



# Second Quarter 2006 Earnings Conference Call

**Dave O'Reilly**

Chairman and  
Chief Executive Officer

**Steve Crowe**

Vice President and  
Chief Financial Officer



July 28, 2006



# Cautionary Statement

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

*This presentation of Chevron Corporation 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 such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “projects,” “believes,” “seeks,” “schedules,” “estimates” 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, some of which are beyond our 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 report. 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 crude oil and natural gas prices; refining margins and marketing margins; chemicals prices and competitive conditions affecting supply and demand for aromatics, olefins and additives products; actions of competitors; the competitiveness of alternate energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; inability or failure of the company’s joint-venture partners to fund their share of operations and development activities; 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; potential disruption or interruption of the company’s net production or manufacturing facilities due to war, accidents, political events, civil unrest or severe weather; potential liability for remedial actions under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; potential liability resulting from pending or future litigation; the company’s acquisition or disposition of assets; government mandated sales, divestitures, recapitalizations or restrictions on scope of company operations; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading “Risk Factors” on pages 31 and 32 of the company’s 2005 Annual Report on Form 10-K. In addition, such statements could be affected by general domestic and international economic and political conditions. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements.*



# Financial Performance

<b>Earnings</b>	\$4.4 Billion
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<b>Earnings per Diluted Share</b>	\$1.97
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<b>ROCE</b>	24.1 %
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<b>Debt Ratio</b>	13.4 %
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<b>Capital &amp; Exploratory</b>	\$4.3 Billion
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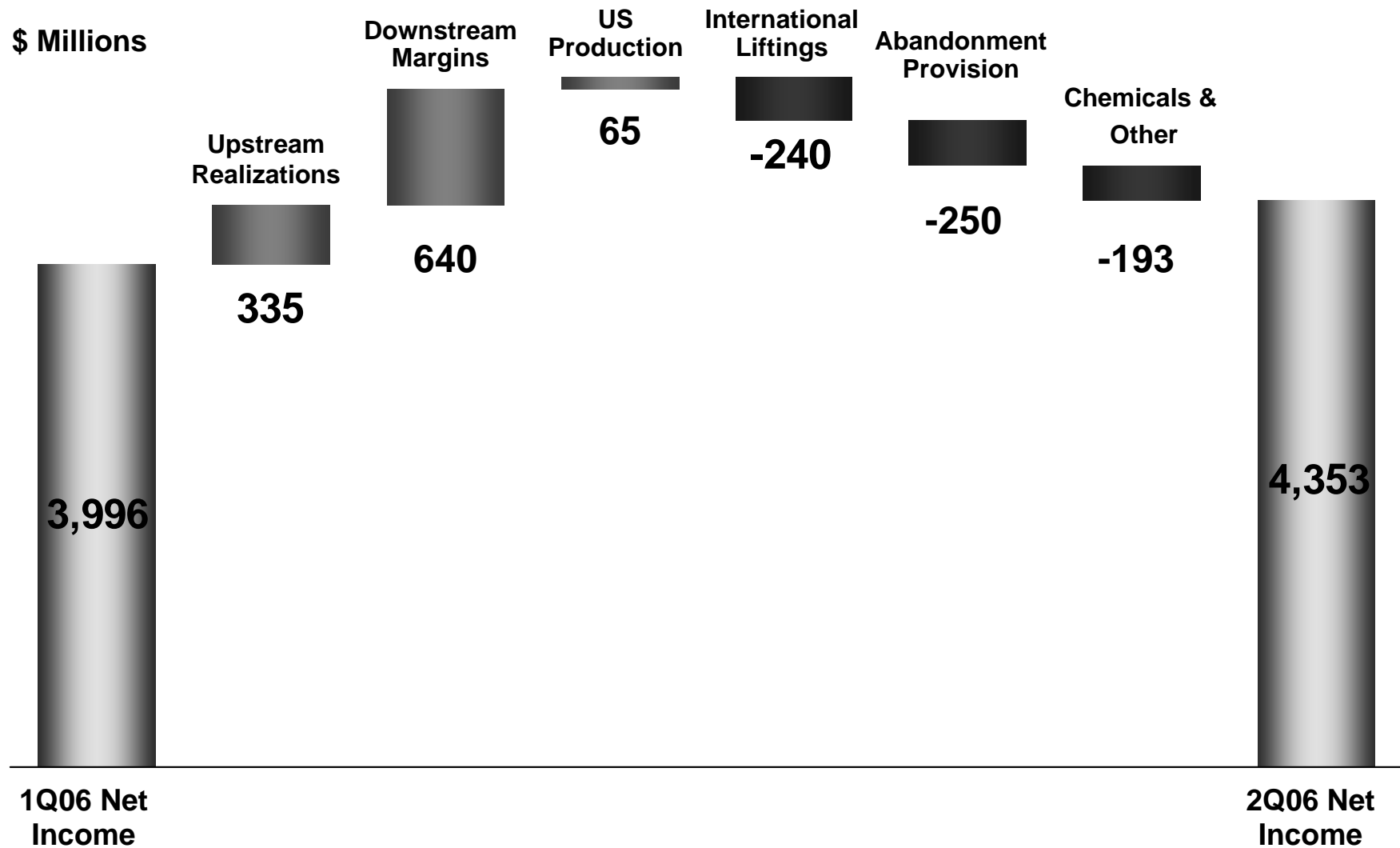
<b>2Q06 Share Repurchases</b>	\$1.3 Billion
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<b>YTD TSR</b>	21 %
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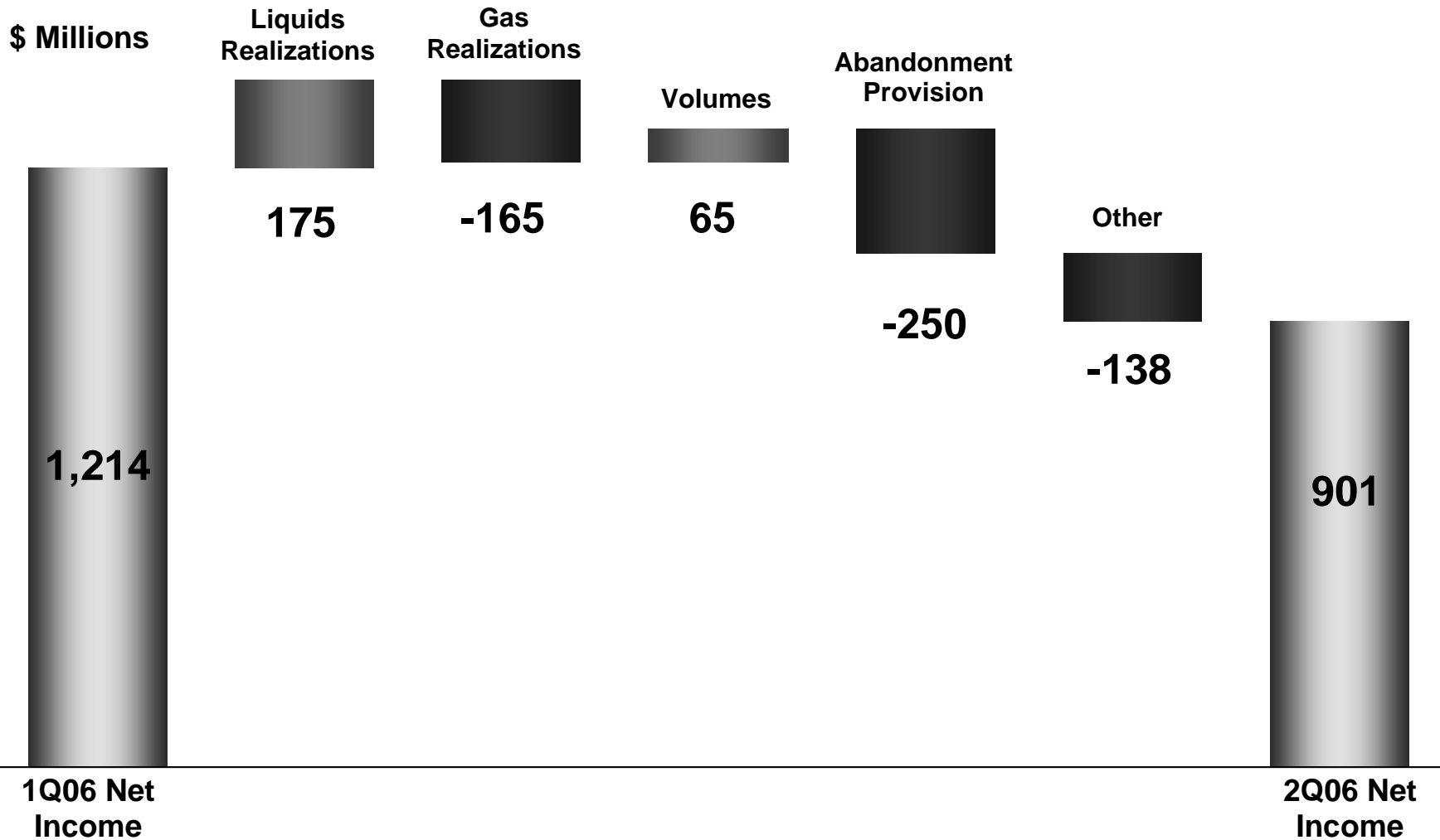


