



Human Energy™

# 2009 Supplement to the Annual Report







## Table of Contents

### Overview

- 1 2009 at a Glance
- 2 Financial Information

### Upstream

- 11 Highlights
- 14 United States
- 18 Africa
- 22 Asia
- 28 Other
- 35 Gas
- 36 Operating Data

### Downstream

- 45 Highlights
- 46 Refining
- 47 Marketing
- 48 Lubricants
- 48 Supply & Trading
- 49 Transportation
- 50 Operating Data

### Chemicals

- 56 Chevron Phillips Chemical Company LLC
- 57 Chevron Oronite Company

### Other Businesses

- 59 Technology
- 60 Power Generation
- 60 Chevron Energy Solutions
- 61 Mining

### Reference

- 62 Glossary of Energy and Financial Terms
- 64 Organizations

## 2009 at a Glance

### Accomplishments

#### Corporate

- › **Financial** - Achieved a total stockholder return that led the peer group for the previous three- and five-year periods.
- › **Dividends** - Increased the quarterly stock dividend by 4.6 percent, to \$0.68 per share - the 22nd consecutive year of higher annual dividend payouts.
- › **Capital and exploratory expenditures** - Invested \$22.2 billion in the company's businesses, including \$1.6 billion (Chevron share) of spending by affiliates. Announced 2010 projected outlays of \$21.6 billion, including \$1.6 billion of affiliate expenditures. Focus continues on exploration and production activities.
- › **Operating expenses** - Reduced operating expenses by \$3.9 billion from 2008.
- › **Safety** - Maintained a days-away-from-work rate that is among the best in the industry.

#### Upstream - Exploration and Production

- › **Exploration** - Achieved an exploration drilling success rate of 57 percent. Results included discoveries in the Carnarvon Basin offshore Western Australia, the Greater Vanza Longui Area offshore Angola and Buckskin in the deepwater Gulf of Mexico.
- › **Production** - Produced 2.70 million net oil-equivalent barrels per day, an increase of 7 percent.
- › **Oil and gas reserves** - Added proved reserves equal to 112 percent of oil-equivalent production for 2009.
- › **Major projects** - Continued progress on the company's development projects to deliver future production growth. Production start-ups included the Tahiti and Piceance Stage 2 projects in the United States, Tombua-Landana and Mafumeira Norte projects in Angola, Frade Field in Brazil, South Natuna Sea Block B in Indonesia and Wafra Field Large-Scale Steamflood Pilot Project in the Partitioned Zone between Saudi Arabia and Kuwait. Ramp-up of production was achieved at Blind Faith in the United States, Agbami in Nigeria and the Sour Gas Injection/Second Generation Plant Project at Tengizchevroil in Kazakhstan.
- › **Natural-gas projects** - Made final investment decision for the Gorgon Project; in 2009 and early 2010 signed binding sales agreements and nonbinding Heads of Agreements (HOA) for about 90 percent of the company's liquefied natural gas (LNG) offtake for the project. Moved the Wheatstone Project into front-end engineering and design, signed agreements with two companies to join the project as combined 25 percent LNG facility owners and suppliers for the first two LNG trains, and in late 2009 and early 2010 signed non-binding HOAs for LNG offtake representing about 60 percent of the total foundation capacity. Continued construction at the Angola LNG Project and the gas-to-liquids project in Escravos, Nigeria.

#### Downstream - Refining, Marketing and Transportation

- › **Refinery upgrades** - Completed modifications on the 50 percent-owned Singapore Refinery to meet regional specifications for clean diesel fuels. Progressed construction on projects to improve refinery flexibility and reliability at El Segundo, California; Pascagoula, Mississippi; and Yeosu, South Korea (50 percent-owned).
- › **Sale of nonstrategic assets** - Concluded the sales of businesses in Brazil, Haiti, Nigeria, Benin, Cameroon, Republic of the Congo, Côte d'Ivoire, Togo, Kenya, Uganda, India, Italy, Peru and Chile.

#### Chemicals

- › **Manufacturing facility expansion** - Completed construction of the Chevron Phillips Chemical Company (CPChem) Ryton PPS manufacturing facility in Borger, Texas. The Oronite subsidiary of Chevron began operations of the detergent expansion unit at the facility in Singapore.

### Corporate Strategies

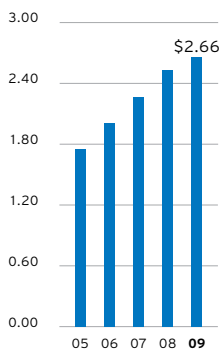
- › **Financial-return objective** - Create stockholder value and achieve sustained financial returns that will enable Chevron to outperform its competitors.
- › **Major business strategies** - Upstream - grow profitably in core areas, build new legacy positions and commercialize the company's equity natural-gas resource base while growing a high-impact global gas business. Downstream - improve returns and selectively grow, with a focus on integrated value creation. The company also continues to invest in renewable-energy technologies, with an objective of capturing profitable positions.
- › **Enabling strategies companywide** - Invest in people to achieve the company's strategies. Leverage technology to deliver superior performance and growth. Build organizational capability to deliver world-class performance in operational excellence, cost management, capital stewardship and profitable growth.

### Financial Highlights:

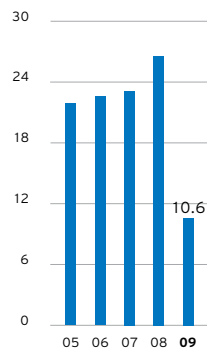
- › **Sales and other operating revenues**  
\$167 billion
- › **Net income attributable to Chevron Corporation**  
\$10.5 billion  
\$5.24 per share - diluted
- › **Return on capital employed**  
10.6%
- › **Return on stockholders' equity**  
11.7%
- › **Cash dividends**  
\$2.66 per share

## Financial Information

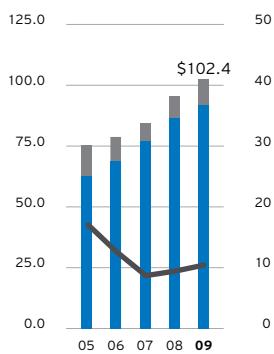
**Annual Cash Dividends**  
Dollars per share



**Return on Capital Employed**  
Percent



**Debt Ratio**  
Billions of dollars/Percent



■ Debt (left scale)  
■ Stockholders' Equity (left scale)  
■ Ratio (right scale)

### Financial Summary

Millions of dollars, except per-share amounts

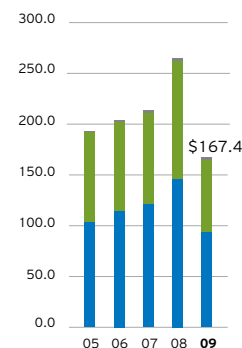
|   | 2009      | 2008      | 2007      | 2006      | 2005      |
|---|-----------|-----------|-----------|-----------|-----------|
| Net income attributable to Chevron Corporation          | \$ 10,483 | \$ 23,931 | \$ 18,688 | \$ 17,138 | \$ 14,099 |
| Sales and other operating revenues                      | 167,402   | 264,958   | 214,091   | 204,892   | 193,641   |
| Cash dividends - Common stock                           | 5,302     | 5,162     | 4,791     | 4,396     | 3,778     |
| Capital and exploratory expenditures                    | 22,237    | 22,775    | 20,026    | 16,611    | 11,063    |
| Cash provided by operating activities                   | 19,373    | 29,632    | 24,977    | 24,323    | 20,105    |
| At December 31: Working capital                         | 11,005    | 4,447     | 5,579     | 7,895     | 9,325     |
| Total assets  | 164,621   | 161,165   | 148,786   | 132,628   | 125,833   |
| Total debt and capital lease obligations                | 10,514    | 8,901     | 7,232     | 9,838     | 12,870    |
| Chevron Corporation stockholders' equity                | 91,914    | 86,648    | 77,088    | 68,935    | 62,676    |
| Common shares outstanding (Millions)                    | 1,993.6   | 1,990.1   | 2,076.3   | 2,150.4   | 2,218.5   |
| <b>Per-share data</b>                                   |           |           |           |           |           |
| Net income attributable to Chevron Corporation          | \$ 5.26   | \$ 11.74  | \$ 8.83   | \$ 7.84   | \$ 6.58   |
| - Basic   | 5.26      | 11.67     | 8.77      | 7.80      | 6.54      |
| - Diluted   | 5.24      | 11.67     | 8.77      | 7.80      | 6.54      |
| Cash dividends  | 2.66      | 2.53      | 2.26      | 2.01      | 1.75      |
| Chevron Corporation stockholders' equity at December 31 | 46.11     | 43.54     | 37.13     | 32.06     | 28.25     |
| Market price at December 31                             | 76.99     | 73.97     | 93.33     | 73.53     | 56.77     |
| - High  | 79.82     | 104.63    | 95.50     | 76.20     | 65.98     |
| - Low   | 56.12     | 55.50     | 64.99     | 53.76     | 49.81     |
| <b>Financial ratios*</b>                                |           |           |           |           |           |
| Current ratio   | 1.4       | 1.1       | 1.2       | 1.3       | 1.4       |
| Interest coverage                                       | 62.3      | 166.9     | 69.2      | 53.5      | 47.5      |
| Debt ratio  | 10.3%     | 9.3 %     | 8.6%      | 12.5%     | 17.0%     |
| Return on stockholders' equity                          | 11.7%     | 29.2 %    | 25.6%     | 26.0%     | 26.1%     |
| Return on capital employed                              | 10.6%     | 26.6 %    | 23.1%     | 22.6%     | 21.9%     |
| Return on total assets                                  | 6.4%      | 15.4 %    | 13.3%     | 13.2%     | 12.9%     |
| Cash dividends/net income (payout ratio)                | 50.6%     | 21.6 %    | 25.6%     | 25.7%     | 26.8%     |
| Cash dividends/cash from operations                     | 27.4%     | 17.4 %    | 19.2%     | 18.1%     | 18.8%     |
| Total stockholder return                                | 8.1%      | (18.4)%   | 30.5%     | 33.8%     | 11.3%     |

\* Refer to page 63 for Financial ratio definitions.

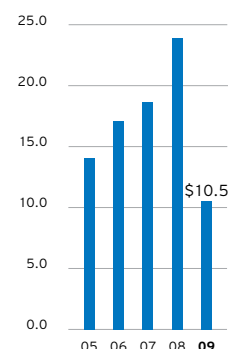


## Consolidated Statement of Income

| Millions of dollars   | Year ended December 31 |                  |                  |                  |                  |
|---|------------------------|------------------|------------------|------------------|------------------|
|   | 2009                   | 2008             | 2007             | 2006             | 2005             |
| <b>Revenues and Other Income</b>  |                        |                  |                  |                  |                  |
| <b>Sales and Other Operating Revenues<sup>1,2</sup></b>   |                        |                  |                  |                  |                  |
| Gasolines   | \$ 37,336              | \$ 53,254        | \$ 47,074        | \$ 42,639        | \$ 39,491        |
| Jet fuel  | 11,912                 | 23,056           | 16,333           | 15,577           | 13,606           |
| Gas oils and kerosene   | 23,311                 | 40,940           | 32,170           | 31,647           | 27,572           |
| Residual fuel oils  | 5,642                  | 9,937            | 7,348            | 7,086            | 6,681            |
| Other refined products  | 5,241                  | 6,407            | 5,886            | 5,723            | 4,726            |
| <b>Total Refined Products</b>   | <b>83,442</b>          | <b>133,594</b>   | <b>108,811</b>   | <b>102,672</b>   | <b>92,076</b>    |
| Crude oil and condensate  | 53,488                 | 78,600           | 61,542           | 61,842           | 66,552           |
| Natural gas   | 15,007                 | 31,814           | 24,437           | 22,515           | 18,248           |
| Natural gas liquids   | 3,130                  | 5,517            | 4,483            | 3,488            | 3,211            |
| Other petroleum revenues  | 2,123                  | 3,116            | 2,460            | 2,862            | 3,145            |
| Excise taxes  | 7,941                  | 9,700            | 9,959            | 9,486            | 8,705            |
| <b>Total Upstream and Downstream</b>  | <b>165,131</b>         | <b>262,341</b>   | <b>211,692</b>   | <b>202,865</b>   | <b>191,937</b>   |
| Chemicals   | 1,567                  | 1,750            | 1,582            | 1,395            | 1,117            |
| All Other   | 704                    | 867              | 817              | 632              | 587              |
| <b>Total Sales and Other Operating Revenues</b>   | <b>167,402</b>         | <b>264,958</b>   | <b>214,091</b>   | <b>204,892</b>   | <b>193,641</b>   |
| Income from equity affiliates   | 3,316                  | 5,366            | 4,144            | 4,255            | 3,731            |
| Other income  | 918                    | 2,681            | 2,669            | 971              | 828              |
| <b>Total Revenues and Other Income</b>  | <b>171,636</b>         | <b>273,005</b>   | <b>220,904</b>   | <b>210,118</b>   | <b>198,200</b>   |
| <b>Costs and Other Deductions</b>   |                        |                  |                  |                  |                  |
| Purchased crude oil and products <sup>2</sup>   | 99,653                 | 171,397          | 133,309          | 128,151          | 127,968          |
| Operating expenses  | 17,857                 | 20,795           | 16,932           | 14,624           | 12,191           |
| Selling, general and administrative expenses  | 4,527                  | 5,756            | 5,926            | 5,093            | 4,828            |
| Exploration expenses  | 1,342                  | 1,169            | 1,323            | 1,364            | 743              |
| Depreciation, depletion and amortization <sup>3</sup>   | 12,110                 | 9,528            | 8,708            | 7,506            | 5,913            |
| Taxes other than on income <sup>1</sup>   | 17,591                 | 21,303           | 22,266           | 20,883           | 20,782           |
| Interest and debt expense   | 28                     | -                | 166              | 451              | 482              |
| <b>Total Costs and Other Deductions</b>   | <b>153,108</b>         | <b>229,948</b>   | <b>188,630</b>   | <b>178,072</b>   | <b>172,907</b>   |
| <b>Income Before Income Tax Expense</b>   | <b>18,528</b>          | <b>43,057</b>    | <b>32,274</b>    | <b>32,046</b>    | <b>25,293</b>    |
| Income tax expense  | 7,965                  | 19,026           | 13,479           | 14,838           | 11,098           |
| <b>Net Income</b>   | <b>10,563</b>          | <b>24,031</b>    | <b>18,795</b>    | <b>17,208</b>    | <b>14,195</b>    |
| Less: Net income attributable to noncontrolling interests   | 80                     | 100              | 107              | 70               | 96               |
| <b>Net Income Attributable to Chevron Corporation</b>   | <b>\$ 10,483</b>       | <b>\$ 23,931</b> | <b>\$ 18,688</b> | <b>\$ 17,138</b> | <b>\$ 14,099</b> |
| <sup>1</sup> Includes excise, value-added and similar taxes:  | \$ 8,109               | \$ 9,846         | \$ 10,121        | \$ 9,551         | \$ 8,719         |
| <sup>2</sup> Includes amounts for buy/sell contracts; associated costs are in "Purchased crude oil and products": | \$ -                   | \$ -             | \$ -             | \$ 6,725         | \$ 23,822        |
| <sup>3</sup> Includes asset impairment charges:   | \$ 542                 | \$ 351           | \$ 415           | \$ 44            | \$ 25            |

Sales & Other Operating Revenues  
Billions of dollars

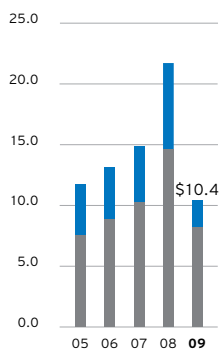
■ Chemicals & Other  
■ Crude Oil & Condensate, Natural Gas, & Natural Gas Liquids  
■ Petroleum Products  
■ Other

Net Income Attributable to Chevron Corporation  
Billions of dollars

## Financial Information

### Worldwide Upstream Earnings

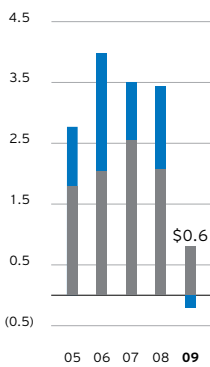
Billions of dollars



■ United States  
■ International

### Worldwide Downstream Earnings

Billions of dollars



■ United States  
■ International

### Consolidated Statement of Comprehensive Income

| Millions of dollars   | Year ended December 31 |                  |                  |                  |                  |
|---|------------------------|------------------|------------------|------------------|------------------|
|   | 2009                   | 2008             | 2007             | 2006             | 2005             |
| Net income  | \$ 10,563              | \$ 24,031        | \$ 18,795        | \$ 17,208        | \$ 14,195        |
| Currency translation adjustment                                 | 60                     | (112)            | 31               | 55               | (5)              |
| Net unrealized holding gain (loss) on securities                | 2                      | (6)              | 19               | (88)             | (32)             |
| Net derivatives (loss) gain on hedge transactions               | (60)                   | 110              | (6)              | 67               | (131)            |
| Defined benefit plan activity - (loss) gain                     | (399)                  | (1,901)          | 685              | (38)             | 58               |
| Other comprehensive (loss) gain, net of tax                     | (397)                  | (1,909)          | 729              | (4)              | (110)            |
| <b>Comprehensive Income</b>                                     | <b>\$ 10,166</b>       | <b>\$ 22,122</b> | <b>\$ 19,524</b> | <b>\$ 17,204</b> | <b>\$ 14,085</b> |
| Comprehensive income attributable to noncontrolling interests   | (80)                   | (100)            | (107)            | (70)             | (96)             |
| <b>Comprehensive Income Attributable to Chevron Corporation</b> | <b>\$ 10,086</b>       | <b>\$ 22,022</b> | <b>\$ 19,417</b> | <b>\$ 17,134</b> | <b>\$ 13,989</b> |

### Retained Earnings

Millions of dollars

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Balance at January 1   | \$101,102        | \$ 82,329        | \$ 68,464        | \$ 55,738        | \$ 45,414        |
| Net income attributable to Chevron Corporation   | 10,483           | 23,931           | 18,688           | 17,138           | 14,099           |
| Cash dividends   | (5,302)          | (5,162)          | (4,791)          | (4,396)          | (3,778)          |
| Adoption of new accounting standard for stripping costs in the mining industry             | -                | -                | -                | (19)             | -                |
| Adoption of new accounting standard for uncertain income tax positions                     | -                | -                | (35)             | -                | -                |
| Tax benefit from dividends paid on unallocated ESOP (employee stock ownership plan) shares | 6                | 4                | 3                | 3                | 3                |
| <b>Retained Earnings at December 31</b>  | <b>\$106,289</b> | <b>\$101,102</b> | <b>\$ 82,329</b> | <b>\$ 68,464</b> | <b>\$ 55,738</b> |

### Income Attributable to Chevron Corporation by Major Operating Area

| Millions of dollars                       |                 | Year ended December 31 |                  |                  |                  |                  |
|---|-----------------|------------------------|------------------|------------------|------------------|------------------|
|   |                 | 2009                   | 2008             | 2007             | 2006             | 2005             |
| Upstream                                  | - United States | \$ 2,216               | \$ 7,126         | \$ 4,532         | \$ 4,270         | \$ 4,168         |
|   | - International | 8,215                  | 14,584           | 10,284           | 8,872            | 7,556            |
|   | - Total         | 10,431                 | 21,710           | 14,816           | 13,142           | 11,724           |
| Downstream                                | - United States | (273)                  | 1,369            | 966              | 1,938            | 980              |
|   | - International | 838                    | 2,060            | 2,536            | 2,035            | 1,786            |
|   | - Total         | 565                    | 3,429            | 3,502            | 3,973            | 2,766            |
| Chemicals                                 |                 | 409                    | 182              | 396              | 539              | 298              |
| All Other*                                |                 | (922)                  | (1,390)          | (26)             | (516)            | (689)            |
| <b>Net Income Attributable to Chevron</b> |                 | <b>\$ 10,483</b>       | <b>\$ 23,931</b> | <b>\$ 18,688</b> | <b>\$ 17,138</b> | <b>\$ 14,099</b> |

\* Includes mining operations, power generation businesses, worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities, alternative fuels and technology companies and the company's investment in Dynegy Inc. prior to its sale in May 2007.

**Consolidated Balance Sheet**

At December 31

| Millions of dollars  | 2009             | 2008             | 2007             | 2006             | 2005             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>  |                  |                  |                  |                  |                  |
| Cash and cash equivalents                                  | \$ 8,716         | \$ 9,347         | \$ 7,362         | \$ 10,493        | \$ 10,043        |
| Marketable securities                                      | 106              | 213              | 732              | 953              | 1,101            |
| Accounts and notes receivable, net                         | 17,703           | 15,856           | 22,446           | 17,628           | 17,184           |
| Inventories  |                  |                  |                  |                  |                  |
| Crude oil and petroleum products                           | 3,680            | 5,175            | 4,003            | 3,586            | 3,182            |
| Chemicals  | 383              | 459              | 290              | 258              | 245              |
| Materials, supplies and other                              | 1,466            | 1,220            | 1,017            | 812              | 694              |
| Total inventories  | 5,529            | 6,854            | 5,310            | 4,656            | 4,121            |
| Prepaid expenses and other current assets                  | 5,162            | 4,200            | 3,527            | 2,574            | 1,887            |
| <b>Total Current Assets</b>                                | <b>37,216</b>    | <b>36,470</b>    | <b>39,377</b>    | <b>36,304</b>    | <b>34,336</b>    |
| Long-term receivables, net                                 | 2,282            | 2,413            | 2,194            | 2,203            | 1,686            |
| Investments and advances                                   | 21,158           | 20,920           | 20,477           | 18,552           | 17,057           |
| Properties, plant and equipment, at cost                   | 188,288          | 173,299          | 154,084          | 137,747          | 127,446          |
| Less: Accumulated depreciation, depletion and amortization | 91,820           | 81,519           | 75,474           | 68,889           | 63,756           |
| Net properties, plant and equipment                        | 96,468           | 91,780           | 78,610           | 68,858           | 63,690           |
| Deferred charges and other assets                          | 2,879            | 4,711            | 3,491            | 2,088            | 4,428            |
| Goodwill   | 4,618            | 4,619            | 4,637            | 4,623            | 4,636            |
| Assets held for sale                                       | -                | 252              | -                | -                | -                |
| <b>Total Assets</b>  | <b>\$164,621</b> | <b>\$161,165</b> | <b>\$148,786</b> | <b>\$132,628</b> | <b>\$125,833</b> |
| <b>Liabilities and Equity</b>                              |                  |                  |                  |                  |                  |
| Short-term debt  | \$ 384           | \$ 2,818         | \$ 1,162         | \$ 2,159         | \$ 739           |
| Accounts payable   | 16,437           | 16,580           | 21,756           | 16,675           | 16,074           |
| Accrued liabilities  | 5,375            | 8,077            | 5,275            | 4,546            | 3,690            |
| Federal and other taxes on income                          | 2,624            | 3,079            | 3,972            | 3,626            | 3,127            |
| Other taxes payable  | 1,391            | 1,469            | 1,633            | 1,403            | 1,381            |
| <b>Total Current Liabilities</b>                           | <b>26,211</b>    | <b>32,023</b>    | <b>33,798</b>    | <b>28,409</b>    | <b>25,011</b>    |
| Long-term debt and capital lease obligations               | 10,130           | 6,083            | 6,070            | 7,679            | 12,131           |
| Deferred credits and other noncurrent obligations          | 17,390           | 17,678           | 15,007           | 11,000           | 10,507           |
| Noncurrent deferred income taxes                           | 11,521           | 11,539           | 12,170           | 11,647           | 11,262           |
| Reserves for employee benefit plans                        | 6,808            | 6,725            | 4,449            | 4,749            | 4,046            |
| <b>Total Liabilities</b>                                   | <b>72,060</b>    | <b>74,048</b>    | <b>71,494</b>    | <b>63,484</b>    | <b>62,957</b>    |
| Chevron Corporation stockholders' equity                   | 91,914           | 86,648           | 77,088           | 68,935           | 62,676           |
| Noncontrolling interests                                   | 647              | 469              | 204              | 209              | 200              |
| <b>Total Equity</b>  | <b>92,561</b>    | <b>87,117</b>    | <b>77,292</b>    | <b>69,144</b>    | <b>62,876</b>    |
| <b>Total Liabilities and Equity</b>                        | <b>\$164,621</b> | <b>\$161,165</b> | <b>\$148,786</b> | <b>\$132,628</b> | <b>\$125,833</b> |

**Segment Assets**

Millions of dollars

|                             |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Upstream <sup>1</sup>       | \$104,473        | \$103,220        | \$ 89,221        | \$ 77,194        | \$ 70,143        |
| Downstream                  | 42,891           | 39,441           | 42,865           | 36,374           | 34,567           |
| Chemicals                   | 3,876            | 3,621            | 3,354            | 3,400            | 3,179            |
| <b>Total Segment Assets</b> | <b>\$151,240</b> | <b>\$146,282</b> | <b>\$135,440</b> | <b>\$116,968</b> | <b>\$107,889</b> |
| All Other <sup>2</sup>      | 13,381           | 14,883           | 13,346           | 15,660           | 17,944           |
| <b>Total Assets</b>         | <b>\$164,621</b> | <b>\$161,165</b> | <b>\$148,786</b> | <b>\$132,628</b> | <b>\$125,833</b> |

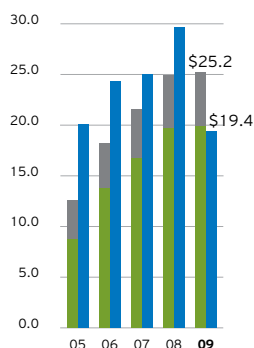
<sup>1</sup> Includes \$4,618, \$4,619, \$4,637, \$4,623 and \$4,636 of goodwill associated with the acquisition of Unocal Corporation in 2009, 2008, 2007, 2006 and 2005, respectively.

<sup>2</sup> "All Other" assets consist primarily of worldwide cash, cash equivalents and marketable securities, real estate, information systems, the company's investment in Dynergy Inc. prior to its disposition in 2007, mining operations, power generation businesses, technology companies, and assets of the corporate administrative functions.

## Financial Information

### Cash From Operating Activities Compared With Capital Expenditures & Dividends

Billions of dollars



■ Cash From Operating Activities  
■ Dividends  
■ Capital Expenditures

### Consolidated Statement of Cash Flows

| Millions of dollars   | Year ended December 31 |                 |                 |                  |                  |
|---|------------------------|-----------------|-----------------|------------------|------------------|
|   | 2009                   | 2008            | 2007            | 2006             | 2005             |
| <b>Operating Activities</b>                                       |                        |                 |                 |                  |                  |
| Net income  | \$ 10,563              | \$ 24,031       | \$ 18,795       | \$ 17,208        | \$ 14,195        |
| Adjustments   |                        |                 |                 |                  |                  |
| Depreciation, depletion and amortization                          | 12,110                 | 9,528           | 8,708           | 7,506            | 5,913            |
| Dry hole expense  | 552                    | 375             | 507             | 520              | 226              |
| Distributions less than income from equity affiliates             | (103)                  | (440)           | (1,439)         | (979)            | (1,304)          |
| Net before-tax gains on asset retirements and sales               | (1,255)                | (1,358)         | (2,315)         | (229)            | (134)            |
| Net foreign-currency effects                                      | 466                    | (355)           | 378             | 259              | 62               |
| Deferred income tax provision                                     | 467                    | 598             | 261             | 614              | 1,393            |
| Net (increase) decrease in operating working capital composed of: |                        |                 |                 |                  |                  |
| (Increase) decrease in accounts and notes receivable              | (1,476)                | 6,030           | (3,867)         | 17               | (3,164)          |
| Decrease (increase) in inventories                                | 1,213                  | (1,545)         | (749)           | (536)            | (968)            |
| Increase in prepaid expenses and other current assets             | (264)                  | (621)           | (370)           | (31)             | (54)             |
| (Decrease) increase in accounts payable and accrued liabilities   | (1,121)                | (4,628)         | 4,930           | 1,246            | 3,851            |
| (Decrease) increase in income and other taxes payable             | (653)                  | (909)           | 741             | 348              | 281              |
| Net (increase) decrease in operating working capital              | (2,301)                | (1,673)         | 685             | 1,044            | (54)             |
| Increase in long-term receivables                                 | (258)                  | (161)           | (82)            | (900)            | (191)            |
| Increase (decrease) in other deferred charges                     | 201                    | (84)            | (530)           | 232              | 668              |
| Cash contributions to employee pension plans                      | (1,739)                | (839)           | (317)           | (449)            | (1,022)          |
| Other   | 670                    | 10              | 326             | (503)            | 353              |
| <b>Net Cash Provided by Operating Activities</b>                  | <b>19,373</b>          | <b>29,632</b>   | <b>24,977</b>   | <b>24,323</b>    | <b>20,105</b>    |
| <b>Investing Activities</b>                                       |                        |                 |                 |                  |                  |
| Cash portion of Unocal acquisition, net of Unocal cash received   | -                      | -               | -               | -                | (5,934)          |
| Capital expenditures  | (19,843)               | (19,666)        | (16,678)        | (13,813)         | (8,701)          |
| Repayment of loans by equity affiliates                           | 336                    | 179             | 21              | 463              | 57               |
| Proceeds from asset sales   | 2,564                  | 1,491           | 3,338           | 989              | 2,681            |
| Marketable securities purchased                                   | (30)                   | (3,236)         | (1,975)         | (1,271)          | (918)            |
| Marketable securities sold  | 157                    | 3,719           | 2,160           | 1,413            | 1,254            |
| Net sales of marketable securities                                | 127                    | 483             | 185             | 142              | 336              |
| Net sales (purchases) of other short-term investments             | 244                    | 432             | (799)           | -                | -                |
| <b>Net Cash Used for Investing Activities</b>                     | <b>(16,572)</b>        | <b>(17,081)</b> | <b>(13,933)</b> | <b>(12,219)</b>  | <b>(11,561)</b>  |
| <b>Financing Activities</b>                                       |                        |                 |                 |                  |                  |
| Net (payments) borrowings of short-term obligations               | (3,192)                | 2,647           | (345)           | (677)            | (109)            |
| Repayments of long-term debt and other financing obligations      | (496)                  | (965)           | (3,343)         | (2,224)          | (966)            |
| Net purchases of treasury shares                                  | 168                    | (6,821)         | (6,389)         | (4,491)          | (2,597)          |
| Cash dividends - common stock                                     | (5,302)                | (5,162)         | (4,791)         | (4,396)          | (3,778)          |
| Dividends paid to minority interests                              | (71)                   | (99)            | (77)            | (60)             | (98)             |
| Proceeds from issuances of long-term debt                         | 5,347                  | -               | 650             | -                | 20               |
| Redemption of preferred stock by subsidiaries                     | -                      | -               | -               | -                | (140)            |
| <b>Net Cash Used for Financing Activities</b>                     | <b>(3,546)</b>         | <b>(10,400)</b> | <b>(14,295)</b> | <b>(11,848)</b>  | <b>(7,668)</b>   |
| Effect of exchange rate changes on cash and cash equivalents      | 114                    | (166)           | 120             | 194              | (124)            |
| <b>Net Change in Cash and Cash Equivalents</b>                    | <b>(631)</b>           | <b>1,985</b>    | <b>(3,131)</b>  | <b>450</b>       | <b>752</b>       |
| Cash and cash equivalents at January 1                            | 9,347                  | 7,362           | 10,493          | 10,043           | 9,291            |
| <b>Cash and Cash Equivalents at December 31</b>                   | <b>\$ 8,716</b>        | <b>\$ 9,347</b> | <b>\$ 7,362</b> | <b>\$ 10,493</b> | <b>\$ 10,043</b> |



**Capital and Exploratory Expenditures**

(Includes equity share in affiliates)

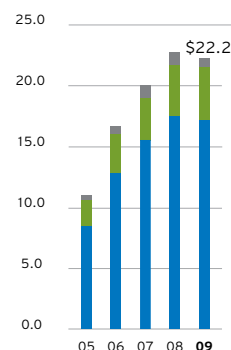
| Millions of dollars   | Year ended December 31 |                  |                  |                  |                   |
|---|------------------------|------------------|------------------|------------------|-------------------|
|   | 2009                   | 2008             | 2007             | 2006             | 2005 <sup>*</sup> |
| <b>United States</b>  |                        |                  |                  |                  |                   |
| Exploration   | \$ 605                 | \$ 1,305         | \$ 736           | \$ 810           | \$ 667            |
| Production  | 2,656                  | 4,211            | 3,822            | 3,313            | 1,783             |
| Refining  | 1,505                  | 1,593            | 1,099            | 770              | 480               |
| Marketing   | 133                    | 196              | 160              | 142              | 125               |
| Transportation  | 194                    | 263              | 290              | 251              | 202               |
| Other Downstream  | 78                     | 130              | 27               | 13               | 11                |
| Chemicals   | 210                    | 407              | 218              | 146              | 108               |
| All Other   | 402                    | 618              | 768              | 403              | 329               |
| <b>Total United States</b>                                    | <b>5,783</b>           | <b>8,723</b>     | <b>7,120</b>     | <b>5,848</b>     | <b>3,705</b>      |
| <b>International</b>  |                        |                  |                  |                  |                   |
| Exploration   | 1,385                  | 1,173            | 1,266            | 1,339            | 828               |
| Production  | 12,463                 | 10,771           | 9,714            | 7,357            | 5,111             |
| Refining  | 2,005                  | 1,463            | 1,108            | 1,210            | 654               |
| Marketing   | 202                    | 311              | 438              | 388              | 338               |
| Transportation  | 120                    | 111              | 89               | 247              | 231               |
| Other Downstream  | 184                    | 138              | 232              | 154              | 109               |
| Chemicals   | 92                     | 78               | 53               | 54               | 43                |
| All Other   | 3                      | 7                | 6                | 14               | 44                |
| <b>Total International</b>                                    | <b>16,454</b>          | <b>14,052</b>    | <b>12,906</b>    | <b>10,763</b>    | <b>7,358</b>      |
| <b>Worldwide</b>  |                        |                  |                  |                  |                   |
| Exploration   | 1,990                  | 2,478            | 2,002            | 2,149            | 1,495             |
| Production  | 15,119                 | 14,982           | 13,536           | 10,670           | 6,894             |
| Refining  | 3,510                  | 3,056            | 2,207            | 1,980            | 1,134             |
| Marketing   | 335                    | 507              | 598              | 530              | 463               |
| Transportation  | 314                    | 374              | 379              | 498              | 433               |
| Other Downstream  | 262                    | 268              | 259              | 167              | 120               |
| Chemicals   | 302                    | 485              | 271              | 200              | 151               |
| All Other   | 405                    | 625              | 774              | 417              | 373               |
| <b>Total Worldwide</b>  | <b>\$ 22,237</b>       | <b>\$ 22,775</b> | <b>\$ 20,026</b> | <b>\$ 16,611</b> | <b>\$ 11,063</b>  |
| Memo: Equity share of affiliates' expenditures included above | \$ 1,585               | \$ 2,306         | \$ 2,336         | \$ 1,919         | \$ 1,681          |

\* Excludes \$17.3 billion acquisition cost of Unocal Corporation.

