



Exploration

Bobby Ryan
Vice President
Global Exploration



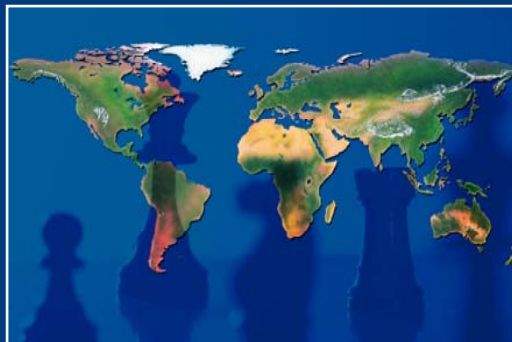
Profitable Growth



Effective Execution



Right Strategies





Exploration Delivered Again

- ✓ Five consecutive years of excellent performance
- ✓ Over one billion barrels of oil equivalent added in 2006, continuing the billion-barrel-per-year average
- ✓ Exploration success rate averaged 45% over the period, 38% in 2006



Right Strategies





Upstream Has the Right Strategies

Grow profitably
in core areas
and build
new legacy
positions



- Achieve world-class operational performance
- Maximize and grow the Base Business
- Lead the industry in selection and execution of Major Capital Projects
- **Achieve superior Exploration performance**
- Identify, capture and effectively incorporate new core positions

Achieving Superior Exploration Performance



- Technical excellence
- Focused and high-impact
- Risk-balanced global portfolio
- Benchmarked and competitive