# Chevron Net Income Variance Analysis 2Q vs. 1Q



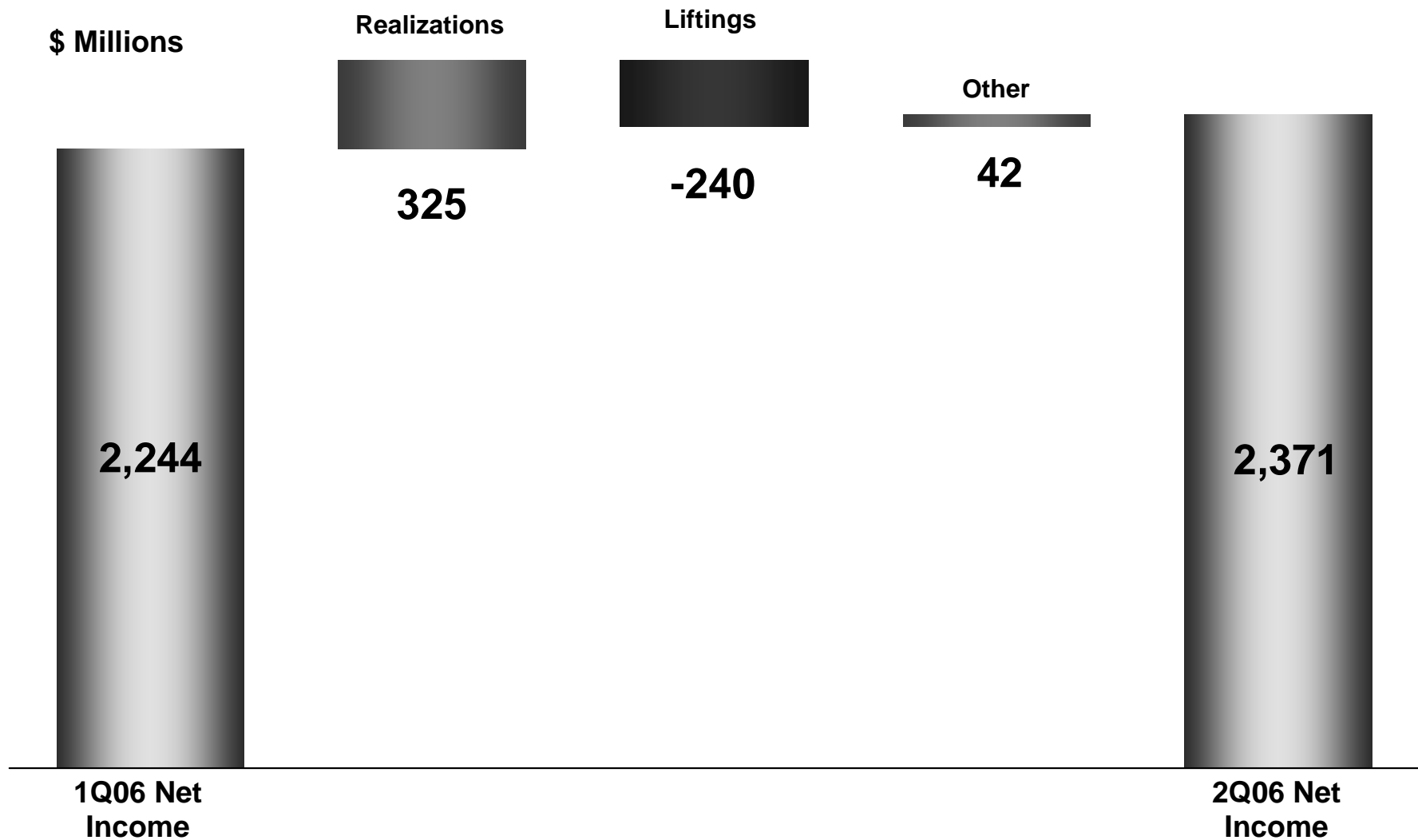


# U.S. Upstream Net Income Variance Analysis 2Q vs. 1Q



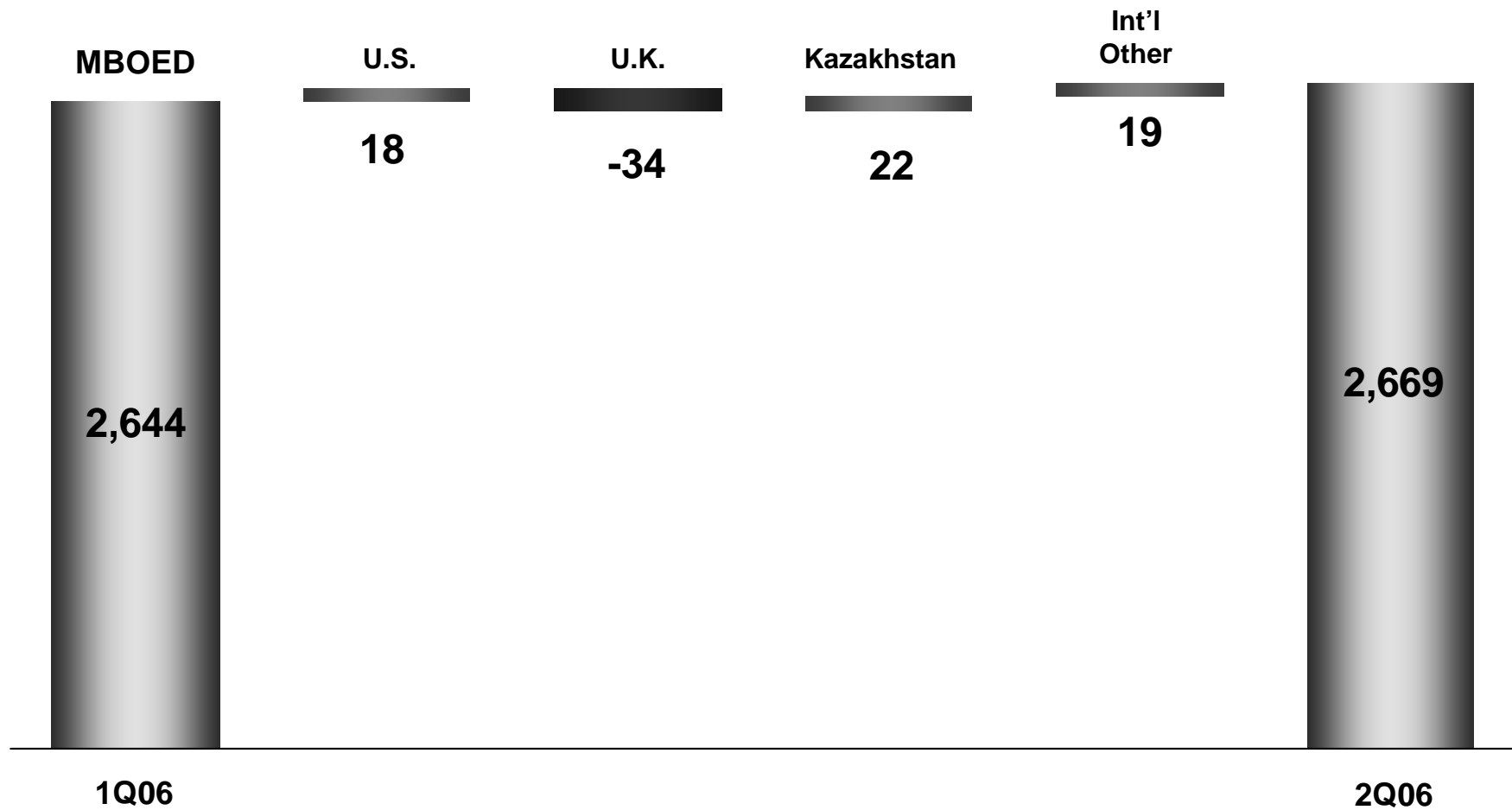


# International Upstream Net Income Variance Analysis 2Q vs. 1Q





# Worldwide Oil & Gas Production<sup>(1)</sup> Variance Analysis 2Q vs. 1Q



(1) Includes volumes produced from oil sands in Canada and production under an operating service agreement in Venezuela.

