

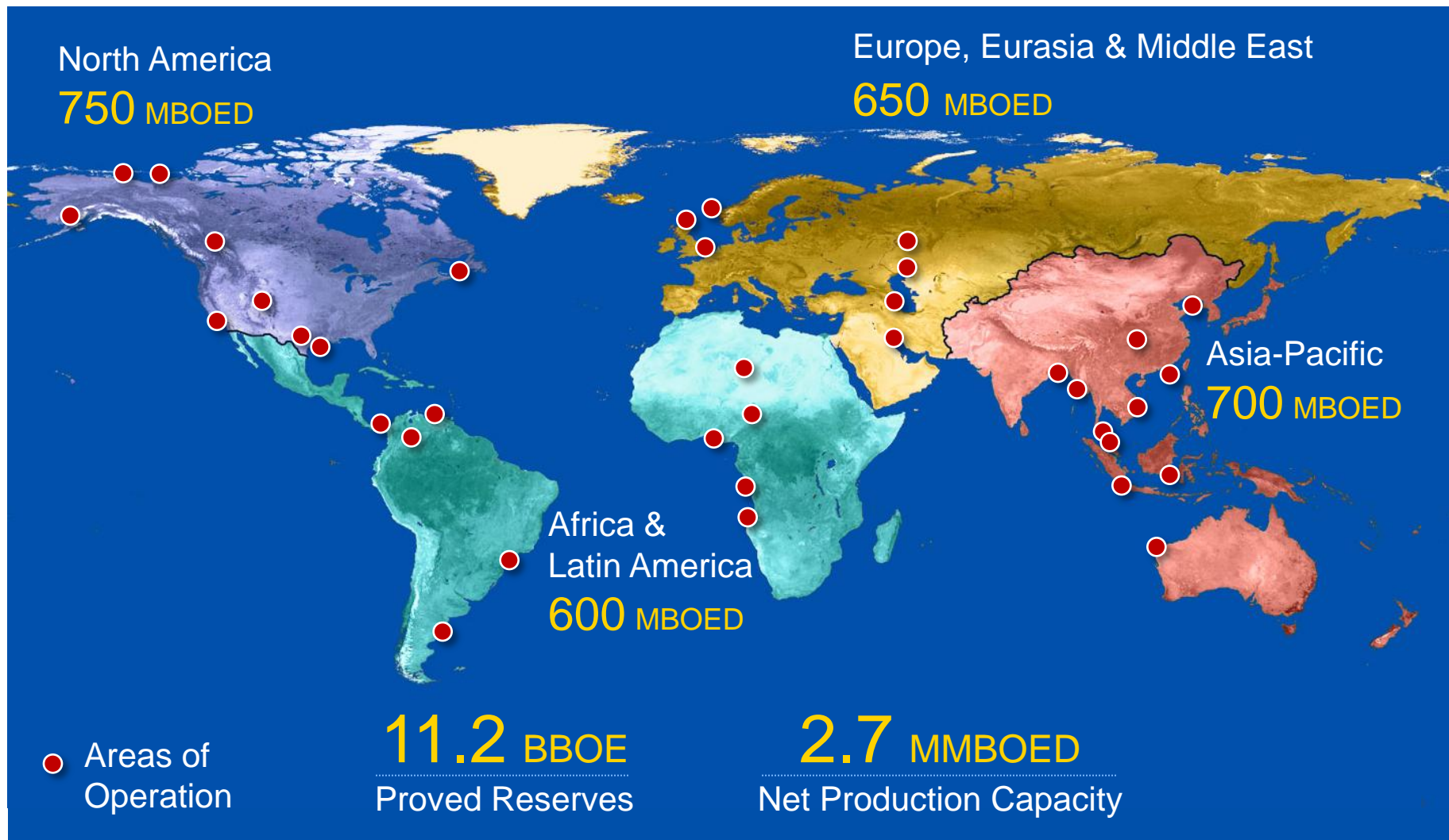
# Global Upstream and Gas

**George Kirkland**

Executive Vice President



# A Strong Worldwide Portfolio





# Upstream Themes

Performance

Strategy

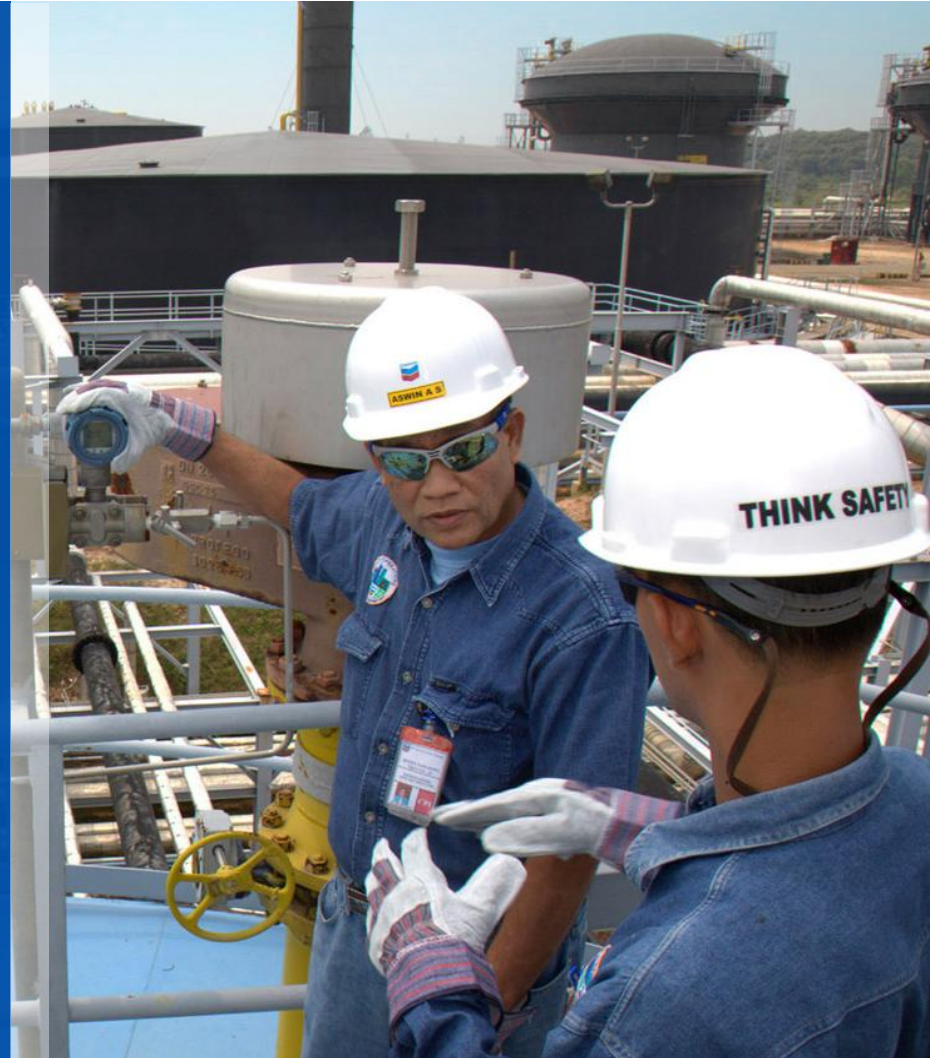
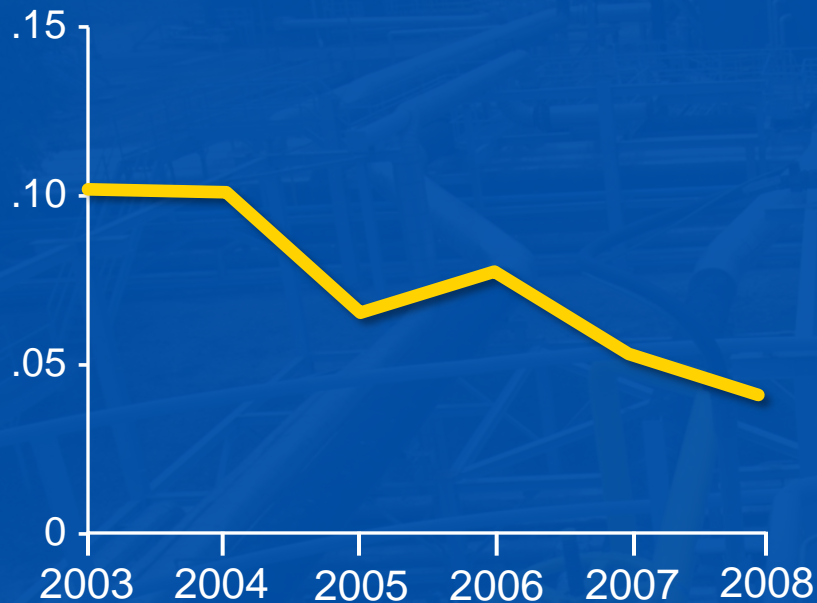
Growth



# 2008 Accomplishments

## Sustaining World-Class Safety

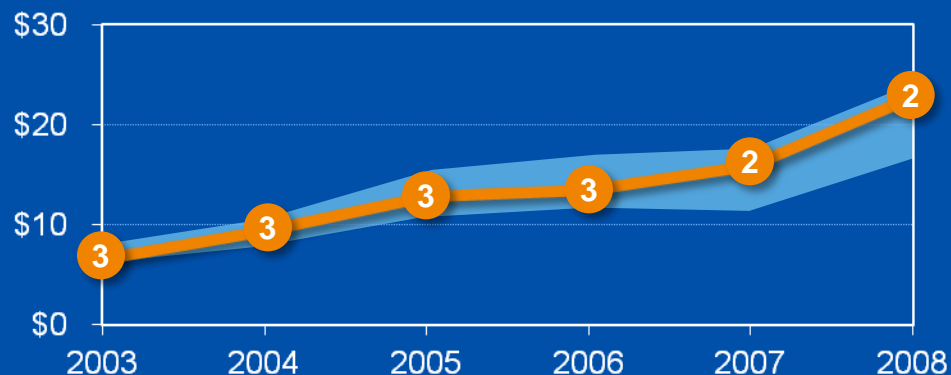
Total Days Away From Work Rate  
2003 - 2008



