



2025 3Q Earnings Conference Call Edited Transcript

Friday, October 31, 2025



Chevron

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This transcript has been edited by Chevron Corporation. It is generally consistent with the original conference call transcript. For a replay of the Investor Conference Call, please listen to the webcast presentation posted on Chevron.com under the headings “Investors,” “Events & Presentations.”

Operator: Good morning. My name is Katie, and I will be your conference facilitator today.

Welcome to Chevron’s third quarter 2025 earnings conference call. At this time, all participants are in a listen-only mode. After the speaker’s remarks, there will be a question-and-answer session and instructions will be given at that time. If anyone requires assistance during the conference call, please press star then zero on your touchtone telephone. As a reminder, this conference call is being recorded. I will now turn the conference call over to the Head of Investor Relations of Chevron Corporation, Mr. Jake Spiering. Please go ahead.

Jake Spiering: Thank you, Katie.

Welcome to Chevron’s third quarter 2025 earnings conference call and webcast. I’m Jake Spiering, Head of Investor Relations. On the call with me today is our Chairman and CEO, Mike Wirth and our Vice President and CFO, Eimear Bonner.

We will refer to the slides and prepared remarks that are available on Chevron’s website.

Before we begin, please be reminded that this presentation contains estimates, projections and other forward-looking statements. A reconciliation of non-GAAP measures can be found in the appendix to this presentation. Please review the cautionary statement and additional information presented on Slide 2 [that can be found with today’s presentation materials on Chevron’s website].

Now, I will turn it over to Mike.

Mike Wirth: Thanks, Jake.

In the third quarter, Chevron delivered record production and strong cash generation, supporting sustained shareholder distributions.

The period was marked by several key milestones as we execute our plan for resilient and industry-leading free cash flow growth.

- Worldwide production exceeded four million barrels of oil equivalent per day, driven by strong growth and high reliability across the Upstream;
- Hess integration is on track, synergies are being realized and asset performance has exceeded expectations;
- The Ballymore tieback project reached design capacity ahead of schedule, taking us another step closer to delivering over 300 thousand barrels of oil equivalent per day in the Gulf of America; and
- We achieved first production at the ACES green hydrogen project in Utah.

Earlier this month, a fire occurred at our El Segundo refinery. Importantly, there were no serious injuries, and we continue to meet our supply commitments. We’re cooperating with all regulatory agencies and have our own investigation underway. Our top priority at Chevron is always the safety of our people and the communities we work with.



Now, I'll turn it over to Eimear to go over the financials.

Eimear Bonner:

Thanks, Mike.

For the third quarter, Chevron reported earnings of \$3.5 billion, or \$1.82 per share. Adjusted earnings were \$3.6 billion, or \$1.85 per share.

Included in the quarter were special items totaling \$235 million. These included severance and other Hess related transaction costs and were partially offset by the fair value measurement of Hess shares held at the time of closing. Foreign currency effects increased earnings by \$147 million.

Organic capex was \$4.4 billion for the quarter, we expect full year organic capex inclusive of Hess to be \$17.0 to \$17.5 billion, in line with guidance.

Adjusted third quarter earnings were up \$575 million versus last quarter.

Adjusted Upstream earnings increased due to higher liftings and were partially offset by higher DD&A. Legacy Hess assets contributed \$150 million in the quarter.

Adjusted Downstream earnings increased due to higher refining volumes, improved chemicals margins and favorable timing and opex results.

Other segment earnings decreased due to higher interest expense, corporate charges and unfavorable tax effects.

Adjusted third quarter earnings were down \$900 million versus last year.

Adjusted Upstream earnings decreased due to lower liquids realizations and higher DD&A from increased production at TCO, the Gulf of America and the Permian. The increase in opex and DD&A includes the impacts of the Hess acquisition.

Adjusted Downstream earnings were higher, primarily due to improved refining margins. The Other segment was down mainly due to higher interest expense and other corporate charges.

These results include benefits from our structural cost savings program. Our new operating model is live, and we've captured approximately \$1.5 billion in annual run-rate savings so far and expect to see further benefits in the fourth quarter.

Cash flow from operations excluding working capital was \$9.9 billion in the quarter. This represents a 20% increase compared to the same quarter last year when crude prices were \$10 higher.

Adjusted free cash flow, which includes equity affiliate loans and asset sales, was \$7 billion and included the first loan repayment from TCO of \$1 billion.