**Exploration Expenses<sup>1</sup>**

Millions of dollars

|                                   |                 |                 |                 |                 |               |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Geological and geophysical        | \$ 326          | \$ 329          | \$ 367          | \$ 429          | \$ 253        |
| Unproductive wells drilled        | 552             | 375             | 507             | 520             | 226           |
| Other <sup>2</sup>                | 464             | 465             | 449             | 415             | 264           |
| <b>Total Exploration Expenses</b> | <b>\$ 1,342</b> | <b>\$ 1,169</b> | <b>\$ 1,323</b> | <b>\$ 1,364</b> | <b>\$ 743</b> |
| Memo: United States               | \$ 451          | \$ 370          | \$ 511          | \$ 431          | \$ 320        |
| International                     | 891             | 799             | 812             | 933             | 423           |

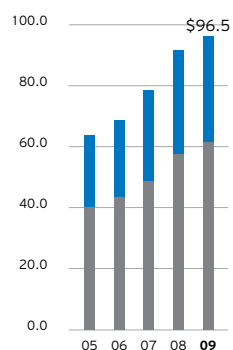
<sup>1</sup> Consolidated companies only. Excludes amortization of undeveloped leaseholds.<sup>2</sup> Includes expensed well contributions, oil and gas lease rentals, and research and development costs.**Capital & Exploratory Expenditures\***  
Billions of dollars

■ Chemicals & Other  
■ Refining, Marketing & Transportation  
■ Exploration & Production

\*Includes equity share in affiliates, but excludes cost of Unocal acquisition in 2005.

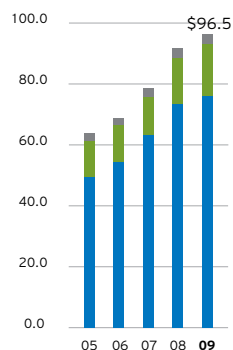
## Financial Information

**Net Properties, Plant & Equipment by Geographic Area**  
Billions of dollars



■ United States  
■ International

**Net Properties, Plant & Equipment by Function**  
Billions of dollars



■ Chemicals & Other  
■ Downstream  
■ Upstream

### Properties, Plant and Equipment

(Includes capital leases)

At December 31

Millions of dollars

|   | 2009             | 2008      | 2007      | 2006      | 2005      |
|---|------------------|-----------|-----------|-----------|-----------|
| <b>Net Properties, Plant and Equipment at January 1</b>             | <b>\$ 91,780</b> | \$ 78,610 | \$ 68,858 | \$ 63,690 | \$ 44,458 |
| <b>Additions at Cost</b>  |                  |           |           |           |           |
| Upstream - Acquisition of Unocal                                    | -                | -         | -         | -         | 16,401    |
| Upstream - Other <sup>1</sup>                                       | 13,246           | 18,551    | 16,237    | 11,029    | 7,057     |
| Downstream - Acquisition of Unocal                                  | -                | -         | -         | -         | 619       |
| Downstream - Other  | 3,295            | 4,317     | 2,033     | 1,641     | 1,246     |
| Chemicals   | 110              | 122       | 93        | 79        | 55        |
| All Other - Acquisition of Unocal                                   | -                | -         | -         | -         | 268       |
| All Other - Other <sup>2</sup>                                      | 357              | 603       | 685       | 278       | 203       |
| <b>Total Additions at Cost</b>                                      | <b>17,008</b>    | 23,593    | 19,048    | 13,027    | 25,849    |
| <b>Depreciation, Depletion and Amortization Expense<sup>3</sup></b> |                  |           |           |           |           |
| Upstream  | (10,201)         | (7,710)   | (6,925)   | (6,000)   | (4,496)   |
| Downstream  | (1,077)          | (1,091)   | (1,141)   | (1,024)   | (1,010)   |
| Chemicals   | (66)             | (52)      | (45)      | (42)      | (42)      |
| All Other <sup>2</sup>  | (303)            | (245)     | (198)     | (165)     | (178)     |
| <b>Total Depreciation, Depletion and Amortization Expense</b>       | <b>(11,647)</b>  | (9,098)   | (8,309)   | (7,231)   | (5,726)   |
| <b>Net Retirements and Sales</b>                                    |                  |           |           |           |           |
| Upstream  | (270)            | (496)     | (149)     | (188)     | (409)     |
| Downstream  | (112)            | (589)     | (369)     | (242)     | (443)     |
| Chemicals   | (3)              | 2         | (6)       | (1)       | (9)       |
| All Other <sup>2</sup>  | (30)             | (35)      | (13)      | (34)      | (83)      |
| <b>Total Net Retirements and Sales</b>                              | <b>(415)</b>     | (1,118)   | (537)     | (465)     | (944)     |
| <b>Net Intersegment Transfers and Other Changes<sup>4</sup></b>     |                  |           |           |           |           |
| Upstream <sup>5</sup>   | (71)             | (191)     | (318)     | (43)      | (154)     |
| Downstream <sup>5</sup>   | (189)            | (34)      | (122)     | (99)      | 232       |
| Chemicals   | 1                | -         | (1)       | -         | (4)       |
| All Other <sup>2</sup>  | 1                | 18        | (9)       | (21)      | (21)      |
| <b>Total Net Intersegment Transfers and Other Changes</b>           | <b>(258)</b>     | (207)     | (450)     | (163)     | 53        |
| <b>Net Properties, Plant and Equipment at December 31</b>           |                  |           |           |           |           |
| Upstream <sup>6</sup>   | 76,139           | 73,435    | 63,281    | 54,436    | 49,638    |
| Downstream  | 16,895           | 14,978    | 12,375    | 11,974    | 11,698    |
| Chemicals   | 875              | 833       | 761       | 720       | 684       |
| All Other <sup>2</sup>  | 2,559            | 2,534     | 2,193     | 1,728     | 1,670     |
| <b>Total Net Properties, Plant and Equipment at December 31</b>     | <b>\$ 96,468</b> | \$ 91,780 | \$ 78,610 | \$ 68,858 | \$ 63,690 |
| <b>Memo: Gross properties, plant and equipment</b>                  | <b>\$188,288</b> | \$173,299 | \$154,084 | \$137,747 | \$127,446 |
| Accumulated depreciation, depletion and amortization                | (91,820)         | (81,519)  | (75,474)  | (68,889)  | (63,756)  |
| <b>Net properties, plant and equipment</b>                          | <b>\$ 96,468</b> | \$ 91,780 | \$ 78,610 | \$ 68,858 | \$ 63,690 |

<sup>1</sup> Net of exploratory well write-offs.

<sup>2</sup> Primarily mining operations, power generation businesses, real estate assets and management information systems.

<sup>3</sup> Difference between the total depreciation, depletion and amortization (DD&A) and total DD&A expense shown on the income statement relates to accretion expense. Reconciliation as follows:

|   |                  |          |          |          |          |
|---|------------------|----------|----------|----------|----------|
| DD&A on consolidated statement of income          | \$ 12,110        | \$ 9,528 | \$ 8,708 | \$ 7,506 | \$ 5,913 |
| Less: Accretion expense                           | (463)            | (430)    | (399)    | (275)    | (187)    |
| <b>DD&amp;A - Properties, plant and equipment</b> | <b>\$ 11,647</b> | \$ 9,098 | \$ 8,309 | \$ 7,231 | \$ 5,726 |

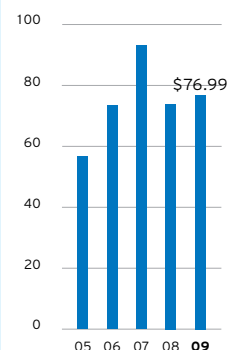
<sup>4</sup> Includes reclassifications to/from other asset accounts.

<sup>5</sup> Includes reclassification adjustments for "Assets held for sale" in 2008.

<sup>6</sup> Includes net investment in unproved oil and gas properties of \$5,321, \$5,367, \$4,927, \$5,218 and \$5,168 in 2009, 2008, 2007, 2006 and 2005, respectively.

## Miscellaneous Data

|   | 2009             | 2008      | 2007      | 2006      | 2005      |
|---|------------------|-----------|-----------|-----------|-----------|
| <b>Common Stock</b>   |                  |           |           |           |           |
| Number of shares outstanding at December 31 (Millions)                        | <b>1,993.6</b>   | 1,990.1   | 2,076.3   | 2,150.4   | 2,218.5   |
| Weighted-average shares outstanding for the year (Millions)                   | <b>1,991.5</b>   | 2,037.4   | 2,116.6   | 2,185.0   | 2,142.7   |
| Number of stockholders of record at December 31 (Thousands)                   | <b>197</b>       | 206       | 216       | 225       | 234       |
| Cash dividends on common stock  |                  |           |           |           |           |
| Millions of dollars   | <b>\$ 5,302</b>  | \$ 5,162  | \$ 4,791  | \$ 4,396  | \$ 3,778  |
| Per common share  | <b>\$ 2.66</b>   | \$ 2.53   | \$ 2.26   | \$ 2.01   | \$ 1.75   |
| Net income attributed to Chevron Corporation                                  |                  |           |           |           |           |
| per common share - Diluted  |                  |           |           |           |           |
| First quarter   | <b>\$ 0.92</b>   | \$ 2.48   | \$ 2.18   | \$ 1.80   | \$ 1.28   |
| Second quarter  | <b>0.87</b>      | 2.90      | 2.52      | 1.97      | 1.76      |
| Third quarter   | <b>1.92</b>      | 3.85      | 1.75      | 2.29      | 1.64      |
| Fourth quarter  | <b>1.53</b>      | 2.44      | 2.32      | 1.74      | 1.86      |
| Year  | <b>\$ 5.24</b>   | \$ 11.67  | \$ 8.77   | \$ 7.80   | \$ 6.54   |
| Chevron Corporation stockholders' equity per common share at December 31      | <b>\$ 46.11</b>  | \$ 43.54  | \$ 37.13  | \$ 32.06  | \$ 28.25  |
| <b>Personnel, Payroll and Benefits<sup>1</sup></b>                            |                  |           |           |           |           |
| Number of employees at December 31  |                  |           |           |           |           |
| Excluding service station employees   | <b>59,963</b>    | 61,604    | 59,162    | 55,882    | 53,440    |
| Service station employees   | <b>4,169</b>     | 5,041     | 5,873     | 6,572     | 6,255     |
| Total   | <b>64,132</b>    | 66,645    | 65,035    | 62,454    | 59,695    |
| Payroll costs (Millions of dollars) <sup>2</sup>                              | <b>\$ 4,627</b>  | \$ 4,473  | \$ 4,016  | \$ 3,500  | \$ 3,151  |
| Employee benefit costs (Millions of dollars) <sup>3</sup>                     | <b>\$ 2,473</b>  | \$ 2,196  | \$ 2,100  | \$ 1,742  | \$ 1,777  |
| Investment per employee at December 31 (Thousands of dollars) <sup>4</sup>    | <b>\$ 1,607</b>  | \$ 1,441  | \$ 1,300  | \$ 1,265  | \$ 1,269  |
| Average sales per employee (Thousands of dollars) <sup>5</sup>                | <b>\$ 2,436</b>  | \$ 3,875  | \$ 3,200  | \$ 3,198  | \$ 3,182  |
| Average monthly wage per employee   | <b>\$ 5,897</b>  | \$ 5,661  | \$ 5,250  | \$ 4,775  | \$ 4,518  |
| <b>Capital Employed at December 31 (Millions of dollars)</b>                  |                  |           |           |           |           |
| Upstream  |                  |           |           |           |           |
| - United States   | <b>\$ 14,025</b> | \$ 14,195 | \$ 12,150 | \$ 10,965 | \$ 10,100 |
| - International   | <b>47,820</b>    | 43,602    | 36,299    | 31,372    | 28,454    |
| - Goodwill  | <b>4,618</b>     | 4,619     | 4,637     | 4,623     | 4,636     |
| - Total   | <b>66,463</b>    | 62,416    | 53,086    | 46,960    | 43,190    |
| Downstream  |                  |           |           |           |           |
| - United States   | <b>10,929</b>    | 8,922     | 7,685     | 6,200     | 5,430     |
| - International   | <b>16,706</b>    | 15,505    | 16,116    | 15,210    | 14,370    |
| - Total   | <b>27,635</b>    | 24,427    | 23,801    | 21,410    | 19,800    |
| Chemicals   | <b>2,864</b>     | 2,648     | 2,330     | 2,405     | 2,250     |
| All Other   | <b>6,113</b>     | 6,527     | 5,307     | 8,207     | 10,506    |
| <b>Total Capital Employed</b>   | <b>\$103,075</b> | \$ 96,018 | \$ 84,524 | \$ 78,982 | \$ 75,746 |
| <b>Petroleum Inventories at December 31 (Millions of barrels)<sup>6</sup></b> |                  |           |           |           |           |
| Raw stocks  | <b>78</b>        | 95        | 84        | 81        | 80        |
| Unfinished stocks   | <b>33</b>        | 31        | 28        | 29        | 25        |
| Finished products   | <b>39</b>        | 46        | 51        | 48        | 45        |
| <b>Total</b>  | <b>150</b>       | 172       | 163       | 158       | 150       |

Chevron Year-End Common Stock Price  
Dollars per share<sup>1</sup> Consolidated companies only.<sup>2</sup> Excludes incentive bonuses.<sup>3</sup> Includes pension costs, employee severance, savings and profit-sharing plans, other postemployment benefits, social insurance plans and other benefits.<sup>4</sup> Investment = Total year-end capital employed.<sup>5</sup> Average sales per employee = Sales and other operating revenues (net of excise taxes)/Average number of employees (beginning and end of year).<sup>6</sup> On an "owned" inventories basis (i.e., physical inventory adjusted for volumes payable to or receivable from others).



# Upstream

Grow profitably in core areas, build new legacy positions and commercialize the company's equity natural-gas resource base while growing a high-impact global gas business.



Photo: Second generation plant at Tengiz, Kazakhstan, is the largest single sour crude processing train in the world.



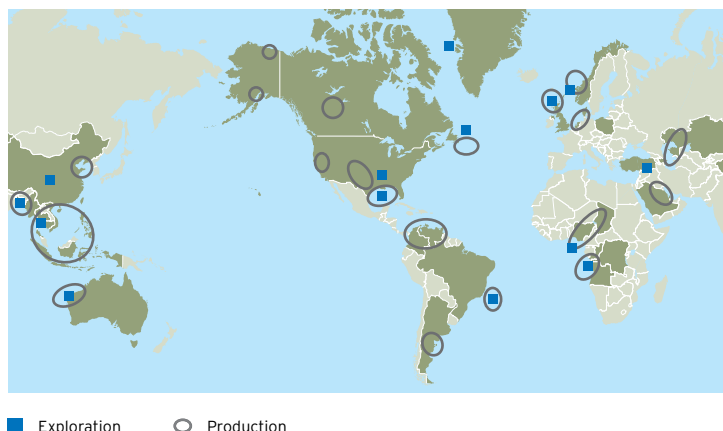
## Highlights

Worldwide net oil-equivalent production averaged 2.70 million barrels per day in 2009, 7 percent higher than in 2008. About 27 percent of 2009 production was in the United States and another 13 percent was in Kazakhstan. The company's producing operations are geographically dispersed, with no other country accounting for more than 10 percent of the company's total worldwide output.

The company's focus areas for exploration in 2009 were the deepwater regions of West Africa, the U.S. Gulf of Mexico, the Gulf of Thailand and offshore northwest Australia. Drilling and seismic activities occurred or were in various stages of planning in several test areas, including offshore United Kingdom, the eastern coast of Canada and deepwater Brazil.

Aligned with the activities in both exploration and production is the company's strategy to commercialize its significant worldwide natural-gas resource base through the development and integration of business activities, including producing, liquefying, transporting, regasifying and marketing natural gas.

Upstream Portfolio



### Industry Conditions

Industry prices for crude oil were less volatile in 2009 than in 2008. The spot price for West Texas Intermediate (WTI) crude oil, a benchmark crude, averaged \$62 per barrel for full-year 2009, compared with \$100 in 2008. The decline in average prices from 2008 is largely associated with a weakening in global economic conditions and a reduction in the demand for crude oil and petroleum products. OPEC quotas affected Chevron's production levels by approximately 20,000 barrels per day in 2009.

In contrast to price movements in the global market for crude oil, price changes for natural gas in many regional markets are more closely aligned with supply-and-demand conditions in those markets. In the United States during 2009, benchmark prices at Henry Hub averaged about \$4 per thousand cubic feet (MCF), compared with \$9 per MCF in 2008. The lower U.S. price levels in 2009 were associated with higher inventories and weaker demand as a result of the economic slowdown. Unlike prior years when average U.S. natural-gas prices exceeded international prices, in 2009 Chevron's international natural-gas realizations also averaged around \$4 per MCF.

### Business Strategies

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

- › Achieving world-class operational performance.
- › Maximizing and growing the base business.
- › Leading the industry in selection and execution of major capital projects.
- › Achieving superior exploration success.
- › Identifying, capturing and effectively incorporating new core upstream businesses.

### 2009 Accomplishments

#### Worldwide

- › Achieved a world-class safety record in the days-away-from-work performance metric.
- › Reported net income of \$10.4 billion.
- › Added proved oil-equivalent reserves of 1.10 billion barrels, representing 112 percent of oil-equivalent production for 2009.
- › Achieved an exploration drilling success rate of 57 percent.
- › Produced 2.7 million net oil-equivalent barrels per day including oil sands, 7 percent higher than in 2008.

#### United States

- › Accomplished major milestones on Gulf of Mexico projects:
  - Achieved first production at the deepwater Tahiti Project and reached design capacity of 125,000 barrels of crude oil and 70 million cubic feet of natural gas.
  - Reached maximum total production of 70,000 barrels of oil-equivalent per day at Blind Faith.
  - Made final investment decision at Caesar/Tonga.
  - Initiated front-end engineering and design (FEED) at Jack & St. Malo and Big Foot.
  - Added 41 offshore leases - 39 in the deep water and two on the shelf.
- › Achieved first production at Piceance Stage 2 Project in northwestern Colorado.

### International

- › Achieved first production for projects in:
  - Angola – Tombua-Landana and Mafumeira Norte.
  - Brazil – Frade Field.
  - Indonesia – South Natuna Sea Block B (North Belut).
- › Achieved maximum total production of 250,000 barrels of liquids per day at Agbami, offshore Nigeria.
- › Initiated subsequent 10-well development program for the Agbami Field in Nigeria.
- › Ramped up production at Tengizchevroil's Sour Gas Injection/Second Generation Plant Project in Kazakhstan.
- › Started construction of the general infrastructure for the first plant site at Chuandongbei in China.
- › Signed Heads of Agreement (HOA) for Block B gas development FEED and an HOA for a pipeline business cooperation contract for a Petrovietnam-operated pipeline FEED in Vietnam.
- › Achieved start-up of Wafra Field Large-Scale Steamflood Pilot Project in the Partitioned Zone between Saudi Arabia and Kuwait.
- › Made exploration discoveries at the Carnarvon Basin offshore Western Australia, the Greater Vanza Longui Area offshore Angola and the Moho-Bilondo exploitation permit area offshore Republic of the Congo.

### Global Natural Gas Projects

- › Made final investment decision for the Gorgon Project; in 2009 and early 2010 signed binding Sales and Purchase Agreements and nonbinding HOAs for approximately 90 percent of the company's liquefied natural gas (LNG) offtake for the project.
- › Moved the Wheatstone Project into FEED; in late 2009 and early 2010 signed agreements with two companies to join the project as combined 25 percent LNG facility owners and suppliers for the first two LNG trains, and signed HOAs for LNG offtake representing about 60 percent of the total foundation capacity.

### 2010 Outlook

- › Project execution – Advance major projects that are expected to add production in 2010 and beyond:
  - Angola – Commence FEED for the Mafumeira Sul development project.
  - Azerbaijan – Reach final investment decision for Chirag Oil Project.
  - Canada – Achieve first production from Athabasca Oil Sands Project Expansion 1.
  - China – Initiate development of additional fields at Chuandongbei.
  - Indonesia – Commence FEED for the Gendalo-Gehem natural-gas project.
  - Nigeria – Start up compression at the West African Gas Pipeline.
  - United States – Achieve first oil from the Perdido Regional Development.
  - United States – Reach final investment decisions for the Jack & St. Malo, Big Foot, and Tahiti Stage 2 deepwater developments.
  - Vietnam – Commence FEED for the Block B Gas Development Project. (FEED commenced in first quarter 2010.)
- › Exploration – Deliver new hydrocarbon resources through continued exploration investment; follow up on previous discovery and appraisal activity.
- › Base business – Continue major initiatives to improve operating efficiencies, reduce decline rates and lower costs.
- › Global gas projects – Progress the activities that help commercialize the company's equity natural-gas resource base:
  - Angola – Continue construction at the Angola LNG Project.
  - Australia – Continue construction at the Gorgon Project.
  - Nigeria – Continue construction at the EGT facility.
  - Nigeria – Deliver first gas from Escravos Gas Project Phase 3A.

Upstream Financial and Operating Highlights<sup>1</sup>

| Dollars in millions  | United States |          | International |          |
|--|---------------|----------|---------------|----------|
|  | 2009          | 2008     | 2009          | 2008     |
| Segment earnings   | \$ 2,216      | \$ 7,126 | \$ 8,215      | \$14,584 |
| Gross liquids production (Thousands of barrels per day) <sup>2</sup>       | 523           | 459      | 1,857         | 1,751    |
| Net liquids production (Thousands of barrels per day) <sup>2</sup>         | 484           | 421      | 1,362         | 1,228    |
| Other produced volumes (Thousands of barrels per day) <sup>3</sup>         | -             | -        | 26            | 27       |
| Gross natural-gas production (Millions of cubic feet per day) <sup>2</sup> | 1,611         | 1,740    | 4,519         | 4,525    |
| Net natural-gas production (Millions of cubic feet per day) <sup>2</sup>   | 1,399         | 1,501    | 3,590         | 3,624    |
| Gross proved liquids reserves (Millions of barrels) <sup>2</sup>           | 1,463         | 1,592    | 7,234         | 7,266    |
| Net proved liquids reserves (Millions of barrels) <sup>2,4</sup>           | 1,361         | 1,470    | 5,612         | 5,880    |
| Gross proved natural-gas reserves (Billions of cubic feet) <sup>2</sup>    | 3,074         | 3,630    | 27,741        | 23,783   |
| Net proved natural-gas reserves (Billions of cubic feet) <sup>2</sup>      | 2,698         | 3,150    | 23,351        | 19,925   |
| Natural-gas sales (Millions of cubic feet per day)                         | 5,901         | 7,226    | 4,062         | 4,215    |
| Natural-gas-liquids sales (Thousands of barrels per day)                   | 17            | 15       | 23            | 17       |
| Net productive exploratory oil and gas wells completed <sup>5</sup>        | 4             | 8        | 16            | 55       |
| Net productive development oil and gas wells completed <sup>5</sup>        | 582           | 846      | 669           | 755      |
| Net productive wells at year-end <sup>5,6</sup>                            | 38,391        | 39,164   | 12,831        | 12,542   |
| Net oil and gas acreage (Thousands of acres) <sup>7,8</sup>                | 7,477         | 8,220    | 55,054        | 59,986   |
| Exploration expenditures   | \$ 605        | \$ 1,305 | \$ 1,385      | \$ 1,173 |
| Production expenditures  | \$ 2,656      | \$ 4,211 | \$12,463      | \$10,771 |
| Total upstream capital and exploratory expenditures                        | \$ 3,261      | \$ 5,516 | \$13,848      | \$11,944 |

<sup>1</sup> Includes equity share in affiliates unless otherwise noted.

<sup>2</sup> Gross production or gross reserves are the company's share of total production or total reserves before deducting royalties (and a government's agreed-upon share of production under a production-sharing contract (PSC)). Net production or net reserves are after deducting royalties (and a government's agreed-upon share of production under a PSC).

<sup>3</sup> Represents volumes produced at Athabasca (Canada) Oil Sands.

<sup>4</sup> Includes 460 million barrels of synthetic oil from Canadian oil sands in 2009. None were included in 2008.

<sup>5</sup> Net wells include all wholly owned wells and the sum of the fractional interests in wells that are associated with joint ventures or unitized operations.

<sup>6</sup> Includes wells producing or capable of producing and injection wells temporarily functioning as producing wells.

<sup>7</sup> Consolidated companies only.

<sup>8</sup> Does not include mining acreage associated with synthetic oil production in Canada.

The projects in the table below are considered the most noteworthy in the company's development portfolio, each with an expected maximum net daily production of 25,000 barrels of oil-equivalent or more. These and other projects in the portfolio are discussed in detail beginning on the next page.

## Major Capital Projects

| Major Capital Projects                    |               |                    |           | Maximum Total Production <sup>1</sup> |                       |
|---|---------------|--------------------|-----------|---------------------------------------|-----------------------|
|   |               | Ownership          |           | Liquids                               | Natural Gas           |
| Year of Start-Up/Project                  | Location      | Percentage         | Operator  | (MBPD) <sup>2</sup>                   | (MMCFPD) <sup>2</sup> |
| 2009                                      |               |                    |           |                                       |                       |
| Frade                                     | Brazil        | 51.7               | Chevron   | 68                                    | 25                    |
| Tahiti                                    | United States | 58.0               | Chevron   | 125                                   | 70                    |
| Tombua-Landana <sup>3</sup>               | Angola        | 31.0               | Chevron   | 100                                   | –                     |
| 2010                                      |               |                    |           |                                       |                       |
| EGP Phase 3A                              | Nigeria       | 40.0               | Chevron   | 43 <sup>4</sup>                       | 395 <sup>4</sup>      |
| Perdido Regional Development <sup>5</sup> | United States | 33.3–60.0          | Partner   | 130 <sup>6,7</sup>                    | –                     |
| 2011–2012                                 |               |                    |           |                                       |                       |
| Agbami 2                                  | Nigeria       | 68.2               | Chevron   | 100 <sup>8</sup>                      | –                     |
| Angola LNG Plant                          | Angola        | 36.4               | Affiliate | 63                                    | 670                   |
| Chuandongbei                              | China         | 49.0               | Chevron   | –                                     | 558                   |
| EGTL                                      | Nigeria       | 75.0               | Chevron   | 33 <sup>9</sup>                       | –                     |
| Platong Gas II                            | Thailand      | 69.8 <sup>10</sup> | Chevron   | 18                                    | 330                   |
| Usan                                      | Nigeria       | 30.0               | Partner   | 180                                   | –                     |
| 2013–2015                                 |               |                    |           |                                       |                       |
| Big Foot                                  | United States | 60.0               | Chevron   | 63 <sup>7</sup>                       | –                     |
| Block B Gas Development                   | Vietnam       | 42.9 <sup>10</sup> | Chevron   | 4                                     | 490                   |
| Gendalo-Gehem                             | Indonesia     | 80.0               | Chevron   | 31                                    | 1,071                 |
| Gorgon LNG Trains 1-3                     | Australia     | 47.3               | Chevron   | 20                                    | 2,580                 |
| Jack & St. Malo                           | United States | 50.0 & 51.0        | Chevron   | 150 <sup>6,7</sup>                    | –                     |
| Mafumeira Sul                             | Angola        | 39.2               | Chevron   | 95                                    | –                     |
| North Rankin 2                            | Australia     | 16.7               | Partner   | 39 <sup>8</sup>                       | 1,980 <sup>9</sup>    |
| Papa-Terra                                | Brazil        | 37.5               | Partner   | 140                                   | –                     |

<sup>1</sup> Targeted maximum total production is total for each field or project except as footnoted. If the project is a new facility, an expansion of existing facilities or a phased project, the indicated production is for the incremental volumes directly attributable to the project or phase.

<sup>2</sup> MBPD = thousands of barrels per day; MMCFPD = millions of cubic feet per day.

<sup>3</sup> Production from the Landana North reservoir commenced in 2006 through the existing Benguela Belize-Lobito Tomboco facilities.

<sup>4</sup> Represents incremental volumes to total plant processing capacity.