Exploration Strategic Direction Focus and Impact

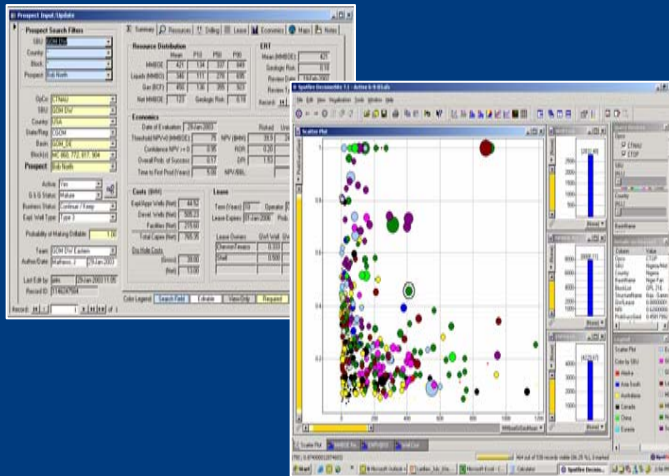




Effective Execution

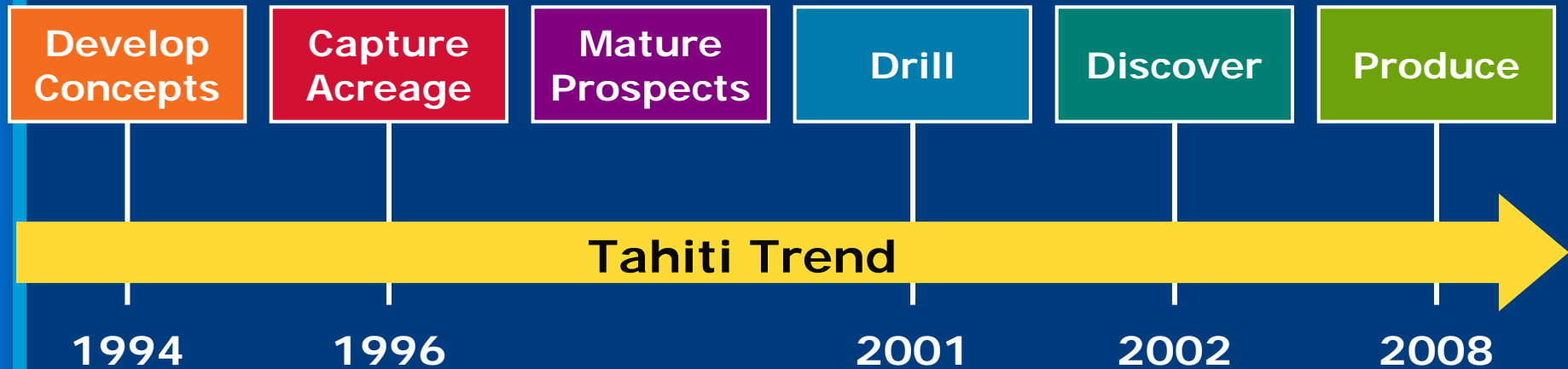


Disciplined Selection and Execution Improves Results



The Exploration Factory

A Competitive Advantage

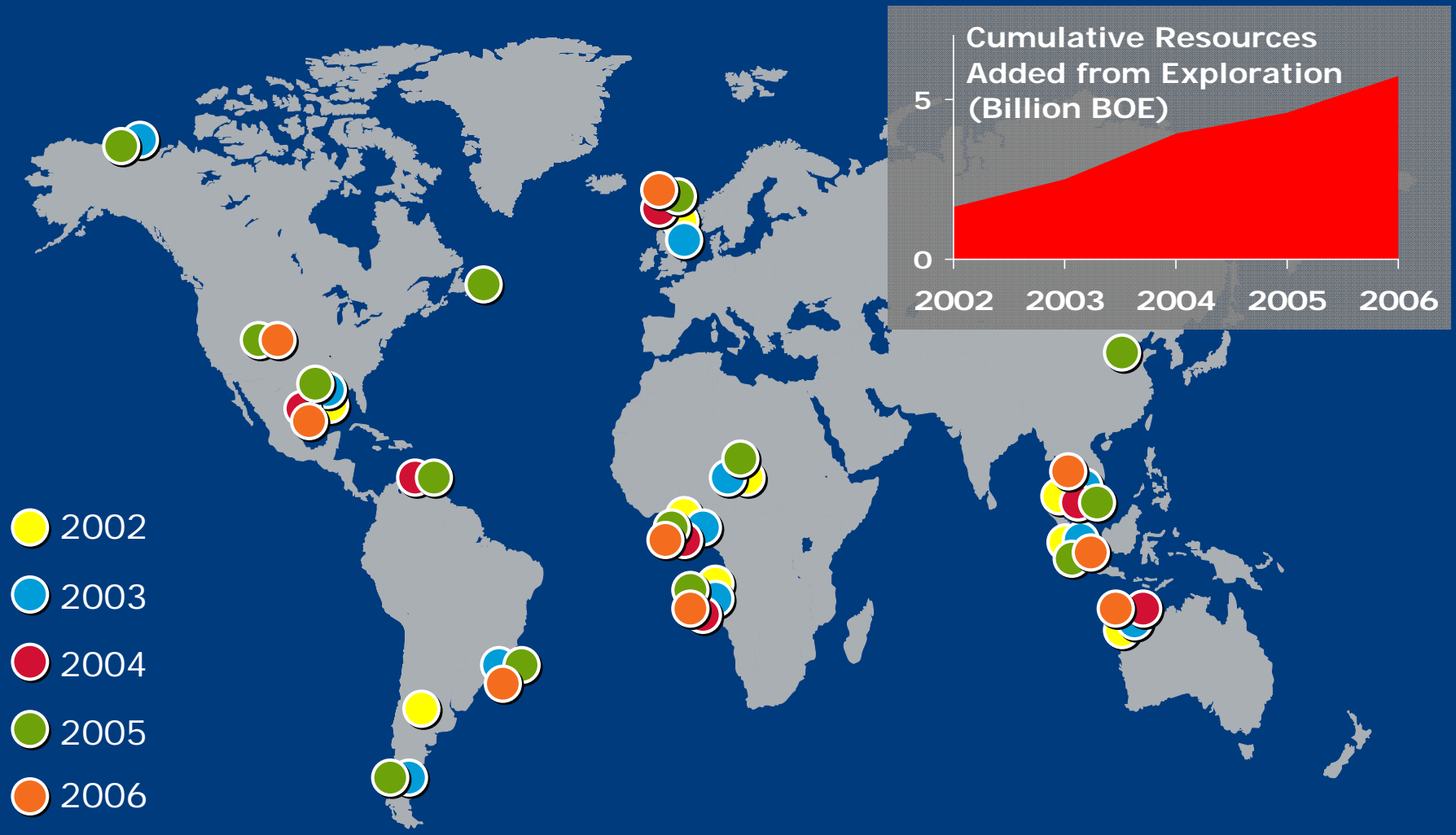


- Selection and execution critical in each phase
- Concepts developed years ago are delivering today, and today's concepts could deliver in 10 to 15 years