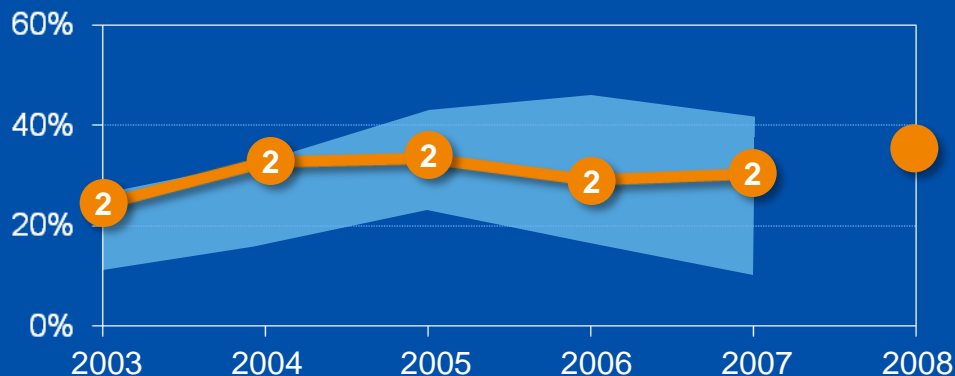


# Top-Tier Competitive Position

**\$22.85** Adjusted Earnings  
Per BOE



**36.6%** Adjusted  
ROCE



**3** Ranking Relative to Competitors  
(1 being the highest)

**■** Competitor Range  
(XOM, BP, COP and RDS)

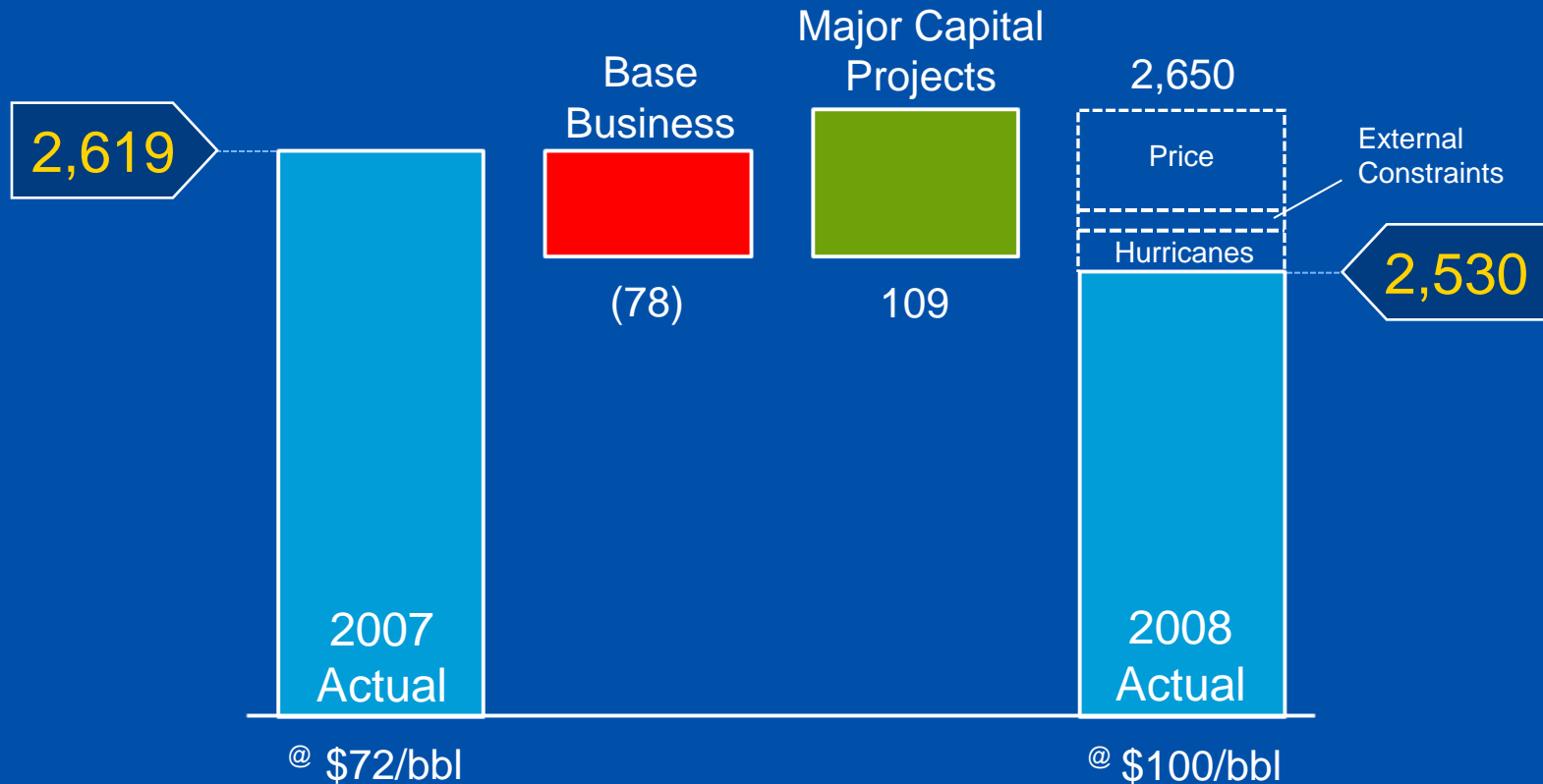
Competitive ROCE calculated based on Chevron estimates and public information handled on a consistent basis.  
Excludes special items. Reconciliation to non-GAAP earnings measure for Chevron is available at [www.chevron.com](http://www.chevron.com) under Investors.

# 2008 Accomplishments

## Net Production

Net Production: **2,530**

Thousand Barrels of Oil-Equivalent Per Day



# 2008 Accomplishments

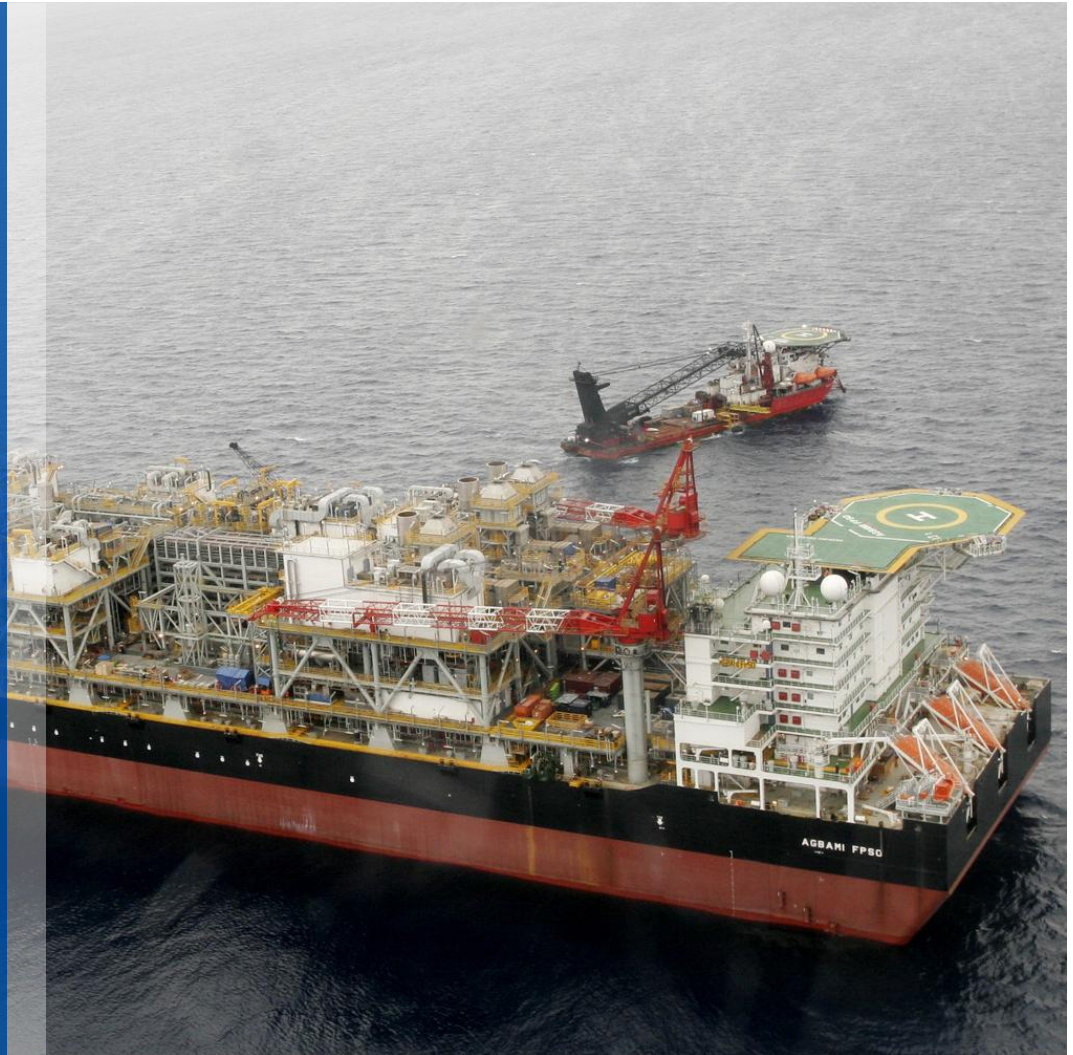
## Nine Project Start-ups



# 2008 Project Start-ups Nigeria

## Agbami

- First oil in July
- Currently producing at 170 MBOPD
- Production capacity of 250 MBOPD





# 2008 Project Start-ups Kazakhstan

## Tengiz Expansion

- Full facilities start-up in September
- Currently producing at name plate capacity of 240 MBOPD