# 2006 Production Guidance

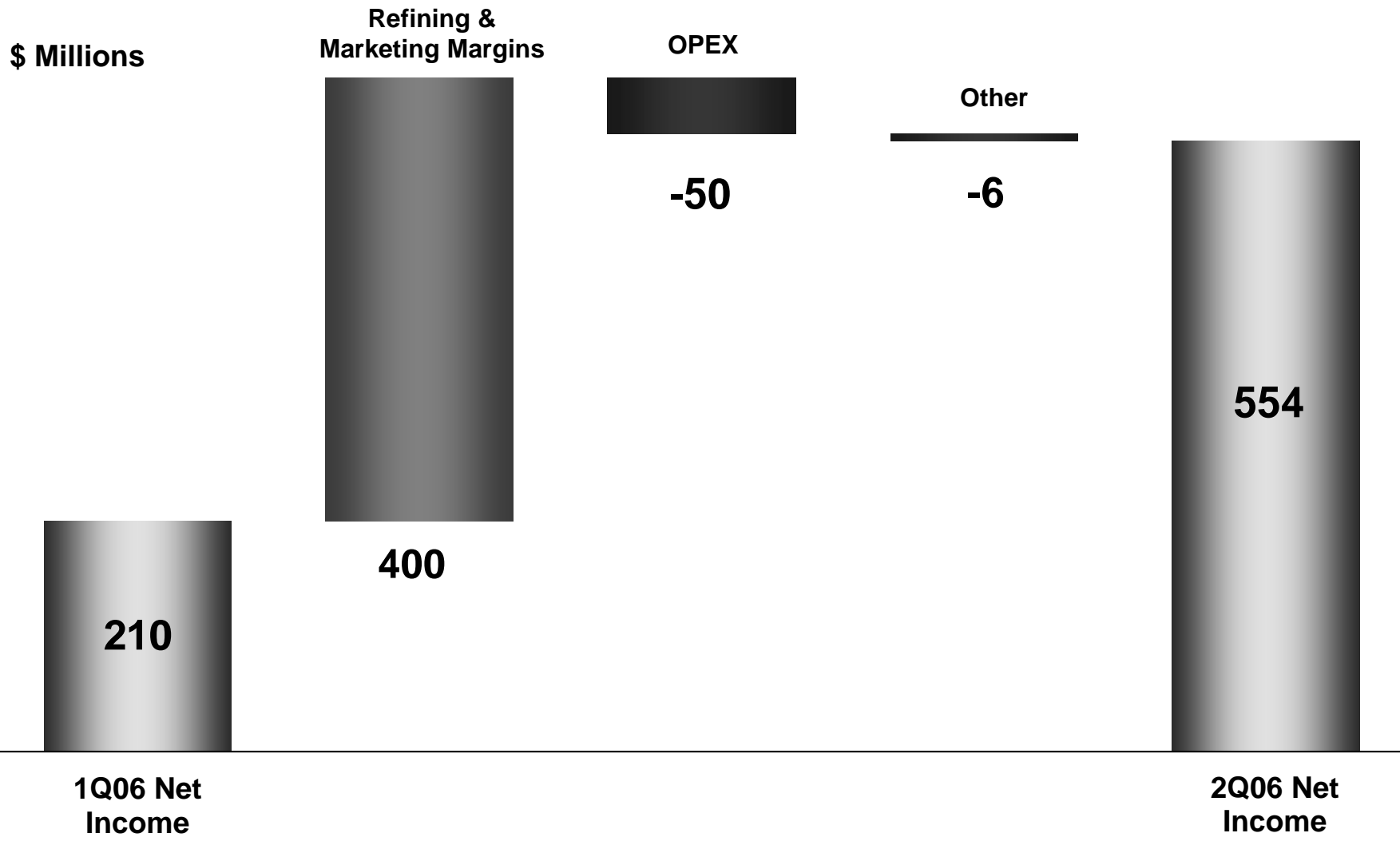
mmboed

		<b>Includes:</b>
<b>1H</b>	2.66	<ul style="list-style-type: none"> <li>▪ Operational downtime (approx. - 40 mbd)</li> <li>▪ PSC/Royalty effects (-25 mbd)</li> </ul>
<b>2H</b>	2.6 <u>±</u>	<ul style="list-style-type: none"> <li>▪ Conversion to Empresa Mixta (- 90 mbd)</li> <li>▪ PSC/Royalty effects (-25 mbd)</li> <li>▪ Increased production levels</li> </ul>