Cash returned to shareholders totaled \$6 billion and was more than covered by adjusted free cash flow.

We expect strong cash generation to continue, even in a lower price environment, underpinned by increased capital efficiency and growth in high-margin assets.

Third quarter oil equivalent production was up 690 thousand barrels per day from last quarter, primarily due to legacy Hess production.



In addition, strong execution drove production growth in the Permian, the Gulf of America and TCO.

We expect full-year average production growth at the top end of our 6% to 8% guidance range, excluding legacy Hess.

Back to Mike to wrap it up.

Mike Wirth:

Thanks, Eimear.

Before we close, I'd like to say a few words of remembrance in honor of Chevron board member Dr. Alice Gast, who passed away earlier this week. In 1978, as a 20-year-old sophomore at Stanford University, Alice served an internship at Chevron's Richmond refinery. She went on to earn her PhD in Chemical Engineering at Princeton. Her career came full-circle 34 years later when she joined Chevron's board in 2012.

Alice was an internationally known scholar and researcher who served as president of both Lehigh University and Imperial College London. She encouraged us to stay curious, value teamwork and believe the best solutions come from listening to one another. Her legacy lives on in the questions we ask, the way we work together and the respect we show one another.

And lastly, I have a final reminder that we are holding our Investor Day on November 12th. You can find details and instructions for the webcast on Chevron.com.

We look forward to sharing our outlook to 2030 and highlighting our diversified and resilient portfolio. You can expect to hear about a consistent, disciplined and stronger Chevron.

We hope you can join us.

Over to you, Jake.

Jake Spiering:

That concludes our prepared remarks.

Additional guidance can be found in the appendix to this presentation, as well as the slides and other information posted on Chevron.com. We are now ready to take your questions. We ask that you limit yourself to one question. We will do our best to get all of your questions answered.

Katie, please open the lines.

Operator:

Thank you.

If you have a question at this time, please press star one on your touchtone telephone. To allow for more questions from more participants, we ask that you limit yourself to one question. If your question has been answered or you wish to remove yourself from the queue, please press star two. If you are listening on a speakerphone, we ask you to please lift your handset before asking your question to provide optimum sound quality. Again, if you have a question, please press star one on your touchtone telephone.

We'll go first to Sam Margolin with Wells Fargo.

Sam Margolin:

I expect we'll probably reserve strategic and long-dated questions for the November Day.



(Wells Fargo)

So, we'll stick to the quarter. Maybe in the Permian, good production result there. Capital efficiency has been an ongoing talking point and a distinction between co-op and NOJV acreage. Can you elaborate a little bit on what drove the Permian result and if you're seeing some better results in the field, or if it's just part of a broader industry trend of efficiency gains?

Mike Wirth:

We had a strong quarter. We're 60 thousand barrels [of oil-equivalent] a day over the one million-barrel [guidance] where we said we move towards a plateau. It really highlights the efficiency gains the team continues to deliver. We've got no change to our plans to moderate growth and focus on cash generation. We're focused on executing the program as efficiently as possible.

Production is an outcome there. It will move up and down. I would expect we're going to see some quarters where it's back down a little bit based on when we're popping wells. We've been able to continue to deliver strong performance with fewer rigs, fewer completion spreads. We've made a lot of progress on the little things [to improve efficiencies] including technology. And, I think you'll hear more about this from Mark when we get together at Investor Day. Performance across the portfolio – co-op, NOJV, royalty – has been strong, and we expect to move into 2026 with good momentum.

Operator:

We'll take our next question from Devin McDermott with Morgan Stanley.

Devin McDermott:
(Morgan Stanley)

Mike, I wanted to ask you about Kazakhstan. My understanding is you had the chance to meet with the President alongside the UN back in September. So, I was wondering if you could just give us a little bit of an update on how some of the discussions around the concession extension are going, where we are in that process and any broader color on the dialogue would be helpful.

Mike Wirth:

I did see the President [of Kazakhstan] in New York during the UN General Assembly. It's actually the second time that I've seen him this year, and we had a good conversation about where we are. It was grounded in the fact that TCO has created enormous value for all stakeholders over the last 32 years as a stand-alone entity that has had strong partnership and performance with the Republic.

Tengiz is performing well; you saw it this quarter. It's very visible in our results. It brings significant value both to shareholders of TCO and to the Republic, and we are off to what I would characterize as a good start to the negotiations. These are going to take some time. It's a complex contract, it's important to the Republic and it's important, obviously, to the shareholders.