<sup>5</sup> Perdido Regional Development includes interests in Great White (33.3 percent), Silvertip (60.0 percent), Tobago (57.5 percent) and the Perdido Regional Host Shared Producing facility (37.5 percent).

<sup>6</sup> Represents total facility processing capacity.

<sup>7</sup> Expressed in thousands of oil-equivalent barrels per day.

<sup>8</sup> Volumes are not incremental. Project designed to maintain capacity.

<sup>9</sup> Represents total plant outtake of liquids.

<sup>10</sup> Represents a weighted average of Chevron's interest across multiple blocks.

## United States

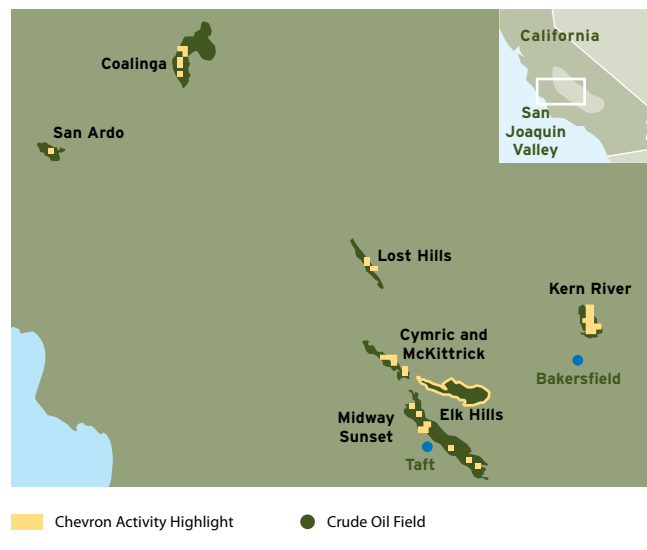
Chevron's U.S. portfolio is composed of producing assets concentrated in California, the Gulf of Mexico, Louisiana, Texas, New Mexico, the Rocky Mountains and Alaska. The company was the third-largest hydrocarbon producer in the United States during 2009, with net oil-equivalent production averaging 717,000 barrels per day, representing approximately one-fourth of the companywide total.

### California

Operating primarily in the San Joaquin Valley, Chevron again ranked No. 1 in net oil-equivalent production in California in 2009 at 211,000 barrels per day, composed of 191,000 barrels of crude oil, 91 million cubic feet of natural gas and 5,000 barrels of natural gas liquids. The majority of the production is from company-operated leases located in a portion of three major crude-oil fields: Kern River, Midway Sunset and Cymric. In 2009, the total daily production from these leases was 147,000 barrels of crude oil (145,000 net) and 14 million cubic feet of natural gas (14 million net). With respect to these operated leases, Chevron's interest by field was: Kern River, 100 percent; Midway Sunset, 99 percent; and Cymric, 100 percent.

With approximately 84 percent of the crude-oil production in California considered heavy oil (typically with API gravity lower than 22 degrees), thermal recovery techniques utilizing steam are applied to increase oil recovery. Heat management continues to be a major operational focus in the recovery of these reserves, with emphasis on improved energy efficiency.

The Kern River Field, a mature steamflood operation, had total average daily production from company-operated leases of 79,000 barrels of crude oil (78,000 net) and 2 million cubic feet of natural gas (2 million net). The company drilled 104 infill wells at Kern River in 2009 and planned to drill approximately 125 infill wells in 2010. More than 148 horizontal wells have been drilled in Kern River since late 2006 to more efficiently develop remaining resources. Total daily production from these wells averaged 10,000 barrels of crude oil (10,000 net) in 2009. The company continues to progress the development of increased water and gas handling capacity at the field. Dewatering of the reservoir from areas underlying the crude-oil accumulation is expected to reduce reservoir pressure and enable economic steamflooding. Activities in 2009 focused on facility modifications to handle additional water and associated gas and the drilling of additional wells to increase aquifer dewatering rates. Development drilling for crude-oil production is planned to commence in the third quarter 2010 in parallel with additional facility modifications to enable more efficient natural-gas handling. The natural-gas handling facility upgrades are expected to be completed by the end of 2011.



**Diatomite Reservoirs** Chevron has crude-oil resources in diatomite reservoirs at the Cymric, McKittrick, Midway Sunset and Lost Hills fields. Formed from the remains of prehistoric microorganisms called diatoms, diatomite is a reservoir rock with very high porosity and low permeability from which commercial production rates are difficult to achieve. In 2009, approximately 44,000 barrels per day, 21 percent of the company's net oil-equivalent production in California, were derived from these diatomite reservoirs.

The diatomite reservoirs at Cymric, McKittrick and Midway Sunset contain heavy oil. A recovery technique utilizing a high-pressure cyclic steaming process continues to improve recovery from Cymric's Antelope reservoir, and the process is also being used at McKittrick. The company drilled 44 wells in new, infill and replacement locations during 2009 and planned to drill an additional 55 wells at Antelope and McKittrick in 2010.

In the Lost Hills Field (a light-oil, diatomite reservoir), the company drilled 13 production wells during 2009. Waterflood technology is being used in the region to improve recovery of the field's hydrocarbons.

**Elk Hills** An active development program continued at the Elk Hills Field, in which the company has an average nonoperated working interest of 23 percent in four producing zones. During 2009, 124 development wells (including producers and injectors) and five delineation wells were drilled, resulting in a production increase of 25 percent by year-end. In 2009, total daily production was 47,000 barrels of crude oil (11,000 net), 258 million cubic feet of natural gas (59 million net) and 19,000 barrels of natural gas liquids (4,000 net). In the Shallow Oil Zone, nitrogen injection continued and an alkaline surfactant polymer flood pilot demonstrated incremental production. These enhanced-recovery activities are intended to allow production of additional crude oil and natural gas that would not be recoverable using conventional methods. Drilling activities in 2009 extended the reservoir boundaries and identified new potentially recoverable hydrocarbons.

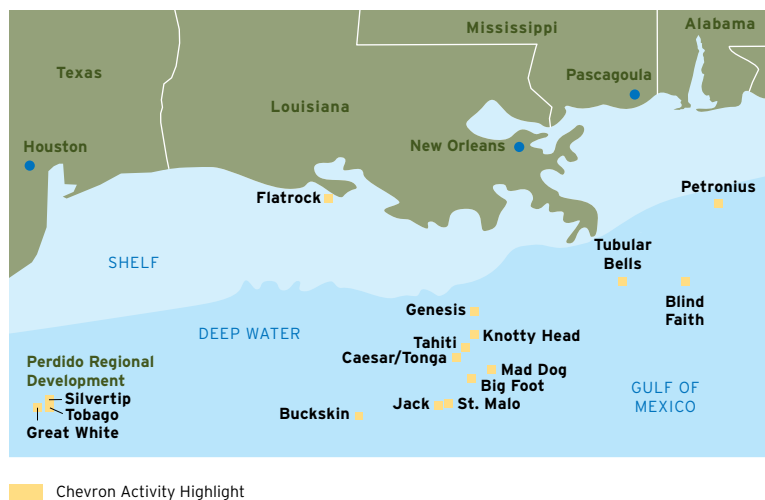


**San Ardo** The company is operating a multiyear large capital project designed to increase crude-oil production by expanding the existing steamflood operation in the 100 percent-owned leases that Chevron manages within the San Ardo Field in central California. First oil was achieved in August 2007, and the last major facility was successfully brought online in May 2009. At the end of 2009, one-third of the steamflood patterns were active, with total daily production of 5,000 barrels of crude oil (4,000 net) and 2 million cubic feet of natural gas (2 million net). The main construction phase of the project is essentially complete, although well work associated with the multiyear steamflood expansion is expected in the future as new steamflood patterns are activated. Maximum total daily production of 14,000 barrels of oil-equivalent is anticipated in 2017.

### Gulf of Mexico

During 2009, net oil-equivalent production for the company's combined interests in the Gulf of Mexico shelf and deepwater areas and the onshore fields in the region averaged 243,000 barrels per day, composed of 149,000 barrels of crude oil, 484 million cubic feet of natural gas and 14,000 barrels of natural gas liquids. Chevron has an interest in 669 leases in the Gulf of Mexico, 423 of which are located in water depths greater than 1,000 feet (305 m). At the end of 2009, the company was the largest leaseholder in the Gulf of Mexico.

In 2008, hurricanes Gustav and Ike caused significant damage to production facilities and third-party infrastructure in the Gulf of Mexico. Restoring the shut-in production related to those storms was a major focus area during 2009. At the end of 2009, restoration efforts were substantially complete, with more than 90 percent of pre-storm volumes returned to production.



### Shelf

Chevron is one of the largest producers of crude oil and natural gas on the Gulf of Mexico shelf. Average net daily production in 2009 was 51,000 barrels of crude oil, 428 million cubic feet of

natural gas and 9,000 barrels of natural gas liquids. The company drilled 36 development and delineation wells during 2009 and participated in four deep-gas exploration wells. Deep-gas exploration is focused on a series of trends and prospects with subsurface targets below 15,000 feet (4,572 m).

Flatrock, one of the company's largest deep-gas developments, is a multiple-reservoir development below the Chevron-operated Tiger Shoal Field. Flatrock has benefitted from the proximity of existing shelf infrastructure, reaching maximum production in August 2009 following its discovery in mid-2007. At the end of 2009, total daily production from six wells was 260 million cubic feet of natural gas (109 million net) and 5,000 barrels of crude oil (2,000 net). Chevron, with a 45 percent working interest, operates the production facilities. Multiple delineation drilling prospects are being considered, and future exploration success in the deep-gas trend could lead to additional new developments utilizing Chevron's shelf infrastructure.

### Deep Water

Chevron is one of the top leaseholders in the deepwater Gulf of Mexico, averaging net daily production of 97,000 barrels of crude oil, 56 million cubic feet of natural gas and 6,000 barrels of natural gas liquids during 2009.

### Production

**Blind Faith** Total daily production in 2009 averaged 51,000 barrels of crude oil (38,000 net), 34 million cubic feet of natural gas (25 million net) and 3,000 barrels of natural gas liquids (2,000 net). Chevron is the operator and holds a 75 percent working interest in this project. Production from four wells is through a deep draft, semi-submersible facility in Mississippi Canyon Block 650. It is

Chevron's deepest operated offshore production facility, located in 6,500 feet (1,981 m) of water. The subsea wells are located in 7,000 feet (2,134 m) of water in Mississippi Canyon Blocks 695 and 696. Ramp-up to the total daily maximum production of 70,000 barrels of oil-equivalent was achieved in March 2009. The field has an estimated production life of 20 years and is estimated to contain more than 100 million barrels of potentially recoverable oil-equivalent.

**Mad Dog** Total daily production averaged 64,000 barrels of crude oil (9,000 net) and 11 million cubic feet of natural gas (1 million net) during 2009. Chevron has a 15.6 percent nonoperated working interest in this spar floating production facility. Development drilling stopped in 2008 due to the loss of the platform drilling rig during Hurricane Ike. In 2009, the partners authorized replacement of the drill rig, and development drilling is expected to resume in 2012 once the new rig is installed. A successful appraisal well was drilled in the second quarter 2009 on the south flank of

Mad Dog. The well resulted in significant resource additions in this area of the field. Development alternatives are being evaluated, and the final investment decision is scheduled for 2011.

**Tahiti** First oil at the Tahiti Field was achieved in the second quarter 2009. Daily production from six wells was ramped up to nameplate capacity in the third quarter 2009. Total daily production in 2009 averaged 62,000 barrels of crude oil (35,000 net) and 24 million cubic feet of natural gas (14 million net). Chevron operates and holds a 58 percent interest in the Tahiti Field, located in Green Canyon Blocks 596, 597, 640 and 641. Tahiti was discovered in approximately 4,100 feet (1,250 m) of water in 2002. Tahiti is a subsea development with tieback to a truss-spar floating production facility with a total daily capacity of 125,000 barrels of crude oil and 70 million cubic feet of natural gas. The field has an estimated production life of 30 years. Potentially recoverable volumes from the Tahiti Field are estimated at 400 million to 500 million oil-equivalent barrels.

**Other Deep Water** The company's remaining deepwater production was from the Genesis, Petronius and Perseus fields. Total daily production at Genesis during 2009 averaged 10,000 barrels of crude oil (5,000 net) and 12 million cubic feet of natural gas (6 million net). Chevron is the operator with a 56.7 percent interest. Total daily production from Petronius and the nearby Perseus Field in 2009 averaged 24,000 barrels of crude oil (10,000 net) and 23 million cubic feet of natural gas (10 million net). Chevron is the operator with a 50 percent interest.

#### Development

**Big Foot** Work continues on Big Foot, a 2006 discovery located in Walker Ridge 29, approximately 225 miles (362 km) south of New Orleans. Chevron has a 60 percent-owned and operated interest in the project. Following the discovery well, two successful appraisal wells were drilled, the most recent one completed in January 2009. Chevron also acquired the rights to an adjacent block located in Walker Ridge 30 during 2009. The project entered front-end engineering and design (FEED) in October 2009, and a final investment decision is expected in late 2010. Total maximum production from the project is expected to be 63,000 barrels of oil-equivalent per day. At the end of 2009, proved reserves had not been recognized.

**Caesar/Tonga** The Caesar and Tonga partnerships formed a unit agreement for the area consisting of Green Canyon Blocks 683, 727, 770 and a portion of Block 726, which includes the Caesar, Tonga and West Tonga fields. Chevron holds a 20.3 percent nonoperated working interest in the unitized area. The company participated in a successful Green Canyon Block 770 appraisal well in 2008. A final investment decision was made in the first quarter 2009. Two development sidetracks were completed in 2009, one in the third quarter and one in the fourth quarter. Development plans include a total of four wells and a subsea tieback to a nearby third-party production facility. Project costs are estimated at \$1.7 billion and first oil is expected in 2011. Maximum total daily production of 44,000 barrels of oil-equivalent is expected in 2012. The initial recognition of proved reserves for the project occurred in 2009.

**Jack & St. Malo** These fields, discovered in 2004 and 2003 respectively, are located within 25 miles (40 km) of each other and are being considered for joint development. Chevron has a 50 percent-owned interest in Jack (Walker Ridge Blocks 714, 715, 758, 759 and a portion of 802 and 803) and a 51 percent-owned interest in St. Malo (Walker Ridge Blocks 673, 674, 677 and 678), following the company's acquisition in March 2010 of an additional

9.8 percent equity interest in St. Malo from the partner; both are company-operated and have combined potentially recoverable hydrocarbons in excess of 500 million barrels of crude oil. Successful appraisal wells were last drilled at both fields in 2008, and the screening of development options continued in 2009. Located in 7,000 feet (2,134 m) of water and with a reservoir depth of 26,500 feet (8,077 m), development is geologically and technically challenging. The project entered FEED in May 2009, and a final investment decision is expected in late 2010. The facility is planned to have an initial design capacity of 150,000 barrels of oil-equivalent per day, and start-up is expected in 2014. At the end of 2009, proved reserves had not been recognized for these fields.

**Perdido Regional Development** The Perdido Regional Development is located in the ultra-deep Alaminos Canyon, approximately 250 miles (402 km) south of Houston. The development encompasses the installation of a producing host facility in Alaminos Canyon Block 857 where Chevron has a 37.5 percent nonoperated interest. The host is designed to service multiple fields, including Great White (Blocks 812, 813, 814, 856, 857, 900, 901 and a portion of 858) (33.3 percent nonoperated working interest), Silvertip (Block 815) (60 percent nonoperated working interest) and Tobago (Block 859) (57.5 percent nonoperated working interest). Total project costs are estimated at \$4.4 billion.

Great White was a 2002 discovery in approximately 8,000 feet (2,438 m) of water. Silvertip and Tobago were discovered in 2004 in 9,200 feet (2,804 m) and 9,600 feet (2,926 m) of water, respectively. The development utilizes subsea wells and separation facilities with tieback to a spar floating production facility having a design capacity of 130,000 barrels of oil-equivalent per day. The shared host, located in approximately 8,000 feet (2,438 m) of water, is the deepest spar production facility in the world. First oil is expected in the first-half 2010, with an anticipated project life of 25 years. Activities in 2009 included installation of the topsides on the spar, installation of umbilicals, hook-up and commissioning of the facility systems, and ongoing development drilling. Proved reserves have been recognized for this project.

**Tahiti 2** Plans for a second development phase of the producing Tahiti Field include a delineation well, additional development drilling and a probable waterflood. A final investment decision is scheduled for mid-2010. The waterflood includes water injection topsides equipment, subsea equipment and water injection wells. Drilling began on a delineation well in 2009 that is scheduled to be completed as a producer in 2010. A development well is planned for the second-half 2010. At the end of 2009, proved reserves had not been recognized for the Tahiti 2 Project.

**Exploration** During 2009 and into early 2010, the company participated in 10 deepwater exploratory wells - five wildcat, three appraisal and two delineation. The status of the 2009 drilling program as of early 2010 was as follows:

- Buckskin - 55 percent-owned and operated; a wildcat discovery announced in February 2009. The first appraisal well is scheduled to begin drilling in the second quarter 2010.
- Knotty Head - 25 percent nonoperated working interest; a 2005 discovery in Green Canyon Block 512. The first appraisal well is scheduled to be completed in March 2010.

- Puma - 21.8 percent nonoperated working interest; a 2003 discovery. An appraisal well completed drilling in the first quarter 2009. The field was determined to be noncommercial, and the leases were relinquished in mid-2009.
- Tubular Bells - 30 percent nonoperated working interest in the unitized area encompassing Mississippi Canyon Blocks 681, 682, 683, 724, 725, 726 and the northwest quarter of 727. It is located approximately 135 miles (217 km) southeast of New Orleans in 4,300 ft (1,311 m) of water. The discovery well was drilled in 2003 and was followed by two appraisal wells. Studies to screen and evaluate future development alternatives were continuing at the end of 2009.

At the end of 2009, proved reserves had not been recognized for the exploration prospects discussed above.

Chevron added new leases to its deepwater portfolio in 2009. In the Gulf of Mexico Lease Sale 208 (Central Planning Area), the company was awarded 14 deepwater leases. In the Gulf of Mexico Lease Sale 210 (Western Planning Area), the company was awarded 25 deepwater leases.

### Other U.S. Areas

The company produces crude oil and natural gas across the mid-continental United States - primarily in Colorado, New Mexico, Oklahoma, Texas and Wyoming - and in Alaska.

Chevron is one of the largest hydrocarbon producers in the Permian Basin of West Texas. In Alaska, the company operates 10 platforms and five natural-gas producing fields in the Cook Inlet and holds operated and nonoperated working interests on the North Slope.



In 2009, the company's U.S. net daily oil-equivalent production outside California and the Gulf of Mexico averaged 263,000 barrels, composed of 94,000 barrels of crude oil, 824 million cubic feet

of natural gas and 31,000 barrels of natural gas liquids. Capital spending is focused in the Permian Basin, East Texas, South Texas and the Rockies. During the year, the company drilled 150 wells and participated in drilling 214 nonoperated wells.

In this portion of the U.S. portfolio of assets, the company is managing production decline rates in existing fields with a combination of well workovers, artificial-lift techniques, facility and equipment improvements, enhanced-recovery methods such as water and carbon dioxide (CO<sub>2</sub>) injection, and additional development drilling.

Chevron has substantial reserves and resources in the United States recoverable through CO<sub>2</sub> enhanced-recovery methods. CO<sub>2</sub> projects are ongoing in fields such as Vacuum in New Mexico, Rangely in Colorado, and Slaughter, Dollarhide and Reinecke in West Texas. Expansions, both horizontal and vertical, are proceeding in these fields at a pace optimized to maximize oil recovery facilities utilization rates while balancing CO<sub>2</sub> demand and supply. New projects, such as McElroy and Wharton in West Texas, are being added to the portfolio and continue to sustain the extensive opportunity queue.

Another West Texas opportunity the company is actively pursuing involves moving tight carbonate resources to production. Chevron holds a nonoperated working interest in a large drilling play in the Permian Basin, where the target Wolfcamp formation had traditionally been considered uneconomic "tight" rock. However, advances in drilling and completion technologies have opened up widespread targets in areas where Chevron has extensive land positions. The company participated in the drilling of 132 wells in 2009 and plans to participate in the drilling of another 208 wells in 2010.

In 2009 the company also drilled three successful exploration wells at its Haynesville shale gas play in East Texas, where the company has both operated and nonoperated working interests. Chevron has a 100 percent-owned and operated interest in the 2009 discoveries - two wells are on production and the third has been suspended for later use as a producer. This asset remains in an early phase of development, but offers significant future potential.

In the Piceance Basin in northwestern Colorado, the company is continuing natural-gas development of approximately 35,000 acres (142 sq km), in which it holds a 100 percent-owned and operated interest. An estimated 3 trillion cubic feet of natural gas are potentially recoverable from this project. Development drilling, which began in 2007, surpassed 190 wells in 2009, with 81 completed wells available to supply natural gas to the central processing facility. An eight-mile (13-km) pipeline to transport the gas to a nearby gathering system was completed in 2008. Construction of compression and dehydration facilities to produce 65 million cubic feet per day of natural gas was completed in the third quarter 2009, allowing additional production to come on line in September 2009. This program is highly scalable, and future work is expected to be completed in multiple stages. The full development plan includes drilling more than 2,000 wells from multiwell pads over the next 30 to 40 years, bringing the full development potential to more than 400 million cubic feet per day. Proved reserves for subsequent stages of the project had not been recognized at the end of 2009.

Also in the Piceance Basin is a significant oil-shale resource that is part of an estimated 2 trillion barrels of oil shale located in Utah, Wyoming and Colorado. In 2007, Chevron was one of three companies granted a research, development and demonstration lease by the Bureau of Land Management for the purpose of demonstrating a viable commercial technology for the extraction of oil shale in the Piceance Basin. In 2009, Chevron completed a 19-well hydrology testing program as a first step in attempting to unlock this vast resource. Next steps are to integrate the hydrology data into the company's comprehensive understanding of the basin while continuing to evolve an environmentally responsible, sustainable and scalable recovery technology.

## Africa

In Africa, the company is engaged in exploration and production activities in Angola, Chad, Democratic Republic of the Congo, Nigeria and Republic of the Congo. Net daily oil-equivalent production of 433,000 barrels during 2009 in these countries represented about 16 percent of the companywide total.

### Angola

The company operates and holds a 39.2 percent interest in Block O, a concession adjacent to the Cabinda coastline, and a 31 percent interest in a production-sharing contract (PSC) for deepwater Block 14, located west of Block O. The company also has a 20 percent nonoperated working interest in Block 2, which is adjacent to the northwestern part of Angola's coast south of the Congo River, and a 16.3 percent nonoperated working interest in the onshore Fina Sonangol Texaco (FST) concession area.

During 2009, total daily liquids production averaged 506,000 barrels (141,000 net).

#### Block O

**Production** Block O is divided into areas A and B and contains 21 fields that produced a total average of 331,000 barrels of liquids per day (105,000 net) in 2009. Area A comprises 15 producing fields and averaged total daily production of 188,000 barrels of crude oil (59,000 net) and 3,000 barrels of liquefied petroleum gas (LPG) (1,000 net). Area B has six producing fields and averaged total daily production of 124,000 barrels of crude oil and condensate (38,000 net) and 16,000 barrels of LPG (7,000 net). The Block O concession extends through 2030.

**Mafumeira Norte** The first stage of the Mafumeira Field development targeting the northern portion of the field, Mafumeira Norte, continued with development drilling and commissioning of the topsides followed by first oil in July 2009. The maximum total daily production of 42,000 barrels of crude oil was achieved in the first quarter 2010.

**Development** Drilling activity within the block remains a priority. Major infrastructure projects to eliminate routine flaring of natural gas, handle increasing production volumes and renew older facilities are ongoing, with several reaching completion in 2009.

**Gas Management Projects** The Takula Flare and Relief Modification Project and the Cabinda Gas Plant Project achieved start-up in June 2009 and December 2009, respectively, and are expected to reduce flaring by up to 60 million cubic feet of gas per day. Work on the Malongo Flare and Relief Modification Project continues with expected start-up in 2011. These projects, along with the Takula Gas Processing Platform, which began operations in 2008, are major components of the Area A Gas Management Project to eliminate the flaring of natural gas by reinjecting excess natural gas into the various Takula and Malongo reservoirs.



**Greater Vanza/Longui Area (GVLA)** Development concept selection studies were under way during 2009 and continued into 2010 with FEED planned for 2011. At the end of 2009, proved reserves had not been recognized for this project.

**Mafumeira Sul** The second stage of the Mafumeira field development, Mafumeira Sul, is located in the Southern Malongo Development Area. The development, in 200 feet (61 m) of water, includes a central processing facility, wellhead platforms, approximately 90 miles (145 km) of subsea pipelines and 54 wells. The maximum total daily production is expected to be 95,000 barrels of crude oil. Feasibility studies were completed in October 2009, and FEED began in January 2010. A final investment decision is planned for 2011. At the end of 2009, proved reserves had not been recognized for this project.



### Nemba Enhanced Secondary Recovery & Flare Reduction

Work continued on the Nemba Enhanced Secondary Recovery & Flare Reduction Project. Development plans include enhancing crude-oil recovery by increasing natural-gas injection and eliminating routine flaring at the North and South Nemba platforms. Natural-gas injection start-up is expected in the fourth quarter 2010.

**South N'Dola** FEED activities continued during 2009 on the south extension of the N'Dola Field development. At the end of 2009, proved reserves had not been recognized for this project.

**Exploration** A successful two-well exploration and appraisal campaign was completed at GVLA in Area B. The exploration well was completed in March 2009, and the appraisal well was completed in May 2009, confirming an earlier discovery. Drilling began on another exploration well in Area B that was completed in February 2010, and the results are under evaluation. Acquisition of seismic data in Area A started in 2008 and was completed at the end of 2009.

### Block 14

**Production** In 2009, total daily production was 155,000 barrels of liquids (33,000 net) from Benguela Belize-Lobito Tomboco, Kuito, Tombua and Landana fields.

**Tombua-Landana** Initial production from the Tombua-Landana fields, located in 1,200 feet (366 meters) of water, occurred in August 2009. The development utilizes a compliant piled tower production facility. Development drilling is expected to continue, with maximum total daily production of 100,000 barrels of crude oil anticipated in 2011. Development and production rights for these fields expire in 2028.

### Development

**Lucapa** Studies to evaluate development alternatives for the Lucapa Field continued throughout 2009, with FEED planned for the fourth quarter 2010. At the end of 2009, proved reserves had not been recognized for Lucapa.

**Negage** In early 2009, a portion of the Negage Development Area situated in the southwest corner of Block 14 was designated to be in the Zone of Common Interest, a cooperative arrangement between Angola and Democratic Republic of the Congo. As of the end of 2009, development activities were suspended pending final agreements between the two countries. At the end of 2009, proved reserves had not been recognized for this project.

**Exploration** Block 14 has undergone a successful exploration program resulting in 11 discoveries since 1995, when the exploration license was first awarded. A successful appraisal well at the Malange discovery was completed in the fourth quarter 2009. At the end of 2009, proved reserves had not been recognized for this prospect.

### Infrastructure Shared by Blocks O and 14

**Malongo Terminal Oil Export Pipeline** Chevron operates and holds a 39.2 percent interest in the Malongo Terminal Oil Export Pipeline Project, which was completed in November 2009. This new crude-oil export system at Malongo more than doubled the capacity from the area, benefiting both Block O and Block 14.

### Block 2 and FST Area

**Production** Total daily production averaged 20,000 barrels of liquids (3,000 net) in 2009.

### Natural-Gas Commercialization

**Angola Liquefied Natural Gas (LNG)** Chevron has a 36.4 percent interest in Angola LNG Limited, which will operate the 5.2 million-metric-ton LNG plant. The onshore plant in Soyo, Angola, is designed with a capacity to process 1.1 billion cubic feet of natural gas per day, resulting in sales of 670 million cubic feet per day of regasified LNG, and up to 63,000 barrels per day of natural gas liquids. Construction, which began in 2008, continued on schedule through 2009, with a facility start-up expected in 2012. The estimated total cost of the plant is \$9.0 billion and the anticipated life is in excess of 20 years. Proved reserves have been recognized for producing operations associated with this project.

### Angola-Republic of the Congo Joint Development Area

Chevron is the operator and holds a 31.3 percent interest in the Lianzi Development Area located in a joint development area shared equally between Angola and Republic of the Congo.

**Development** The Lianzi Project continued FEED through the end of 2009. At the end of 2009, proved reserves had not been recognized for the project.

### Democratic Republic of the Congo

Chevron has a 17.7 percent nonoperated working interest in a concession off the coast of the Democratic Republic of the Congo.

**Production** Total production in 2009 from seven fields averaged 16,000 barrels of crude oil per day (3,000 net).

### Republic of the Congo

Chevron has a 31.5 percent nonoperated working interest in the Nkossa, Nsoko and Moho-Bilondo exploitation permits and a 29.3 percent nonoperated working interest in the Kitina exploitation permit, all of which are offshore. The development and production rights for Nkossa, Nsoko and Kitina expire in 2027, 2018 and 2019, respectively.

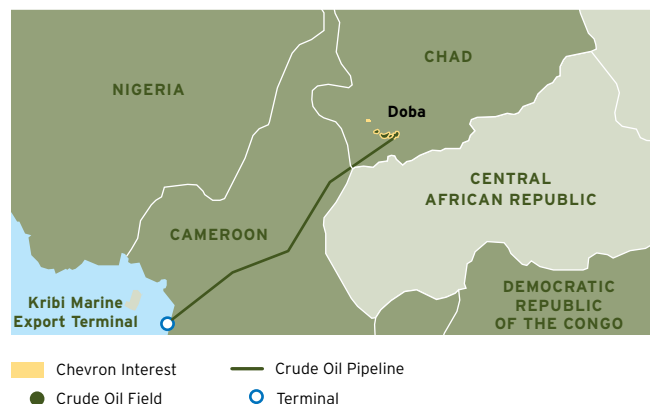
**Production** Average total production in 2009 from Republic of the Congo fields was 96,000 barrels of liquids per day (19,000 net).

**Development** Drilling of producers and injectors continued in Moho-Bilondo through 2009. Maximum total daily production of 90,000 barrels of crude oil is expected to be reached in the third quarter 2010. The development and production rights for Moho-Bilondo expire in 2030.

**Exploration** In May 2009, an exploration well in the northern portion of the Moho-Bilondo exploitation permit area was drilled to a total depth of 13,907 feet (4,239 meters) and resulted in a crude-oil discovery. Studies were under way throughout 2009 to evaluate development alternatives.

### Chad/Cameroon

Chevron holds a nonoperated working interest in crude-oil fields in southern Chad. The produced volumes are transported about 665 miles (1,070 km) by underground pipeline to the coast of Cameroon for export to world markets. Chevron holds a 25 percent interest in the producing operations and an approximate 21 percent interest in the two affiliates that own the pipeline. The Chad producing operations are conducted under a concession agreement that expires in 2030.



**Production** Total crude-oil production in 2009 from seven fields in the Doba Basin averaged 120,000 barrels per day (26,000 net).

**Development** In 2008, the development application for the Timbre Field in the Doba Basin area was approved. The development was completed, with first oil in September 2009.

### Libya

**Exploration** During 2009, Chevron drilled one exploration well that did not encounter hydrocarbons. The company relinquished its Block 177 exploration license in the fourth quarter 2009.