Consistent Exploration Success

Five-Year Average Success Rate is 45%





Project Queue Starts with Exploration

2002 – 2006 Exploration Success

Gulf of Mexico

- Tahiti
- St. Malo
- Jack
- Tubular Bells
- Big Foot
- Knotty Head
- Puma
- Great White
- Tobago
- Silvertip
- Tiger

West of Shetlands

- Rosebank/Lochnagar

Venezuela/ Trinidad & Tobago

- Loran/
Manatee

Nigeria

- Usan
- Nsiko
- Aparo
- Uge

Gulf of Thailand

- Block G4/43
- Block A

Angola/ Congo

- Lucapa
- Negage
- Lianza
- Moho-
Bilondo

Brazil

- BC-20

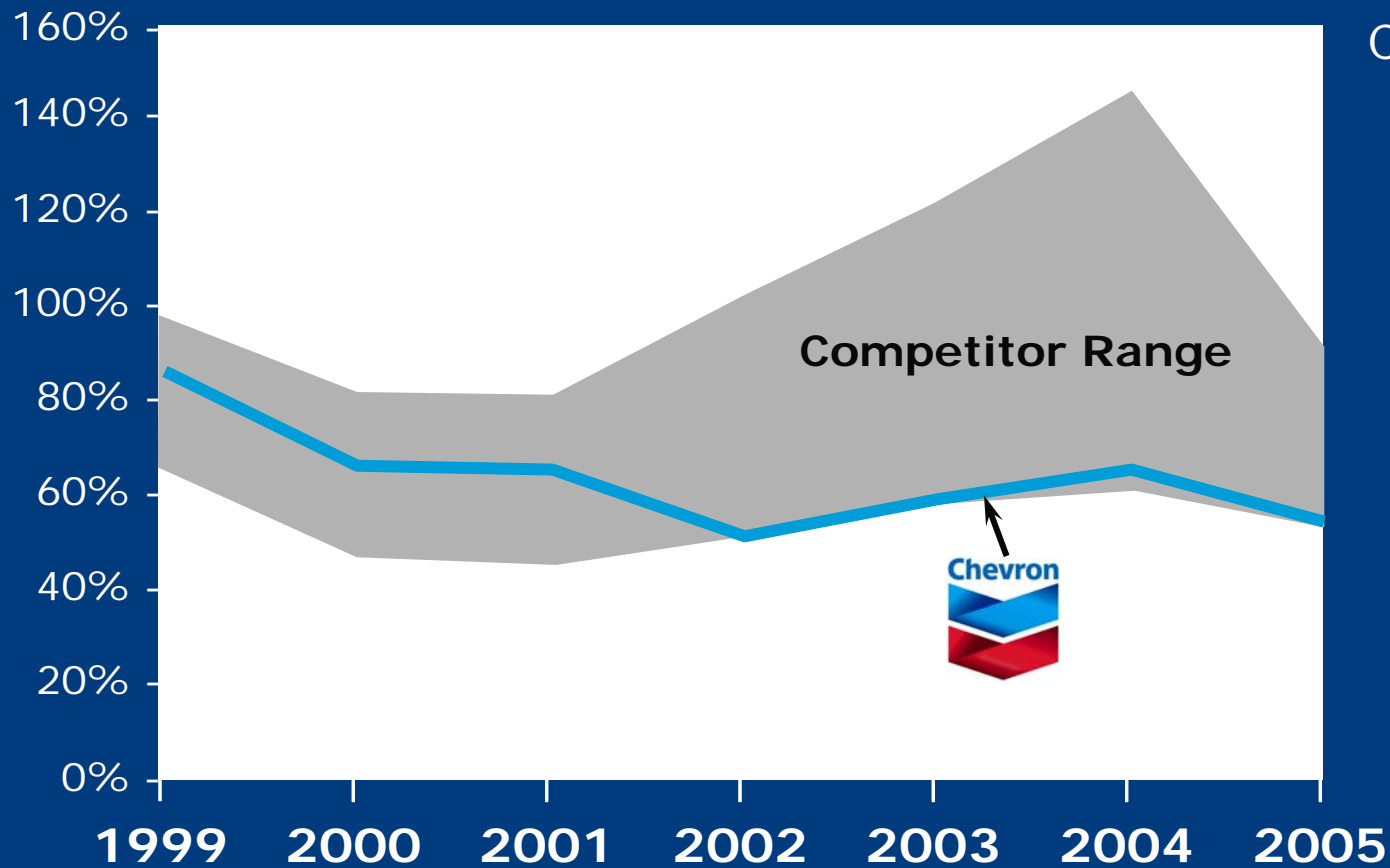
Australia

- Wheatstone
- Jansz
- Chandon
- Clio



Industry-Leading Capital Efficiency

Exploration Efficiency (Expense/C&E)



Competitors

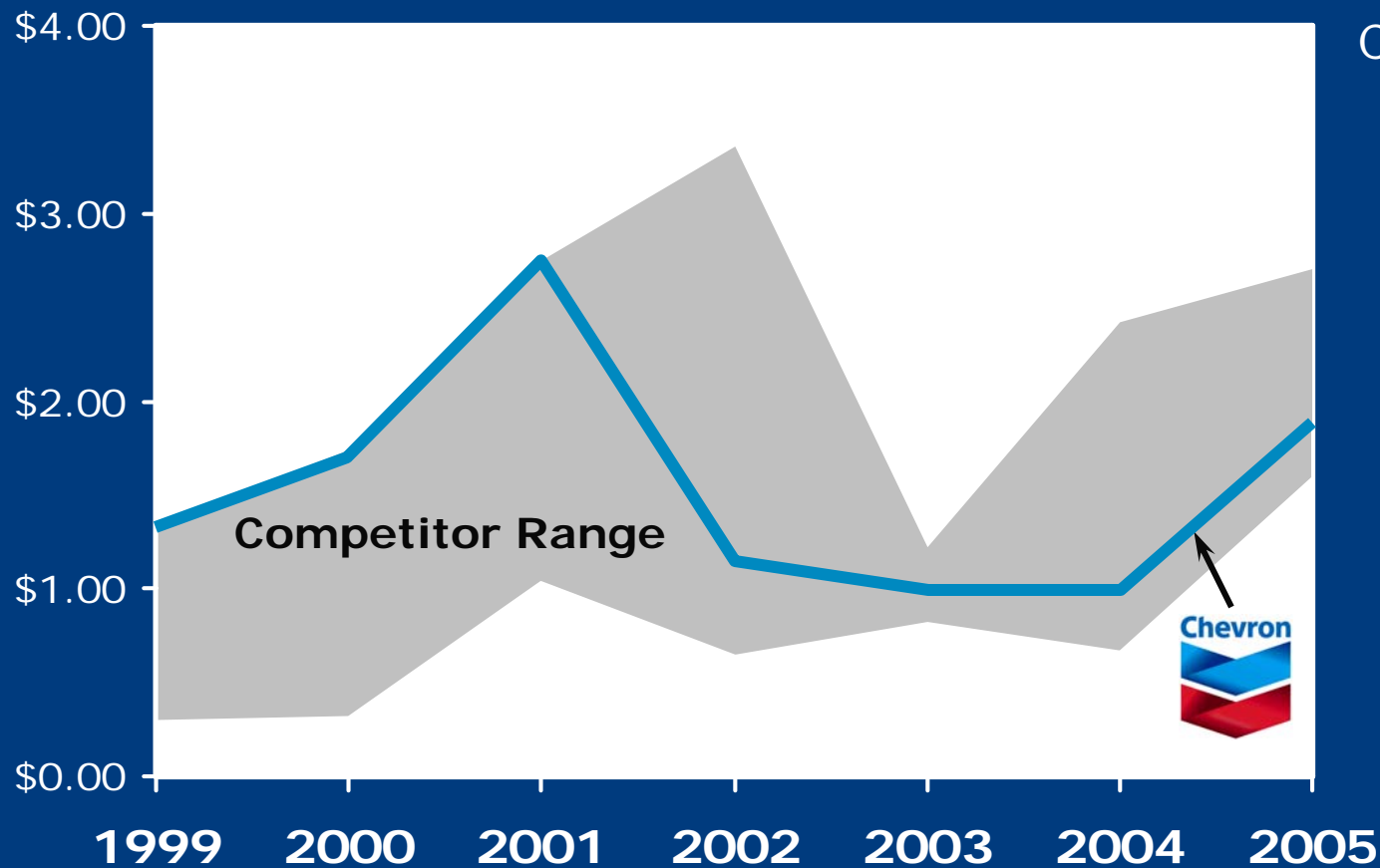
- XOM
- BP
- RDS
- COP



Exploration Finding Costs Are Among the Lowest



Underlying Finding Cost (\$/BOE)