# 2008 Project Start-ups Gulf of Mexico

## Blind Faith

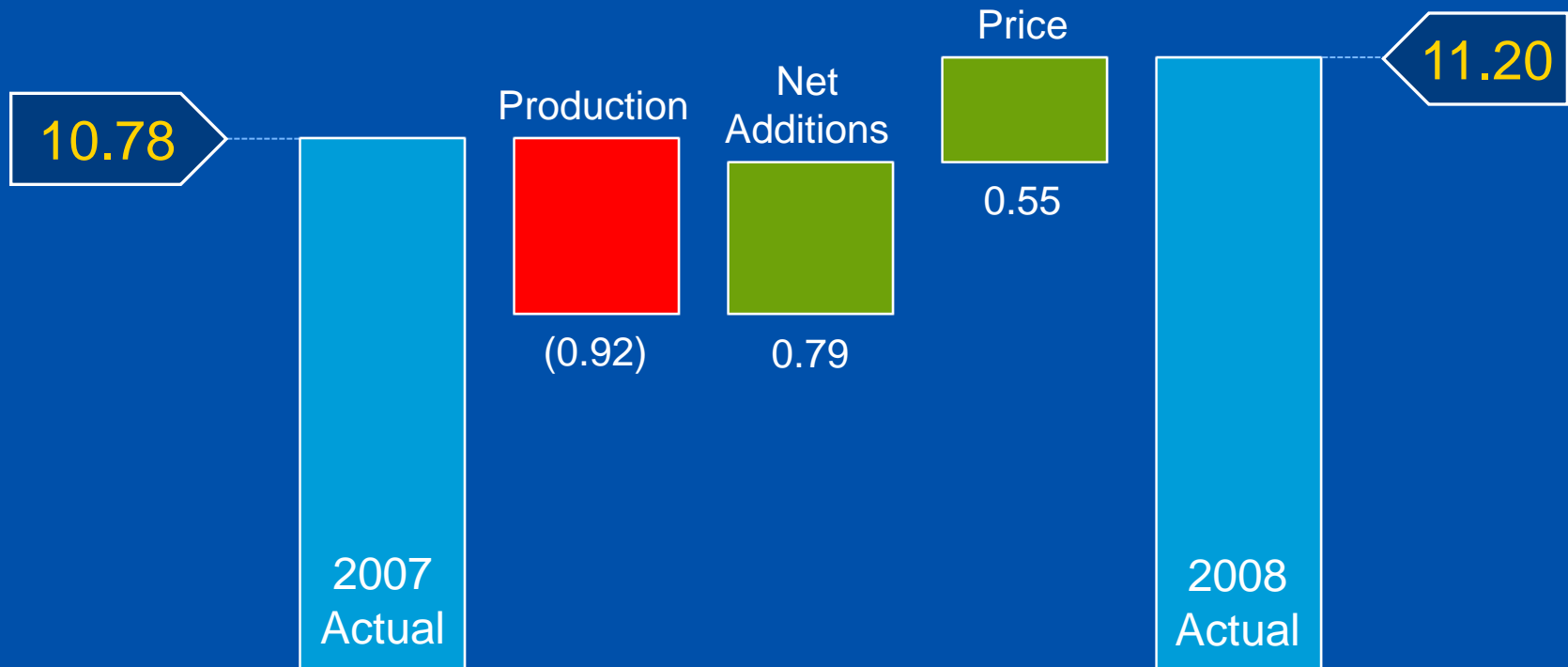
- First oil in November
- Currently producing at 65 MBOED



# 2008 Accomplishments

## Reserve Replacement 146%

Billion Barrels of Oil-Equivalent

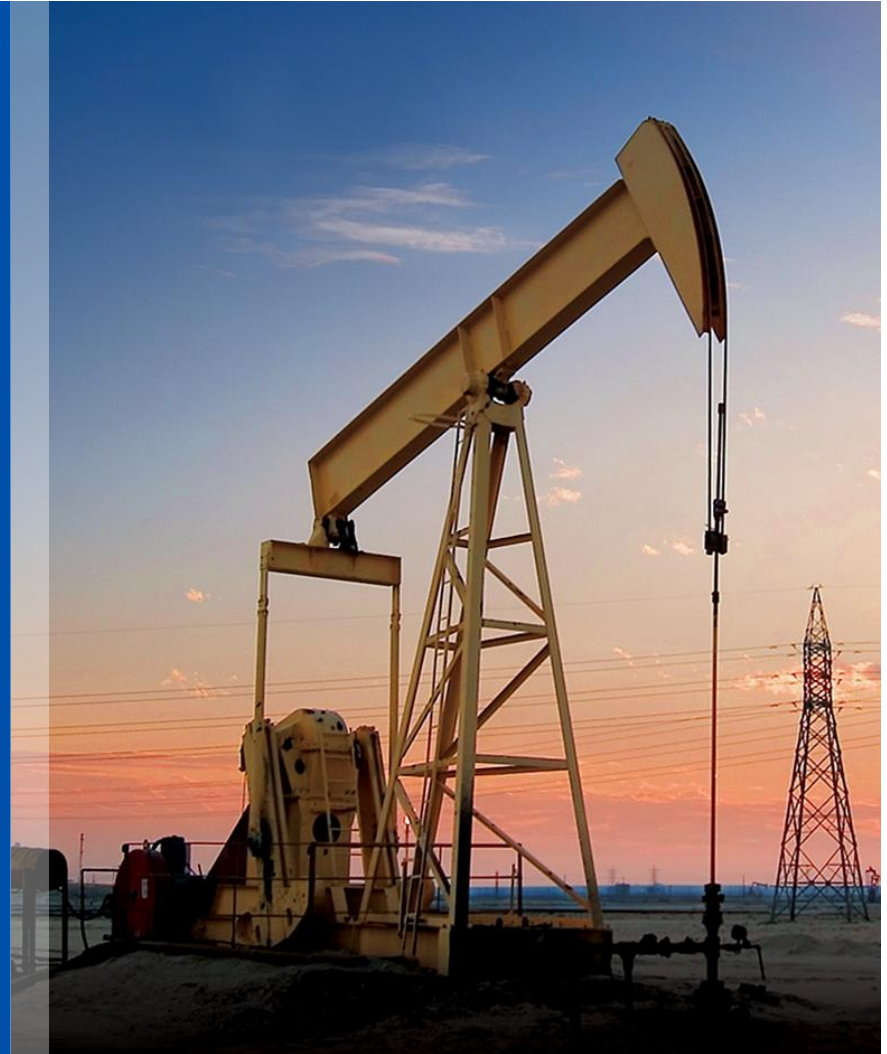


Based on Securities and Exchange Commission reporting rules, and does not include oil volume associated with Athabasca Oil Sands mining. Crude oil extracted through bitumen mining operations is not considered to be an oil and gas producing activity.



## Other 2008 Highlights

- PNZ extension
- Chuandongbei FID
- Significant progress of Gorgon towards FID
- Significant progress of Wheatstone towards FEED
- Continued exploration success
- Hebron government agreement



# Upstream Themes

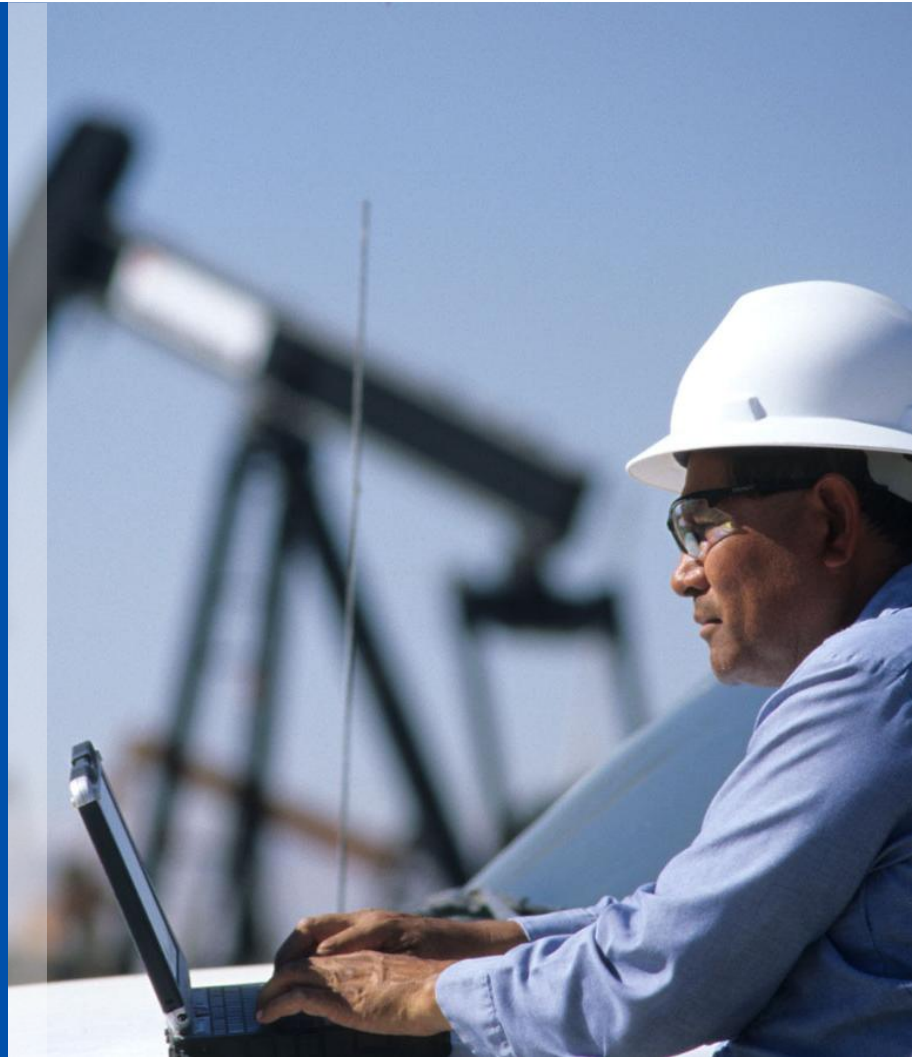




# Upstream Continues to Have the Right Strategies

Grow profitably in core areas and build new legacy positions through:

- Operational excellence
- Maximizing value of base business
- Selection and execution of major capital projects
- Superior exploration performance
- Commercialize large gas resources
- Capture new core positions





# Advantaged Upstream Cost Structure

\$ Per Barrel of Oil-Equivalent



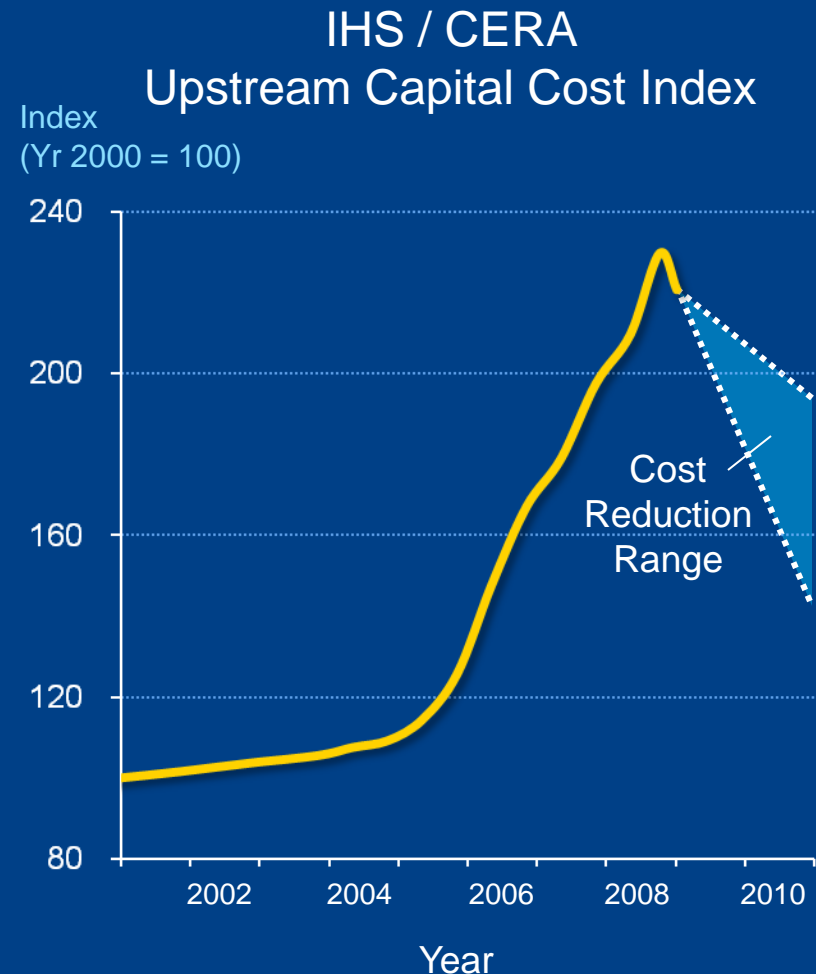
# Investment Timing is Key in a Lowering Cost Environment

## Anticipate costs easing relative to price downturn

- Effective supply chain management
- Discretion on FID timing

## Key projects contracted in lower cost regime

- Remains a function of local markets



# Investment Strategy and Market Will Impact 2009 Production

## 2009 Upstream C&E \$ Billion

~14%

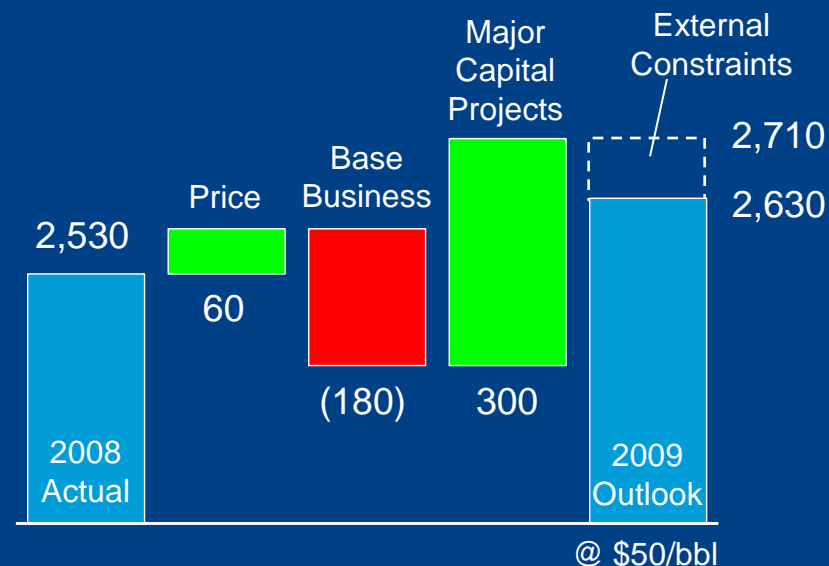
Reduction\*  
vs. 2008



- Reduced base business investments
- Selective discretionary project deferrals

\* Effective after accounting for one-time payments

## 2009 Net Production Outlook



- Base production lower in 2009
- Lower CAGR (2005-2010)



# Technology and Ingenuity Enable Our Strategy

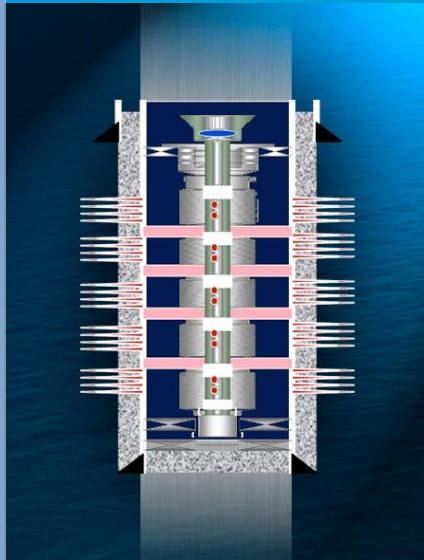
## Exploration

- Seismic imaging
- Integrated workflows
- Regional geology



## Deepwater

- Completion tools
- New generation drill ships
- Integrated drilling operations



## Base Business

- Thermal recovery
- Sour gas
- i-field™
- Simulation



Moving  
Resources  
to  
Reserves  
to  
Production

# Upstream Themes

Performance

Strategy

Growth



# Consistent Exploration Success

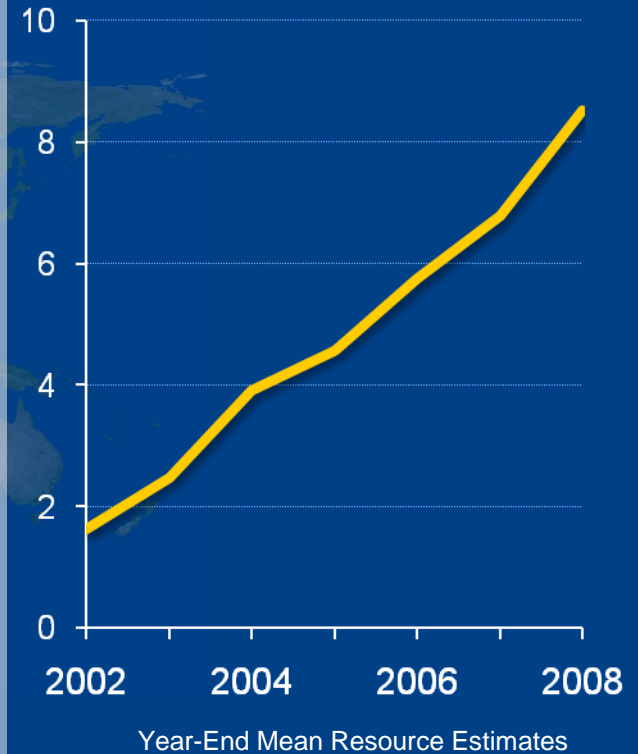
## 2002 - 2008

**8.5** BBOE  
Resource Adds

**45%** Average Exploration  
Success Rate



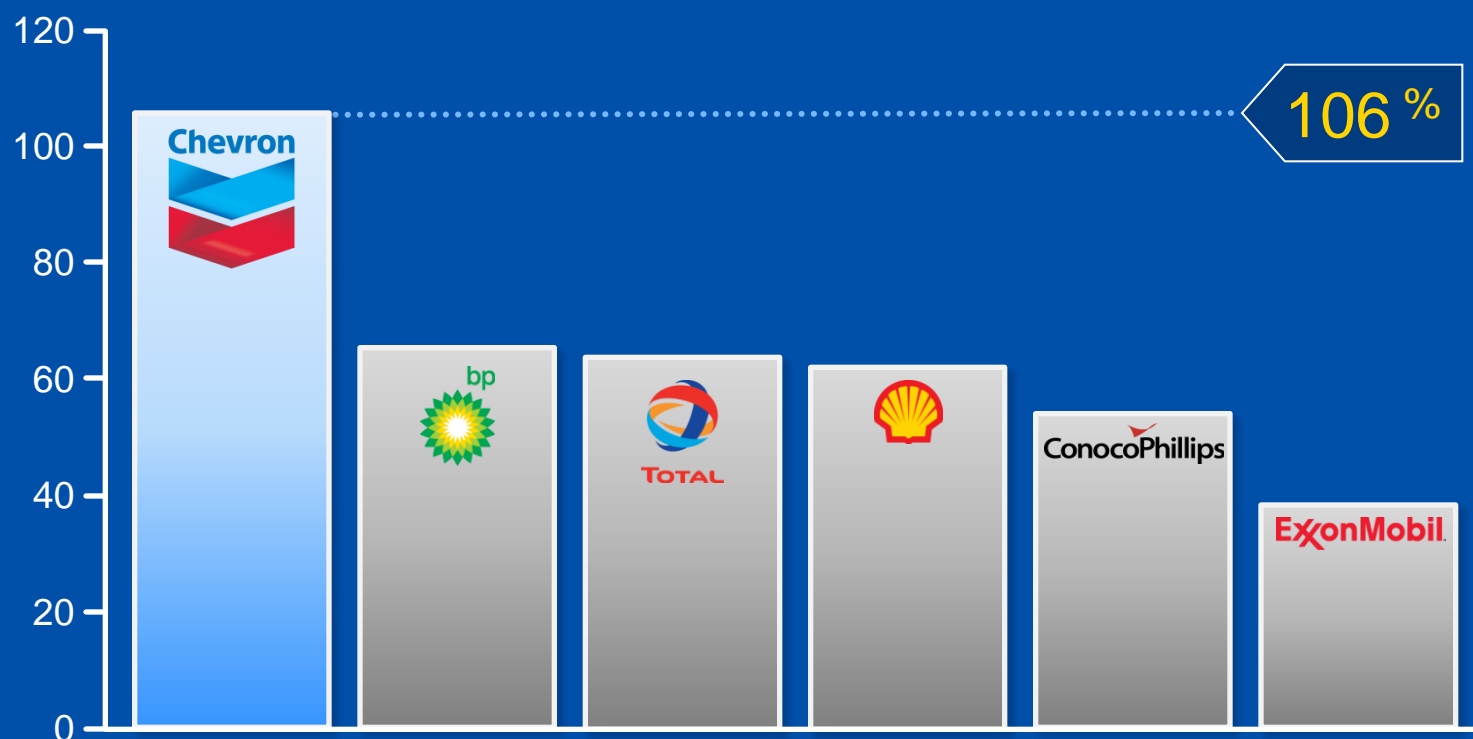
Cumulative Resources  
Added From Exploration