I wouldn't expect quarterly updates on this due to the nature of the work. We've got technical teams engaged. We've got commercial teams engaged. The overall structure and governance and negotiations have been defined and they're beginning, but we really are just at the beginning. We'll update you from time to time as there is something more for us to say.

Operator:

We'll take our next question from Neil Mehta with Goldman Sachs.

Neil Mehta:
(Goldman Sachs)

Just wanted your perspective on the Bakken asset. You've had this under your portfolio here and Bruce's portfolio for a couple of months now, and it seems you have made some adjustments to the activity plans. What are some initial observations, thoughts on whether this asset is core and do you view it as part of a broader Rockies corridor that can compete for capital in the portfolio?

Mike Wirth:

We're excited to add the position to our shale and tight portfolio. Hess had a long-standing plan to grow it to 200 thousand barrels of oil equivalent per day and to maintain that plateau



for the foreseeable future. We're at that level now. We see some opportunities to continue to capture efficiencies such as drilling cycle time improvements and the use of longer laterals. Similar to what we've described for the Permian, we're going to look to optimize capital efficiency and operating efficiency. We will bring experiences from other parts of our portfolio to the Bakken and just as we saw with Noble and PDC, I'm sure we will bring some best practices from Hess' Bakken operation to other parts of our portfolio.

We're in no hurry to make a decision on the longer-term role in the portfolio. I've mentioned this before, so I won't belabour it, but we had underestimated the quality of the DJ and its ability to compete in our portfolio and as we really got a good look at it, we were pleasantly surprised. We want to be sure that we've applied all the things that we've developed in other areas to the Bakken and take a look at how it will compete for capital. We've got the midstream piece of it as well, which has to be factored into the thinking here. We'll be thoughtful and thorough as we assess that and really focus on value. We'll update you in due course as we reach any conclusions.

Operator: We'll take our next question from Ryan Todd with Piper Sandler.

Ryan Todd:
(Piper Sandler) Maybe a follow-up on that. Overall, the Hess contribution came in at the high end of expectations or at least the guidance that you had provided earlier including very strong production. Can you maybe talk a little bit about what were some of the drivers of the strong performance and any other kind of key takeaways a little bit into the ownership there?

Eimear Bonner: Strong production growth was really the main driver and then delivery of the synergies that we had expected. Both of those things are really contributing here to the stronger performance. To double-click a little bit on the synergies, we're moving at pace through integration. This really applies not only to the Bakken part of the portfolio, but the entire portfolio.

We had a \$1 billion synergy target. Post-close, we confirmed that we will deliver those run rate savings this year and so that is all on track – a combination of the utilization of NOLs, put options that were cancelled at close and then operating efficiencies now that we've integrated the assets into the Chevron system. We see this show up in the 3Q results, and we'll expect to see more of that in the fourth quarter.

Mike Wirth: Ryan, the one thing I might just add: we did see the start-up of Yellowtail in the quarter and FID for Hammerhead. I had a chance to sit down with the legacy Hess team that has been working Guyana and go through it for an entire day. I got to tell you, I was impressed with Guyana, obviously, but I was really impressed and pleased with the quality of the people, and I have high expectations for the contributions that we're going to get out of all Hess employees that are part of Chevron now. It's the thing that maybe doesn't get quantified or talked about as much in these kinds of calls, but in my experience, a huge amount of value when we combine with another organization is bringing in people that have different experiences, can help us innovate and improve and I have seen that again. That's another real positive I want to emphasize.

Operator: We'll take our next question from Doug Leggate with Wolfe Research.

Doug Leggate:
(Wolfe Research) Mike, I'm guessing you might touch on some of this in a couple of weeks. I'm not trying to front run you in any way, but I want to ask you about exploration. So you just made the point that you've hired or you've inherited a lot of people, presumably exploration folks on Guyana, from Hess. But you also just hired the ex-Head of Exploration from Total. You used to be the top explorer, if you go back pre-shale, 2010 through 2015, spending a significant amount of capital on exploration.



I'm just wondering, as you think about shale maturity, not necessarily for you guys, but in the industry generally. What is your prognosis for exploration, the role of exploration and the associated spending that could fit in Chevron going forward, let's say over the next phase of your development?

Mike Wirth: Over the last several years, you're right, we've constrained our exploration spending, and we narrowed our focus into near-infrastructure opportunities. We were adding a lot of resource and reserves in the unconventional and were very serious about capital discipline. We made some trade-offs within the overall capital program. We now are at a point, where we've characterized our unconventional position. It's a big and very attractive one, and we need to ramp up some of the exploration activity beyond just the focus on near-infrastructure opportunities.