Competitors

- XOM
- BP
- RDS
- COP

Profitable Growth

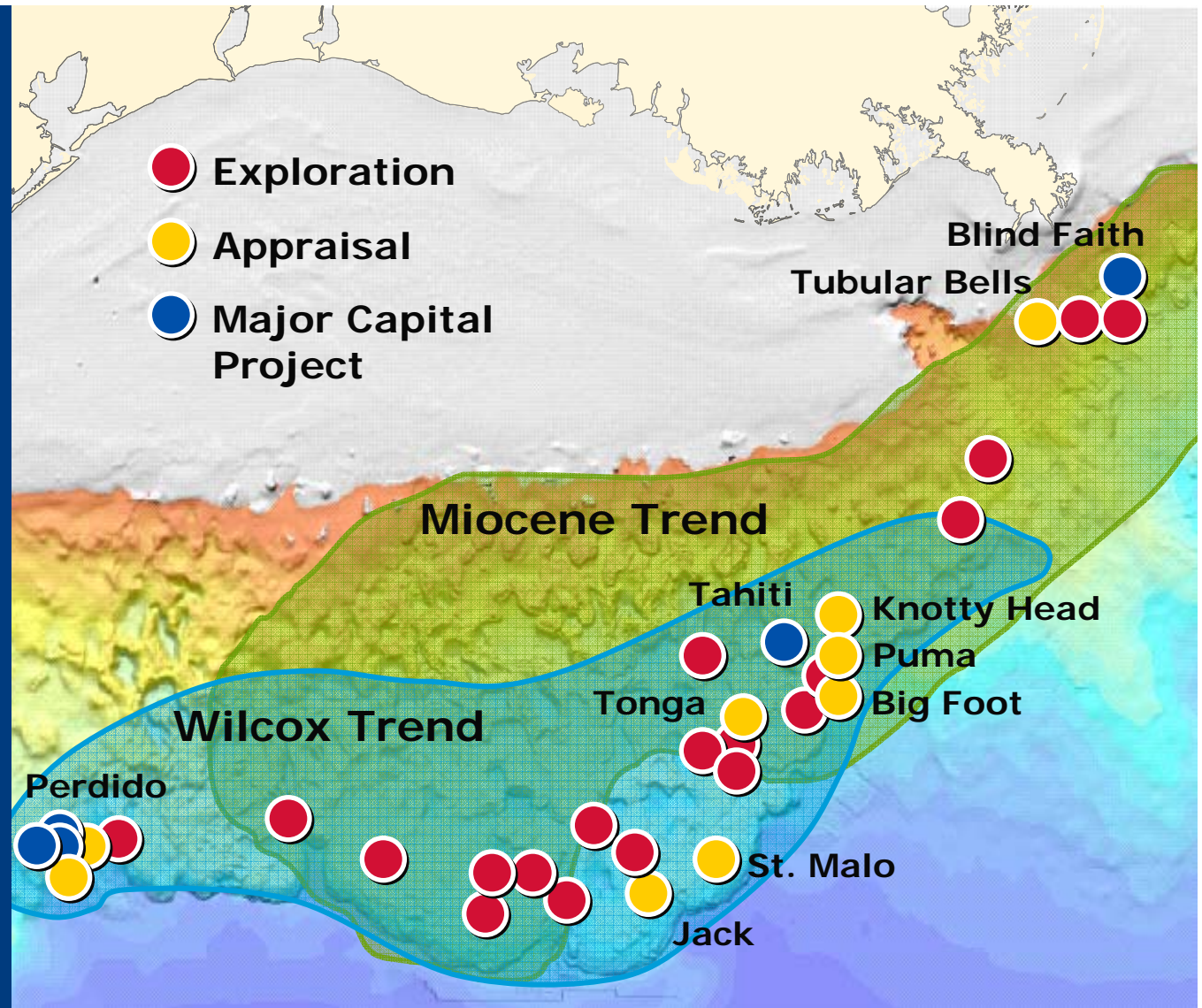


Leading Position in the Deepwater Gulf of Mexico