# Superior Exploration Performance

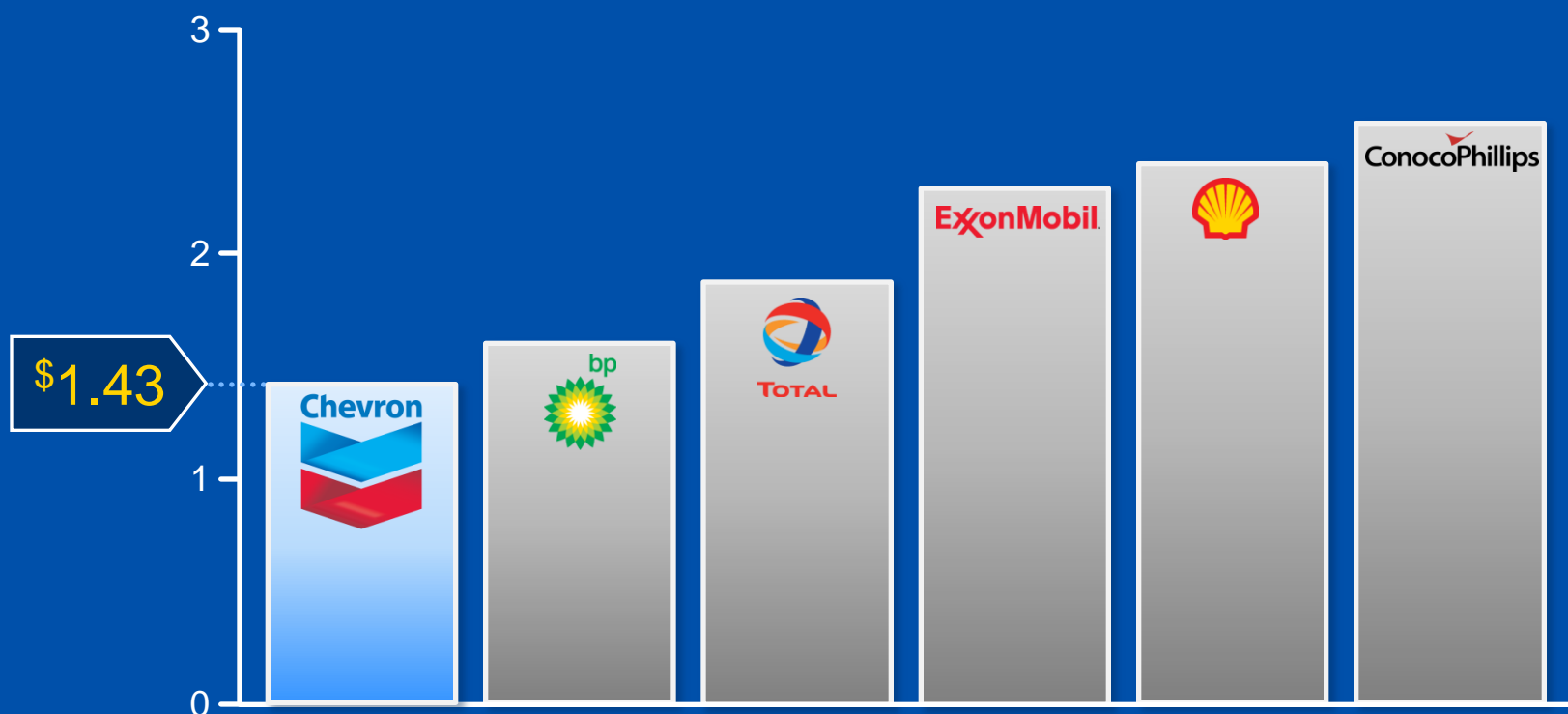
Resource\* Replacement Through Exploration 2002 – 2007  
Percent Replacement



\* Wood Mackenzie resource replacement metric does not reflect the Company's reported proved reserves. It is the Wood Mackenzie estimate of commercial plus sub-commercial reserves, as a percentage of production.

# Lowest Exploration Finding Costs

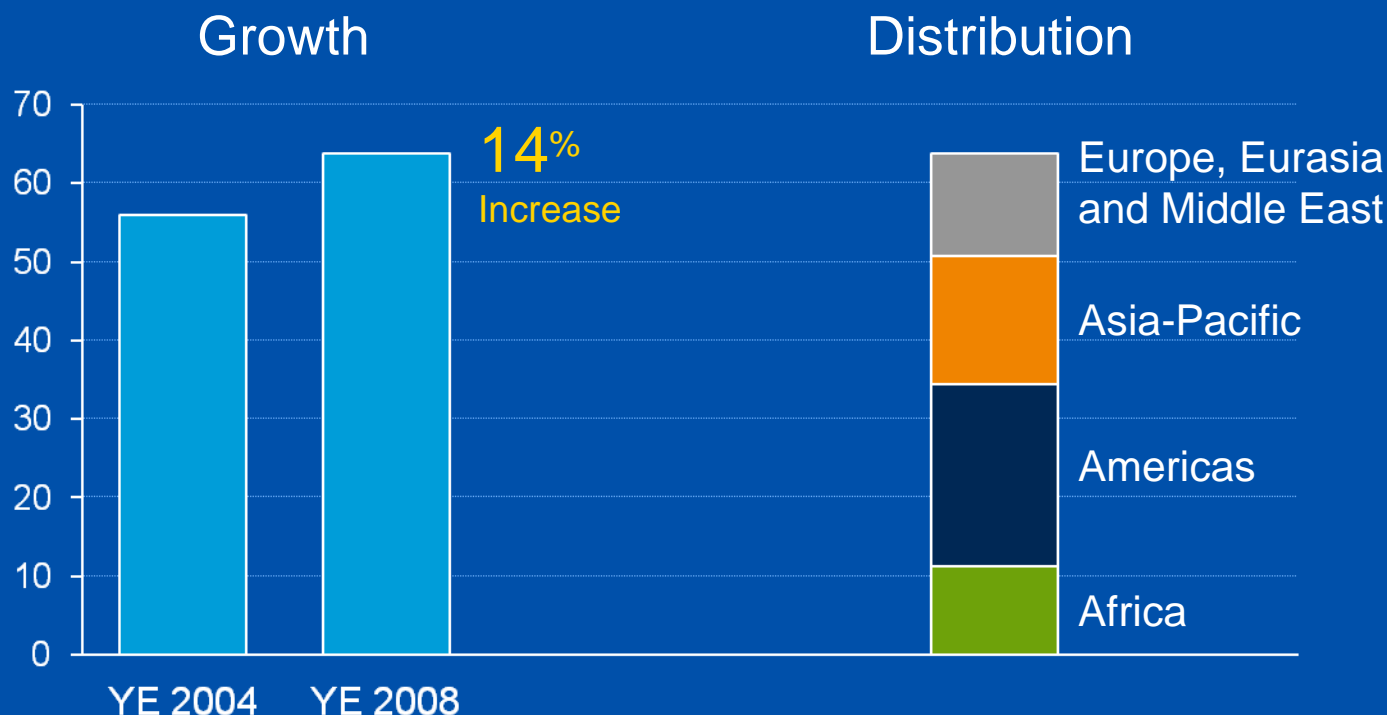
Underlying Finding Costs\* 2002 – 2007  
\$/BOE



\* Underlying Finding Cost based on Wood Mackenzie estimate of commercial plus sub-commercial reserves, and exploration costs reported by each company.