We'll move to a more balanced approach of mature areas that are well known and also early entry into high-impact frontier areas. We've added a lot of new country entries over the last couple of years in the South Atlantic margin, the Middle East, and the West Coast of South America as well. We will look to have a broader program in some of those areas, countries like Suriname, Brazil, Namibia, more opportunity in Nigeria and Angola, where we like some of the prospects and have added blocks and have been shooting seismic recently. We're looking for more out of that.

We've modified our internal organization as part of the overall restructuring that you've heard about to simplify [and speed up] decision-making. We're going to be bringing new technology to bear and have some really interesting things going on there. We've got some new people from Hess, also now Kevin [McLachlan] joining us from [TotalEnergies] and our current Head of Exploration, Liz Schwarze, has reached the end of a long and very wonderful career. It was a natural time to move on to a new person and often, we look both inside and outside the company, and I think Kevin brings some unique experience that we expect will be helpful as well. We will talk about that more in a couple of weeks when we see you, but the short story is more emphasis on frontier exploration. I think you'll see a little more commitment of resource so that would be both people and capital to that [end].

Operator: We'll take our next question from Biraj Borkhataria with RBC.

Biraj Borkhataria: (RBC) Actually, it's just another follow-up on the exploration front. It has been notable the new country entries. The one that caught my eye was in Namibia. I believe you're planning a 10-well campaign there. It doesn't seem like your first well has sort of put you off the basin, so a couple of questions related to that. Could you give us your updated thoughts on the prospectivity of the basin? And secondly, whether you feel like you have enough exposure through the exploration campaign or whether you'd be looking to add more from any inorganic opportunities that might arise?

Mike Wirth: We've got a portfolio of opportunities that's been identified from seismic on our blocks. We've drilled one well that didn't yield commercial hydrocarbons, but it was very well executed and a lot of valuable information [was yielded] from that, that we're using to evaluate options to drill some other blocks on these licenses. We recently completed a farm-in on a couple of other blocks in the Walvis Basin, and we've got an opportunity to apply some play concepts from the Orange Basin into the Walvis with a well that we'll drill in 2026 or 2027.

That's an area that there's been a lot of interest in, folks have had some success. We had success there a long time ago with the Kudu gas discovery, which is several decades back, and we remain optimistic. It's exploration and so you've got to do the work to see what you find. The ten wells you referred to, we've got an environmental permit that will allow us to go up to ten. I wouldn't interpret that as a plan to actually go to that number, unless we see things that would suggest that's the right thing to do.



In terms of inorganic, we don't really comment on commercial activity or discussions, but we always look at everything to make sure we got a good understanding of the market and as I mentioned, we've actually farmed-in to [PEL 82 blocks]. You'll continue to see us optimize our portfolio in Namibia as well as other locations.

Operator: We'll go next to Paul Cheng with Scotiabank.

Paul Cheng:
(Scotiabank) Mike, just when I look at your results over the past year or two, your base operation has done really well. Just curious then, have you changed the way how you manage your base and does that become repeatable? And honestly, it's not just you, but that the rest of the industry also seems to be doing better. So, should we assume going forward, the underlying base decline is going to be far more modest for you, I think it's about 3%? So, is that the ballpark we should assume or that could even be lower in the future for you?

Mike Wirth: I appreciate you paying attention to our base operations around the world. There's a couple of things I would point to for us, and I can't necessarily comment on others. Number one, we are focused on doing all the little things right.

The restructuring of the company that's underway has created in the Upstream, an organization now that is aligned around asset classes primarily – offshore, unconventional, we do have a couple of big assets that are reported uniquely in places like Australia and Kazakhstan. We're aligned in a way now to drive best practices and technology more effectively across those operations and as we improve in one place, we should see those improvements show up in other places more quickly.

We are applying a lot of technology, and we'll talk about this a little bit more in a couple of weeks, but particularly the information technology that allows us to automate things and make decisions faster, stay on top of things is going to yield further results, but we're already seeing the early returns on that.