2006 – 2009
Activity

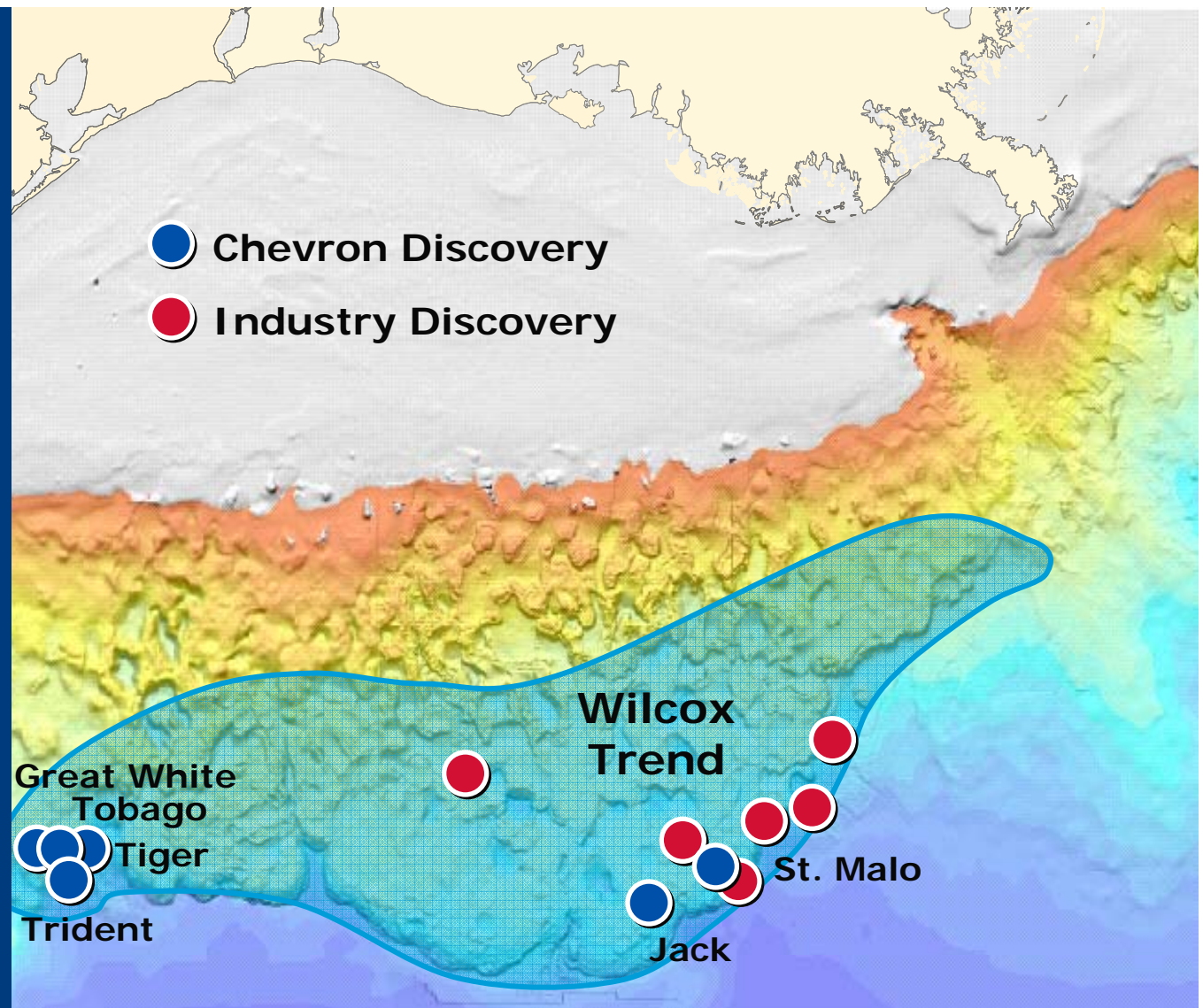
Appraising and
developing
discoveries
while building
new positions