### Nigeria

The company operates and holds a 40 percent interest in 13 concessions predominantly in the onshore and near-offshore regions of the Niger Delta and varying interests in deepwater blocks. The concessions include approximately 2.2 million acres (8,900 sq km) and are operated under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC), which owns a 60 percent interest. At the end of 2009, the company also had acreage positions in 12 deepwater blocks: Oil Mining Lease (OML) 113 (45 percent nonoperated working interest), OML 127 (80 percent-owned and operated), OML 128 and OML 129 (46.2 percent nonoperated working interests), OML 132 (100 percent-owned and operated), OML 138 and OML 139 (30 percent nonoperated working interests), OML 140 (95 percent-owned and operated), Oil Prospecting License (OPL) 214 (20 percent nonoperated working interests), OPL 221 (40 percent nonoperated working interest), OPL 223 (30 percent nonoperated working interest) and OPL 247 (54 percent-owned and operated).

**Production** In 2009, total daily production averaged 480,000 barrels of crude oil (224,000 net), 111 million cubic feet of natural gas (48 million net) and 3,000 barrels of LPG (1,000 net).

### Niger Delta

**Production** In 2009, total daily production from 32 fields in the Niger Delta averaged 275,000 barrels of crude oil (93,000 net), 99 million cubic feet of natural gas (40 million net) and 3,000 barrels of LPG (1,000 net). In May 2009, the Nigerian Gas Company pipeline was vandalized, which reduced total daily natural-gas sales by 128 million cubic feet (51 million net). The pipeline was repaired

and natural-gas sales resumed in the first quarter 2010. In July 2009, a crude-oil pipeline and production platform was vandalized, reducing production by 23,000 barrels of oil-equivalent per day (7,000 net). Production was fully restored in October 2009 following the completion of repairs.

### Development

**Western Niger Delta Re-Entry** Construction activities that began in 2007 on the Olero Creek Flowstation Project continued in 2009, with project completion anticipated in 2011. An early-oil initiative, the Benin River Flowstation Project, resulted in total production of 31,000 barrels per day (10,000 net) during 2009. Work to replace an aging trunkline that transports the area's crude oil from Abiteye to processing facilities at Escravos continued in 2009. Completion is planned for the fourth quarter 2010.

The Dibi Long-Term Project is designed to integrate the existing Early Production System (EPS) facility, which was purchased by the company in the fourth quarter 2009, into a permanent flowstation. This project also includes partially rebuilding the existing Dibi permanent facilities that were vandalized in 2003. FEED commenced in November 2009, and completion of the project is expected in 2013. Total daily production from the EPS averaged 36,000 barrels.

**Exploration** Shallow-water exploration activities in 2009 included evaluating an exploration well drilled at the Ekura prospect in OML 89 and acquiring seismic data covering OML 53 and OML 95. At the end of 2009, proved reserves had not been recognized for this prospect.

### Deep Water

**Production** In 2009, total daily production from Agbami averaged 205,000 barrels of crude oil (131,000 net) and 12 million cubic feet of natural gas (8 million net).

**Agbami** The Agbami Field is located in a water depth of 4,800 feet (1,463 m), with subsea wells tied back to a floating production, storage and offloading vessel (FPSO). The geological structure spans 45,000 acres (182 sq km) across OML 127 and OML 128. The field is one of the largest deepwater discoveries in Nigeria and contains an estimated 1 billion barrels of potentially recoverable crude oil and natural gas liquids. Continued development drilling and completion operations at Agbami Field increased production to the maximum total liquids production rate of 250,000 barrels per day in August 2009.

### Development

**Agbami 2** In December 2009, a subsequent 10-well development program was initiated and is expected to provide 100,000 barrels per day of total liquids production to offset field decline and to sustain a maximum total liquids production rate of 250,000 barrels per day. First production from this program is expected in 2011. The licenses that contain the Agbami Field expire in 2023 and 2024.

**Bonga SW/Aparo** The Aparo Field in OML 132 and OML 140 and the Bonga SW Field in OML 118 share a common geological structure and are planned to be developed jointly. The geological structure lies 70 miles (113 km) off the coast of the western Niger Delta region

in 4,300 feet (1,311 m) of water. Chevron will have an approximate 20 percent nonoperated working interest in the proposed unit. The project was delayed in 2009 in order to secure stakeholder alignment on scope and commercial terms. A preliminary unitization agreement was extended in December 2009 through the end of 2010. The final investment decision is dependent on a final unitization agreement. At the end of 2009, no proved reserves were recognized for this project.



**Nsiko** Chevron operates and holds a 95 percent interest in the Nsiko discovery in OML 140. This discovery lies in approximately 5,800 feet (1,768 m) of water, 90 miles (145 km) off the coast of the western Niger Delta region. Subsurface evaluations and field development planning were completed in 2008. Development activities and FEED are expected to begin once commercial terms are resolved. At the end of 2009, proved reserves had not been recognized for this project.

**Usan** Chevron holds a 30 percent nonoperated working interest in this development project in OML 138, which lies in 2,461 feet (750 m) of water, 62 miles (100 km) off the coast of the eastern Niger Delta region. The development plan involves subsea wells producing to an FPSO. Major construction contracts were awarded in 2008, and development drilling began in June 2009. Maximum total daily production of 180,000 barrels of crude oil is anticipated within one year of production start-up, which is scheduled for 2012. The total costs for the project are estimated at \$8.4 billion. The OML expires in 2027. Proved reserves have been recognized for this project.

**Exploration** During 2009, Chevron participated in a successful exploration well in OPL 223. Results of the Owowo discovery were under evaluation as of early 2010. At the end of 2009, proved reserves had not been recognized for this block.

#### Natural Gas Commercialization

**Escravos Gas Project (EGP) Phase 3A** Construction on the Chevron-operated and 40 percent-owned EGP Phase 3A expansion project was completed in late 2009, and first gas is expected to be delivered to the new facilities in the first-half 2010. The project is designed to increase daily processing capacity from 285 million to 680 million cubic feet of natural gas and increase daily LPG and condensate export capacity from 15,000 to 58,000 barrels. Project scope includes offshore natural-gas gathering and compression infrastructure and the addition of a second natural-gas processing facility to process natural gas from the Meji, Delta South, Okan and Mefa fields. The anticipated life of the project is 25 years. Total capital costs for the project are estimated at \$2.4 billion. Proved reserves have been recognized for the project.

**EGP Phase 3B** This Chevron-operated and 40 percent-owned development in Escravos is expected to start up in 2012. The EGP Phase 3B project is a continuation of the company's Western Delta Gas Development Program, aimed to eliminate routine flaring of natural gas that is associated with the production of crude oil. The project includes installation of a 120 million-cubic-foot-per-day natural-gas gathering and compression platform near the existing Meren 1 complex, installation of approximately 75 miles (121 km) of subsea pipelines, and modifications to nine existing production platforms. The project is designed to receive natural gas from the Meren, Parabe, Malu, Isan, Opolo, Ewan, Tapa and Delta fields and transport it to the Escravos Gas Plant for processing and sale. The engineering, procurement, construction and installation contract was awarded and work commenced by the end of 2009. Total capital costs for the project are estimated to be \$2.0 billion. Proved reserves have been recognized for the project.

**EGTL** Chevron and the NNPC are developing a 33,000-barrel-per-day gas-to-liquids (GTL) facility at Escravos that is designed to process 325 million cubic feet per day of natural gas from the EGP Phase 3A Project. In 2009, engineering was completed and facility construction commenced. Two GTL reactors were installed in 2008, and all process modules were delivered to the site by the end of 2009. The remaining large equipment is expected to be delivered by the second quarter 2010. Chevron has a 75 percent interest and will operate the plant, which is scheduled for start-up in 2012. The estimated cost of the project is \$5.9 billion.

**Olokola LNG Project** Chevron has a 19.5 percent interest in the OKLNG Free Zone Enterprise (OKLNG), which will operate the Olokola LNG Project. OKLNG plans to build a multitrain natural-gas-liquefaction facility and marine terminal located northwest of Escravos. As of early 2010, the timing of a final investment decision was uncertain. At the end of 2009, proved reserves associated with this project had not been recognized.

**Onshore Asset Gas Management (OAGM)** Chevron operates and holds a 40 percent interest in six fields collectively referred to as the Onshore Area. In 2003, civil unrest in the area resulted in vandalism of the compression infrastructure. The OAGM Project is designed to restore these facilities and supply 125 million cubic feet of natural gas to the Nigerian domestic gas market. Two onsite construction contracts are expected to be awarded in the second quarter 2010.

**West African Gas Pipeline** Chevron is the largest shareholder in West African Gas Pipeline Company Limited, with a 36.7 percent interest. The company constructed, owns and operates the 421-mile (678-km) West African Gas Pipeline, which supplies Nigerian natural gas to customers in Ghana, Benin and Togo for industrial applications and power generation. Compression facilities to increase the pipeline capacity to 170 million cubic feet of natural gas per day are expected to be completed in the second quarter 2010.

#### Nigeria - São Tomé e Príncipe Joint Development Zone (JDZ)

Chevron operates and holds a 45.9 percent interest in JDZ Block 1. Throughout 2009, Chevron was monitoring exploration activity in adjacent blocks to assess the potential for future exploration in Block 1.

## Asia

Producing countries in Asia include Azerbaijan, Bangladesh, China, Indonesia, Kazakhstan, Myanmar, the Partitioned Zone located between Saudi Arabia and Kuwait, Philippines and Thailand. Net daily oil-equivalent production of 1,044,000 barrels during 2009 in these countries represented about 40 percent of the company-wide total.

### Azerbaijan

Chevron holds a 10.3 percent nonoperated working interest in the Azerbaijan International Operating Company (AIOC) and the crude-oil production from the Azeri-Chirag-Gunashli (ACG) Project. AIOC operations are conducted under a 30-year PSC that expires in 2024. Chevron also has an 8.9 percent interest in the Baku-Tbilisi-Ceyhan (BTC) pipeline, which transports the majority of the AIOC production from Baku, Azerbaijan, through Georgia to the Mediterranean deepwater port facilities at Ceyhan, Turkey.

**Production** The AIOC's total crude-oil production in 2009 averaged 817,000 barrels per day (28,000 net). The AIOC exports its production primarily via the BTC pipeline and the Western Route Export Pipeline (WREP), which is wholly owned by the AIOC. The 1,094-mile (1,762-km) BTC pipeline has a capacity of 1.2 million barrels per day. The WREP runs 515 miles (829 km) from Baku, Azerbaijan, to the terminal at Supsa, Georgia, on the Black Sea and has a capacity of 100,000 barrels per day.

As alternatives to the primary export pipelines, the AIOC could use rail tank cars that connect with a Georgian Black Sea port and/or, provided there is spare capacity, a northern pipeline route that connects to an existing pipeline system in Russia and extends to the Russian Black Sea port of Novorossiysk.

**Development** The ACG Chirag Oil Project is designed to further develop the deepwater Gunashli Field. Planning was completed for a new 48-slot platform, and a final investment decision is expected to be made in the first-half 2010.

### Kazakhstan

Chevron has a 50 percent interest in the Tengizchevroil (TCO) affiliate and a 20 percent nonoperated working interest in the Karachaganak Field. TCO production is from the Tengiz and Korolev fields.

Total daily production in 2009 from TCO and Karachaganak was 761,000 barrels of crude oil and natural gas liquids (268,000 net) and 1.6 billion cubic feet of natural gas (450 million net). Chevron also holds a 15 percent interest in the Caspian Pipeline Consortium (CPC) pipeline, which provides the critical export route for crude oil from both TCO and Karachaganak.



**Tengiz and Korolev** TCO is operating and developing the Tengiz and Korolev crude-oil fields in western Kazakhstan under a 40-year concession that expires in 2033.

**Production** Total daily production in 2009 averaged 492,000 barrels of crude oil (208,000 net), 674 million cubic feet of natural gas (289 million net) and 38,000 barrels of natural gas liquids (18,000 net). In 2009, TCO continued to ramp up production from the Sour Gas Injection (SGI) and Second Generation Plant (SGP) facilities.



During 2009, the majority of TCO's crude-oil production was exported through the CPC pipeline. The balance of production was moved by rail to Black Sea ports or to Aktau, Kazakhstan, and then via tanker to Baku, Azerbaijan, for shipment through the BTC pipeline to Ceyhan or by rail to other Black Sea ports.

**Development** The Sulfur Expansion Project is expected to expand TCO's sulfur-granulation capacity and eliminate routine addition of sulfur inventory at the storage pads. The project is scheduled to start up in 2012.

TCO continues to evaluate options for an expansion project similar in scale to the SGI/SGP Project, excluding sulfur processing facilities as the sour gas is planned to be reinjected. The Future Expansion Project is expected to increase total crude-oil production between 250,000 and 300,000 barrels per day. FEED is anticipated in 2011.

**Karachaganak** Karachaganak is a natural-gas and condensate field located in northwest Kazakhstan. Karachaganak operations are conducted under a 40-year PSC that expires in 2038. The development of the project is being conducted in phases.

**Production** Total daily production during 2009 averaged 231,000 barrels of liquids (42,000 net) and 880 million cubic feet of natural gas (161 million net). Approximately 184,000 barrels per day of processed liquids (33,000 net) were exported and sold at prices available in world markets. Substantially all of the exported volumes were transported through the CPC pipeline. A portion was exported via the Atyrau-Samara (Russia) pipeline. Liquids not exported by these pipelines were sold as unstable condensate into the Russian market.

**Development** Work continued during 2009 on a fourth oil-stabilization train with a total design capacity for processing 56,000 barrels of sour condensate production into stabilized and sweetened oil. The project has a slight positive impact on field production rates and enables export of the stabilized oil to world markets. The fourth train is expected to start up in 2011.

Work continued on identifying the optimal scope for the next phase of expansion for the field. The timing of a final investment decision on a preferred development alternative is uncertain. At the end of 2009, proved reserves had not been recognized for this expansion.

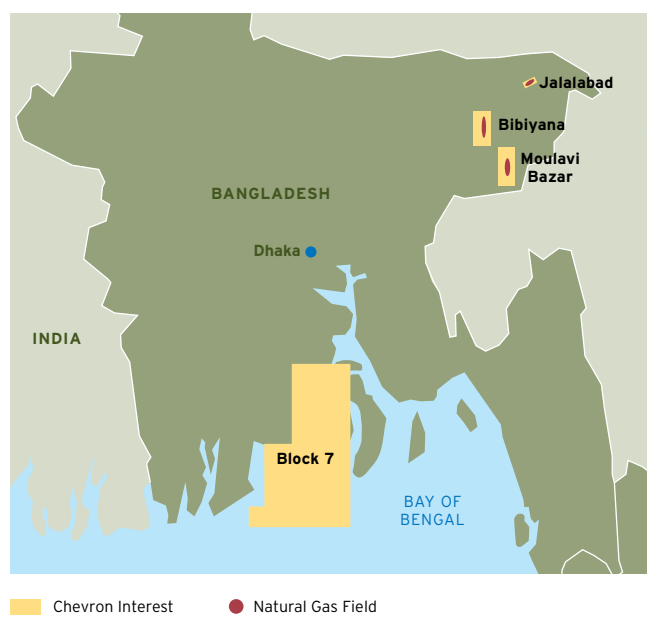
**CPC** The CPC operates a 935-mile (1,505-km) crude-oil export pipeline from the Tengiz Field in Kazakhstan to tanker-loading facilities at Novorossiysk on the Russian coast of the Black Sea. During 2009, the CPC pipeline transported an average of 743,000 barrels of crude oil per day to Novorossiysk, composed of 597,000 barrels per day originating from Kazakhstan and 146,000 barrels per day from Russia. In addition, approximately 9,000 barrels per day of Tengiz crude was discharged from the CPC pipeline in Atyrau, Kazakhstan, for loading onto rail cars. In 2008, CPC partners signed a Memorandum of Understanding to expand the pipeline design capacity to 1.4 million barrels per day. The expansion is expected to provide additional transportation capacity to accommodate TCO production. CPC shareholders approved the expansion project implementation plan in December 2009. A final investment decision is expected in the fourth quarter 2010.

## Turkey

Chevron holds a 25 percent nonoperated working interest in the 550,000-acre (2,226-sq-km) Silopi licenses in southeast Turkey on trend with production in Iraq's northern Zagros Fold Belt. An exploratory well in the Lale prospect completed drilling in February 2010, and results were under evaluation. At the end of 2009, proved reserves had not been recognized for this area.

## Bangladesh

Chevron holds interests in three operated PSCs in Bangladesh covering Block 12 (Bibiyana Field), Blocks 13 and 14 (Jalalabad and Moulavi Bazar fields), and Block 7. The company has a 98 percent interest in Blocks 12, 13 and 14. Government approval of a 2009 farm-out in Block 7 was received in February 2010, reducing the company's interest from 88 percent to 43 percent. The farm-out was to GS Caltex, a 50 percent-owned affiliate. The rights to produce from Jalalabad expire in 2025, from Moulavi Bazar in 2028 and from Bibiyana in 2034.



**Production** In 2009, total daily production averaged 832 million cubic feet of natural gas (387 million net) and 5,000 barrels of condensate (2,000 net).

**Development** In 2009, the company received government approval for the development of the Muchai compression project, which is expected to support additional production starting in 2012 from the Bibiyana, Jalalabad and Moulavi Bazar natural-gas fields. In December, a final investment decision for the project was achieved. Proved reserves have been recognized for this project.

The government also approved an amendment to the PSC for Blocks 13 and 14 that allows the company to acquire additional 3-D seismic data over the Jalalabad Field to better define the field's structure and potential for additional resources. The seismic data acquisition and evaluation is scheduled to be completed in 2011 and 2012, respectively.

**Exploration** In December 2009, the company completed a seismic data acquisition program for Block 7. Evaluation and data processing are under way, and an exploration well is planned to be completed by 2011.

### Cambodia

Chevron operates and holds a 30 percent interest in 1.2 million acres (4,709 sq km) in Block A, located in the Gulf of Thailand, after a farm-out in November 2009. Government approval of the farm-out is expected by the second quarter 2010.

**Exploration** In 2009, commercial evaluation of prospects continued. The company was granted an extension for the Block A exploration period to the third quarter 2010 in exchange for the obligation to drill three exploration wells. Information gained from the drilling program is expected to provide improved definition of the resource in the block.

### Myanmar

Chevron has a 28.3 percent nonoperated working interest in a PSC for the production of natural gas from the Yadana and Sein fields in the Andaman Sea. The company also has a 28.3 percent interest in a pipeline company that transports the natural gas from Yadana to the Myanmar-Thailand border for delivery to power plants in Thailand. The PSC expires in 2028.

**Production** Most of the natural gas from the Yadana Field is purchased by Thailand's PTT Public Company Limited (PTT) and contributes to the fuel requirements of three major power plants in Thailand. A small amount of production is dedicated to the Myanmar market. Total natural-gas production during 2009 averaged 646 million cubic feet per day (76 million net).

**Development** The Medium Compression Project consists of a platform with two natural-gas-compression trains, which are expected to maintain the contract-production levels and maximize ultimate recovery from the fields. The compression platform was completed in the first quarter 2009.

### Thailand

In the Gulf of Thailand, Chevron is the operator and holds interests of 51.7 percent in Blocks B8/32 and 9A, 51 percent in Block G4/43, 71.3 percent in Blocks G4/48 and G6/50, 75 percent in Block G4/50, 35 percent in Blocks B12/27 and G7/50, and a range from 60 percent to 80 percent in Blocks 10, 10A, 11, 11A, 12 and 13. The company also has a 16 percent nonoperated working interest in Blocks 14A, 15A, 16A, G9/48 and G8/50, known collectively as the Arthit Field.

The company sells all of its natural-gas production to PTT, the national oil company of Thailand, under long-term natural-gas sales agreements. The natural gas is used mainly in power generation, but is also consumed by the industrial and transportation



sectors and the petrochemical industry. Chevron's production is used to supply approximately one-third of Thailand's total demand for natural gas.

**Production** Total average daily production in 2009 was 140,000 barrels of crude oil and condensate (65,000 net) and 1.8 billion cubic feet of natural gas (794 million net).

**Development** For owned and operated properties, six wellhead platforms were installed and 270 development wells were drilled in 2009. The 69.8 percent-owned and operated Platong Gas II project was under construction throughout 2009 and is expected to achieve first gas in 2012. The project is designed to add total natural-gas-processing capacity of 420 million cubic feet per day and to produce an estimated 330 million cubic feet per day of natural gas and 18,000 barrels per day of natural gas liquids. The estimated total cost is \$3.1 billion. Proved reserves have been recognized for the project. Concessions for Blocks 10 through 13 expire in 2022.

For the Arthit Field, two wellhead platforms were installed and 43 development wells were drilled in 2009.

**Exploration** In 2009, eight operated and six nonoperated exploration wells were drilled in the Gulf of Thailand. All were successful with the exception of one nonoperated well in the Arthit Field. The successful operated wells focused principally in the Ubon project area to validate its development strategy. Two 3-D seismic surveys and geological studies for Block G4/50 were completed in 2009, and three exploratory wells are planned for the block during the second quarter 2010. For Block G6/50 and G7/50, one exploration well is scheduled in each block for completion by the third quarter 2010. At the end of 2009, proved reserves had not been recognized for these activities.

Chevron also holds operated interests in the Thailand-Cambodia overlapping-claims area that vary from 30 percent to 80 percent in Blocks 5, 6, 10, 11, 12 and 13 and a 33.3 percent nonoperated working interest in Blocks 7, 8 and 9. As of early 2010, these areas were inactive pending resolution of border issues between Thailand and Cambodia.

### Vietnam

The company is the operator in three PSCs in Vietnam. In the northern part of the Malay Basin offshore southwest Vietnam, Chevron has a 42.4 percent interest in a PSC that includes Blocks B and 48/95 and a 43.4 percent interest in another PSC that covers Block 52/97. In August 2009, the company farmed out its ownership interest in a PSC that covers Block 122 in Phu Khan Basin, offshore eastern Vietnam, reducing its interest from 50 percent to 20 percent.

**Development** The Vietnam Block B Gas Project is aimed at developing an area in the two Malay Basin PSCs to supply natural gas to state-owned Petrovietnam (PVN). The project includes installation of wellhead and hub platforms, a floating storage and offloading vessel, field pipelines and a central processing platform. In 2009, the company and PVN advanced the development concept and commercial terms associated with the offshore development and the associated 28.7 percent nonoperated natural-gas pipeline project. In July, the companies signed Heads of Agreement (HOA) for FEED of the offshore development and an HOA for a pipeline business cooperation contract for FEED of the PVN-operated pipeline project. The planned pipeline will deliver natural gas from the offshore development to utility companies in southern Vietnam. The offshore development project entered FEED in the first quarter 2010. A final investment decision is expected in 2011. The targeted maximum total daily production is 490 million cubic feet of natural gas and 4,000 barrels of condensate. The expected total cost for the offshore development and pipeline project is \$4.3 billion. At the end of 2009, proved reserves had not been recognized for this project.

**Exploration** In 2009, analysis of well results and seismic data processing continued for Blocks B and 52/97. In Block 122, 2-D seismic data processing and geological studies were completed in 2009, and one exploration well is planned for 2011. Future exploration activities in Block 122 could be impacted by an ongoing territorial claim issue between Vietnam and China. At the end of 2009, proved reserves had not been recognized for these activities.

### China

Chevron has one operated and three nonoperated working interests in China. The company holds a 49 percent-owned and operated interest in Chuandongbei in the onshore Sichuan Basin. The area has several natural-gas field discoveries and exploration prospects. In the South China Sea, the company has a 32.7 percent interest in offshore Blocks 16/08 and 16/19, located in the Pearl River Delta Mouth Basin. In Bohai Bay, the company holds a 16.2 percent interest in the BZ 25-1 and BZ 19-4 fields in Block 11/19 and a 24.5 percent interest in the Qinhuangdao (QHD) 32-6 Field. The PSCs for Block 16/08, Block 16/19, QHD 32-6 and Block 11/19 expire in 2013, 2021, 2021 and 2022, respectively. In the onshore

Ordos Basin, the company relinquished its interest in all previously held blocks (Linxing, San Jiao Bei, Shenfu and Baode) in 2009. Government approval of the relinquishment is expected mid-2010.

**Production** In 2009, total average daily production was 76,000 barrels of crude oil and condensate (17,000 net) and 53 million cubic feet of natural gas (16 million net). In September 2009, Typhoon Koppu damaged the FPSO utilized by the company's nonoperated assets in Blocks 16/08 and 16/19 in the South China Sea. Natural-gas production was restored in October 2009. Crude-oil production was restored in March 2010. In November 2009, a second storm damaged the FPSO utilized by the company's nonoperated assets in Block 11/19. Options to recover the production are under development. Production is expected to fully resume in 2012.

### Development

**Chuandongbei** During 2009, construction progressed on the relocation of three natural-gas-purification trains and a sulfur plant. Other key activities included well interventions, preparation of well pad sites at field locations and the construction of the general infrastructure for the first plant site. Development and tie-in of additional fields and the installation of processing and sulfur-treating facilities is expected to start in 2010. The beginning of the expansion of processing capacity and tie-in of the remaining natural-gas fields is planned for 2011. Once completed, the full development will include two new sour-gas processing plants with an aggregate design capacity of 740 million cubic feet per day, gathering systems and production wells. Planned maximum total natural-gas production is 558 million cubic feet per day. The total project cost is estimated at \$4.7 billion. The 30-year PSC for Chuandongbei expires in 2038. Proved reserves have been recognized for the project.



**HZ-25-3 and HZ 25-1** Joint development of the HZ 25-3 and HZ 25-1 crude-oil fields in Block 16/19 continued in early 2010. Damage to the FPSO caused by the typhoon postponed first oil from the third quarter 2009 to March 2010.

**Exploration** In the Chuandongbei area, 3-D seismic data was acquired to support the drilling of one exploration well in 2010.

### Indonesia

Chevron's operated interests in Indonesia are managed by several wholly owned subsidiaries, including PT Chevron Pacific Indonesia (CPI), which operates a 100 percent interest in the Rokan and Siak PSCs and a 90 percent interest in the Mountain Front Kuantan (MFK) PSC on the island of Sumatra. Chevron's interest in MFK was extended by the government in January 2010. Transition to a local operator is expected by mid-2010.



Chevron also holds operated interests in five offshore PSC areas covering approximately 3.2 million acres (13,000 sq km). Four PSC areas are located offshore East Kalimantan in the Kutei Basin, including operated interests in East Kalimantan (92.5 percent), Makassar Strait (90 percent), Rapak (80 percent) and Ganai (80 percent). Under the terms of the Rapak and Ganai PSCs, the company is required to farm-in an Indonesian partner during 2010, which will reduce the company's ownership interest in Rapak and Ganai to 72 percent.

The fifth PSC is a 100 percent-owned interest in East Ambalat, located in the Tarakan Basin offshore northeast Kalimantan. Chevron's interests in two onshore exploration blocks in western Papua, West Papua I and West Papua III, are expected to be reduced to 51 percent in 2010 following approval of the farm-out by the government of Indonesia. Approval is expected to be granted prior to completion of geological studies and initiation of 2-D seismic data acquisition planned for the second-half 2010.

Chevron's nonoperated working interests include the NE Madura III Block (40 percent) located in the East Java Sea Basin and the offshore South Natuna Sea Block B (25 percent) located northeast of the Rokan Block.

Total daily production in 2009 from all producing areas in Indonesia averaged 485,000 barrels of liquids (199,000 net) and 611 million cubic feet of natural gas (268 million net).

### CPI

**Production** Total daily production averaged 384,000 barrels of crude oil (171,000 net) and 49 million cubic feet of natural gas (49 million net) in 2009.

During 2009, the majority of CPI's production came from fields under primary or secondary recovery within the Rokan PSC. Duri is the largest producing field in the Rokan PSC. Duri has been under steamflood since 1985 and is one of the world's largest steamflood developments. In 2009, 80 percent of the field was under steam injection, with total production averaging 188,000 barrels of crude oil per day (108,000 net). The remaining production from the Rokan PSC is in the Sumatra light-oil area, consisting of more than 90 active fields that averaged 196,000 barrels of liquids (62,000 net) and 48 million cubic feet of natural gas (48 million net) per day in 2009. During 2009, 142 wells were drilled in this area. The Rokan PSC expires in 2021.

**Development** CPI continues to implement projects designed to sustain production, increase recovery and improve reliability from existing reservoirs.

In Area 1 through Area 11 of the Duri Field, 185 production and 40 steam injection wells were drilled during 2009. Development also continued in the northern region of the field, where approximately 110 million barrels of crude oil are estimated to be potentially recoverable. The development plan includes projects focused on sequential development of two northern expansion areas - North Duri Development Area 12 and North Duri Development Area 13. The Area 12 expansion achieved first steam injection in June 2009 and was expected to continue ramp up of steam injection through 2010. During 2009, 216 production and 92 steam injection wells were drilled in Area 12. A maximum total production of 34,000 barrels of crude oil per day is expected in 2012. Also in 2009, Area 13 technical work was completed with a review of the final investment decision expected by the end of 2010. Development alternatives for Area 14 are under evaluation.

In the Minas Field, 72 production wells were drilled during 2009, and efforts continued to optimize the waterflood program to sustain field production. Execution of the pilot project for a chemical injection process that could further improve recoverability in Minas and surrounding fields continued.



**Exploration** The 2009 exploration program focused on lower-risk reservoirs in Rangau, Kiri and Aman troughs in the Central Sumatra Basin. A well drilled in the fourth quarter 2009 resulted in a discovery in the Rokan Block. The Siak Block evaluation program included an exploration well, which was drilled in December 2009 and resulted in a dry hole.

#### Kutei Basin, East Kalimantan

**Production** During 2009, total daily production from the Kutei Basin averaged 32,000 barrels of liquids (18,000 net) and 181 million cubic feet of natural gas (131 million net). Chevron operates 15 producing fields offshore. Crude oil and natural gas produced from the northern fields are processed at the company-operated Santan terminal and liquids extraction plant. Natural gas is transported by pipeline to the state-owned Bontang LNG plant and to a fertilizer, ammonia and methanol complex. Crude oil and natural gas from the southern fields are sent to the company-operated Lawe-Lawe terminal. The stored crude oil is either exported by tanker or transported by pipeline to the state-owned Balikpapan Refinery. The natural gas is transported by pipeline for use as fuel gas at the Balikpapan Refinery.

**Development** The company advanced the development plan during 2009 for its Gendalo-Gehem deepwater natural-gas project. FEED commenced in December 2009, but completion is dependent on government approvals and achievement of key milestones. The maximum total daily production is expected to be 1.1 billion cubic feet of natural gas and 31,000 barrels of condensate. The deepwater Bangka Project was also progressed in 2009 under an updated development concept designed to lower project capital requirements and is scheduled to move into FEED in the second quarter 2010.

In late 2009, the company began pursuing a partial farm-out of the PSCs, which include the Gendalo-Gehem and Bangka projects. If successful, the farm-out is anticipated in late 2010. At the end of 2009, proved reserves had not been recognized for either of these projects.

In the shelf area, Chevron also continued work on several developments and drilling in 2009. First gas from the Seturian Field was achieved in September 2009. The project is designed to supply natural gas to the Balikpapan Refinery. Also in 2009, a decision was made to suspend the evaluation of the 50 percent-owned and operated Sadewa Project based on the limited remaining PSC life.

#### East Java Sea Basin

**Exploration** A third obligation well in the nonoperated NE Madura III Block was drilled in 2009 and resulted in a dry hole. Due to the results of this well and the previously drilled exploration wells, the company expects to reach an agreement with the government by the end of 2010 to settle its obligation to participate in three additional exploration wells.

#### South Natuna Sea Block B

**Production** Block B production is from seven natural-gas fields and four fields that produce both crude oil and natural gas. Total daily production during 2009 averaged 69,000 barrels of liquids (10,000 net) and 382 million cubic feet of natural gas (88 million net).