The other thing that I would remind you of is we have a portfolio, Paul, that as compared to a decade ago, for sure, but you can look at different time periods. We have a lot more of our production now that is in either a facility-limited position – think of TCO or think of Gorgon and Wheatstone – as fields that could deliver more, but the facilities limit that, so you essentially don't see a decline there because those are very plateaued at low capital. And increasingly, in the Permian, DJ and Bakken, we have unconventionals that are being managed that way as well. At much more efficient capital, and you're seeing that in the Permian right now, the production for the basin can hold flat in a very capital-efficient manner. New wells have that peaky production profile but in aggregate, as you go from hundreds and hundreds into thousands and thousands of those wells that are in that longer, flatter portion of their life, they also have shallow decline that you can offset with this capital efficient program.

The point I'm making, and sorry for going on, is it's a combination of portfolio effects, which yield less capital-intensive work to hold production [flat], and assets that have facility limits on them. Those combine to give us the attributes that you're observing and that is intentional, that's not an accident. It's a portfolio that's been designed to do that so we don't face the massive capital investment to offset big decline and are faced with that year after year after year.

Operator: We'll take our next question from Steve Richardson with Evercore ISI.

Steve Richardson: Mike, I'd love your perspective on the California refining market. We've got a couple of



(Evercore ISI)

pretty notable shutdowns in process and some proposed pipeline projects to bring products to the West Coast and obviously, more waterborne imports. So I would love to hear your perspective on that, the policy backdrop and where this leaves your business in the state?

Mike Wirth:

The two recent [refinery closures], one that's underway right now and one that is set to close in 2026, are getting a lot of attention. Remember, there's a couple of other facilities that have been converted from petroleum-based feedstock to bio-[based] feedstocks with much lower overall production capacity. You've seen a market where supply has tightened. It is a function of policy, pure and simple. Others have spoken to that as they've made changes either in the way a refinery is being used or announced plans to close it, so the policy is yielding the desired results. I think you're seeing some discussion now where the policy is being reconsidered, and there may be some small steps in the right direction we've seen, but nothing that I would say is significant.

The other thing that is underway is people have to think about how they get product to the state now because it is not going to be balanced-to-long, it is going to be balanced-to-short. Marine imports are going to have to become a more regular feature. People are going to have to figure out how to do that. The recent talk about pipelines is interesting. California doesn't have inbound product pipelines or crude pipelines for that matter. These are interesting announcements. They're ambitious projects. There's many moving parts. These are complicated to permit, they're complicated to build but I think fuel suppliers are looking for ways to meet the demand.

One thing to think about is the supply is going to come from somewhere, so to the extent California starts to pull product from other markets, that has other knock-on effects as well. We'll see if these projects get built, we'll see how the market dynamics play out, but it's clearly a changing market. We've got a strong refining and marketing presence there and to this point, one that can compete and deliver acceptable returns, but that's something that will continue to be tested. The policy moves by the state will have an impact on the decisions that get made by us and I suspect by others.

Operator:

We'll take our next question from Jean Ann Salisbury with Bank of America.

Jean Ann Salisbury:
(Bank of America)

This was true before Hess, but now more so. Chevron's portfolio is more weighted towards Upstream than many of your integrated peers. Are you happy with that mix? Or is that something that you might seek ideally to even out over time with more Downstream or Chemicals exposure?

Mike Wirth:

Our portfolio post-Hess is back to [approximately] 85% Upstream, 15% Downstream and that's kind of where we've been over the last couple of decades. We don't feel compelled to try to weight it up in the Downstream further than that. I came out of the Downstream, I love the Downstream business, I've got a lot of affinity for it, but upstream is a declining, depletion business. Downstream is a business of capacity creep in facilities that often get bigger over time, not smaller and it's hard to close refineries down. We've seen some rationalization over the last five years as COVID and some other market imbalances kind of drove that.

Historically, and I think going forward, we're still of a view that Downstream returns over time are going to be more pressured than Upstream returns, which tend to be a little more self-correcting.

The one piece of the Downstream we've been pretty clear that we would like to grow is petrochemicals. We've got a couple of projects underway at CPChem right now. Tough market conditions in that sector, but over the long-term we like the demand growth and economic opportunities in petrochemicals. You should expect to see us stay with a portfolio weighting that's not too different than where we are today.



Operator: We'll take our next question from Jason Gabelman with TD Cowen.

Jason Gabelman:
(TD Cowen) It looks like equity affiliate distributions have been running much higher than guide year-to-date. I think every quarter it's beat guide this year by about \$700 million. Wondering what's driving that beat? Is it TCO outperformance? Is it higher LNG prices? And should we expect that to continue into 4Q and next year?