# Growing a Leading Resource\* Portfolio

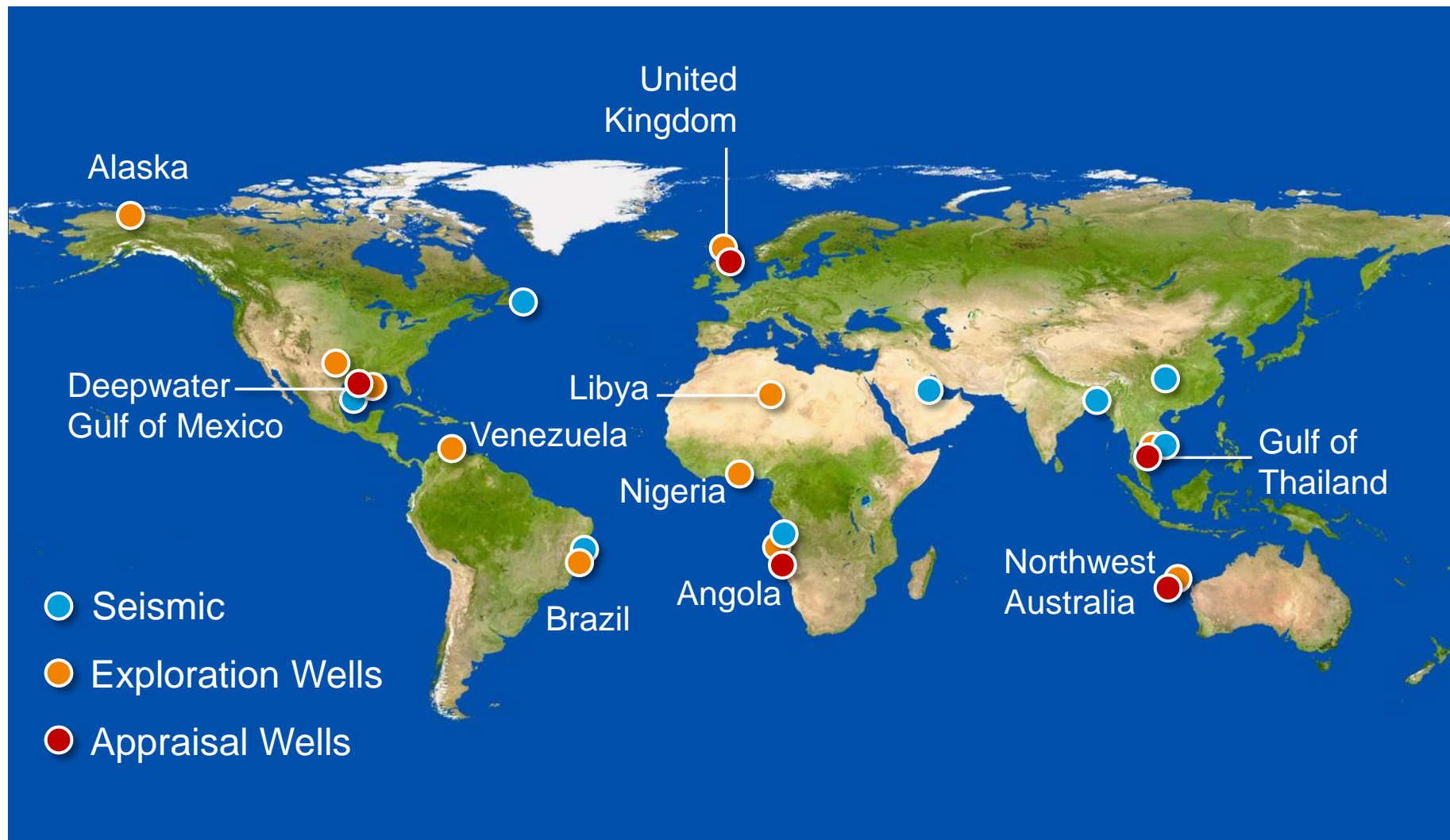
Billion Barrels of Oil-Equivalent



\* Resource is defined as un-risked proved, probable and possible reserves plus potential recoverable resources contingent on commerciality. Includes oil volumes associated with Athabasca Oil Sands mining.



# Key 2009 Exploration Activities

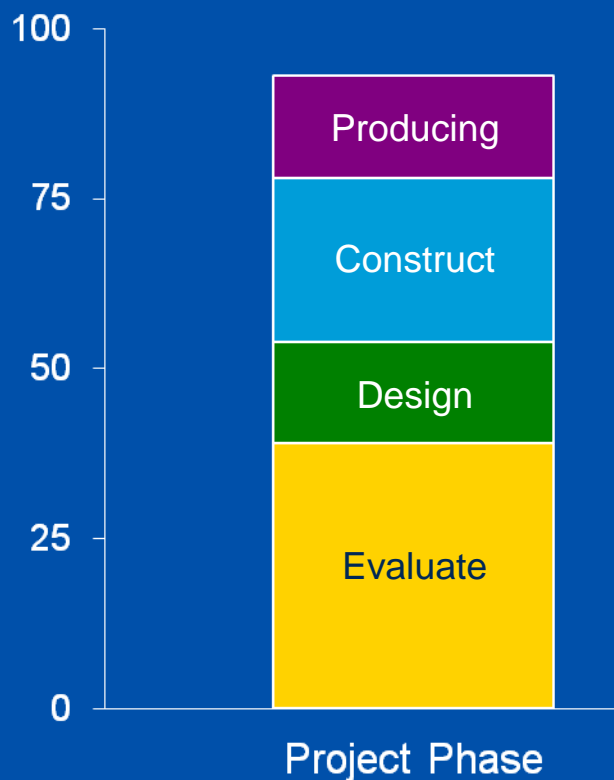


# A Leading Portfolio of Projects

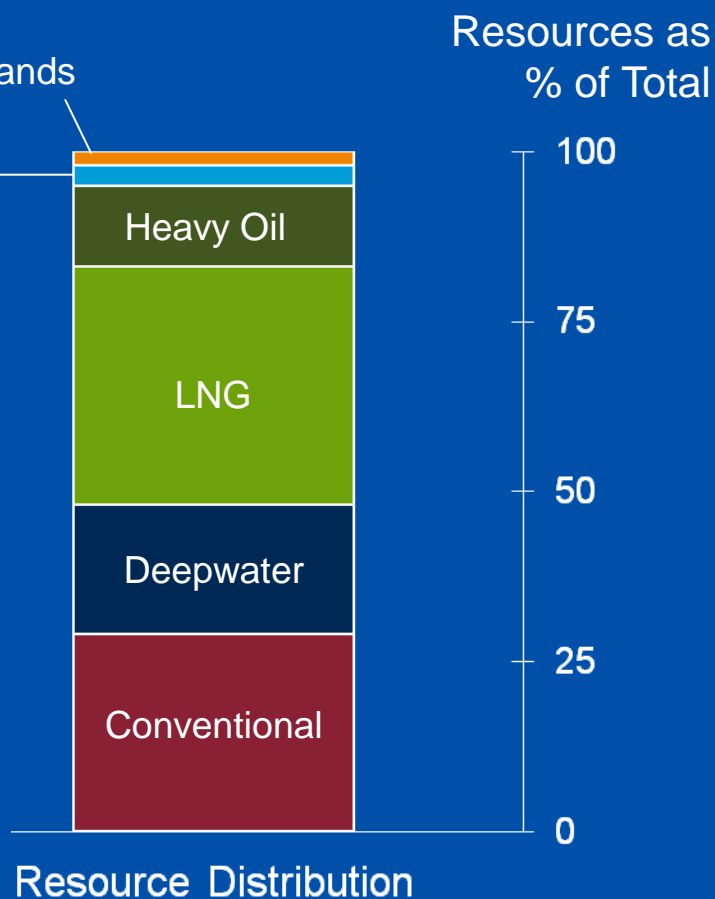


# A Strong Project Inventory

Number of  
Projects



Oil Sands  
Arctic

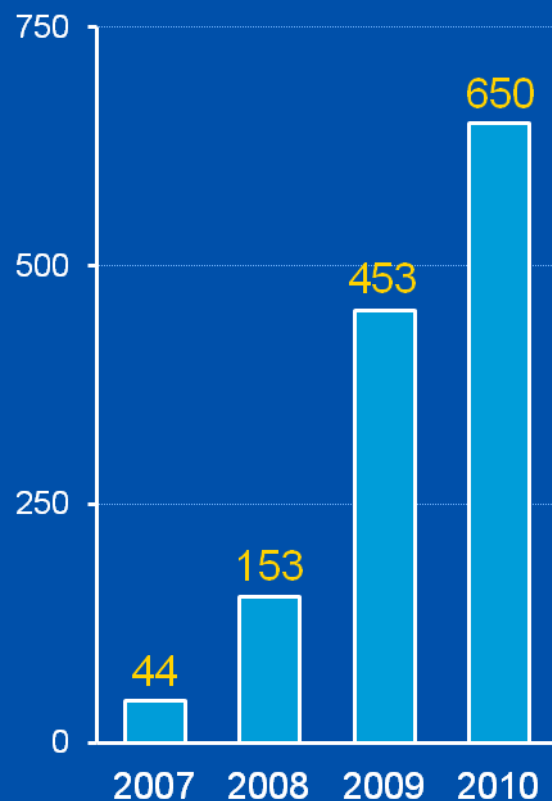


\*All projects shown are greater than \$200 MM net Chevron share



# Production Growth Driven by a Steady Queue of Projects

## Major Capital Project Net Production MBOED



	Start-up Project	Chevron Operator	WI %	100% Peak Production (MBOED)	Current Project Phase
2007	Tengiz Expansion	✓	50	300	Producing
	Bibiyana	✓	98	85	Producing
2008	Agbami	✓	68	250	Producing
	Blind Faith	✓	75	70	Producing
	NWS Train 5		17	95	Producing
	North Duri A-12	✓	100	35	Producing
	Moho-Bilondo		32	90	Producing
	Brodgar-Callanish		25 & 16	85	Producing
	ACG III		10	340	Producing
2009	Tombua-Landana	✓	31	100	Const
	Tahiti	✓	58	135	Const
	Frade	✓	52	90	Const
	S Natuna Sea - N Belut		25	50	Const
2010	Nigeria EGP3A	✓	40	110	Const
	Perdido		33-60	130	Const
	AOSP Expansion I		20	100	Const

# Major 2009 Projects Gulf of Mexico

## Tahiti

- First oil in 2Q 2009
- Hook-up and commissioning
- Maximum capacity – 125 MBOPD and 70 MMCFD
- All six producers completed
- Estimated 400-500 MMBOE recoverable





# Major 2009 Projects Brazil

## Frade

- FPSO sail away – January
- Commissioning activities ongoing
- First oil 2H 2009
- Peak production – 90 MBOED
- Estimated 200-300 MMBO recoverable





# Major 2009 Projects Angola

## Tombua-Landana

- Compliant piled tower and topsides installed
- Hook-up and commissioning
- First oil 2H 2009
- Peak production – 100 MBOPD
- Estimated 350 MMBOE recoverable