Block B has a five-phase development project to support two long-term natural-gas sales contracts to Malaysia and Singapore. Drilling for the initial three development phases continued through 2009. The North Belut development project, the fourth phase of the Block B development, achieved first gas in November 2009. Additional development drilling in the North Belut Field is planned to continue through 2010. Maximum daily production is expected to reach a total of 200 million cubic feet of natural gas and 20,000 barrels of liquids in 2010.

**Development** Alternatives for Block B's fifth development phase, the South Belut development project, were under review during the year.

#### Geothermal and Power

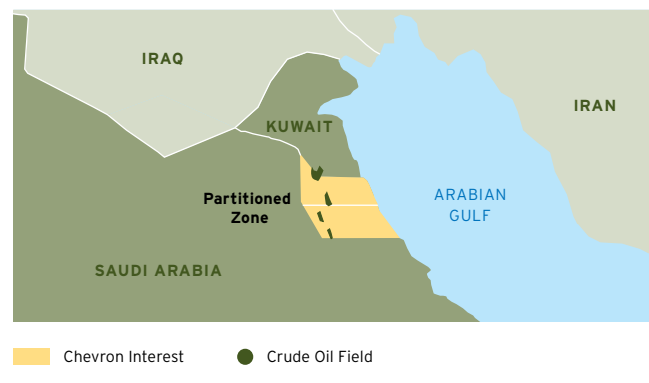
**Geothermal/Cogeneration** The company operates and holds a 95 percent interest in the Darajat geothermal field located in West Java, Indonesia. The field supplies steam to a three-unit power plant with a total operating capacity of 259 megawatts. A project to add a fourth unit, with up to 110 megawatts of capacity, was suspended in early 2010. Also in West Java, Chevron operates and holds a 100 percent interest in the Salak geothermal field in the Gunung Salak contract area. The field supplies steam to a six-unit power plant with a total operating capacity of 377 megawatts.

Chevron also operates and holds a 95 percent interest in the North Duri Cogeneration Plant in Sumatra, supplying up to 300 megawatts of electrical power to CPI as well as steam in support of the Duri steamflood project.

#### Kuwait

During 2009 and into 2010, Chevron continued dialogue with the Kuwaiti government about developing Kuwait's northern fields. As of early 2010, the company is the operator of one of three consortia competing for the project.

The company continues to operate its Downstream Technical Service Agreement, which was established in 2003 with Kuwait National Petroleum Corporation for technical assistance with local refineries.



### Partitioned Zone (PZ)

Chevron holds a 30-year concession that expires in 2039 with the kingdom of Saudi Arabia to operate the kingdom's 50 percent interest in the hydrocarbon resources of the onshore area of the PZ between Saudi Arabia and Kuwait. Under the concession agreement, Chevron has the right to Saudi Arabia's 50 percent interest in the hydrocarbon resources and pays royalties and taxes on volumes produced.

**Production** During 2009, total daily production from four fields averaged 254,000 barrels of crude oil (101,000 net) and 42 million cubic feet of natural gas (21 million net). Sixty-two wells were drilled during 2009, and 1,025 wells were producing at the end of 2009. Development drilling, well workovers and numerous facility-enhancement programs scheduled for 2010 and 2011 are expected to partially offset overall field declines.

**Development** In June 2009, the second phase of a steamflood pilot project was commissioned and steam injection began. The Large-Scale Steamflood Pilot Project entailed drilling 16 injection wells and 25 producing wells and installing water-treatment and steam-generation facilities. The pilot is designed to determine the technical and economic viability of thermal-recovery projects in the Wafra Field. A successful application of steam injection into a carbonate reservoir could significantly increase recoverability of the heavy oil. The company continues to evaluate data gathered from the pilot project. At the end of 2009, proved reserves had not been recognized for the project.

During 2009, alternatives were being evaluated for the Central Gas Utilization Project. The project is intended to improve natural-gas utilization and eliminate natural-gas flaring at the Wafra Field. A final investment decision is expected in 2011. At the end of 2009, proved reserves had not been recognized for the project.

### Philippines

Chevron holds a 45 percent nonoperated working interest in the Malampaya natural-gas field, located about 50 miles (80 km) offshore Palawan Island in water depths of approximately 2,800 feet (853 m). The Malampaya development includes an offshore platform and a 314-mile (505-km) pipeline from the platform to the Batangas onshore natural-gas plant. This development represents the largest single foreign investment in the Philippines.



**Production** Total daily production from Malampaya during 2009 averaged 377 million cubic feet of natural gas (137 million net) and 15,000 barrels of condensate (4,000 net).

**Geothermal** Under an agreement with the Philippine government, Chevron develops and produces steam resources for the Tiwi and Mak-Ban geothermal plants, which have a combined generating capacity of 637 megawatts. The government sold the geothermal plants to a third party in May 2009. As part of the agreement, the third party manages Chevron's agreement with the government to supply steam to the facilities. By the end of 2010, Chevron expects to sign a 25-year renewable-energy contract with the government for the continued operation of the steam fields and to supply steam to the two geothermal plants.

### Other

"Other" is composed of Australia, Argentina, Brazil, Colombia, Trinidad and Tobago, Venezuela, Canada, Greenland, Denmark, Faroe Islands, the Netherlands, Norway, Poland, and the United Kingdom. The company's net oil-equivalent production in 2009 was 484,000 barrels per day from these areas. In addition, the company's production from oil sands (for upgrading into synthetic oil) from the Athabasca Oil Sands Project, in Canada, was 26,000 barrels per day.

### Australia

Chevron is the largest holder of natural-gas resources in Australia. During 2009, the total daily production in Australia was 165,000 barrels of crude oil and condensate (30,000 net), 29,000 barrels of LPG (5,000 net), and 2.6 billion cubic feet of natural gas (434 million net).

**Barrow Island and Thevenard Island** On Barrow Island and Thevenard Island off the northwest coast of Australia, Chevron-operated total daily production in 2009 averaged 8,000 barrels of crude oil (4,000 net). Chevron's interests are 57.1 percent for Barrow and 51.4 percent for Thevenard.

**Browse Basin** During 2009, engineering and survey work continued on two potential development concepts for the Brecknock, Calliance and Torosa fields. In December 2009, the Australian Commonwealth Government renewed Chevron's licenses for these fields. Additional conceptual engineering work commenced in early 2010. The company's nonoperated working interests range from 16.7 percent to 20 percent and 24.8 percent to 50 percent in the Browse Basin blocks and east Browse Basin blocks, respectively. At the end of 2009, proved reserves had not been recognized for the Browse Basin fields.

**Greater Gorgon Area** Chevron holds significant equity interests in the large natural-gas resources of the Greater Gorgon Area off the northwest coast of Australia. The company initially held a 50 percent interest across most of the area and is the operator of the Gorgon Project, which combines the development of Gorgon and the nearby Io/Jansz natural-gas fields as one large-scale project. Equity sales agreements with LNG customers were executed in December 2009, reducing Chevron's interest to 47.3 percent.



During 2009, the company recognized initial proved reserves for the Greater Gorgon Area fields. The project's estimated economic life exceeds 40 years from the time of start-up.

**Exploration** In 2009 and early 2010, the company announced natural-gas discoveries at the Achilles and Satyr prospects in Block WA-374-P and the Yellowglen prospect in Block WA-268-P. Chevron holds a 50 percent-owned and operated interest in these discoveries. At the end of 2009, proved reserves had not been recognized for these discoveries.

#### North West Shelf (NWS) Venture

Chevron has a 16.7 percent nonoperated working interest in the NWS Venture in Western Australia. The joint venture operates offshore producing fields and extensive onshore facilities that include five LNG trains. The producing operations are composed of the North Rankin, Goodwyn, Perseus, Angel and Echo Yodel natural-gas fields and the Wanaea, Cossack, Lambert and Hermes crude-oil fields. The NWS Venture concession expires in 2034.

**Production** Total daily production during 2009 averaged 157,000

**Development** In September 2009, upon receipt of environmental approvals from the Australian Commonwealth Government and completion of FEED, Chevron announced the final investment decision for the Gorgon Project and total estimated project costs for the first phase of development of \$37 billion (AU\$43 billion). Maximum total daily production from the project is expected to be 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate. Chevron's development plan for the Gorgon resource includes a three-train, 15 million-metric-ton-per-year LNG facility on Barrow Island, a carbon sequestration project and a domestic natural-gas plant with a capacity of 300 terajoules per day. Start-up is expected in 2014.

In 2009, Chevron signed four LNG Sales and Purchase Agreements with Asian customers for delivery of about 4.4 million metric tons per year, which account for approximately 60 percent of Chevron's share of LNG volume from the project. In late 2009 and early 2010, nonbinding HOAs were signed with three additional Asian customers for the delivery of 2.1 million metric tons of LNG per year. Negotiations continue for finalizing binding sales agreements with these customers, which would bring combined delivery commitments to about 90 percent of Chevron's share of LNG from the project.

barrels of crude oil and condensate (26,000 net), 29,000 barrels of LPG (5,000 net), and 2.6 billion cubic feet of natural gas (433 million net). Approximately 70 percent of the natural gas was sold in the form of LNG to major utilities in Japan, South Korea and China, primarily under long-term contracts. A total of 236 LNG cargoes were sold in 2009. Approximately 798 million cubic feet of natural gas per day (133 million net) also was sold to the Western Australia domestic market.

**Development** Progress continues on two NWS Venture projects. The North Rankin 2 Project (NR2) progressed, with topside fabrication of North Rankin B having commenced in June 2009. NR2 is designed to recover remaining low-pressure natural gas from the North Rankin and Perseus fields to meet supply needs for contractual commitments and includes necessary tie-ins and refurbishment of North Rankin A. Upon completion, the two platforms are designed to be operated as a single integrated facility. The maximum total daily production is expected to be 2.0 billion cubic feet of natural gas and 39,000 barrels of condensate. Total estimated project cost is \$4.7 billion, and start-up is expected in 2013.

The NWS Oil Redevelopment Project started refurbishment and conversion of the replacement FPSO in January 2009. Additionally, the project is designed to replace a portion of existing subsea infrastructure that services production from Cossack, Hermes, Lambert and Wanaea fields with start-up expected to be in 2011. The total estimated project cost is \$1.9 billion and is expected to extend production past 2020.

The NWS Venture continues to progress additional gas supply opportunities through development of several small fields on the western flank of the Goodwyn reservoirs. Appraisal drilling was ongoing in 2009 to determine a development concept. FEED is planned by the end of 2010, with start-up expected by 2014. These small fields contain potentially recoverable volumes of approximately 3 trillion cubic feet of natural gas and 100 million barrels of condensate.

**Wheatstone** The Chevron-operated Wheatstone Project includes natural-gas-processing facilities that will consist of two 4.3 million-metric-ton-per-year LNG trains and a separate domestic gas plant located at Ashburton North, along the West Pilbara coast. The company plans to supply natural gas to the facilities from two 100 percent-owned licenses comprising the majority of the Wheatstone Field and part of the nearby Iago Field. The maximum total daily production is expected to be 260,000 barrels of oil-equivalent. In October 2009, agreements were signed with two companies to join the Wheatstone Project as combined 25 percent LNG facility owners and suppliers of natural gas for the project's first two LNG trains. Under these agreements, Chevron is responsible for marketing LNG produced from the additional nonoperated fields. At the end of 2009, Chevron held a 75 percent interest in the foundation natural-gas-processing facilities. The project entered FEED in July 2009. In early 2010, investigative site works were under way, and steps to obtain environmental and other approvals for the site were progressing. The final investment decision for the project is expected in 2011. At the end of 2009, proved reserves had not been recognized for this project.

In December 2009 and January 2010, Chevron signed nonbinding HOAs with two Asian customers for the delivery of 4.9 million metric tons of LNG per year from the Wheatstone Project, representing about 60 percent of the total LNG available from the foundation project. Under these HOAs, the customers also agreed to acquire a combined 16.8 percent nonoperated working interest in the Wheatstone field licenses and a 12.6 percent interest in the foundation natural-gas-processing facilities at the final investment decision.

**Other Australia** Chevron holds a 66.7 percent interest in Block WA-205-P and a 50 percent interest in WA-365-P. In May 2009, a successful well was drilled to further explore and appraise the Clio discovery in Block WA-205-P. A natural-gas discovery well was drilled in the Kentish Knock Field, Block WA-365-P, on the Exmouth Plateau area, and an additional exploration permit was awarded in this area. All prospects are Chevron-operated. At the end of 2009, proved reserves had not been recognized for these discoveries.

## Argentina

Chevron holds operated interests in eight concessions in the Neuquen Basin. Working interests range from 18.8 percent to 100 percent. Chevron also holds a 14 percent interest in Oleoductos del Valle S.A., which owns and operates a crude-oil pipeline from the Neuquen producing area to the Atlantic coast. Chevron sold its oil and gas concessions in the Austral Basin in September 2009 and its interest in the Confluencia Field in the Neuquen Basin in December 2009.

**Production** During 2009, total daily production averaged 46,000 barrels of crude oil (33,000 net) and 36 million cubic feet of natural gas (27 million net). In 2009, the company continued the development of the El Trapial Field with sequential projects to reduce production declines. The El Trapial Expansion Project includes a maximum of 120 wells and a small facility, with completion expected by 2012.

## Brazil

Chevron holds working interests in three deepwater fields in the Campos Basin: Frade (51.7 percent-owned and operated), Papa-Terra and Maromba (37.5 percent and 30 percent nonoperated working interests, respectively). In the Santos Basin, the company holds a 20 percent nonoperated working interest in the Atlanta and Oliva fields.

**Production** During 2009, total daily production averaged 5,000 barrels of crude oil (2,000 net) with the start-up of production at Frade in June 2009.

**Frade** The Frade Field lies in approximately 3,700 feet (1,128 m) of water, 230 miles (370 km) northeast of Rio de Janeiro. First oil occurred in June 2009 following the installation of subsea systems and flowlines tied back to an FPSO. Continued development drilling is planned to help reach estimated maximum total daily production of 68,000 barrels of crude oil and 25 million cubic feet of natural gas in 2011. The concession that includes the Frade Project expires in 2025.

## Development

**Maromba** Evaluation of the field development concept continued in early 2010 for Maromba. The concession expires in 2033. At the end of 2009, proved reserves had not been recognized for this project.

**Papa-Terra** The Papa-Terra Project, which has potentially recoverable crude oil of 380 million barrels, lies in approximately 3,900 feet (1,189 m) of water. The single-phase development project involves an FPSO and a tension leg well platform with a planned total daily capacity of 140,000 barrels of crude oil per day. A final investment decision was achieved in January 2010. The project operator estimates total costs of \$5.2 billion and expects first production in 2013. When completed, the project will be Chevron's largest investment in Brazil. At the end of 2009, proved reserves had not been recognized for this project. The concession expires in 2032.

**Exploration** Evaluations of the Atlanta and Oliva fields are planned to continue in 2010. At the end of 2009, proved reserves had not been recognized for either field.



## Colombia

Chevron's activities in Colombia are focused on the production and commercialization of natural gas from properties in the Caribbean Sea and adjacent coastal areas of the Guajira Peninsula. The company operates the offshore Chuchupa and the onshore Ballena and Riohacha natural-gas fields as part of the Guajira Association contract. In exchange, Chevron receives 43 percent of the production for the remaining life of each field and a variable production volume from a fixed-fee Build-Operate-Maintain-Transfer (BOMT) agreement based on prior Chuchupa capital contributions. The BOMT agreement expires in 2016.

Natural-gas-compression facilities were commissioned in March 2009 to mitigate the decline of reservoir pressure.

**Production** Total production in 2009 averaged 667 million cubic feet of natural gas per day (245 million net).



## Trinidad and Tobago

The company has a 50 percent nonoperated working interest in three blocks (Block E, Block 5(a) and Block 6) in the offshore East Coast Marine Area of Trinidad, which includes the Dolphin and Dolphin Deep producing natural-gas fields and the Starfish discovery. Chevron also operates and holds a 50 percent interest in the Manatee Area of Block 6(d).

**Production** Total production during 2009 from the Dolphin and Dolphin Deep fields averaged 554 million cubic feet of natural gas per day (199 million net). These volumes were sold under four sales contracts.

**Trinidad Incremental Gas Project** In 2007, a domestic natural-gas sales agreement was signed for the Trinidad Incremental Gas Project, providing for the daily delivery of 220 million cubic feet of natural gas for 11 years, with an option for a four-year extension. The project includes five wells and a facility upgrade at the Dolphin platform. First gas from the project was delivered in January 2009, and all five wells were completed by July 2009.

**Exploration** The company drilled a successful exploratory well in the Manatee Area of Block 6(d) in 2005. This well extended the six shallow gas sands discovered in Venezuela's Loran Field in Block 2 into Trinidad and Tobago. In 2007, an overarching treaty supporting unitization was signed by the governments of Venezuela and Trinidad and Tobago. In 2009, negotiations between the two governments were successfully completed, and a Loran/Manatee field-specific treaty is expected to be signed in the first-half 2010. At the end of 2009, proved reserves had not been recognized for this field.

## Venezuela

Chevron's production activities in Venezuela are performed by two affiliates in western Venezuela and one affiliate in the Orinoco Belt. Chevron also has interests in three offshore exploratory blocks - two in the Plataforma Deltana region and one off the coast of western Venezuela.

**Production** During 2009, total daily production averaged 221,000 barrels of liquids (51,000 net) and 102 million cubic feet of natural gas (23 million net).

**Petroboscan** The company holds a 39.2 percent interest in Petroboscan, which operates the onshore Boscan Field in western Venezuela under a 20-year contract expiring in 2026. During 2009, Petroboscan total daily production averaged 90,000 barrels of liquids (24,000 net) and 15 million cubic feet of natural gas (6 million net). Six development wells and two water injection wells were drilled during 2009.

**Petroindependiente** The company holds a 25.2 percent interest in Petroindependiente, which operates the LL-652 Field in Lake Maracaibo under a 20-year contract expiring in 2026. During 2009, Petroindependiente total daily production averaged 6,000 barrels of liquids (1,000 net) and 51 million cubic feet of natural gas (9 million net).

**Petropiar** Chevron holds a 30 percent interest in Petropiar, which operates the Hamaca Project. The project is located in Venezuela's Orinoco Belt and has a total design capacity for processing and upgrading 190,000 barrels per day of extra heavy crude oil (8.5 degrees API gravity) into 180,000 barrels of lighter, higher-value synthetic crude oil (26 degrees API gravity). A major turnaround was successfully performed on the upgrader in the fourth quarter 2009. Total daily production averaged 125,000 barrels of liquids (26,000 net) and 37 million cubic feet of natural gas (8 million net) during 2009. Enhanced oil recovery studies continued through 2009.

**Exploration** Chevron operates and holds a 60 percent interest in Block 2 and a 100 percent interest in Block 3, in the offshore Plataforma Deltana region. In May 2009, the company relinquished part of Block 3 and retained the portion containing the 2005 Macuira natural-gas discovery. In Block 2, which includes the Loran Field, a conceptual offshore development plan was completed in 2007. Loran is scheduled to provide the initial natural-gas supply for Delta Caribe LNG Train 1, Venezuela's first LNG project. A framework agreement was signed in 2008, which provides Chevron with a 10 percent nonoperated interest in Train 1 of the LNG plant and an associated offshore pipeline. An interim operating agreement, governing Train 1 activities prior to a final investment decision, was signed by the partners in March 2009.

Chevron operates and holds a 100 percent interest in the Cardon III Block, located north of Lake Maracaibo in the Gulf of Venezuela offshore region. Seismic data for this block, which has natural-gas potential, was acquired in 2007. An exploratory well drilled in early 2009 was unsuccessful. Chevron plans to continue to evaluate exploration potential in the Cardon III Block in 2010.

At the end of 2009, proved reserves had not been recognized for either of these exploration prospects.

In February 2010, a Chevron-led consortium was selected to participate in a heavy-oil project in three blocks within the Orinoco Oil Belt of eastern Venezuela. The consortium is expected to acquire a 40 percent interest in the project, with Petróleos de Venezuela, S.A., Venezuela's national oil and gas company, holding the remaining interest.

## Canada

Chevron has ownership interests in oil sands projects at Athabasca and Ells River in the province of Alberta, exploration and development projects offshore in the Atlantic region, and exploration and discovered resource interests in the Mackenzie Delta and Beaufort Sea region of Canada's western Arctic. Total daily production in 2009 from Canadian operations was 205,000 barrels of crude oil (27,000 net), 28 million cubic feet of natural gas (4 million net) and 132,000 barrels of bitumen from oil sands (26,000 net).



## Western Canada

**Production** The company holds a 20 percent nonoperated working interest in the Athabasca Oil Sands Project (AOSP) near Fort McMurray, Alberta. Total daily production from oil sands in 2009 averaged 132,000 barrels (26,000 net). Oil sands are mined from the Muskeg River Mine. Bitumen is extracted from the oil sands and upgraded into synthetic crude oil using hydroprocessing technology.

## Development

**AOSP Expansion 1** A first expansion of the AOSP was under way during 2009. The 100,000-barrel-per-day project includes a new mine, named Jackpine, and additional upgrading facilities and is expected to increase production capacity from oil sands to more than 255,000 barrels per day in late 2010. The projected cost of this expansion is \$14.3 billion.

**Exploration** In 2009, the company completed the initial phase of appraisal activities on heavy oil leases at the 60 percent-owned and operated Ells River Oil Sands Project in the Athabasca region of northern Alberta. The area comprises more than 85,000 acres (344 sq km). Potential production would occur through the utilization of Steam Assisted Gravity Drainage, an industry-proven in-situ technology that uses steam and horizontal drilling to extract bitumen. Additional field appraisal activity is not planned in the near term. At the end of 2009, proved reserves had not been recognized for this project.

In 2009, the company was successful in acquiring a western Canada lease position to explore for shale gas.

## Atlantic Canada

**Production** Chevron holds a 26.9 percent nonoperated working interest in the Hibernia Field that comprises two key reservoirs, the Hibernia and Ben Nevis Avalon. Average total crude-oil production in 2009 was 126,000 barrels (27,000 net) per day.

## Development

**Hebron** Chevron holds a 26.6 percent nonoperated working interest in the planned Hebron Field development located offshore the province of Newfoundland and Labrador. This heavy-oil field is estimated to contain between 400 million and 700 million of potentially recoverable barrels. A concrete gravity base structure platform is planned to develop the field using directional drilling techniques. Agreements were formally signed in 2008 with the government of Newfoundland and Labrador to allow development planning activities to commence. The project's economic life is 30 years. As of the end of 2009, proved reserves had not been recognized for this project.

**Hibernia Southern Extension** The working interest owners are also pursuing the development of the Hibernia Southern Extension (HSE) areas of the Hibernia Field, which requires drilling from the existing Hibernia gravity base structure platform and new subsea drilling development. The HSE development is expected to stem the production decline from the main Hibernia Field. The development of the nonunitized AA Blocks of the HSE was approved by the Canada - Newfoundland and Labrador Offshore Petroleum Board in mid-2009, with the concurrence of the federal and provincial governments. The first production well from the nonunitized blocks was completed in the fourth quarter 2009. Formal binding agree-

ments with the government of Newfoundland and Labrador on the development of the HSE unitized area were signed in February 2010, resulting in a 23.6 percent nonoperated working interest for the company. Regulatory, federal and provincial government approval is required before development can proceed. At the end of 2009, proved reserves had not been recognized for the unitized blocks.

**Exploration** Chevron operates and holds a 50 percent interest in two Orphan Basin exploration licenses totaling 5.2 million acres (21,044 sq km). An additional exploration well is planned for the second quarter 2010.

Chevron has a 100 percent-owned and operated interest in Exploration License 1109, consisting of 574,000 acres (2,323 sq km) located approximately 75 miles (121 km) offshore Labrador. This acreage was acquired in 2008, and as of early 2010, exploration activities are being planned.

At the end of 2009, proved reserves had not been recognized for either of these exploration prospects.

#### Northern Canada

**Exploration** Chevron has an onshore exploration lease position in the Mackenzie Delta region. Under an extensive areawide farm-out agreement, three exploration wells were drilled on Chevron leases in 2009. Chevron also holds a Beaufort Sea offshore exploration license that covers approximately 267,000 acres (1,081 sq km) located approximately 50 miles (80 km) northwest of the Mackenzie Delta onshore exploration lands. Chevron holds a 34 percent nonoperated working interest in the offshore Amauligak discovery and is continuing to assess development concept alternatives. The company also holds a 13 percent nonoperated working interest in the Issungnak discovery and additional minor working interests in other offshore licenses in the Beaufort Sea. At the end of 2009, proved reserves had not been recognized for any of these areas.

#### Greenland

**Exploration** A pre-licensing round located in offshore northeast Greenland was announced by the government of Greenland for 2012. The Kanumas Consortium, of which Chevron is a member, holds a first-option right in this lease round. Processing of the 2-D seismic survey acquired over License 2007/26 in Block 4 offshore West Greenland in 2008 continued through 2009, and evaluation is planned to begin in the first-half 2010. Chevron has a 29.2 percent nonoperated working interest in this exploration license.

#### Denmark

Chevron holds a 15 percent nonoperated working interest in the Danish Underground Consortium (DUC), which produces crude oil and natural gas from 15 fields in the Danish North Sea.

**Production** Average total daily production in 2009 from the DUC was 232,000 barrels of crude oil (35,000 net) and 792 million cubic feet of natural gas (119 million net).

**Development** During 2009, 11 development wells were drilled and completed in the Halfdan, Halfdan NE and Gorm fields. The Halfdan Phase IV development is ongoing after first oil production was achieved in July 2009 utilizing existing facilities. Completion of the new facilities portion of the project remains on schedule for the fourth quarter 2010.

**Exploration** There were no significant exploration activities in 2009. Evaluation of the results from the successful 2008 discovery of an extension to the Valdemar Field continues. At the end of 2009, proved reserves had not been recognized for this extension.

#### Faroe Islands

**Exploration** Chevron withdrew from License 008 in 2009, but continues to assess exploration opportunities in the area.

#### Netherlands

In August 2009, Chevron divested its 48 percent interest in the L11/b license. The company continues to operate and hold interests in eight blocks in the Dutch sector of the North Sea. Five of the blocks, with a unitized interest of 34.1 percent, comprise the A/B Gas Project. The remaining three blocks include producing fields with interests ranging from 46.7 percent to 80 percent.

**Production** In 2009, average total daily production was 3,000 barrels of crude oil (2,000 net) and 116 million cubic feet of natural gas (41 million net).

**Development** The final investment decision for the second phase of the A/B Gas Project occurred in November 2009. In this phase of the A/B Gas Project, the B/13 gas field is expected to be developed through a satellite platform with an interfield pipeline connecting to the existing A/12 platform. Production start-up is planned for 2012.

#### Norway

**Production** Chevron holds a 7.6 percent nonoperated working interest in the Draugen Field. Total average production in 2009 was 63,000 barrels of crude oil per day (5,000 net).

**Exploration** In 2009, Chevron was awarded a 40 percent working interest as operator of the exploration license PL 527 in the deep-water portion of the Norwegian Sea. Acquisition of a 2-D seismic survey was completed and data processing is under way. In the PL 397 license in the Barents Sea (40 percent nonoperated working interest), the processing of a 3-D survey acquired in 2008 is expected to be completed in 2010. In June 2009, Chevron divested its 12.5 percent nonoperated working interest in the PL 283 license in the Norwegian Sea.

#### Poland

**Exploration** Chevron was awarded three five-year exploration licenses by the Polish Environmental Ministry in December 2009. The onshore licenses, which Chevron operates and in which it holds a 100 percent interest, comprise the Zwierzyniec concession, 203,721 acres (824 sq km); the Krasnik concession, 295,073 acres (1,194 sq km); and the Frampol concession, 291,211 acres (1,178 sq km). In February 2010, Chevron acquired the rights to the Grabowiec concession. This 100 percent-owned and operated exploration license covers 290,000 acres (1,173 sq km) and complements the earlier acreage acquisition to explore for shale gas.



### United Kingdom

Chevron has interests in 10 offshore producing fields in the United Kingdom, including four operated fields (Alba, 23.4 percent; Captain, 85 percent; Erskine, 50 percent; and Strathspey, 67 percent), one jointly operated field (Britannia, 32.4 percent) and five nonoperated fields (Brodgar, 25 percent; Callanish, 16.5 percent; Clair, 19.4 percent; Elgin/Franklin, 3.9 percent; and Jade, 19.9 percent). Chevron's 27.4 percent interest in Caledonia was sold in June 2009.

**Production** Total daily production in 2009 from the 10 fields averaged 285,000 barrels of crude oil and natural gas liquids (73,000 net) and 1.1 billion cubic feet of natural gas (222 million net). Most of the production was from the Captain Field, which averaged 37,000 barrels of crude oil (31,000 net) and 3 million cubic feet of natural gas per day (2.6 million net); the Britannia Field, which averaged 11,000 barrels of crude oil (4,000 net) and 312 million cubic feet of natural gas per day (101 million net); and the Alba Field, which averaged 32,000 barrels of crude oil per day (8,000 net).

**Alba** A new 4-D seismic survey over Alba, acquired in 2008, was used to plan and execute three additional development wells during 2009. Active drilling programs are expected to continue beyond 2012.

**Captain** At Captain, new development wells, primarily using horizontal drilling, added 3,000 barrels of net crude-oil production per day in 2009. Horizontal and dual lateral well technology expands the opportunities for development drilling and may enable increased rates of recovery. Active drilling programs are expected to continue beyond 2012.

### Development

**Alder** The Alder high-temperature, high-pressure crude-oil and natural-gas discovery, located approximately 17 miles (27 km) to the west of the Britannia Field, is being evaluated as a potential subsea development. The company operates and holds a 70 percent interest in the project, which has an estimated production life of nine years. At the end of 2009, proved reserves had not been recognized for this discovery.

**Clair Phase 2** Evaluation of Clair Phase 2 development alternatives was near completion in early 2010. At the end of 2009, proved reserves had not been recognized for Clair Phase 2.

**Rosebank/Lochnagar** The Rosebank/Lochnagar discovery is 81 miles (130 km) northwest of the Shetland Islands in 3,658 feet (1,115 m) of water. An exploration well in Rosebank North was completed in May 2009, and an appraisal well in Rosebank/Lochnagar was completed in September 2009. Feasibility engineering activities are planned to continue through 2010. The company operates and holds a 40 percent interest in the project. A final investment decision is planned for 2013, with first oil projected for 2017. At the end of 2009, proved reserves had not been recognized for this discovery.

**Exploration** A three-well exploration and appraisal drilling program that began in 2008 offshore the Shetland Islands was completed in 2009. The Cambo discovery in P 1028 was successfully appraised, and technical studies have commenced to select a preferred development alternative. Additional exploration drilling in the region is expected to take place in the second-half 2010. In February 2010, the company sold its 10 percent interest in the nonoperated Laggan/Tormore discovery.

In early 2009, three United Kingdom Continental Shelf licenses, comprising eight nonoperated working-interest blocks west of the Shetland Islands, were awarded under the 25th Licensing Round. These are P1570 Blocks 206/11b, 206/12b, 206/16a and 206/17a (19.4 percent), P1678 Block 205/4b (10 percent), and P1636 Blocks 205/6, 205/7 and 205/11 (50 percent). The acreage provides additional potential to two crude-oil and natural-gas discoveries and one producing field in which Chevron holds working interests.



## Gas

Chevron's gas strategy is to commercialize the company's equity natural-gas resource base while growing a high-impact global gas business. Significant progress was made in 2009 in reaching key milestones in the Gorgon and Wheatstone projects and managing reserved LNG capacity at the Sabine Pass terminal. Continued progress was made in connecting the business and technical expertise across the company's entire natural-gas value chain - production, liquefaction, transportation, regasification, marketing and power generation.