- > 3% CAGR production growth projection for 2005-2010 remains unchanged



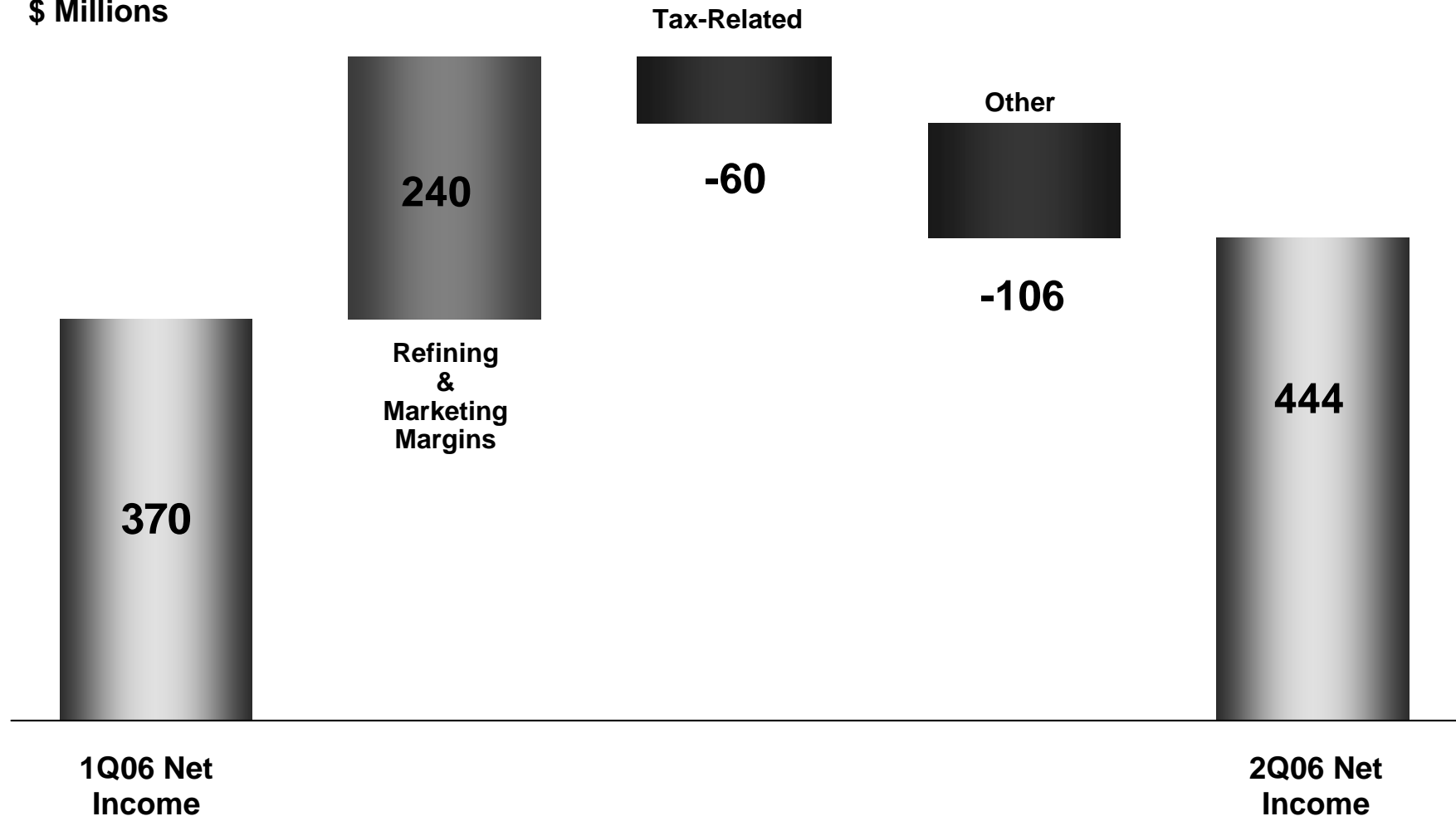
# U.S. Downstream Net Income Variance Analysis 2Q vs. 1Q