# Well-Positioned to Take Advantage of Lower Costs

Four projects > \$500 MM scheduled for FID in 2009

- Limits exposure to current market climate

Robust, diverse project portfolio

- Offers flexibility
- Manage project timing appropriately
- Give costs time to adjust

Moving to Final Investment Decision in 2009:

> \$1B

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- Agbami Stage 2
- Gorgon Trains 1-3

> \$500 MM

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- Chuandongbei Stage 2
- Escravos Gas Project Phase 3B – Stage 2

# Upstream Themes

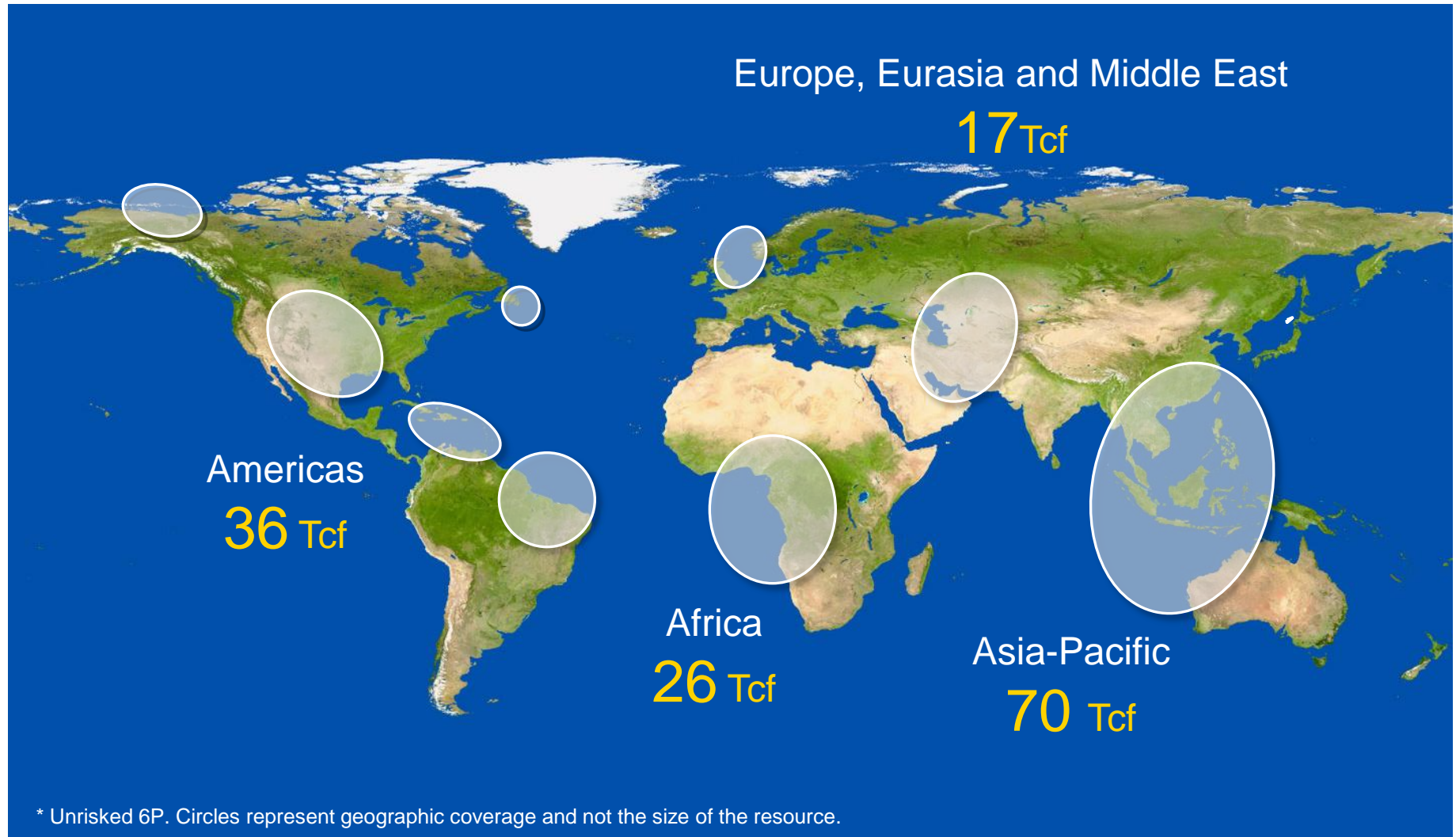
## Future Growth

- LNG
- Gulf of Mexico Lower Tertiary

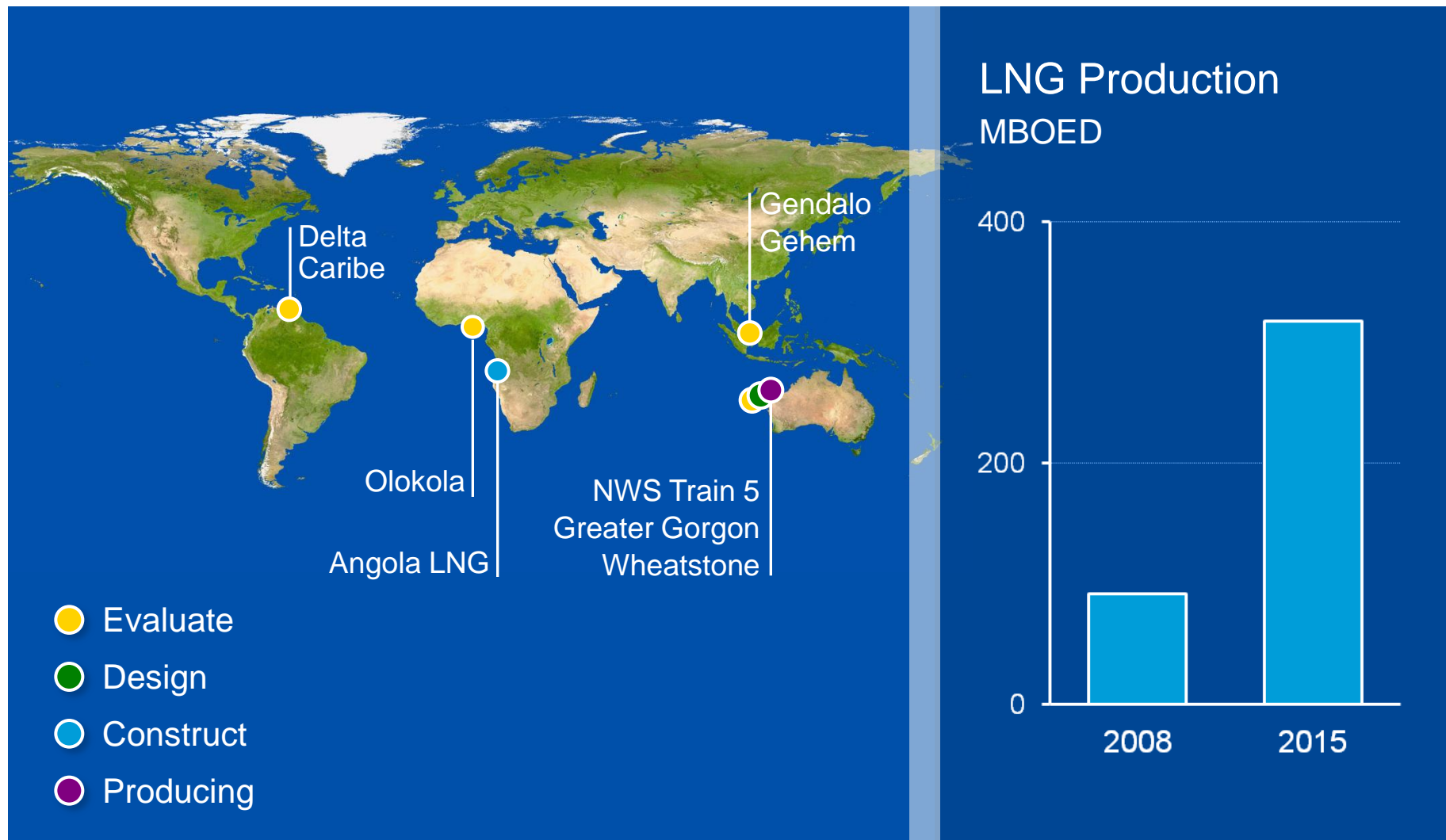




# Over 140 Trillion Cubic Feet of Equity Natural Gas Resources\*



# LNG is Key to Commercializing Equity Gas



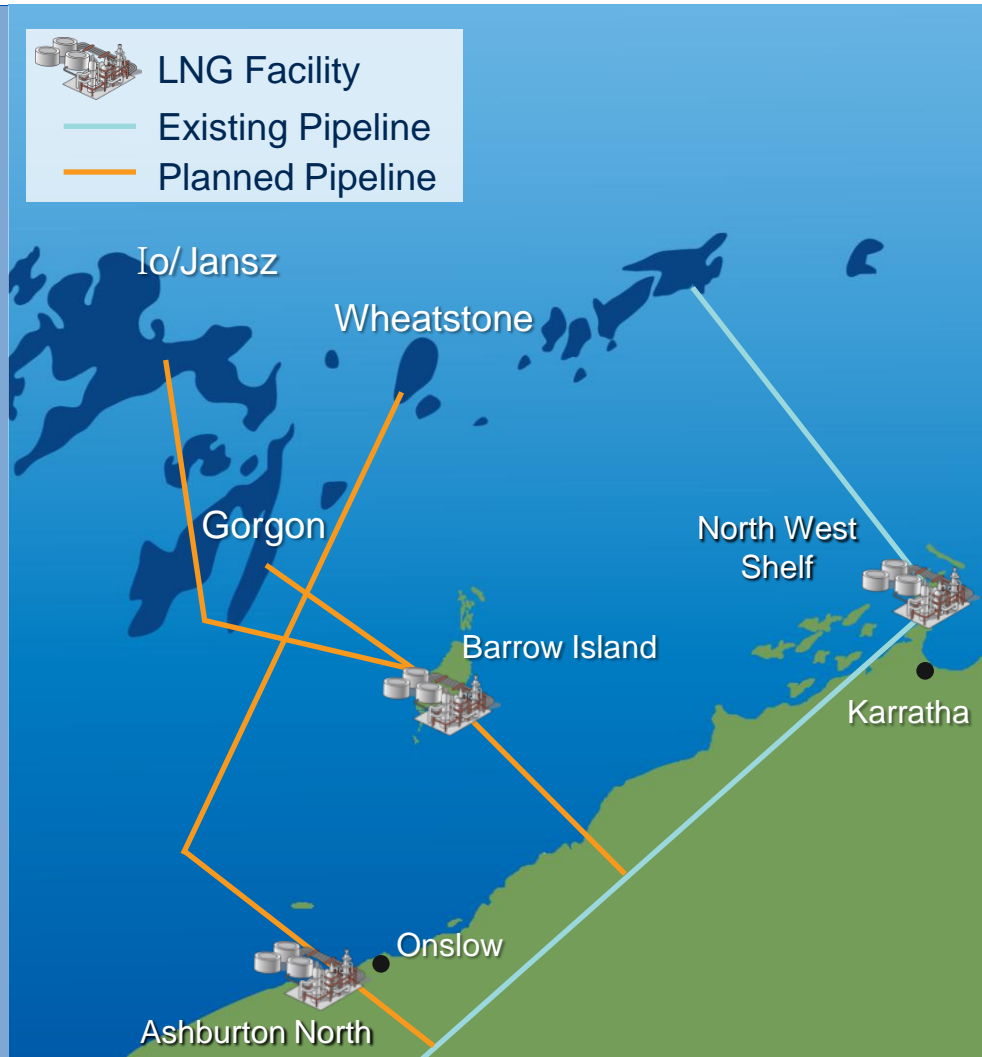
# Future Growth Australia LNG

## Gorgon

- Expect FID during 2009
- 3 Train LNG development

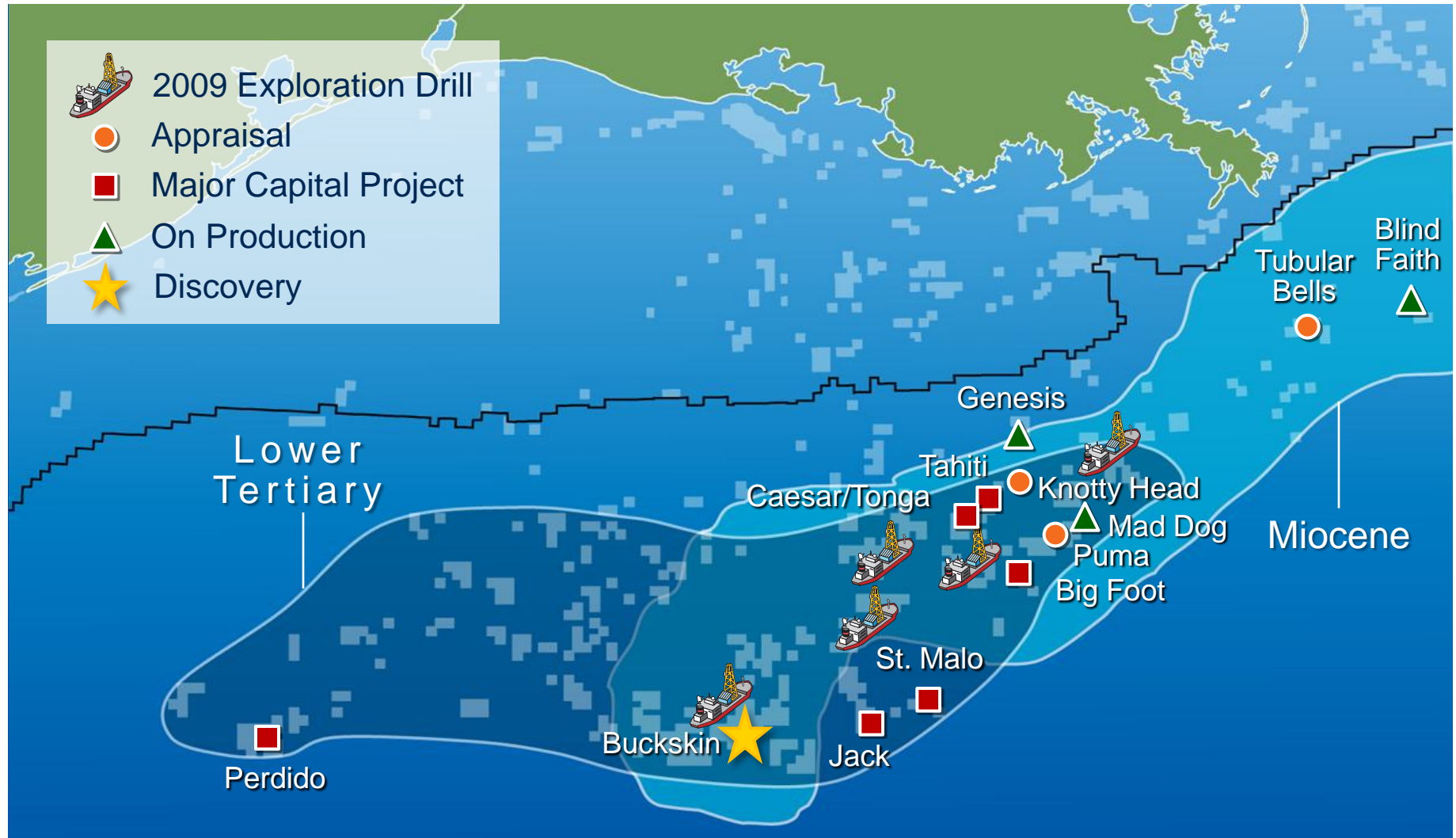