### 2009 Activities

**Angola LNG** Angola LNG is an integrated natural-gas utilization project encompassing offshore and onshore operations to commercialize natural-gas resources through LNG sales targeted to U.S. markets. Plant construction continued on schedule throughout 2009. For information on significant project milestones, refer to page 19.

**EGTL** Chevron and the NNPC (Nigerian National Petroleum Corporation) are developing a 33,000-barrel-per-day gas-to-liquids facility at Escravos that is designed to process 325 million cubic feet per day of natural gas from the Escravos Gas Project Phase 3A. All process modules were shipped and placed on their foundations by the end of 2009. For more information on this project, refer to page 21.

**Gorgon** The Gorgon Project comprises the development of natural-gas production from fields in the Greater Gorgon Area off the northwest coast of Australia and construction of LNG facilities on Barrow Island. For information on the development of Greater Gorgon resources, refer to page 28.

**North West Shelf Venture** Topside fabrication is progressing as planned at the North Rankin 2 Project. For more information on this project, refer to page 29.

**Olokola LNG** Chevron has a 19.5 percent interest in the OKLNG Free Zone Enterprise in Nigeria. Plans have been developed to build a multitrain natural-gas-liquefaction facility and marine terminal located northwest of Escravos. For more information on this project, refer to page 21.

**Wheatstone** Development of the Wheatstone Project continued with the project entering FEED in July 2009. The Chevron-operated project will receive natural gas from two 100 percent-owned licenses comprising the majority of the Wheatstone Field and the nearby Iago Field. License participants in Block WA-356-P have taken a 25 percent equity interest in the foundation LNG facilities and will provide gas from two additional natural-gas fields as Wheatstone feedstock. At the end of 2009, Chevron held a 75 percent interest in the LNG plant foundation natural-gas-processing facilities. For more information on the development of this project, refer to page 30.

**Natural Gas Marketing and Trading** The North America Gas Marketing and Trading organization ranks among the top of North American marketers with natural-gas sales in 2009 averaging 6.1 billion cubic feet per day. The company continues to build and develop long-term relationships with producers, end-use natural-gas customers, and storage and pipeline operators.

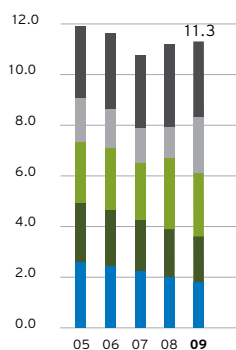
In September 2009, Chevron commenced deliveries to the Sabine Pass LNG terminal in Cameron Parish under the 20-year, 1 billion-cubic-foot-per-day capacity reservation agreement that became effective in July. Chevron entered into a mid-term supply agreement for LNG deliveries from Qatar. The company also has an agreement with another supplier to utilize a portion of Chevron's capacity at the Sabine Pass terminal.

Chevron has also contracted 1.6 billion cubic feet per day of capacity in a third-party pipeline system, connecting the Sabine Pass LNG terminal to the natural-gas pipeline grid. The new pipeline, placed in service July 2009, provides access to two major salt dome storage fields and 10 major interstate pipeline systems, including access to Chevron's Sabine Pipeline, which connects to Henry Hub. A connection to Chevron's Bridgeline Pipeline is scheduled to be completed in the third quarter 2010. The Henry Hub interconnects to nine interstate and four intrastate pipelines and is the pricing point for natural-gas futures contracts traded on the New York Mercantile Exchange.

Chevron has decided not to proceed with the Casotte Landing Natural Gas Import Terminal Project in Jackson County, Mississippi.

## Upstream Operating Data

**Net Proved Reserves**  
Billions of BOE\*



■ Affiliates  
■ Other  
■ Asia  
■ Africa  
■ United States

\*BOE (barrels of oil-equivalent);  
2009 includes oil sand reserves.

### Proved Reserves - Crude Oil, Condensate and Natural Gas Liquids<sup>1,2,3</sup>

At December 31

| Millions of barrels  | 2009         | 2008         | 2007         | 2006         | 2005          |
|--|--------------|--------------|--------------|--------------|---------------|
| <b>Gross Crude Oil, Condensate and Natural Gas Liquids</b> |              |              |              |              |               |
| <b>Consolidated Companies</b>                              |              |              |              |              |               |
| United States  | 1,463        | 1,592        | 1,761        | 1,899        | 1,984         |
| Africa   | 1,506        | 1,632        | 1,852        | 2,056        | 2,203         |
| Asia   | 1,891        | 2,145        | 2,039        | 2,285        | 2,455         |
| Other  | 889          | 443          | 540          | 609          | 713           |
| <b>Total Consolidated Companies</b>                        | <b>5,749</b> | <b>5,812</b> | <b>6,192</b> | <b>6,849</b> | <b>7,355</b>  |
| <b>Equity Share in Affiliates</b>                          |              |              |              |              |               |
| TCO  | 2,359        | 2,420        | 2,454        | 2,449        | 2,429         |
| Other  | 589          | 626          | 626          | 701          | 522           |
| <b>Total Gross Reserves</b>                                | <b>8,697</b> | <b>8,858</b> | <b>9,272</b> | <b>9,999</b> | <b>10,306</b> |
| <b>Net Crude Oil, Condensate and Natural Gas Liquids</b>   |              |              |              |              |               |
| <b>Consolidated Companies</b>                              |              |              |              |              |               |
| United States  | 1,361        | 1,470        | 1,624        | 1,751        | 1,831         |
| Africa   | 1,246        | 1,385        | 1,500        | 1,698        | 1,814         |
| Asia   | 1,171        | 1,456        | 1,023        | 1,259        | 1,295         |
| Other  | 832          | 424          | 518          | 586          | 686           |
| <b>Total Consolidated Companies</b>                        | <b>4,610</b> | <b>4,735</b> | <b>4,665</b> | <b>5,294</b> | <b>5,626</b>  |
| <b>Equity Share in Affiliates</b>                          |              |              |              |              |               |
| TCO  | 1,946        | 2,176        | 1,989        | 1,950        | 1,939         |
| Other  | 417          | 439          | 433          | 562          | 435           |
| <b>Total Net Reserves</b>                                  | <b>6,973</b> | <b>7,350</b> | <b>7,087</b> | <b>7,806</b> | <b>8,000</b>  |

### Proved Reserves - Natural Gas<sup>1,2</sup>

Billions of cubic feet

|                                     |               |               |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Gross Natural Gas</b>            |               |               |               |               |               |
| <b>Consolidated Companies</b>       |               |               |               |               |               |
| United States                       | 3,074         | 3,630         | 4,249         | 4,678         | 4,924         |
| Africa                              | 3,022         | 3,056         | 3,049         | 3,206         | 3,204         |
| Asia                                | 11,191        | 11,102        | 10,698        | 10,132        | 8,408         |
| Other                               | 9,179         | 5,330         | 5,708         | 6,068         | 6,623         |
| <b>Total Consolidated Companies</b> | <b>26,466</b> | <b>23,118</b> | <b>23,704</b> | <b>24,084</b> | <b>23,159</b> |
| <b>Equity Share in Affiliates</b>   |               |               |               |               |               |
| TCO                                 | 3,225         | 3,348         | 3,440         | 3,435         | 3,591         |
| Other                               | 1,124         | 947           | 326           | 284           | 218           |
| <b>Total Gross Reserves</b>         | <b>30,815</b> | <b>27,413</b> | <b>27,470</b> | <b>27,803</b> | <b>26,968</b> |
| <b>Net Natural Gas</b>              |               |               |               |               |               |
| <b>Consolidated Companies</b>       |               |               |               |               |               |
| United States                       | 2,698         | 3,150         | 3,677         | 4,028         | 4,428         |
| Africa                              | 3,021         | 3,056         | 3,049         | 3,206         | 3,191         |
| Asia                                | 7,860         | 7,997         | 7,207         | 7,103         | 6,617         |
| Other                               | 8,574         | 4,819         | 5,204         | 5,573         | 6,230         |
| <b>Total Consolidated Companies</b> | <b>22,153</b> | <b>19,022</b> | <b>19,137</b> | <b>19,910</b> | <b>20,466</b> |
| <b>Equity Share in Affiliates</b>   |               |               |               |               |               |
| TCO                                 | 2,833         | 3,175         | 2,748         | 2,743         | 2,787         |
| Other                               | 1,063         | 878           | 255           | 231           | 181           |
| <b>Total Net Reserves</b>           | <b>26,049</b> | <b>23,075</b> | <b>22,140</b> | <b>22,884</b> | <b>23,434</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

<sup>2</sup> Proved reserves are estimated by the company's asset teams, composed of earth scientists and reservoir engineers. These proved-reserve estimates are reviewed annually by the company's Reserves Advisory Committee to ensure that rigorous professional standards and the reserves definitions prescribed by the Securities and Exchange Commission are consistently applied throughout the company. Refer to the Glossary for a definition of proved reserves. Net reserves exclude royalties and interests owned by others and reflect contractual arrangements and royalty obligations in effect at the time of the estimate.

<sup>3</sup> 2009 liquids amount for consolidated companies includes 502 million barrels gross and 460 million barrels net of synthetic oil (Canadian oil sands).

## Upstream Operating Data

### Net Oil-Equivalent Production<sup>1,2</sup>

| Thousands of barrels per day                                 | Year ended December 31 |              |              |              |              |
|--|------------------------|--------------|--------------|--------------|--------------|
|  | 2009                   | 2008         | 2007         | 2006         | 2005         |
| <b>Consolidated Companies</b>                                |                        |              |              |              |              |
| <b>United States</b>   |                        |              |              |              |              |
| Alabama - Onshore  | 10                     | 9            | 10           | 11           | 10           |
| - Offshore   | 9                      | 10           | 10           | 11           | 10           |
| Alaska - Onshore   | 23                     | 24           | 27           | 30           | 19           |
| - Offshore   | 7                      | 10           | 10           | 10           | 5            |
| California   | 211                    | 215          | 221          | 224          | 235          |
| Colorado   | 26                     | 25           | 27           | 27           | 26           |
| Louisiana - Onshore  | 2                      | 3            | 4            | 5            | 7            |
| - Offshore   | 214                    | 127          | 174          | 175          | 174          |
| New Mexico   | 37                     | 38           | 38           | 40           | 36           |
| Oklahoma   | 10                     | 11           | 12           | 13           | 14           |
| Texas - Onshore  | 132                    | 149          | 153          | 150          | 124          |
| - Offshore   | 9                      | 11           | 16           | 22           | 20           |
| Utah   | -                      | 7            | 8            | 8            | 9            |
| Wyoming  | 23                     | 28           | 29           | 33           | 36           |
| Other states   | 4                      | 4            | 4            | 4            | 2            |
| <b>Total United States</b>                                   | <b>717</b>             | <b>671</b>   | <b>743</b>   | <b>763</b>   | <b>727</b>   |
| <b>Africa</b>  |                        |              |              |              |              |
| Angola   | 150                    | 154          | 179          | 164          | 145          |
| Chad   | 27                     | 29           | 32           | 35           | 39           |
| Democratic Republic of the Congo                             | 3                      | 2            | 3            | 3            | 1            |
| Nigeria  | 232                    | 154          | 129          | 144          | 136          |
| Republic of the Congo  | 21                     | 13           | 8            | 12           | 12           |
| <b>Total Africa</b>  | <b>433</b>             | <b>352</b>   | <b>351</b>   | <b>358</b>   | <b>333</b>   |
| <b>Asia</b>  |                        |              |              |              |              |
| Azerbaijan   | 30                     | 29           | 61           | 47           | 13           |
| Bangladesh   | 66                     | 71           | 47           | 21           | 10           |
| China  | 19                     | 22           | 26           | 26           | 26           |
| Indonesia  | 243                    | 235          | 241          | 248          | 237          |
| Kazakhstan   | 69                     | 66           | 66           | 62           | 61           |
| Myanmar  | 13                     | 15           | 17           | 15           | 5            |
| Partitioned Zone   | 105                    | 106          | 112          | 114          | 116          |
| Philippines  | 27                     | 26           | 26           | 24           | 35           |
| Thailand   | 198                    | 217          | 224          | 216          | 111          |
| <b>Total Asia</b>  | <b>770</b>             | <b>787</b>   | <b>820</b>   | <b>773</b>   | <b>614</b>   |
| <b>Other</b>   |                        |              |              |              |              |
| Argentina  | 38                     | 44           | 47           | 47           | 52           |
| Australia  | 108                    | 96           | 100          | 99           | 102          |
| Brazil   | 2                      | -            | -            | -            | -            |
| Canada   | 28                     | 37           | 36           | 47           | 57           |
| Colombia   | 41                     | 35           | 30           | 29           | 31           |
| Denmark  | 55                     | 61           | 63           | 68           | 71           |
| Netherlands  | 9                      | 9            | 4            | 4            | 3            |
| Norway   | 5                      | 6            | 6            | 6            | 9            |
| Trinidad and Tobago  | 34                     | 32           | 29           | 29           | 19           |
| United Kingdom   | 110                    | 106          | 115          | 115          | 133          |
| Venezuela <sup>3</sup>                                       | -                      | -            | -            | 7            | 10           |
| <b>Total Other</b>   | <b>430</b>             | <b>426</b>   | <b>430</b>   | <b>451</b>   | <b>487</b>   |
| <b>Total Consolidated Companies</b>                          | <b>2,350</b>           | <b>2,236</b> | <b>2,344</b> | <b>2,345</b> | <b>2,161</b> |
| <b>Equity Share in Affiliates</b>                            |                        |              |              |              |              |
| TCO  | 274                    | 201          | 176          | 167          | 172          |
| Petropiar (Hamaca prior to 2008)                             | 28                     | 35           | 41           | 38           | 41           |
| Petroboscan <sup>4</sup>                                     | 24                     | 28           | 28           | 7            | -            |
| Petroindependiente <sup>4</sup>                              | 2                      | 3            | 3            | 1            | -            |
| <b>Total Equity Share in Affiliates</b>                      | <b>328</b>             | <b>267</b>   | <b>248</b>   | <b>213</b>   | <b>213</b>   |
| <b>Total Consolidated Companies and Affiliates</b>           | <b>2,678</b>           | <b>2,503</b> | <b>2,592</b> | <b>2,558</b> | <b>2,374</b> |
| <b>Other Produced Volumes</b>                                |                        |              |              |              |              |
| Athabasca Oil Sands in Canada                                | 26                     | 27           | 27           | 27           | 32           |
| Boscan operating service agreement in Venezuela <sup>5</sup> | -                      | -            | -            | 82           | 111          |
| <b>Total Other Produced Volumes</b>                          | <b>26</b>              | <b>27</b>    | <b>27</b>    | <b>109</b>   | <b>143</b>   |
| <b>Total Worldwide</b>                                       | <b>2,704</b>           | <b>2,530</b> | <b>2,619</b> | <b>2,667</b> | <b>2,517</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

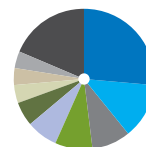
<sup>2</sup> Net oil-equivalent production excludes royalty interests and a government's agreed-upon share of production under a production-sharing contract (PSC).

<sup>3</sup> Includes production from LL-652 through September 2006.

<sup>4</sup> Joint stock company formed in October 2006.

<sup>5</sup> Includes volumes through September 2006.

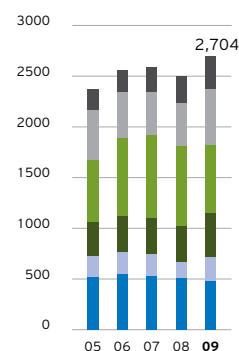
### Net Oil-Equivalent Production by Country\* Percentage



|                  |       |
|------------------|-------|
| United States    | 26.5% |
| Kazakhstan       | 12.7% |
| Indonesia        | 9.0%  |
| Nigeria          | 8.6%  |
| Thailand         | 7.3%  |
| Angola           | 5.5%  |
| United Kingdom   | 4.1%  |
| Australia        | 4.0%  |
| Partitioned Zone | 3.9%  |
| Others           | 18.4% |

\*Includes equity share in affiliates and other produced volumes.

### Net Oil-Equivalent Production\* Thousands of barrels per day

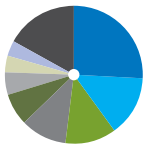


|                          |
|--------------------------|
| Affiliates               |
| Other                    |
| Asia                     |
| Africa                   |
| United States - Offshore |
| United States - Onshore  |

\*Includes other produced volumes.

## Upstream Operating Data

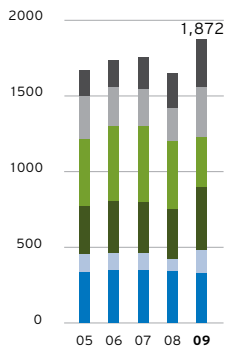
**Net Crude-Oil & Natural-Gas-Liquids Production by Country\***  
Percentage



|                  |       |
|------------------|-------|
| United States    | 25.9% |
| Kazakhstan       | 14.3% |
| Nigeria          | 12.0% |
| Indonesia        | 10.6% |
| Angola           | 7.5%  |
| Partitioned Zone | 5.4%  |
| United Kingdom   | 3.9%  |
| Thailand         | 3.5%  |
| Others           | 16.9% |

\*Includes equity share in affiliates and other produced volumes.

**Net Crude-Oil & Natural-Gas-Liquids Production\***  
Thousands of barrels per day



|                          |
|--------------------------|
| Affiliates               |
| Other                    |
| Asia                     |
| Africa                   |
| United States - Offshore |
| United States - Onshore  |

\*Includes other produced volumes.

### Net Crude-Oil and Natural-Gas-Liquids Production<sup>1,2</sup>

| Thousands of barrels per day                                 |            | 2009         | 2008         | 2007         | 2006         | 2005         |
|--|------------|--------------|--------------|--------------|--------------|--------------|
| <b>Consolidated Companies</b>                                |            |              |              |              |              |              |
| <b>United States</b>   |            |              |              |              |              |              |
| Alaska   | - Onshore  | 12           | 12           | 14           | 15           | 10           |
|  | - Offshore | 2            | 5            | 5            | 5            | 3            |
| California   |            | 196          | 201          | 205          | 207          | 217          |
| Colorado   |            | 9            | 10           | 10           | 10           | 10           |
| Louisiana  | - Onshore  | 1            | 1            | 2            | 2            | 3            |
|  | - Offshore | 154          | 77           | 106          | 101          | 104          |
| New Mexico   |            | 21           | 21           | 21           | 20           | 19           |
| Texas  | - Onshore  | 71           | 76           | 77           | 79           | 61           |
|  | - Offshore | 3            | 4            | 5            | 6            | 11           |
| Wyoming  |            | 7            | 7            | 7            | 8            | 9            |
| Other states   |            | 8            | 7            | 8            | 9            | 8            |
| <b>Total United States</b>                                   |            | <b>484</b>   | <b>421</b>   | <b>460</b>   | <b>462</b>   | <b>455</b>   |
| <b>Africa</b>  |            |              |              |              |              |              |
| Angola   |            | 141          | 145          | 171          | 156          | 139          |
| Chad   |            | 26           | 28           | 31           | 34           | 38           |
| Democratic Republic of the Congo                             |            | 3            | 2            | 3            | 3            | 1            |
| Nigeria  |            | 225          | 142          | 126          | 139          | 125          |
| Republic of the Congo  |            | 19           | 11           | 7            | 11           | 11           |
| <b>Total Africa</b>  |            | <b>414</b>   | <b>328</b>   | <b>338</b>   | <b>343</b>   | <b>314</b>   |
| <b>Asia</b>  |            |              |              |              |              |              |
| Azerbaijan   |            | 28           | 28           | 60           | 46           | 13           |
| Bangladesh   |            | 2            | 2            | 2            | -            | -            |
| China  |            | 17           | 19           | 22           | 23           | 26           |
| Indonesia  |            | 199          | 182          | 195          | 198          | 202          |
| Kazakhstan   |            | 42           | 41           | 41           | 38           | 37           |
| Partitioned Zone   |            | 101          | 103          | 109          | 111          | 112          |
| Philippines  |            | 4            | 5            | 5            | 6            | 8            |
| Thailand   |            | 65           | 67           | 71           | 73           | 43           |
| <b>Total Asia</b>  |            | <b>458</b>   | <b>447</b>   | <b>505</b>   | <b>495</b>   | <b>441</b>   |
| <b>Other</b>   |            |              |              |              |              |              |
| Argentina  |            | 33           | 37           | 39           | 38           | 43           |
| Australia  |            | 35           | 34           | 39           | 39           | 42           |
| Brazil   |            | 2            | -            | -            | -            | -            |
| Canada   |            | 27           | 36           | 35           | 46           | 54           |
| Denmark  |            | 35           | 37           | 41           | 44           | 47           |
| Netherlands  |            | 2            | 2            | 3            | 3            | 2            |
| Norway   |            | 5            | 6            | 6            | 6            | 8            |
| Trinidad and Tobago  |            | 1            | -            | -            | -            | -            |
| United Kingdom   |            | 73           | 71           | 78           | 75           | 83           |
| Venezuela <sup>3</sup>                                       |            | -            | -            | -            | 3            | 4            |
| <b>Total Other</b>   |            | <b>213</b>   | <b>223</b>   | <b>241</b>   | <b>254</b>   | <b>283</b>   |
| <b>Total Consolidated Companies</b>                          |            | <b>1,569</b> | <b>1,419</b> | <b>1,544</b> | <b>1,554</b> | <b>1,493</b> |
| <b>Equity Share in Affiliates</b>                            |            |              |              |              |              |              |
| TCO  |            | 226          | 168          | 144          | 135          | 136          |
| Petropiar (Hamaca prior to 2008)                             |            | 26           | 34           | 39           | 36           | 40           |
| Petroboscan <sup>4</sup>                                     |            | 24           | 27           | 28           | 7            | -            |
| Petroindependiente <sup>4</sup>                              |            | 1            | 1            | 1            | -            | -            |
| <b>Total Equity Share in Affiliates</b>                      |            | <b>277</b>   | <b>230</b>   | <b>212</b>   | <b>178</b>   | <b>176</b>   |
| <b>Total Consolidated Companies and Affiliates</b>           |            | <b>1,846</b> | <b>1,649</b> | <b>1,756</b> | <b>1,732</b> | <b>1,669</b> |
| <b>Other Produced Volumes</b>                                |            |              |              |              |              |              |
| Athabasca Oil Sands in Canada                                |            | 26           | 27           | 27           | 27           | 32           |
| Boscan operating service agreement in Venezuela <sup>5</sup> |            | -            | -            | -            | 82           | 111          |
| <b>Total Other Produced Volumes</b>                          |            | <b>26</b>    | <b>27</b>    | <b>27</b>    | <b>109</b>   | <b>143</b>   |
| <b>Total Worldwide</b>                                       |            | <b>1,872</b> | <b>1,676</b> | <b>1,783</b> | <b>1,841</b> | <b>1,812</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

<sup>2</sup> Net liquids production excludes royalty interests and a government's agreed-upon share of production under a PSC.

<sup>3</sup> Includes production from LL-652 through September 2006.

<sup>4</sup> Joint stock company formed in October 2006.

<sup>5</sup> Includes volumes through September 2006.

### Daily Net Production of Natural Gas Liquids

(Included above)

Thousands of barrels per day

|               |    |    |    |    |    |
|---------------|----|----|----|----|----|
| United States | 50 | 47 | 51 | 48 | 54 |
| International | 20 | 19 | 18 | 19 | 20 |



## Upstream Operating Data

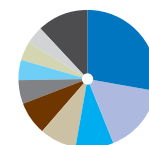
### Net Natural-Gas Production<sup>1,2</sup>

| Millions of cubic feet per day  | Year ended December 31 |              |              |              |              |
|---|------------------------|--------------|--------------|--------------|--------------|
|   | 2009                   | 2008         | 2007         | 2006         | 2005         |
| <b>Consolidated Companies</b>   |                        |              |              |              |              |
| <b>United States</b>  |                        |              |              |              |              |
| Alabama - Onshore   | 29                     | 30           | 31           | 36           | 31           |
| - Offshore  | 54                     | 56           | 62           | 67           | 61           |
| Alaska - Onshore  | 69                     | 73           | 80           | 85           | 52           |
| - Offshore  | 27                     | 30           | 30           | 30           | 17           |
| California  | 90                     | 88           | 97           | 101          | 106          |
| Colorado  | 102                    | 90           | 98           | 100          | 98           |
| Louisiana - Onshore   | 8                      | 10           | 16           | 22           | 22           |
| - Offshore  | 358                    | 300          | 405          | 443          | 423          |
| New Mexico  | 99                     | 103          | 101          | 122          | 101          |
| Oklahoma  | 42                     | 45           | 52           | 55           | 57           |
| Texas - Onshore   | 364                    | 441          | 457          | 425          | 380          |
| - Offshore  | 39                     | 46           | 64           | 95           | 53           |
| Utah  | 1                      | 40           | 48           | 50           | 52           |
| Wyoming   | 99                     | 129          | 135          | 153          | 161          |
| Other states  | 18                     | 20           | 23           | 26           | 20           |
| <b>Total United States</b>  | <b>1,399</b>           | <b>1,501</b> | <b>1,699</b> | <b>1,810</b> | <b>1,634</b> |
| <b>Africa</b>   |                        |              |              |              |              |
| Angola  | 49                     | 52           | 48           | 47           | 36           |
| Chad  | 5                      | 5            | 4            | 4            | 3            |
| Democratic Republic of the Congo  | 1                      | 1            | 2            | 2            | -            |
| Nigeria   | 48                     | 72           | 15           | 29           | 68           |
| Republic of the Congo   | 13                     | 12           | 7            | 8            | 8            |
| <b>Total Africa</b>   | <b>116</b>             | <b>142</b>   | <b>76</b>    | <b>90</b>    | <b>115</b>   |
| <b>Asia</b>   |                        |              |              |              |              |
| Azerbaijan  | 10                     | 7            | 5            | 4            | 1            |
| Bangladesh  | 387                    | 414          | 275          | 126          | 59           |
| China   | 16                     | 22           | 22           | 18           | -            |
| Indonesia   | 268                    | 319          | 277          | 302          | 211          |
| Kazakhstan  | 161                    | 153          | 149          | 143          | 142          |
| Myanmar   | 76                     | 89           | 100          | 89           | 32           |
| Partitioned Zone  | 21                     | 20           | 17           | 19           | 22           |
| Philippines   | 137                    | 128          | 126          | 108          | 163          |
| Thailand  | 794                    | 894          | 916          | 856          | 409          |
| <b>Total Asia</b>   | <b>1,870</b>           | <b>2,046</b> | <b>1,887</b> | <b>1,665</b> | <b>1,039</b> |
| <b>Other</b>  |                        |              |              |              |              |
| Argentina   | 27                     | 45           | 50           | 54           | 55           |
| Australia   | 434                    | 376          | 372          | 360          | 362          |
| Canada  | 4                      | 4            | 5            | 6            | 19           |
| Colombia  | 245                    | 209          | 178          | 174          | 185          |
| Denmark   | 119                    | 142          | 132          | 146          | 146          |
| Netherlands   | 41                     | 40           | 5            | 7            | 4            |
| Norway  | 1                      | 1            | 1            | 1            | 2            |
| Trinidad and Tobago   | 199                    | 189          | 174          | 174          | 115          |
| United Kingdom  | 222                    | 208          | 220          | 242          | 300          |
| Venezuela <sup>3</sup>  | -                      | -            | -            | 21           | 35           |
| <b>Total Other</b>  | <b>1,292</b>           | <b>1,214</b> | <b>1,137</b> | <b>1,185</b> | <b>1,223</b> |
| <b>Total Consolidated Companies</b>   | <b>4,677</b>           | <b>4,903</b> | <b>4,799</b> | <b>4,750</b> | <b>4,011</b> |
| <b>Equity Share in Affiliates</b>   |                        |              |              |              |              |
| TCO   | 289                    | 195          | 193          | 193          | 216          |
| Petropiar (Hamaca prior to 2008)  | 8                      | 9            | 10           | 9            | 6            |
| Petroboscan <sup>4</sup>  | 6                      | 7            | 6            | 1            | -            |
| Petroindependiente <sup>4</sup>   | 9                      | 11           | 11           | 3            | -            |
| <b>Total Equity Share in Affiliates</b>   | <b>312</b>             | <b>222</b>   | <b>220</b>   | <b>206</b>   | <b>222</b>   |
| <b>Total Worldwide</b>  | <b>4,989</b>           | <b>5,125</b> | <b>5,019</b> | <b>4,956</b> | <b>4,233</b> |
| <sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.   |                        |              |              |              |              |
| <sup>2</sup> Net natural-gas production excludes royalty interests and a government's agreed-upon share of production under a PSC; includes natural gas consumed in operations: |                        |              |              |              |              |
| United States   | 58                     | 70           | 65           | 56           | 48           |
| International   | 463                    | 450          | 433          | 419          | 356          |
| <b>Total</b>  | <b>521</b>             | <b>520</b>   | <b>498</b>   | <b>475</b>   | <b>404</b>   |

<sup>3</sup> Includes production from LL-652 through September 2006.

<sup>4</sup> Joint stock company formed in October 2006.

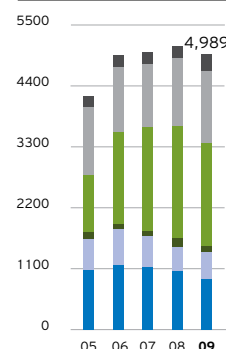
### Net Natural-Gas Production by Country\* Percentage



|                     |       |
|---------------------|-------|
| United States       | 28.0% |
| Thailand            | 15.9% |
| Kazakhstan          | 9.0%  |
| Australia           | 8.7%  |
| Bangladesh          | 7.8%  |
| Indonesia           | 5.4%  |
| Colombia            | 4.9%  |
| United Kingdom      | 4.4%  |
| Trinidad and Tobago | 4.0%  |
| Others              | 11.9% |

\*Includes equity share in affiliates.