Eimear Bonner: The affiliate dividend performance has really exceeded expectations, and it comes down to TCO's performance since starting up [the Future Growth Project] earlier in the year. They've operated safely and reliably and the results speak for themselves. It is really a TCO story. When we look at the guidance, though, no change to the guidance even with that out-performance. In fourth quarter, we've got a pit stop planned for TCO, so you'll see production come off in the fourth quarter due to that pit stop. They also – TCO – have to conserve some cash because they've got two loan repayments to make next year, one in the first quarter and one in the third quarter. Those two factors are really driving the change in guidance that we've provided, that on the surface looks like it's coming down, but really, it's being driven by those two things.

Operator: We'll take our next question from Arun Jayaram with J.P. Morgan.

Arun Jayaram:
(J.P. Morgan) Just a quick follow-up on TCO, that was a driver of the earnings beat this morning. Your production on the liquid side grew 5% sequentially, notwithstanding the turnaround in the fourth quarter, but are you essentially ramped to capacity there?

Mike Wirth: We're really pleased with how TCO has been performing. We had another quarter of very reliable production, and I want to emphasize reliability. Starting up a new complex set of processing trains like we did there, historically, can offer some reliability challenges and this one has been exceptionally smooth, so we're pleased with that. We didn't have any planned maintenance here in the third quarter, so you see things running very much at planned nameplate [capacity].

One of the things that Mark mentioned when he was on the call last time, is we now have three generations of surface plants to process both the liquids and the gas. The original Komplex Technology Line area of the facility, which goes way back; the Second-Generation Plant, which was started up last decade; and now the Third-Generation Plant, which started in this decade. We have an integrated control center that can route streams optimally across all three of these facilities. We're using a lot of high-end information technology to automate this to a greater degree, so we've got more knobs to turn and levers to pull to really optimize plant performance. We've got a field now that's producing against less back pressure, so we're seeing all of that come through.

The history on these great, big, complex facilities, a little bit like I mentioned about refineries, is we do find ways to creep capacity and debottleneck them over time. It's premature to reset any guidance on that, but the history suggests that there's an opportunity there and certainly, those are the kinds of things that our people are working on. Fourth quarter will reflect the pit stop that Eimear mentioned, but we'll be working on that and talking to you more about it over time as we see how things perform.

Operator: We'll go next to Phillip Jungwirth with BMO.

Phil Jungwirth:
(BMO) One of the big U.S. Upstream themes has been getting more value for Permian gas. We've seen a number of pipelines announced FID'd. I know Chevron is already relatively well positioned here, given that you produce, I think around two B's a day net from the Permian,



just hoping you could talk about what you're already doing on the marketing side here and also what you think you can do in the future to further maximize value?

Mike Wirth: I know this has been getting some attention recently. In the Permian, we market all of our company-operated production so that would be oil, NGLs and gas, and just a little less than half of the NOJV production. You can think about it in total, 70% or so of our production gets U.S. Gulf Coast pricing. The remaining portion of NOJV and royalty volumes that we don't market can be exposed to in-basin pricing and Waha pricing on gas.

Our Waha exposure can vary a little bit each quarter. Last quarter, it was a little closer to 20% rather than the 30% that would be implied by what I just told you because we were able to use some of our own excess firm transportation capacity out of the basin to capture value from others that didn't have an opportunity to move out of the basin. We can capture some of the [arbitrage] that opens up from time to time there to offset some portion of that volume that we don't actually market ourselves.

Going forward, you should look for us to do more of the same. We're covered on all three streams [oil, NGLs, gas] right now for out-of-basin transportation. To the extent we're long, sometimes we can use that to capture additional value and because we're running a very steady, well-planned program, we can commit [to takeaway positions] in advance because we've got a high degree of confidence on the composition of the production and the volumes that we're going to need. Obviously, for shippers or for midstream companies we're a desired shipper given the credit quality and reliability that we offer to them. We'll continue to use that to ensure that we're well covered and that we can optimize value across the entire value chain.

Operator: We'll take our next question from Lucas Herrmann with BNP.

Lucas Herrmann:
(BNP Paribas) Mike, I just wanted to briefly go back to the Downstream and Chemicals and, as you mentioned, I mean you've got two very large facilities coming on stream in partnership with QatarEnergy next year. And the question simply, as they come on or as they build the capacity, what's the increment at current levels that you'd expect for cash flow. And to what extent, a little bit like TCO, can one expect to see capex across CPChem fall and distributions to the center or to yourselves increase?