Top Leaseholder in the Wilcox Trend

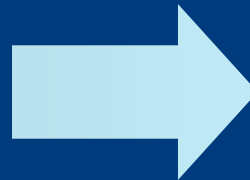
- Trend potential estimated to be 3-15 BBOE recoverable
- Chevron is the top lease holder with over 400 blocks
- Chevron has six discoveries to date with a success rate of 67%



Technology Drives Success in the Trend

Challenge

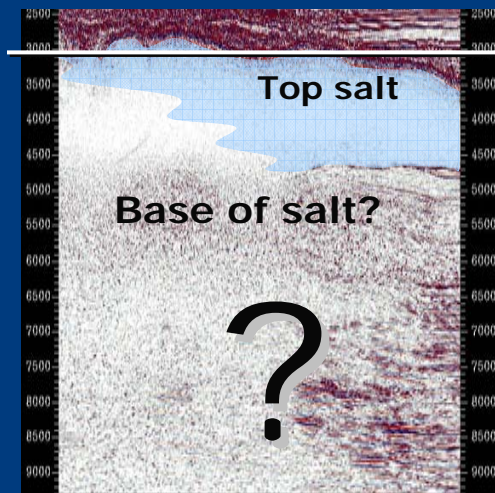
- Extensive Salt Canopy
- Structural Complexity
- Minimal Well Control



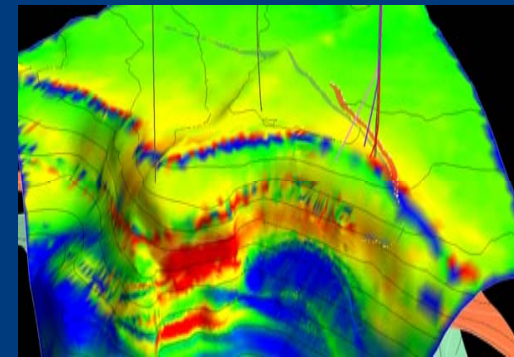
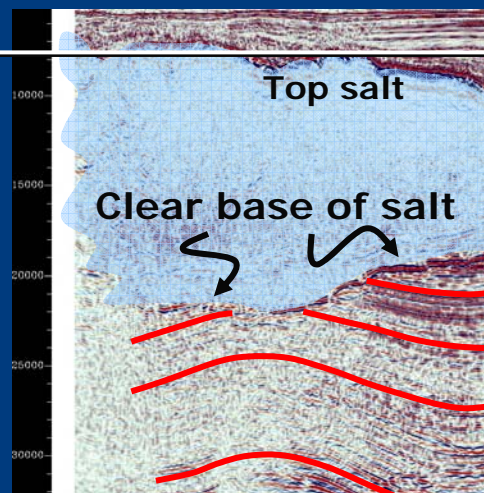
Integrating Technologies

- Seismic Imaging
- Regional Geology
- Drilling

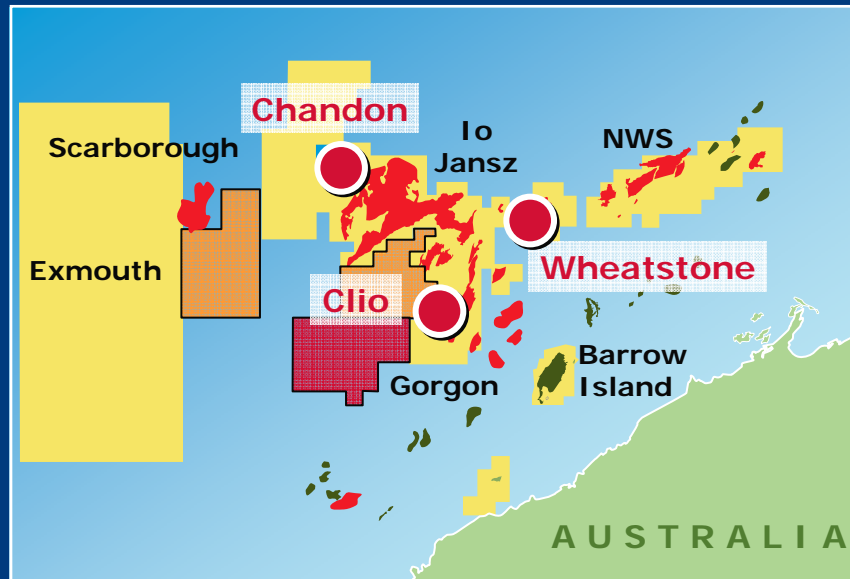
Before



After



Exploration Leader in Northwest Australia



Chandon

- Gas discovery that builds on the Greater Gorgon development area

Clio

- Over 620 ft of net gas pay, one of the top wells in Australia
- Additional upside potential