### Net Natural-Gas Production Millions of cubic feet per day



|                          |
|--------------------------|
| Affiliates               |
| Other                    |
| Asia                     |
| Africa                   |
| United States - Offshore |
| United States - Onshore  |

## Upstream Operating Data

### Gross Oil-Equivalent Production<sup>1</sup>

|   | Year ended December 31 |              |              |              |              |
|---|------------------------|--------------|--------------|--------------|--------------|
| Thousands of barrels per day            | 2009                   | 2008         | 2007         | 2006         | 2005         |
| <b>Consolidated Companies</b>           |                        |              |              |              |              |
| United States                           | 792                    | 749          | 838          | 863          | 809          |
| Africa                                  | 519                    | 451          | 432          | 427          | 411          |
| Asia                                    | 1,226                  | 1,265        | 1,246        | 1,211        | 962          |
| Other                                   | 465                    | 451          | 457          | 476          | 508          |
| <b>Total Consolidated Companies</b>     | <b>3,002</b>           | <b>2,916</b> | <b>2,973</b> | <b>2,977</b> | <b>2,690</b> |
| <b>Equity Share in Affiliates</b>       |                        |              |              |              |              |
| TCO                                     | 321                    | 243          | 203          | 196          | 202          |
| Petropiar (Hamaca prior to 2008)        | 39                     | 49           | 49           | 45           | 47           |
| Petroboscan <sup>2</sup>                | 36                     | 42           | 42           | 11           | -            |
| Petroindependiente <sup>2</sup>         | 4                      | 5            | 5            | 1            | -            |
| <b>Total Equity Share in Affiliates</b> | <b>400</b>             | <b>339</b>   | <b>299</b>   | <b>253</b>   | <b>249</b>   |
| <b>Total Worldwide</b>                  | <b>3,402</b>           | <b>3,255</b> | <b>3,272</b> | <b>3,230</b> | <b>2,939</b> |

### Gross Liquids Production<sup>1</sup>

| Thousands of barrels per day            |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Consolidated Companies</b>           |              |              |              |              |              |
| United States                           | 523          | 459          | 507          | 510          | 499          |
| Africa                                  | 500          | 415          | 408          | 413          | 392          |
| Asia                                    | 792          | 813          | 838          | 852          | 782          |
| Other                                   | 226          | 231          | 250          | 261          | 294          |
| <b>Total Consolidated Companies</b>     | <b>2,041</b> | <b>1,918</b> | <b>2,003</b> | <b>2,036</b> | <b>1,967</b> |
| <b>Equity Share in Affiliates</b>       |              |              |              |              |              |
| TCO                                     | 265          | 202          | 165          | 159          | 162          |
| Petropiar (Hamaca prior to 2008)        | 38           | 46           | 47           | 43           | 46           |
| Petroboscan <sup>2</sup>                | 35           | 41           | 41           | 11           | -            |
| Petroindependiente <sup>2</sup>         | 1            | 3            | 2            | -            | -            |
| <b>Total Equity Share in Affiliates</b> | <b>339</b>   | <b>292</b>   | <b>255</b>   | <b>213</b>   | <b>208</b>   |
| <b>Total Worldwide</b>                  | <b>2,380</b> | <b>2,210</b> | <b>2,258</b> | <b>2,249</b> | <b>2,175</b> |

### Gross Natural-Gas Production<sup>1</sup>

| Millions of cubic feet per day          |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Consolidated Companies</b>           |              |              |              |              |              |
| United States                           | 1,611        | 1,740        | 1,983        | 2,115        | 1,860        |
| Africa                                  | 116          | 213          | 145          | 88           | 115          |
| Asia                                    | 2,605        | 2,709        | 2,439        | 2,152        | 1,079        |
| Other                                   | 1,431        | 1,322        | 1,249        | 1,289        | 1,285        |
| <b>Total Consolidated Companies</b>     | <b>5,763</b> | <b>5,984</b> | <b>5,816</b> | <b>5,644</b> | <b>4,339</b> |
| <b>Equity Share in Affiliates</b>       |              |              |              |              |              |
| TCO                                     | 337          | 246          | 230          | 222          | 239          |
| Petropiar (Hamaca prior to 2008)        | 11           | 14           | 13           | 11           | 8            |
| Petroboscan <sup>2</sup>                | 6            | 5            | 6            | 1            | -            |
| Petroindependiente <sup>2</sup>         | 13           | 16           | 17           | 5            | -            |
| <b>Total Equity Share in Affiliates</b> | <b>367</b>   | <b>281</b>   | <b>266</b>   | <b>239</b>   | <b>247</b>   |
| <b>Total Worldwide</b>                  | <b>6,130</b> | <b>6,265</b> | <b>6,082</b> | <b>5,883</b> | <b>4,586</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

<sup>2</sup> Joint stock company formed in October 2006.

## Upstream Operating Data

### Natural-Gas Realizations<sup>1,2</sup>

|                                 | Year ended December 31 |         |         |         |         |
|---------------------------------|------------------------|---------|---------|---------|---------|
| Dollars per thousand cubic feet | 2009                   | 2008    | 2007    | 2006    | 2005    |
| United States                   | \$ 3.73                | \$ 7.90 | \$ 6.12 | \$ 6.29 | \$ 7.43 |
| International                   | 4.01                   | 5.19    | 3.90    | 3.73    | 3.19    |

### Crude-Oil and Natural-Gas-Liquids Realizations<sup>2,3</sup>

| Dollars per barrel | 2009     | 2008     | 2007     | 2006     | 2005     |
|--------------------|----------|----------|----------|----------|----------|
| United States      | \$ 54.36 | \$ 88.43 | \$ 63.16 | \$ 56.66 | \$ 46.97 |
| International      | 55.97    | 86.51    | 65.01    | 57.65    | 47.59    |

### Natural-Gas Sales<sup>2</sup>

| Millions of cubic feet per day | 2009         | 2008          | 2007          | 2006          | 2005         |
|--------------------------------|--------------|---------------|---------------|---------------|--------------|
| United States                  | 5,901        | 7,226         | 7,624         | 7,051         | 5,449        |
| International                  | 4,062        | 4,215         | 3,792         | 3,478         | 2,450        |
| <b>Total</b>                   | <b>9,963</b> | <b>11,441</b> | <b>11,416</b> | <b>10,529</b> | <b>7,899</b> |

### Natural-Gas-Liquids Sales<sup>2</sup>

| Thousands of barrels per day | 2009      | 2008      | 2007      | 2006      | 2005      |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| United States                | 17        | 15        | 25        | 52        | 65        |
| International                | 23        | 17        | 22        | 21        | 20        |
| <b>Total</b>                 | <b>40</b> | <b>32</b> | <b>47</b> | <b>73</b> | <b>85</b> |

<sup>1</sup> U.S. natural-gas realizations are based on revenues from net production. International natural-gas realizations are based on revenues from liftings.

<sup>2</sup> International realizations and sales include equity share in affiliates.

<sup>3</sup> U.S. realizations are based on crude-oil and natural-gas-liquids revenues from net production and include intercompany sales at transfer prices that are at estimated market prices. International realizations are based on crude-oil and natural-gas-liquids revenues from liftings.

### Exploration and Development Costs<sup>1,2</sup>

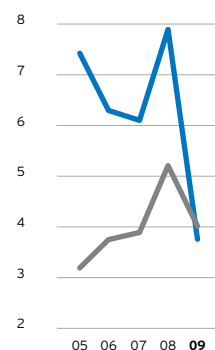
|                                     | Year ended December 31 |          |          |          |          |
|-------------------------------------|------------------------|----------|----------|----------|----------|
| Millions of dollars                 | 2009                   | 2008     | 2007     | 2006     | 2005     |
| <b>United States</b>                |                        |          |          |          |          |
| Exploration                         | \$ 576                 | \$ 728   | \$ 658   | \$ 751   | \$ 644   |
| Development                         | 3,338                  | 4,348    | 5,210    | 3,186    | 1,729    |
| <b>Africa</b>                       |                        |          |          |          |          |
| Exploration                         | 346                    | 347      | 408      | 379      | 225      |
| Development                         | 3,426                  | 3,723    | 4,176    | 2,890    | 1,871    |
| <b>Asia</b>                         |                        |          |          |          |          |
| Exploration                         | 154                    | 197      | 187      | 257      | 102      |
| Development                         | 2,698                  | 4,697    | 2,190    | 1,877    | 1,118    |
| <b>Other</b>                        |                        |          |          |          |          |
| Exploration                         | 848                    | 657      | 573      | 535      | 394      |
| Development                         | 2,763                  | 2,419    | 1,831    | 1,390    | 946      |
| <b>Total Consolidated Companies</b> |                        |          |          |          |          |
| Exploration                         | \$ 1,924               | \$ 1,929 | \$ 1,826 | \$ 1,922 | \$ 1,365 |
| Development                         | 12,225                 | 15,187   | 13,407   | 9,343    | 5,664    |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

<sup>2</sup> Consolidated companies only. Excludes costs of the Unocal acquisition in 2005 and other property acquisitions.

### Natural-Gas Realizations

Dollars per thousand cubic feet

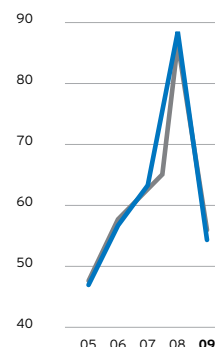


■ International\*  
■ United States

\*Includes equity share in affiliates.

### Crude-Oil & Natural-Gas-Liquids Realizations

Dollars per barrel



■ International\*  
■ United States

\*Includes equity share in affiliates.

## Upstream Operating Data

| Oil and Gas Acreage <sup>1,2</sup>      |                | At December 31 |               |               |               |               |
|---|----------------|----------------|---------------|---------------|---------------|---------------|
|   | Gross Acres    | Net Acres      |               |               |               |               |
| Thousands of acres                      | 2009           | 2009           | 2008          | 2007          | 2006          | 2005          |
| <b>United States</b>                    |                |                |               |               |               |               |
| <b>Onshore</b>                          |                |                |               |               |               |               |
| Alabama                                 | 85             | 73             | 73            | 75            | 76            | 79            |
| Alaska                                  | 1,121          | 461            | 761           | 850           | 805           | 827           |
| California                              | 306            | 289            | 292           | 294           | 291           | 292           |
| Colorado                                | 253            | 224            | 232           | 234           | 274           | 274           |
| Louisiana                               | 320            | 275            | 272           | 274           | 344           | 399           |
| New Mexico                              | 514            | 335            | 343           | 354           | 376           | 389           |
| Oklahoma                                | 335            | 203            | 202           | 204           | 224           | 229           |
| Texas                                   | 4,425          | 3,265          | 3,280         | 3,405         | 3,684         | 3,844         |
| Wyoming                                 | 241            | 137            | 146           | 163           | 185           | 200           |
| Other states                            | 333            | 232            | 240           | 311           | 332           | 344           |
| <b>Total Onshore</b>                    | <b>7,933</b>   | <b>5,494</b>   | <b>5,841</b>  | <b>6,164</b>  | <b>6,591</b>  | <b>6,877</b>  |
| <b>Offshore</b>                         |                |                |               |               |               |               |
| Alaska Coast                            | 13             | 3              | 4             | 4             | 23            | 23            |
| Gulf Coast                              | 2,860          | 1,974          | 2,369         | 2,732         | 3,646         | 4,304         |
| Pacific Coast                           | 12             | 6              | 6             | 6             | 8             | 5             |
| <b>Total Offshore</b>                   | <b>2,885</b>   | <b>1,983</b>   | <b>2,379</b>  | <b>2,742</b>  | <b>3,677</b>  | <b>4,332</b>  |
| <b>Total United States</b>              | <b>10,818</b>  | <b>7,477</b>   | <b>8,220</b>  | <b>8,906</b>  | <b>10,268</b> | <b>11,209</b> |
| <b>Africa</b>                           |                |                |               |               |               |               |
| Angola                                  | 2,401          | 823            | 828           | 737           | 887           | 923           |
| Chad                                    | 156            | 39             | 2,043         | 2,043         | 2,043         | 2,043         |
| Democratic Republic of the Congo        | 249            | 44             | 44            | 44            | 44            | 22            |
| Equatorial Guinea                       | -              | -              | -             | -             | -             | 142           |
| Libya                                   | 2,796          | 2,796          | 2,796         | 2,796         | 2,796         | -             |
| Nigeria                                 | 6,402          | 2,871          | 2,871         | 2,871         | 3,120         | 3,150         |
| Republic of the Congo                   | 158            | 49             | 49            | 50            | 59            | 54            |
| <b>Total Africa</b>                     | <b>12,162</b>  | <b>6,622</b>   | <b>8,631</b>  | <b>8,541</b>  | <b>8,949</b>  | <b>6,334</b>  |
| <b>Asia</b>                             |                |                |               |               |               |               |
| Azerbaijan                              | 108            | 11             | 11            | 11            | 41            | 41            |
| Bangladesh                              | 2,058          | 1,828          | 1,828         | 1,258         | 2,115         | 2,117         |
| Cambodia                                | 1,163          | 640            | 640           | 640           | 853           | 853           |
| China                                   | 677            | 294            | 1,081         | 1,079         | 812           | 2,431         |
| Georgia                                 | -              | -              | -             | 206           | 206           | 206           |
| Indonesia                               | 10,387         | 5,689          | 5,689         | 6,234         | 6,885         | 7,494         |
| Kazakhstan                              | 80             | 16             | 16            | 16            | 16            | 16            |
| Myanmar                                 | 6,476          | 1,832          | 1,832         | 1,832         | 1,832         | 1,829         |
| Partitioned Zone                        | 1,576          | 788            | 788           | 788           | 788           | 788           |
| Philippines                             | 206            | 93             | 93            | 93            | 93            | 98            |
| Thailand                                | 17,935         | 9,233          | 9,531         | 9,531         | 8,059         | 5,603         |
| Turkey                                  | 502            | 125            | 125           | 251           | 251           | 1,363         |
| Vietnam                                 | 2,515          | 684            | 1,201         | 1,479         | 1,479         | 617           |
| <b>Total Asia</b>                       | <b>43,683</b>  | <b>21,233</b>  | <b>22,835</b> | <b>23,418</b> | <b>23,430</b> | <b>23,456</b> |
| <b>Other</b>                            |                |                |               |               |               |               |
| Argentina                               | 380            | 275            | 1,402         | 1,548         | 1,671         | 2,133         |
| Australia                               | 22,470         | 8,660          | 7,950         | 9,106         | 8,740         | 9,444         |
| Brazil                                  | 225            | 74             | 74            | 74            | 180           | 725           |
| Canada                                  | 24,354         | 14,525         | 15,244        | 14,900        | 14,633        | 14,943        |
| Colombia                                | 203            | 87             | 87            | 87            | 87            | 87            |
| Denmark                                 | 420            | 63             | 63            | 81            | 79            | 66            |
| Faroe Islands                           | -              | -              | 68            | 68            | 68            | 68            |
| Germany                                 | -              | -              | 26            | 26            | 26            | 123           |
| Greenland                               | 3,089          | 1,028          | 1,029         | 1,029         | -             | -             |
| Netherlands                             | 49             | 21             | 22            | 22            | 22            | 22            |
| Norway                                  | 1,918          | 609            | 252           | 549           | 549           | 372           |
| Poland                                  | 790            | 790            | -             | -             | -             | -             |
| Trinidad and Tobago                     | 168            | 84             | 84            | 84            | 84            | 84            |
| United Kingdom                          | 2,066          | 708            | 980           | 979           | 1,328         | 430           |
| Venezuela                               | 292            | 275            | 1,239         | 1,239         | 1,239         | 1,252         |
| <b>Total Other</b>                      | <b>56,424</b>  | <b>27,199</b>  | <b>28,520</b> | <b>29,792</b> | <b>28,706</b> | <b>29,749</b> |
| <b>Total Consolidated Companies</b>     | <b>123,087</b> | <b>62,531</b>  | <b>68,206</b> | <b>70,657</b> | <b>71,353</b> | <b>70,748</b> |
| <b>Equity Share in Affiliates</b>       |                |                |               |               |               |               |
| Kazakhstan                              | 608            | 304            | 304           | 304           | 418           | 418           |
| Venezuela                               | 291            | 100            | 100           | 101           | 115           | 49            |
| <b>Total Equity Share in Affiliates</b> | <b>899</b>     | <b>404</b>     | <b>404</b>    | <b>405</b>    | <b>533</b>    | <b>467</b>    |
| <b>Total Worldwide</b>                  | <b>123,986</b> | <b>62,935</b>  | <b>68,610</b> | <b>71,062</b> | <b>71,886</b> | <b>72,215</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation. Table does not include mining acreage associated with synthetic oil production in Canada.

<sup>2</sup> Net acreage includes wholly owned interests and the sum of the company's fractional interests in gross acreage.



## Upstream Operating Data

### Net Wells Completed<sup>1,2</sup>

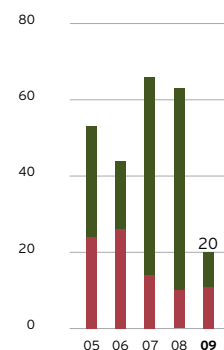
|   | Year ended December 31 |           |              |           |              |           |              |           |              |           |
|---|------------------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
|   | 2009                   |           | 2008         |           | 2007         |           | 2006         |           | 2005         |           |
|   | Productive             | Dry       | Productive   | Dry       | Productive   | Dry       | Productive   | Dry       | Productive   | Dry       |
| <b>Consolidated Companies</b>           |                        |           |              |           |              |           |              |           |              |           |
| <b>United States</b>                    |                        |           |              |           |              |           |              |           |              |           |
| Exploratory                             | 4                      | 5         | 8            | 2         | 4            | 8         | 16           | 8         | 19           | 14        |
| Development                             | 582                    | 3         | 846          | 4         | 875          | 5         | 951          | 11        | 946          | 7         |
| <b>Total United States</b>              | <b>586</b>             | <b>8</b>  | <b>854</b>   | <b>6</b>  | <b>879</b>   | <b>13</b> | <b>967</b>   | <b>19</b> | <b>965</b>   | <b>21</b> |
| <b>Africa</b>                           |                        |           |              |           |              |           |              |           |              |           |
| Exploratory                             | 2                      | 1         | 2            | 1         | 6            | 2         | 1            | -         | 4            | 1         |
| Development                             | 40                     | -         | 33           | -         | 43           | -         | 45           | 2         | 38           | -         |
| <b>Total Africa</b>                     | <b>42</b>              | <b>1</b>  | <b>35</b>    | <b>1</b>  | <b>49</b>    | <b>2</b>  | <b>46</b>    | <b>2</b>  | <b>42</b>    | <b>1</b>  |
| <b>Asia</b>                             |                        |           |              |           |              |           |              |           |              |           |
| Exploratory                             | 9                      | 1         | 9            | 2         | 13           | 9         | 18           | 7         | 14           | -         |
| Development                             | 580                    | -         | 665          | 1         | 597          | -         | 493          | 1         | 256          | -         |
| <b>Total Asia</b>                       | <b>589</b>             | <b>1</b>  | <b>674</b>   | <b>3</b>  | <b>610</b>   | <b>9</b>  | <b>511</b>   | <b>8</b>  | <b>270</b>   | <b>-</b>  |
| <b>Other</b>                            |                        |           |              |           |              |           |              |           |              |           |
| Exploratory                             | 5                      | 4         | 44           | 2         | 43           | 6         | 8            | 3         | 8            | 4         |
| Development                             | 43                     | -         | 41           | -         | 52           | -         | 43           | -         | 80           | -         |
| <b>Total Other</b>                      | <b>48</b>              | <b>4</b>  | <b>85</b>    | <b>2</b>  | <b>95</b>    | <b>6</b>  | <b>51</b>    | <b>3</b>  | <b>88</b>    | <b>4</b>  |
| <b>Total Consolidated Companies</b>     | <b>1,265</b>           | <b>14</b> | <b>1,648</b> | <b>12</b> | <b>1,633</b> | <b>30</b> | <b>1,575</b> | <b>32</b> | <b>1,365</b> | <b>26</b> |
| <b>Equity Share in Affiliates</b>       |                        |           |              |           |              |           |              |           |              |           |
| Exploratory                             | -                      | -         | -            | -         | -            | -         | 1            | -         | 8            | -         |
| Development                             | 6                      | -         | 16           | -         | 3            | -         | 13           | -         | 23           | -         |
| <b>Total Equity Share in Affiliates</b> | <b>6</b>               | <b>-</b>  | <b>16</b>    | <b>-</b>  | <b>3</b>     | <b>-</b>  | <b>14</b>    | <b>-</b>  | <b>31</b>    | <b>-</b>  |
| <b>Total Worldwide</b>                  | <b>1,271</b>           | <b>14</b> | <b>1,664</b> | <b>12</b> | <b>1,636</b> | <b>30</b> | <b>1,589</b> | <b>32</b> | <b>1,396</b> | <b>26</b> |

<sup>1</sup> 2005 through 2008 conformed to 2009 geographic presentation.

<sup>2</sup> Net Wells Completed includes wholly owned wells and the sum of the company's fractional interests in jointly owned wells completed during the year, regardless of when drilling was initiated. Completion refers to the installation of permanent equipment for the production of crude oil or natural gas or, in the case of a dry well, the reporting of abandonment to the appropriate agency. Some exploratory wells are not drilled with the intention of producing from the well bore. In such cases, "completion" refers to the completion of drilling. Further categorization of productive or dry is based on the determination as to whether hydrocarbons in a sufficient quantity were found to justify completion as a producing well, whether or not the well is actually going to be completed as a producer.

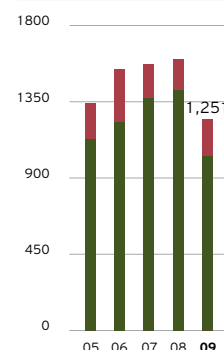
### Net Productive Exploratory Wells Completed

Number of wells



### Net Productive Development Wells Completed

Number of wells



### Net Productive Wells<sup>1,2</sup>

|   | At December 31 |               |               |               |               |
|---|----------------|---------------|---------------|---------------|---------------|
|   | 2009           | 2008          | 2007          | 2006          | 2005          |
| <b>Consolidated Companies</b>           |                |               |               |               |               |
| <b>United States</b>                    |                |               |               |               |               |
| Oil                                     | 32,720         | 33,595        | 33,217        | 33,067        | 32,712        |
| Gas                                     | 5,671          | 5,569         | 6,043         | 6,212         | 6,014         |
| <b>Total United States</b>              | <b>38,391</b>  | <b>39,164</b> | <b>39,260</b> | <b>39,279</b> | <b>38,726</b> |
| <b>International</b>                    |                |               |               |               |               |
| Oil                                     | 10,835         | 10,290        | 10,538        | 9,903         | 9,891         |
| Gas                                     | 1,591          | 1,837         | 1,730         | 1,513         | 891           |
| <b>Total International</b>              | <b>12,426</b>  | <b>12,127</b> | <b>12,268</b> | <b>11,416</b> | <b>10,782</b> |
| <b>Total Consolidated Companies</b>     | <b>50,817</b>  | <b>51,291</b> | <b>51,528</b> | <b>50,695</b> | <b>49,508</b> |
| <b>Equity Share in Affiliates</b>       |                |               |               |               |               |
| Oil                                     | 403            | 413           | 375           | 375           | 149           |
| Gas                                     | 2              | 2             | -             | -             | -             |
| <b>Total Equity Share in Affiliates</b> | <b>405</b>     | <b>415</b>    | <b>375</b>    | <b>375</b>    | <b>149</b>    |
| <b>Total Worldwide</b>                  | <b>51,222</b>  | <b>51,706</b> | <b>51,903</b> | <b>51,070</b> | <b>49,657</b> |

<sup>1</sup> Net Productive Wells includes wholly owned wells and the sum of the company's fractional interests in wells completed in jointly owned operations.

<sup>2</sup> Includes wells producing or capable of producing and injection wells temporarily functioning as producing wells. Wells that produce both crude oil and natural gas are classified as oil wells.

# Downstream

Improve returns and selectively grow, with a focus on integrated value creation.



Photo: Chevron-branded service station.

## Highlights

The company enjoys a strong global presence in all aspects of the downstream industry – refining, marketing and transportation.

### Industry Conditions

Earnings across the sector in 2009 were generally weak due to challenging industry conditions, including a sharp drop in global demand reflecting the economic slowdown, excess refined-product supplies and surplus refining capacity. Worldwide consumption of transportation fuels – motor gasoline, jet fuel, naphtha and distillates – fell by approximately 1 percent in 2009, with an approximate 4 percent decrease in North America and Europe, partially offset by an 8 percent increase in China. Also in 2009, significant additions to global refining capacity came on line, primarily in China, India and other emerging markets. Despite refinery closures, mainly in the United States, Europe and the Caribbean, global net refining capacity increased by 1.6 million barrels per day, according to a December 2009 *Oil & Gas Journal* survey. This is the largest annual increase since 2005. These factors led to a drop in industry refining margins during 2009, particularly in North America. Marketing margins also remained narrow in North America throughout 2009.

### Business Strategies

Chevron's downstream business strategy is to improve returns and selectively grow, with a focus on integrated value creation. In support of this, Chevron has identified the following enabling strategies:

- › Consistently drive top competitive performance in the base business through reliable operations and leveraging of technology.
- › Improve refining flexibility and yield.
- › Align portfolio to capture integration value.
- › Develop enhanced supply-chain and commercial capabilities.

### 2009 Accomplishments

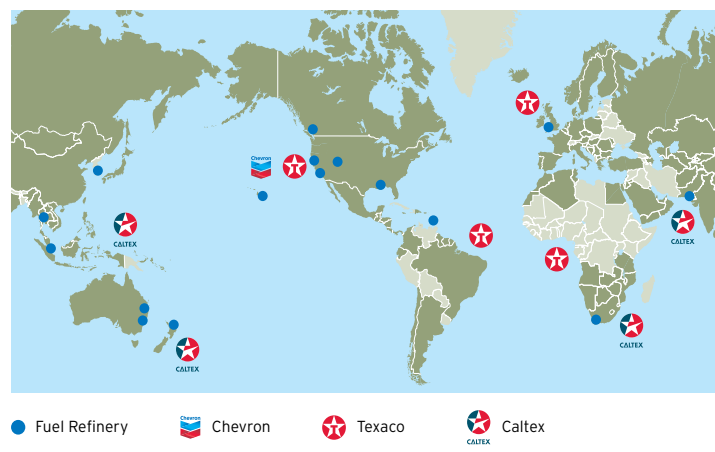
- › Achieved the company's lowest-ever total number of recordable incidents in the downstream organization.
- › Improved refinery utilization to its highest level in five years and achieved the No. 1 ranking among the nine major international oil refiners reporting to Solomon Associates for the second consecutive biennial reporting period (reporting year 2008).
- › Achieved strongest-ever financial performance in the lubricants business.
- › Reduced nonfuel operating expense by \$2.2 billion compared with 2008, representing an approximate 19 percent decline.
- › Completed the sale of businesses in Brazil, Haiti, Nigeria, Benin, Cameroon, Republic of the Congo, Côte d'Ivoire, Togo, Kenya, Uganda, India, Italy, Peru and Chile.

### 2010 Outlook

Given the challenging industry conditions, in the first quarter 2010 the company announced plans to restructure the downstream organization to improve operating efficiency and achieve sustained improvement in financial performance. The restructuring is expected to include exits from additional markets, dispositions of assets, reductions in the number of employees and other actions, which may result in gains or losses in future periods. Key objectives for 2010 include the following:

- › Continue to improve safety and refinery reliability.
- › Implement the restructuring and rationalize the company's downstream asset portfolio.
- › Advance projects that improve feedstock flexibility, high-value product yield and energy efficiency.

Downstream Overview



## Downstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions

|   | 2009     | 2008     |
|---|----------|----------|
| Segment earnings  | \$ 565   | \$ 3,429 |
| Refinery crude-oil inputs (Thousands of barrels per day)                | 1,878    | 1,850    |
| Refinery capacity at year-end (Thousands of barrels per day)            | 2,158    | 2,059    |
| U.S. gasoline and jet fuel yields (Percent of U.S. refinery production) | 65%      | 64%      |
| Refined-product sales (Thousands of barrels per day)                    | 3,254    | 3,429    |
| Motor gasoline sales (Thousands of barrels per day)                     | 1,275    | 1,281    |
| Natural-gas-liquids sales (Thousands of barrels per day)                | 232      | 241      |
| Number of marketing retail outlets at December 31                       | 21,993   | 25,017   |
| Refining capital expenditures   | \$ 3,510 | \$ 3,056 |
| Marketing capital expenditures  | \$ 335   | \$ 507   |
| Transportation and other downstream capital expenditures                | \$ 576   | \$ 642   |
| Total downstream capital expenditures                                   | \$ 4,421 | \$ 4,205 |

## Refining

Chevron's global refining system, including the company's share of affiliates, can process more than 2 million barrels of crude oil per day. The system is anchored by seven major refineries. These refineries are located near key markets and comprise more than 75 percent of the company's total refining capacity. Five of these refineries – located in Singapore, Thailand, South Korea, and Richmond and El Segundo, California – supply the Asia-Pacific rim. The other two refineries – in Pascagoula, Mississippi, and the United Kingdom – primarily supply the Atlantic basin.

Chevron's refinery portfolio is well positioned to supply the attractive growth regions of the Asia-Pacific rim. Many of the refineries in Chevron's portfolio have hydroprocessing units capable of converting lower-quality crude oil into a variety of mid-distillate products.

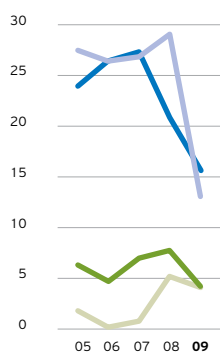
### Achieving World-Class Operational Excellence

During 2009, the company continued its focus on safe operations, environmental performance and refinery reliability. Reliability experts collaborated with refinery personnel to perform systematic identification and elimination of potential disruptions to refinery operations.

### Selectively Growing Refining Flexibility and Yield

During 2009, the company continued work on projects aimed at improving refinery flexibility, reliability and capability to process lower-cost crude oil. Construction progressed at the 50 percent-owned Yeosu Refinery in South Korea on a new heavy-oil hydrocracker designed to increase high-value product yield and lower feedstock costs. Project completion is expected in the third quarter 2010.

**Industry Refining Margins**  
Dollars per barrel



■ U.S. Gulf Coast (Maya 5-3-1-1)\*  
■ U.S. West Coast (Blended 5-3-1-1)\*  
■ Singapore (Dubai 3-1-1-1)\*  
■ Northwest Europe (Brent 3-1-1-1)\*

\*Numbers: A-B-C-D  
A = Crude oil  
B = Motor gasoline  
C = Diesel fuel – U.S.  
C = Gasoil – Non-U.S.  
D = Jet fuel – U.S.  
D = Fuel oil – Non-U.S.

Additional modifications were made to El Segundo's fluid catalytic cracker, one of the crude units, and to other portions of the refinery that improve the refinery's ability to process lower-cost, heavier feedstocks. Construction on the final phase of this project, which has the objective of increasing the refinery's sulfur-handling capacity, is expected to begin in late 2010 and be completed in 2012.

At Pascagoula, construction proceeded during 2009 on a continuous catalytic reformer, which is designed to improve reliability. Engineering and procurement activities continued on Pascagoula's new lubricant base-oil complex. For additional details about this project, refer to the Lubricants section on page 48.

The company completed modifications in 2009 that enable the 50 percent-owned Singapore Refinery to meet regional specifications for clean diesel fuels.

### Evolving Technology to Enhance Competitiveness

During 2009, Chevron continued to develop new hydroprocessing catalysts designed to achieve higher yields from its lubricant base-oil plants and more cost-effective, ultra-low sulfur diesel production from its refineries. Refer to the Technology section, on pages 59 and 60, for additional details on the deployment of technologies that enhance the company's refining competitiveness.



## Marketing

Chevron's marketing organization is responsible for the sale and delivery of products and services worldwide. Through a network of approximately 200 fuel terminals, Chevron supplied approximately 22,000 retail outlets (including affiliate operations) in 2009. The company's most significant marketing areas are on the west coasts of the United States and Canada, the U.S. Gulf Coast, Latin America, Asia, southern Africa and the United Kingdom. During 2009, the company sold a daily average of approximately 3.3 million barrels of gasoline and other refined products globally.

### Improving Performance Through Operational Excellence

Chevron is committed to ensuring that its network of service stations and product terminals, and its transportation fleet operates safely and reliably.

Fuel transportation safety continues to be a top priority and was reinforced by implementing a worldwide driver fatigue management campaign. Chevron's safety efforts extend beyond the company's operations. Through the Arrive Alive campaign, Chevron has formed coalitions with governments, public safety officials, trade unions, businesses and nonprofit groups to make road safety improvements. In recognition of its efforts, the company was awarded the Prince Michael International Road Safety Award, which is sponsored by the Europe-based FIA Foundation for the Automobile and Society.

### Aligning the Marketing Portfolio

Through market exits and divestitures, Chevron continues to align its marketing portfolio more closely with its refining system. During 2009, the company completed the sale of fuels marketing businesses in Brazil, Haiti, Nigeria, Benin, Cameroon, Republic of the Congo, Côte d'Ivoire, Togo, Kenya and Uganda, as well as its LPG marketing business in India.