Mike Wirth: We'll talk about this a little bit more at Investor Day. Two things I would point out: these are world-scale facilities, they have very advantaged [ethane] feedstock positions and they will be very low on the cost curve. They're highly competitive facilities that will be coming into the market.

At the margin, some of the length in the market tends to be in countries where they're cracking naphtha. They tend not to be world-scale facilities, and they're feeling a lot of economic pressure right now. We think both of these projects are well-positioned to deliver returns over the long-term. They're around 20%-type IRR expectations on these projects [at mid-cycle margins].

We're very pleased with our relationship with [QatarEnergy]. Chevron's exposure comes through a joint venture in CPChem and then a further venture with QE. You have to think about that as you think about how exposed we are and how much cash those might generate because it flows back through the dividend policy at CPChem and we're only exposed to a portion of each of those facilities. More to follow at Investor Day on that subject.

Operator: We'll take our next question from Paul Sankey with Sankey Research.

Paul Sankey: Mike, I know you can't talk obviously about the specifics of the analyst meeting, but I



(Sankey Research)

wanted you to just set the table a bit here in terms of the macro environment, and the reason I'm asking is just this analyst meeting is going to be your first since 2023, which is the longest gap that you've had between meetings as far as back as I know. And so given the world, I just wanted to get your perspective on how the world has changed, perhaps some of it is cyclical, some of it's structural as we go into this meeting.

And to answer the question a little bit and help you out here with what I'm thinking, I mean you've got the continued war in Russia since 2023 Russia/ Ukraine. There's a massive shift in ESG that we've seen since then. The AI boom completely new. OPEC policy, I think, has changed and, of course, the big one is the second Trump administration. And then finally, the interest rate environment has changed. I'd just like you to set the stage, if you will.

Mike Wirth:

What you've done is you've teed up the answer I give to people when they say, "isn't this kind of yesterday's business and there's not a lot going on in it?" The world changes constantly and in two and a half or two years and eight months it will have been since our last meeting, a lot has changed. The war in Ukraine had only begun. The Middle East hadn't seen a breakout in hostilities. We hadn't seen Iran hit the way that it now has been. You're right, we were at peak ESG at our last meeting. There was not much interest in AI at the time or much public acknowledgment of what was probably going on behind the scenes there. OPEC was responding [to market signals], at that point in time. We'd still been in a high-price market due to the start of the conflict in Ukraine, but before long, they started constraining [supply], and we had President Biden in the U.S., not President Trump.

We always have a changing context in this industry. The last few years might have had a little more interesting change than most, but the fundamentals really are what we try to look through, and the global economy continues to grow. The population of the planet continues to grow.

Economic development continues to advance and affordable and reliable energy is fundamental to that progress, and the conflict in Ukraine has pointed that out. What we're seeing with AI and the stress on the power system in the U.S. is pointing that out. Affordable, reliable energy is the lifeblood of a modern economy. That's the business that we're in and the fundamentals of that, we continue to believe, offer value-creating opportunities for wise capital investment long, long into the future. We'll talk about that, we'll give you some guidance on our business out to the end of the decade. Right now, most of our guidance goes to the end of next year.

One thing I would say, Paul, is that you should expect us to be consistent in what you're going to hear from us. Our strategy has stood the test of time, over a pretty volatile period, as you just described. We know you're interested in cash and earnings growth through the decade. What we'll also talk about is how we'll deliver that, through continued capital and cost discipline, through innovation, through technology, through a very strong portfolio. One that is as low-risk and high-confidence, as I've seen in my career and is set up to continue to reward our shareholders with continued strong cash returns through the dividend policy where we have been a leader and through a steady through-the-cycle share repurchase program, where I think we've been very predictable and consistent.

That maybe says no huge surprises, but it does say that a good story is continuing to get better.

Operator:

We'll take our next question from Bob Brackett with Bernstein Research.

Bob Brackett:

There's a view out in the macro market for oil that the market's oversupplied in 2026 and



(Bernstein Research) that shale has to make some room for OPEC spare capacity. You all touch more barrels in the Permian than anyone through your operated, your non-op JVs and your royalties. What's the state of the Permian today and how would you forecast that, say, into next year?

