio and investments that position us to increase returns and grow free cash flow.”

Over the next five years, as capital is expected to decrease for its major expansion in Kazakhstan, the company expects to increase its investment in a number of Chevron’s attractive assets, including its world class position in the Permian.

“Our Permian Basin asset is advantaged relative to others. The long-term outlook is positive and capital efficiency is improving,” said Jay Johnson, executive vice president, Upstream. “We expect to grow production while generating strong free cash each year along the way.”

In Kazakhstan, the FGP-WPMP project is 81% complete and remobilization of project staff continues to progress. “We remain focused on sustaining our pandemic mitigation measures and increasing productivity at Tengiz,” Johnson said. “Executing our 2021 work program, amidst the pandemic, will be an important signpost for the project’s budget and schedule.”

Lower carbon

The company exceeded its 2023 upstream carbon intensity reduction targets three years ahead of schedule and today announced lower 2028 targets and zero routine flaring by 2030. The new targets align with the second stock-take period under the Paris Agreement and include all of Chevron’s production on an equity-basis:

- 24 kg CO_2e / boe for oil and gas GHG intensity; a combined 35% reduction from 2016
- 3 kg CO_2e / boe for overall flaring intensity; 65% lower than 2016
- 2 kg CO_2e / boe for methane intensity; 50% lower than 2016

“Our energy transition strategy is focused on actions that are good for both society and shareholders,” said Bruce Niemeyer, vice president of Strategy & Sustainability, “Achieving our 2028 goals is expected to keep Chevron a top quartile oil and gas producer in terms of carbon intensity.”

In addition, the company updated plans to increase renewable energy and carbon offsets and to invest in low-carbon technologies such as hydrogen and carbon capture, utilization and storage. Over the past several weeks, Chevron launched its second Future Energy Fund with an initial commitment of $300 million and announced a new bioenergy partnership in California with Schlumberger and Microsoft, designed to qualify as carbon negative.

“We released our third TCFD-aligned climate report today, which details how Chevron plans to deliver long-term value in a lower carbon future,” Wirth said. “We expect to invest more than $3 billion in the coming years to advance our energy transition strategy.”

For more information about Chevron’s approach to the energy transition, please see Chevron’s Climate Change Resilience report found here.

Upside leverage and downside resilience

With its industry leading balance sheet and flexible capital program, Chevron is positioned to reward investors in any environment. At a Brent oil price average of $60 per barrel, the company expects to earn double-digit return on capital and generate cash, above its dividend and capital spending, greater than $25 billion over the next five years. At a Brent oil price average of $40 per barrel over the next 5 years, the company expects its net debt ratio to peak around 35% while sustaining the dividend.

“Even through these challenging times, Chevron maintained its financial strength and capital discipline,” Wirth concluded. “Our strategy positions Chevron to return cash to shareholders today and into the future.”

Webcast

Chevron will conduct a webcast on Tuesday, March 9, 2021 at 10:00 a.m. ET to discuss the company’s strategy at the annual investor meeting.

A webcast of the discussion will be available in listen-only mode to individual investors, media, and other interested parties on Chevron's website at www.chevron.com under the "Investors" section. Presentations and full transcript of the meeting will also be available on the Investor Relations website.

Chevron Corporation is one of the world's leading integrated energy companies. Through its subsidiaries that conduct business worldwide, the company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power; and develops and deploys technologies that enhance business value in every aspect of the company's operations. Chevron is based in San Ramon, California. More information about Chevron is available at www.chevron.com.

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CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release 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," "will," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities," "poised," "potential" 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 news release. 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 and demand for our products, and production curtailments due to market conditions; crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries; public health crises, such as pandemics (including coronavirus (COVID-19)) and epidemics, and any related government policies and actions; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; changing refining, marketing and chemicals margins; the company's ability to realize anticipated cost savings, expenditure reductions and efficiencies associated with enterprise transformation initiatives; 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 during the COVID-19 pandemic; 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, terrorist acts, or other natural or human causes beyond the company's control; 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 pending or future litigation; the company's ability to achieve the anticipated benefits from the acquisition of Noble Energy; the company's future acquisitions or dispositions 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, sanctions, 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 receipt of required Board authorizations to pay future dividends; 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 18 through 23 of the company's 2020 Annual Report on Form 10-K and in other subsequent filings with the U.S. Securities and Exchange Commission. Other unpredictable or unknown factors not discussed in this news release could also have material adverse effects on forward-looking statements.