## Wheatstone

- Preferred onshore location selected
- Expect FEED during 2009
- 2 Train LNG development





# Leading Position in the Deepwater Gulf of Mexico



# 2008 Lower Tertiary Oil Discovery

## Buckskin

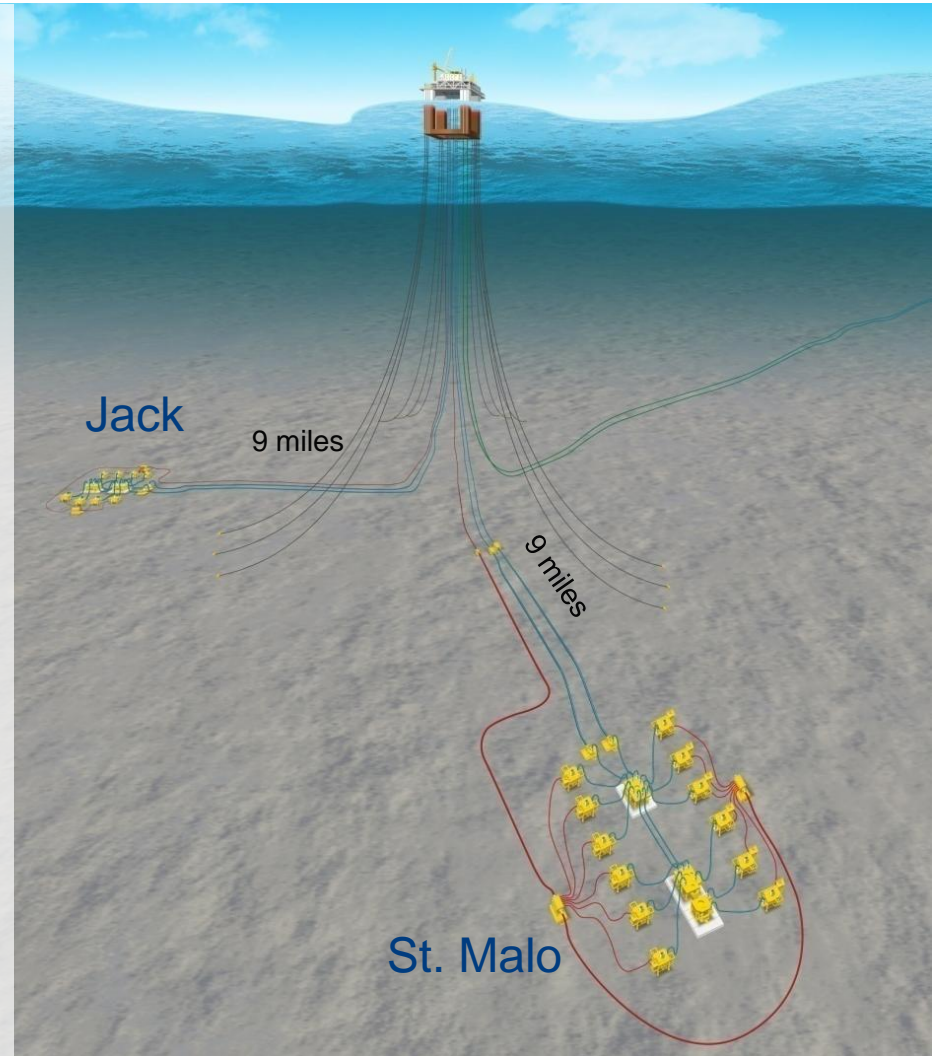
- Lower Tertiary continues to deliver success
- Impact-sized
- Potential anchor for future development
- Appraisal planned in 2009 - 2010



# Lower Tertiary Trend Next Major Development

## Jack/St. Malo

- Entering FEED in 1Q 2009
- Hub co-development in 7,000' water depth
- Facility production capacity – 120 - 150 MBOED





# Well-Positioned for Today and the Future

## Performance

- Industry Leading
- Year of execution
- RRR 146% in 2008

## Strategy

- Well-positioned for volatile market conditions
- Effective cost management
- Robust project queue
- Reduced base business investments

## Growth

- Continued exploration success
- Major capital project ramp-ups
- Significant progress on LNG projects