Mike Wirth: The current rig count is somewhere in the neighborhood of two hundred and fifty rigs. That is at or at least close to multi-year lows. Most third parties seem to think that level of rigs is an appropriate number to maintain current production levels, and that's, of course, dependent upon: are they still finding good productive opportunities beyond the top-tier acreage; are companies still able to deliver cash back to shareholders, which is a promise that we've seen a lot of the Permian operators now commit to that may be tested as we go through a period of lower prices, and see how they handle the trade-off between capital and cash returns to shareholders.

We continue to see efficiency and productivity gains in our [drilling and completion] fleet. I think others are probably seeing similar kinds of gains, and we continue to work on technology and things that will improve not only the ability to execute well, but the ability to recover more. Most companies seem to be guiding to kind of flattish or maybe slightly reduced capex as we go forward. I would say that's probably not a bad proxy for where production is likely to go. Not growing at the rate that we've seen before, probably plateauing, but as all of you that have watched the Permian over the last 15 or 20 years have seen, these things change, and it's a dynamic basin. It's a highly responsive basin with a lot of players in it, and it can be quite responsive to market signals.

Operator: We'll take our next question from Geoff Jay with Daniel Energy Partners.

Geoff Jay:
(Daniel Energy Partners) My question is on Argentina. I noticed that you had produced a reasonably high percentage uptick in this quarter. And I think you have roughly the same amount of acres there as you do in the DJ, I'm kind of curious as to how well you think the potential of Argentina production could be over the next two or three years, and what are the key gating factors to that growth?

Mike Wirth: Let me start by reminding everyone that we've been in Argentina for many years. We've been in vertical production through some acquisitions that go back decades, and it's been a place where we've got a lot of history. We understand the subsurface. We really like the quality of the subsurface and our position in the Vaca Muerta both in the south at Loma Campana, where we're partnered with YPF, and up north at El Trapijal, where we operate ourselves.

I'll also say it was encouraging to see the support for President Milei in the recent election. We've been pleased with some of the macro sign posts in Argentina that have improved since the current administration took office in 2023; efforts to stabilize the banking system to reduce or remove capital controls, lower inflation, [investment] in regional infrastructure. Those are the types of policy reforms that can make Argentina more attractive for investment and more competitive within our portfolio.

We don't really have a change in our near-term plans. We want to continue to see some of these signposts evolve, but we like the quality of the rock. We have seen some modest growth this year with around 25 thousand barrels [of oil equivalent production] a day expected in 2025. We're taking lessons, talent and technology from these other basins to Argentina to improve outcomes and with continued progress in the policy arena, this could compete for capital very effectively as we go forward. We certainly hope that it does. There's a lot of running room. I'm not going to quantify it, but it's certainly got upside because it's got scale, as you say, and the quality of the rock is highly competitive. The DJ might not be a bad analog, but we're going to be one step at a time.

Operator: We'll take our next question from James West with Melius Research.



James West:
(Melius Research)

Quick question on the Permian for you. I'm curious, as other operators are dropping capex, dropping rigs, dropping frac spreads, you guys recently hit a million barrels a day. You're having a lot of success there. What's the differentiator on your operations versus, say, the smaller peers?

Mike Wirth:

We operate on a long-term plan. We've got a factory or a manufacturing-type approach to developing this asset. We plan our work and work the plan. We don't whipsaw it much on near-term commodity market dynamics. Smaller operators that may be not in the same balance sheet position, may not have a diversified portfolio, or may have other financial constraints, may operate differently. We find that a continued, steady and consistent manufacturing approach allows us to pilot and trial new techniques, new technologies, continue to improve, and we just grind out better efficiency and productivity each and every day. We're 40% more productive on drilling wells than we were just a few years ago. The same thing on completions. The scale and the steady approach to development yields the steady improvement, and I think smaller companies just don't quite have the same ability to do that without having to reset the program.

I'll comment quickly on our NOJV [portfolio]. We partner with some of the largest operators in the basin, and we're not seeing a lot of change in activity levels there at this point. Their activities remain aligned with our business plan. We've got very good line of sight on the 2025 performance through the balance of the year and pretty good line of sight on 2026 production where we've got visibility of wells that are either online or under construction today; AFEs that are already being processed for 2026. At least relative to our performance, there are not signs that we would see the NOJV piece of our business significantly constrained or contracting as we go through next year.

Jake Spiering:

I would like to thank everyone for your time today. We appreciate your interest in Chevron and your participation on today's call, and we look forward to seeing you in a few weeks. Please stay safe and healthy.

Katie, back to you.

Operator:

Thank you. This concludes Chevron's third quarter 2025 earnings conference call. You may now disconnect.