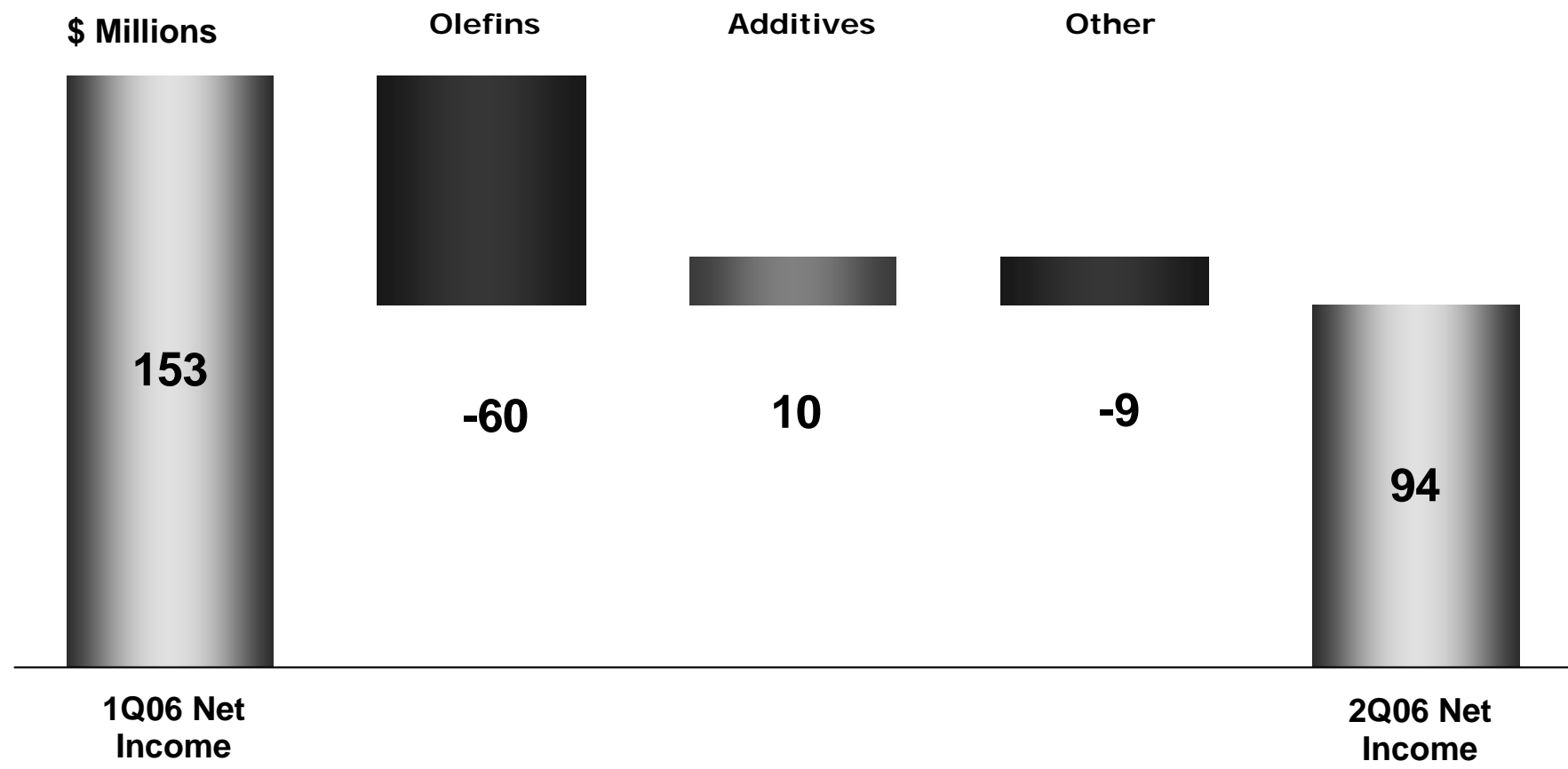
# International Downstream Net Income Variance Analysis 2Q vs. 1Q

\$ Millions





# Chemicals Net Income Variance Analysis 2Q vs. 1Q





# All Other Net Income Variance Analysis 2Q vs. 1Q

\$ Millions



<sup>(1)</sup> Includes Dynegy, mining operations of coal and other minerals, and power generation

# Strategic Progress

## Upstream

- **Angola** – Production of first crude oil from Lobito Field – part of Benguela, Belize, Lobito, Tomboco project
- **United Kingdom** – Production of first crude oil from Area C Project in Captain Field
- **Azerbaijan** – First shipment of crude oil through Baku-Tbilisi-Ceyhan pipeline
- **Brazil** – Commitment to develop Frade Field, Chevron's first development project in Brazil

# Strategic Progress

## Upstream

- **Nigeria** – Crude oil discovery in Oil Prospecting License 214
- **Australia** – Natural gas discovery at Chandon-1 in Greater Gorgon development area
- **Vietnam** – Signing of 30-year production-sharing contract with Vietnam Oil and Gas Corporation for Block 122

## Alternative Fuels

- Creation of biofuels business unit
- Completion of acquisition of 22% interest in Galveston Bay Biodiesel L.P.
- Technology partnership with Georgia Institute of Technology

# Questions & Answers