Wheatstone

- 2004 discovery tested at 54 MMCFPD
- Appraisal drilling in 2007

Success Continues in Deepwater West Africa



Angola

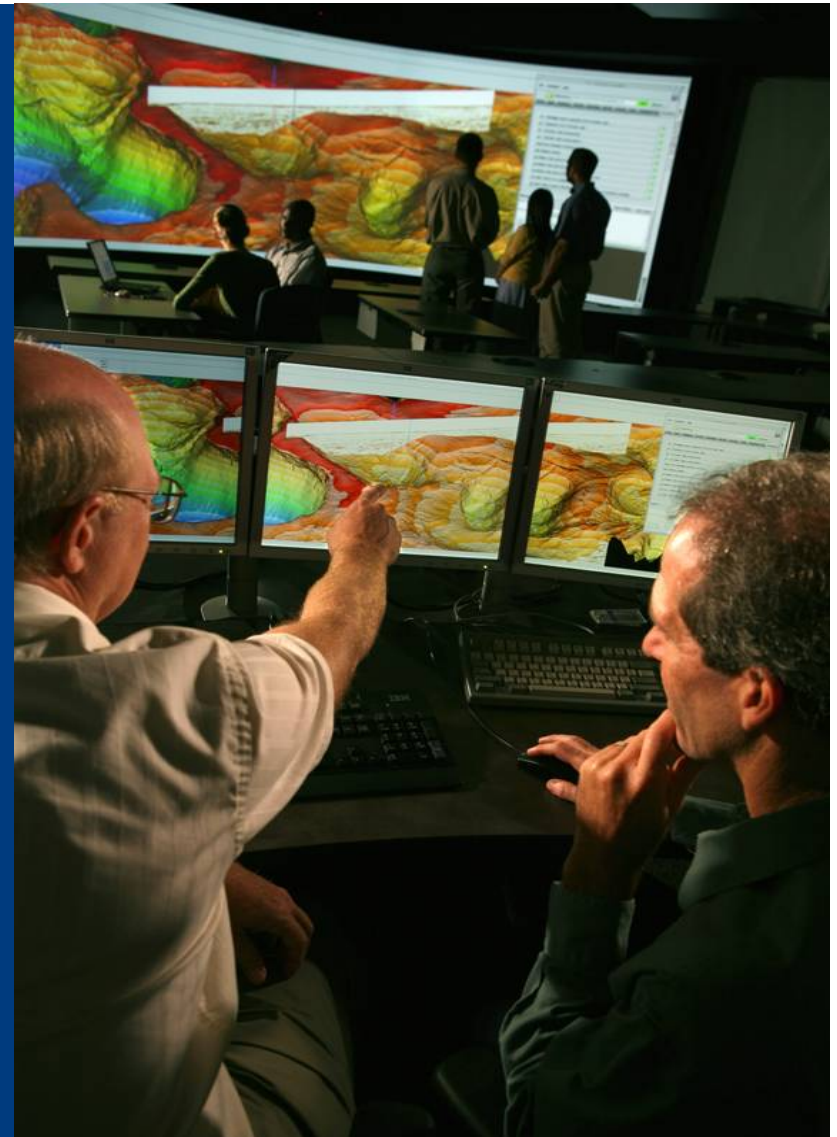
- Lucapa-1 discovery, the tenth one in Block 14, additional drilling planned
- Appraisal drilling in Blocks 1 & 2 for the Angola LNG project
- Exploration, appraisal and delineation successes in Block 0





Focus and Execution Are Key

- ✓ Five consecutive years of excellent exploration performance
- ✓ Consistent and efficient exploration delivery building a foundation for growth
- ✓ The appropriate technology integrated and applied
- ✓ A strong focus on the fundamentals
- ✓ Maintaining discipline in a high-priced environment



Executing the Strategy Continues

Key 2007 Activities