Also in 2009, the company sold its interest in about 465 individual service-station sites in various countries. In most cases, Chevron continues to supply branded fuels to these sites through supply agreements. The company plans to discontinue, by mid-2010, sales of Chevron- and Texaco-branded motor fuels in the mid-Atlantic and other eastern states, where the company sold to retail customers through approximately 1,100 stations and to commercial and industrial customers through supply arrangements. Sales in these markets represent approximately 8 percent of the company's total U.S. retail fuel sales volumes. Additionally, in January 2010, the company sold the rights to the Gulf trademark in the United States and its territories that it had previously licensed for use in the U.S. Northeast and Puerto Rico.

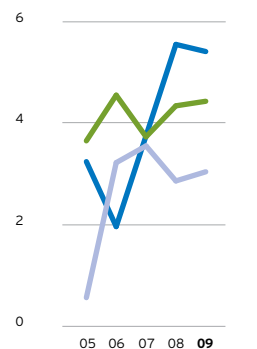
### Leveraging Brands to Capture Value

The company manages three premium brands – Chevron, Texaco and Caltex – each with a long-established and distinguished legacy. These brands continue to hold top positions in markets around the world. In 2009, independent sources ranked Chevron the most powerful gasoline brand in the United States and Caltex the second most popular gasoline brand across Asia.

During 2009, the company continued to execute its multiyear program to refresh the Chevron brand image and is leveraging core elements of this program to enhance the Texaco and Caltex brands. This program is expected to increase sales and reduce operating costs of retail stations.

Chevron continues to enhance its market-leading position in branded fuels by leveraging its proprietary Techron technology beyond gasoline and into diesel fuel. In 2009, the company successfully launched Caltex Diesel with Techron<sup>®</sup> in South Africa and Asia to build upon the success of the previously launched Techron-branded gasoline.

**Industry/Chevron Marketing Fuel Margins**  
Dollars per barrel



■ U.S. West Coast\*  
■ Asia-Pacific/Middle East/Africa  
■ U.S. Gulf Coast\*

\*Industry margins.

## Lubricants

Chevron is among the leading global marketers of finished lubricants and is the top U.S. supplier of premium lubricant base oil west of the Rockies. The company's Lubricants workforce, together with its partners, provides value-added solutions to commercial, retail, industrial and marine customers. The product line of lubrication and coolant products includes such well-known branded products as Havoline, Delo, Ursa, Meropa and Taro, which are marketed globally under the three major brands – Chevron, Texaco and Caltex.

### Turning Strategy Into Action

In 2009, the Lubricants organization achieved its strongest-ever financial performance. This was accomplished by reducing complexity of operations and lowering costs, selling businesses in seven countries, and focusing investment in core markets and sectors, where it can leverage its strengths as an integrated business and producer of premium base oil.

The company proceeded with engineering and procurement work at the previously announced 25,000-barrel-per-day premium base-oil facility at the company's Pascagoula, Mississippi, refinery. The Mississippi Department of Environmental Quality issued the air quality permit for this project in April 2009. Some major equipment for this project, including the base-oil plant reactors, has been purchased.

## Supply & Trading

The Supply & Trading organization supports Chevron's global supply chain by maximizing the company's equity crude-oil revenues, reducing the downstream organization's raw-material and transportation costs, and optimizing the supply of finished products to the market. Its activities include supplying crude oil and refined products to the company's refining and marketing network, marketing crude oil and refined products (including aviation and marine fuels) to third parties, and managing associated market risks.

The company handles more than 400 different grades of crude oil and petroleum products. In addition, Chevron is among the leading global suppliers of jet fuel and aviation gasoline to commercial airline, general aviation and military customers. The company markets aviation fuel at more than 875 airports.

### Developing New Opportunities for Chevron

In 2009, crude-oil selection options for the company's global refining system continued to grow, with the company refining nine unique crude types new to its system and 16 crude oils that were new to individual refineries. Also in 2009, the company developed a new generation of information technology tools designed to optimize Chevron's worldwide energy supply operations. The company continues to capture opportunities to process additional equity crude through its refining systems. The company also continued to expand its supply capabilities in biofuels such as ethanol.

## Transportation

The company's transportation businesses include Pipeline and Shipping operations, which are responsible for transportation of a variety of products to customers worldwide.

Chevron owns and operates an extensive network of crude-oil, refined-product, chemical, natural-gas-liquids (NGL) and natural-gas pipelines and other infrastructure assets in the United States. The company also has direct and indirect interests in other U.S. and international pipelines.

The company's marine fleet includes both U.S.-flagged and foreign-flagged vessels. The U.S.-flagged vessels are engaged primarily in transporting refined products between the Gulf Coast and the East Coast, and from California refineries to other U.S. West Coast locations, Alaska and Hawaii. The foreign-flagged vessels are engaged in transporting crude oil from the Middle East, Asia, the Black Sea, Mexico and West Africa to ports in the United States, Europe, Australia and Asia, as well as refined products to and from various locations worldwide.

In addition to the vessels described above, the company owns a one-sixth interest in each of seven liquefied-natural-gas (LNG) tankers transporting cargoes for the North West Shelf (NWS) Venture in Australia. The NWS Venture Project also has two LNG tankers under long-term time charter.

Chevron's fleet of owned and chartered tankers is completely double-hulled.

### Aligning the Transportation Portfolio

**Pipeline** The company is expanding its Keystone natural-gas storage facility near Midland, Texas, by approximately 2 billion cubic feet, to a total expected capacity of nearly 7 billion cubic feet. Completion of the expansion project is anticipated in the second quarter 2010.

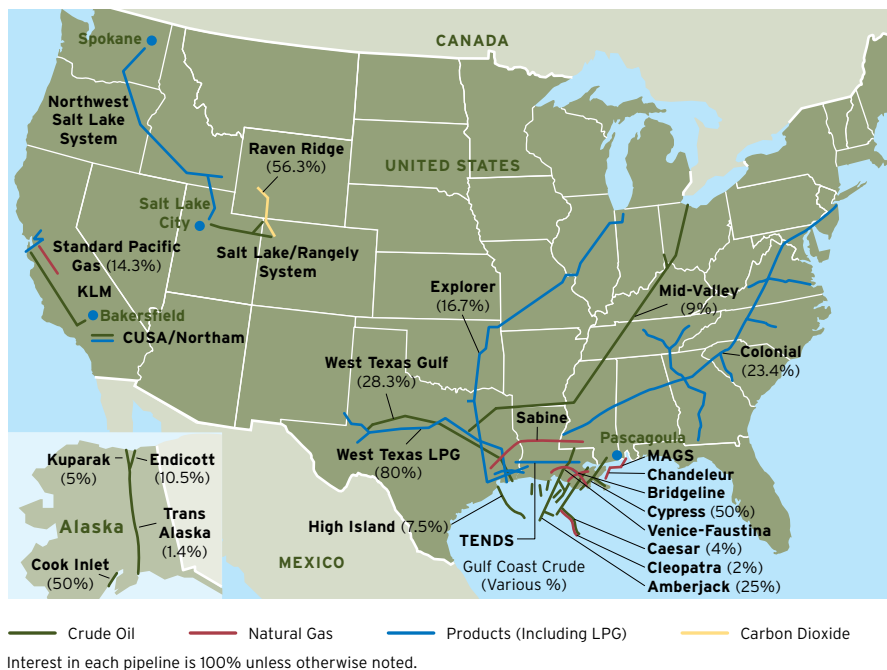
In the U.S. Gulf of Mexico, Chevron is leading the evaluation and negotiations associated with a 136-mile (219-km), 24-inch (71-cm) pipeline from the proposed Jack & St. Malo deepwater production facility to a platform in Green Canyon Block 19 on the Gulf of Mexico shelf.

Work commenced in late 2009 to return the Cal-Ky Pipeline, which was decommissioned in 2002, into crude-oil service as a supply line for the Pascagoula Refinery. This pipeline is also expected to provide additional outlets for the company's equity crude-oil production. The pipeline is expected to return to service in 2011.

In December 2009, the company sold its ownership interest in the western portion of the Texaco Expanded NGL Distribution System (TENDS) and its 64 percent ownership interest in Southcap Pipe Line Company, which includes Chevron's 13.4 percent ownership interest in the Capline Pipeline.

Refer to pages 19, 22 and 23 in the Upstream section for information on the Chad/Cameroon pipeline, the West African Gas Pipeline, the Baku-Tbilisi-Ceyhan Pipeline, the Western Route Export Pipeline and the Caspian Pipeline Consortium.

**Shipping** During 2009, the company managed approximately 2,500 deep-sea tanker voyages, using a combination of single-voyage charters, short- and medium-term charters, and company-owned or bareboat-chartered vessels. As part of its fleet modernization program, the company has two U.S.-flagged tankers scheduled for delivery in 2010 and plans to retire three U.S.-flagged product tankers between 2010 and 2011. The new tankers are expected to bring improved efficiencies to Chevron's U.S.-flagged fleet.



| Net Pipeline Mileage <sup>1,2</sup>   |  | At December 31 |
|---------------------------------------|--|----------------|
| (Includes equity share in affiliates) |  | 2009           |
| <b>Crude-Oil Lines</b>                |  |                |
| United States                         |  | 2,803          |
| International                         |  | 700            |
| <b>Total Crude-Oil Lines</b>          |  | <b>3,503</b>   |
| <b>Natural-Gas Lines</b>              |  |                |
| United States                         |  | 2,255          |
| International                         |  | 613            |
| <b>Total Natural-Gas Lines</b>        |  | <b>2,868</b>   |
| <b>Product Lines</b>                  |  |                |
| United States <sup>3</sup>            |  | 5,768          |
| International                         |  | 438            |
| <b>Total Product Lines</b>            |  | <b>6,206</b>   |
| <b>Total Net Pipeline Mileage</b>     |  | <b>12,577</b>  |

<sup>1</sup> Partially owned pipelines are included at the company's equity percentage of total pipeline mileage.

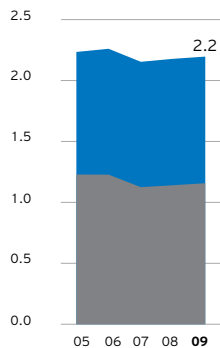
<sup>2</sup> Excludes gathering pipelines relating to the U.S. and international crude-oil and natural-gas production function.

<sup>3</sup> Includes the company's share of chemical pipelines managed by the 50 percent-owned Chevron Phillips Chemical Company LLC.

## Downstream Operating Data

### Refinery Capacity at December 31

Millions of barrels per day

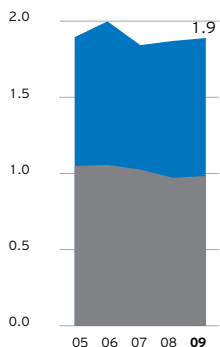


■ United States  
■ International\*

\*Includes equity share in affiliates.

### Refinery Crude-Oil Inputs

Millions of barrels per day



■ United States  
■ International\*

\*Includes equity share in affiliates.

## Refining Capacities and Crude-Oil Inputs

(Includes equity share in affiliates)

Year ended December 31

| Thousands of barrels per day                             | Chevron Share<br>of Capacity | Chevron Share<br>of Refinery Inputs |       |       |       |       |
|--|------------------------------|-------------------------------------|-------|-------|-------|-------|
|  | At December 31, 2009         | 2009                                | 2008  | 2007  | 2006  | 2005  |
| <b>United States - Fuel Refineries/Asphalt Plant</b>     |                              |                                     |       |       |       |       |
| El Segundo, California                                   | 269                          | 247                                 | 263   | 222   | 258   | 230   |
| Kapolei, Hawaii  | 54                           | 49                                  | 46    | 51    | 50    | 50    |
| Pascagoula, Mississippi                                  | 330                          | 345                                 | 299   | 285   | 337   | 263   |
| Perth Amboy, New Jersey <sup>1</sup>                     | 80                           | -                                   | 8     | 20    | 31    | 28    |
| Richmond, California                                     | 243                          | 218                                 | 237   | 192   | 224   | 233   |
| Salt Lake City, Utah                                     | 45                           | 40                                  | 38    | 42    | 39    | 41    |
| <b>Total United States Fuel Refineries/Asphalt Plant</b> | <b>1,021</b>                 | <b>899</b>                          | 891   | 812   | 939   | 845   |
| <b>International - Wholly Owned</b>                      |                              |                                     |       |       |       |       |
| Canada - Burnaby, British Columbia                       | 55                           | 49                                  | 36    | 49    | 49    | 45    |
| South Africa - Cape Town <sup>2</sup>                    | 110                          | 72                                  | 75    | 72    | 71    | 61    |
| United Kingdom - Pembroke                                | 210                          | 205                                 | 203   | 212   | 165   | 186   |
| <b>Total International - Wholly Owned</b>                | <b>375</b>                   | <b>326</b>                          | 314   | 333   | 285   | 292   |
| <b>International - Affiliates</b>                        |                              |                                     |       |       |       |       |
| Australia - Brisbane (50%)                               | 54                           | 40                                  | 40    | 44    | 42    | 41    |
| Australia - Sydney (50%)                                 | 67                           | 56                                  | 53    | 58    | 57    | 52    |
| Cameroon - Limbe (8%) <sup>3</sup>                       | -                            | -                                   | 1     | 3     | 3     | -     |
| Côte d'Ivoire - Abidjan (3.7%) <sup>4</sup>              | -                            | -                                   | -     | 2     | 2     | 2     |
| Kenya - Mombasa (16%) <sup>5</sup>                       | -                            | 3                                   | 5     | 6     | 5     | 5     |
| Martinique - Fort-de-France (11.5%)                      | 2                            | 1                                   | 2     | 1     | 2     | 2     |
| Netherlands - Europoort (31%) <sup>6</sup>               | -                            | -                                   | -     | 24    | 104   | 103   |
| New Zealand - Whangarei (12.7%)                          | 13                           | 12                                  | 12    | 12    | 12    | 12    |
| Pakistan - Karachi (12%)                                 | 6                            | 5                                   | 5     | 5     | 5     | 5     |
| Singapore - Pualau Merlimau (50%)                        | 145                          | 113                                 | 128   | 132   | 129   | 133   |
| South Korea - Yeosu (50%)                                | 375                          | 327                                 | 327   | 307   | 307   | 303   |
| Thailand - Map Ta Phut (64%)                             | 100                          | 96                                  | 80    | 94    | 97    | 88    |
| <b>Total International - Affiliates</b>                  | <b>762</b>                   | <b>653</b>                          | 653   | 688   | 765   | 746   |
| <b>Total International</b>                               | <b>1,137</b>                 | <b>979</b>                          | 967   | 1,021 | 1,050 | 1,038 |
| <b>Total Worldwide</b>                                   | <b>2,158</b>                 | <b>1,878</b>                        | 1,858 | 1,833 | 1,989 | 1,883 |

<sup>1</sup> The Perth Amboy plant has been idled since early 2008 and is operated as a terminal.

<sup>2</sup> Chevron holds 100 percent of the common stock issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners owns preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited. None of the preferred shares had been converted as of March 2010.

<sup>3</sup> Chevron sold its ownership interest in Société Nationale de Raffinage in June 2008.

<sup>4</sup> Chevron sold its ownership interest in Société Ivoirienne de Raffinage in January 2008.

<sup>5</sup> Chevron sold its ownership interest in Kenya Petroleum Refinery Ltd. in July 2009.

<sup>6</sup> Chevron sold its interest in this refinery (Nerefco) in March 2007.

## Refining Capacity at Year-End 2009

(Includes equity share in affiliates)

| Thousands of barrels per day                             | Chevron Share of Capacity <sup>1</sup> |                                 |                             |                                  |                         |
|--|--|---------------------------------|-----------------------------|----------------------------------|-------------------------|
|  | Atmospheric Distillation <sup>2</sup>  | Catalytic Cracking <sup>3</sup> | Hydro-cracking <sup>4</sup> | Residuum Conversion <sup>5</sup> | Lubricants <sup>6</sup> |
| <b>United States - Fuel Refineries/Asphalt Plant</b>     |  |                                 |                             |                                  |                         |
| El Segundo, California                                   | 269                                    | 65                              | 46                          | 68                               | -                       |
| Kapolei, Hawaii  | 54                                     | 21                              | -                           | -                                | -                       |
| Pascagoula, Mississippi                                  | 330                                    | 86                              | 58                          | 98                               | -                       |
| Perth Amboy, New Jersey <sup>7</sup>                     | 80                                     | -                               | -                           | -                                | -                       |
| Richmond, California                                     | 243                                    | 80                              | 151                         | -                                | 20                      |
| Salt Lake City, Utah                                     | 45                                     | 13                              | -                           | 7                                | -                       |
| <b>Total United States Fuel Refineries/Asphalt Plant</b> | <b>1,021</b>                           | <b>265</b>                      | <b>255</b>                  | <b>173</b>                       | <b>20</b>               |
| <b>International - Wholly Owned</b>                      |  |                                 |                             |                                  |                         |
| Canada - Burnaby, British Columbia                       | 55                                     | 17                              | -                           | -                                | -                       |
| South Africa - Cape Town <sup>8</sup>                    | 110                                    | 22                              | -                           | 11                               | -                       |
| United Kingdom - Pembroke                                | 210                                    | 90                              | -                           | 26                               | -                       |
| <b>Total International - Wholly Owned</b>                | <b>375</b>                             | <b>129</b>                      | <b>-</b>                    | <b>37</b>                        | <b>-</b>                |
| <b>International - Affiliates</b>                        |  |                                 |                             |                                  |                         |
| Australia - Brisbane (50%) <sup>9</sup>                  | 54                                     | 18                              | -                           | -                                | -                       |
| Australia - Sydney (50%)                                 | 67                                     | 22                              | -                           | -                                | -                       |
| Martinique - Fort-de-France (11.5%) <sup>9</sup>         | 2                                      | -                               | -                           | -                                | -                       |
| New Zealand - Whangarei (12.7%) <sup>9</sup>             | 13                                     | -                               | 3                           | -                                | -                       |
| Pakistan - Karachi (12%) <sup>9</sup>                    | 6                                      | -                               | -                           | -                                | -                       |
| Singapore - Pualau Merlimau (50%) <sup>9</sup>           | 145                                    | 23                              | 17                          | 16                               | -                       |
| South Korea - Yeosu (50%)                                | 375                                    | 47                              | 42                          | -                                | 4                       |
| Thailand - Map Ta Phut (64%) <sup>9</sup>                | 100                                    | 26                              | -                           | -                                | -                       |
| <b>Total International - Affiliates</b>                  | <b>762</b>                             | <b>136</b>                      | <b>62</b>                   | <b>16</b>                        | <b>4</b>                |
| <b>Total International</b>                               | <b>1,137</b>                           | <b>265</b>                      | <b>62</b>                   | <b>53</b>                        | <b>4</b>                |
| <b>Total Worldwide</b>                                   | <b>2,158</b>                           | <b>530</b>                      | <b>317</b>                  | <b>226</b>                       | <b>24</b>               |

<sup>1</sup> Capacities represent typical calendar-day processing rates for feedstocks to process units, determined over extended periods of time. Actual rates may vary depending on feedstock qualities, maintenance schedules and external factors.

<sup>2</sup> Atmospheric distillation is the first rough distillation cut. Crude oil is heated at atmospheric pressure and separates into a full boiling range of products, such as liquid petroleum gases, gasoline, naphtha, kerosene, gas oil and residuum.

<sup>3</sup> Catalytic cracking uses solid catalysts at high temperatures to produce gasoline and other lighter products from gas-oil feedstocks.

<sup>4</sup> Hydrocracking combines heavy gas-oil feedstocks and hydrogen at high pressure and temperature in the presence of a solid catalyst to reduce impurities and produce lighter products, such as gasoline, diesel and jet fuel.

<sup>5</sup> Residuum conversion includes thermal cracking, visbreaking, coking and hydrocracking processes, which rely primarily on heat to convert heavy residuum feedstock to the maximum production of lighter boiling products.

<sup>6</sup> Lubricants capacity is based on dewaxed base-oil production.

<sup>7</sup> The Perth Amboy plant has been idled since early 2008 and is operated as a terminal.

<sup>8</sup> Chevron holds 100 percent of the common stock issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners owns preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited. None of the preferred shares had been converted as of March 2010.

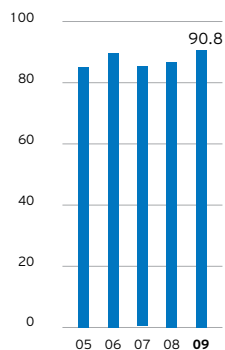
<sup>9</sup> Source: 2009 Oil & Gas Journal Refining Survey.



## Downstream Operating Data

### Worldwide Refinery Utilization\*

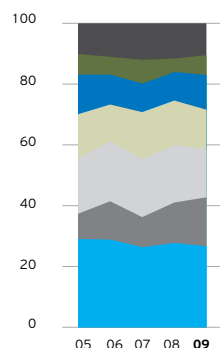
Percent of capacity



\*Includes equity share in affiliates.

### Sources of Crude-Oil Input for Worldwide Refineries (Wholly Owned)

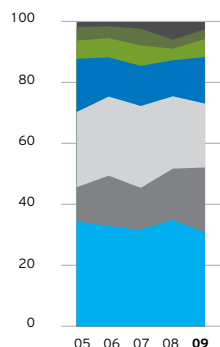
Percentage



■ Other ■ Mexico  
■ Africa ■ South America  
■ United States ■ Middle East  
■ North Sea

### Sources of Crude-Oil Input for U.S. Refineries (Wholly Owned)

Percentage



■ Other ■ Mexico  
■ Africa ■ South America  
■ Asia-Pacific ■ Middle East  
■ United States

### Refinery Crude Distillation Utilization<sup>1</sup>

(Includes equity share in affiliates)

| Percentage of average capacity | Year ended December 31 |      |      |      |      |
|--------------------------------|------------------------|------|------|------|------|
|                                | 2009                   | 2008 | 2007 | 2006 | 2005 |
| United States                  | 95.5                   | 94.8 | 85.0 | 98.6 | 89.9 |
| Africa-Pakistan                | 63.9                   | 63.6 | 65.0 | 63.6 | 54.9 |
| Asia-Pacific                   | 87.5                   | 88.3 | 92.4 | 93.1 | 91.2 |
| Europe                         | 97.4                   | 96.8 | 97.8 | 80.4 | 86.5 |
| Other                          | 88.6                   | 66.6 | 87.7 | 89.2 | 84.7 |
| Worldwide                      | 90.8                   | 86.9 | 85.4 | 89.6 | 85.3 |

### Utilization of Cracking and Coking Facilities<sup>2</sup>

(Wholly owned)

Percentage of average capacity

|               |      |      |      |      |      |
|---------------|------|------|------|------|------|
| United States | 84.5 | 86.1 | 77.6 | 85.8 | 76.1 |
|---------------|------|------|------|------|------|

### Sources of Crude-Oil Input for Worldwide Refineries

(Wholly owned)

Percentage of total input

|               |              |              |              |              |              |
|---------------|--------------|--------------|--------------|--------------|--------------|
| Middle East   | 26.7         | 27.8         | 26.4         | 28.9         | 29.1         |
| Mexico        | 15.8         | 18.9         | 19.1         | 19.8         | 18.3         |
| North Sea     | 13.0         | 14.6         | 15.4         | 12.0         | 14.4         |
| South America | 16.1         | 13.3         | 9.9          | 12.6         | 8.3          |
| United States | 11.4         | 9.4          | 9.4          | 9.8          | 13.0         |
| Africa        | 6.5          | 4.4          | 7.8          | 5.9          | 6.8          |
| Other         | 10.5         | 11.6         | 12.0         | 11.0         | 10.1         |
| <b>Total</b>  | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

### Worldwide Refinery Production of Finished Products

(Wholly owned)

Thousands of barrels per day

|              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Gasoline     | 656          | 565          | 598          | 569          | 529          |
| Jet fuel     | 256          | 252          | 217          | 236          | 221          |
| Gas oil      | 307          | 278          | 266          | 265          | 238          |
| Fuel oil     | 90           | 99           | 99           | 90           | 104          |
| Other        | 146          | 152          | 146          | 149          | 130          |
| <b>Total</b> | <b>1,455</b> | <b>1,346</b> | <b>1,326</b> | <b>1,309</b> | <b>1,222</b> |

### Sources of Crude-Oil Input for U.S. Refineries

(Wholly owned)

Percentage of total input

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Middle East                                  | 30.8         | 35.0         | 31.7         | 33.0         | 34.5         |
| Mexico                                       | 21.0         | 23.8         | 26.9         | 26.0         | 24.7         |
| South America                                | 21.4         | 16.8         | 13.8         | 16.5         | 11.2         |
| United States - excluding Alaska North Slope | 8.6          | 6.3          | 7.6          | 7.0          | 7.8          |
| United States - Alaska North Slope           | 6.7          | 5.5          | 5.6          | 5.9          | 9.7          |
| Asia-Pacific                                 | 5.9          | 3.8          | 6.7          | 6.3          | 6.0          |
| Africa                                       | 3.2          | 3.0          | 5.5          | 3.9          | 4.4          |
| Other  | 2.4          | 5.8          | 2.2          | 1.4          | 1.7          |
| <b>Total</b>                                 | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

### U.S. Refinery Production of Finished Products

(Wholly owned)

Thousands of barrels per day

|              |              |            |            |            |            |
|--------------|--------------|------------|------------|------------|------------|
| Gasoline     | 487          | 426        | 431        | 416        | 375        |
| Jet fuel     | 213          | 211        | 174        | 200        | 189        |
| Gas oil      | 202          | 170        | 157        | 170        | 136        |
| Fuel oil     | 51           | 56         | 58         | 51         | 60         |
| Other        | 128          | 128        | 128        | 132        | 115        |
| <b>Total</b> | <b>1,081</b> | <b>991</b> | <b>948</b> | <b>969</b> | <b>875</b> |

<sup>1</sup> Utilization for fuel refineries only.

<sup>2</sup> Hydrocrackers, catalytic crackers and coking facilities are the primary facilities used to convert heavier products into gasoline and other light products.

## Downstream Operating Data

### Refined-Product Sales

| Thousands of barrels per day                             | Year ended December 31 |              |              |              |              |
|--|------------------------|--------------|--------------|--------------|--------------|
|  | 2009                   | 2008         | 2007         | 2006         | 2005         |
| <b>United States</b>                                     |                        |              |              |              |              |
| Gasoline   | 720                    | 692          | 728          | 712          | 709          |
| Gas oils and kerosene                                    | 226                    | 229          | 221          | 252          | 231          |
| Jet fuel   | 254                    | 274          | 271          | 280          | 291          |
| Residual fuel oil  | 110                    | 127          | 138          | 128          | 122          |
| Other petroleum products                                 | 93                     | 91           | 99           | 122          | 120          |
| <b>Total United States</b>                               | <b>1,403</b>           | <b>1,413</b> | <b>1,457</b> | <b>1,494</b> | <b>1,473</b> |
| <b>International<sup>1</sup></b>                         |                        |              |              |              |              |
| Gasoline   | 555                    | 589          | 581          | 595          | 662          |
| Gas oils and kerosene                                    | 647                    | 710          | 730          | 776          | 781          |
| Jet fuel   | 264                    | 278          | 274          | 266          | 258          |
| Residual fuel oil  | 209                    | 257          | 271          | 324          | 404          |
| Other petroleum products                                 | 176                    | 182          | 171          | 166          | 147          |
| <b>Total International</b>                               | <b>1,851</b>           | <b>2,016</b> | <b>2,027</b> | <b>2,127</b> | <b>2,252</b> |
| <b>Worldwide<sup>2</sup></b>                             |                        |              |              |              |              |
| Gasoline   | 1,275                  | 1,281        | 1,309        | 1,307        | 1,371        |
| Gas oils and kerosene                                    | 873                    | 939          | 951          | 1,028        | 1,012        |
| Jet fuel   | 518                    | 552          | 545          | 546          | 549          |
| Residual fuel oil  | 319                    | 384          | 409          | 452          | 526          |
| Other petroleum products                                 | 269                    | 273          | 270          | 288          | 267          |
| <b>Total Worldwide</b>                                   | <b>3,254</b>           | <b>3,429</b> | <b>3,484</b> | <b>3,621</b> | <b>3,725</b> |
| <sup>1</sup> Includes share of equity affiliates' sales: | 516                    | 512          | 492          | 492          | 498          |
| <sup>2</sup> Includes amounts for buy/sell contracts:    | -                      | -            | -            | 50           | 217          |

### Light-Product Sales<sup>1,2</sup>

|   | Year ended December 31 |                  |                  |                  |                  |
|---|------------------------|------------------|------------------|------------------|------------------|
|   | 2009                   | 2008             | 2007             | 2006             | 2005             |
| <b>Sales Revenues (Millions of dollars)</b>         |                        |                  |                  |                  |                  |
| United States                                       | \$ 32,885              | \$ 51,279        | \$ 41,561        | \$ 38,474        | \$ 32,716        |
| International                                       | 39,674                 | 65,686           | 53,904           | 51,195           | 47,743           |
| <b>Total Sales Revenues</b>                         | <b>\$ 72,559</b>       | <b>\$116,965</b> | <b>\$ 95,465</b> | <b>\$ 89,669</b> | <b>\$ 80,459</b> |
| <b>Sales Volumes (Thousands of barrels per day)</b> |                        |                  |                  |                  |                  |
| United States                                       | 1,200                  | 1,195            | 1,220            | 1,244            | 1,231            |
| International                                       | 1,129                  | 1,256            | 1,278            | 1,329            | 1,373            |
| <b>Total Sales Volumes</b>                          | <b>2,329</b>           | <b>2,451</b>     | <b>2,498</b>     | <b>2,573</b>     | <b>2,604</b>     |

<sup>1</sup> Consolidated companies only and includes amounts for buy/sell contracts prior to the second quarter 2006.

<sup>2</sup> Light-product sales include motor gasoline, jet fuel, gas oils and kerosene.

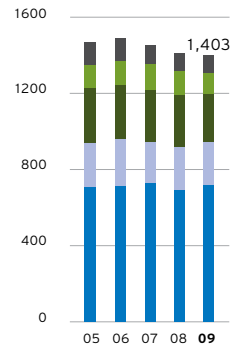
### Natural-Gas-Liquids Sales

(Includes equity share in affiliates)

|                              |            |            |            |            |            |
|------------------------------|------------|------------|------------|------------|------------|
| Thousands of barrels per day |            |            |            |            |            |
| United States                | 144        | 144        | 135        | 72         | 86         |
| International                | 88         | 97         | 96         | 81         | 100        |
| <b>Total</b>                 | <b>232</b> | <b>241</b> | <b>231</b> | <b>153</b> | <b>186</b> |

### U.S. Refined-Product Sales

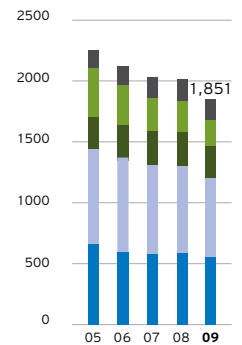
Thousands of barrels per day



■ Other  
■ Residual Fuel Oil  
■ Jet Fuel  
■ Gas Oils & Kerosene  
■ Gasoline

### International Refined-Product Sales\*

Thousands of barrels per day

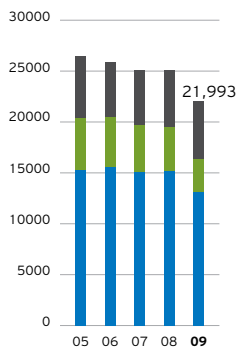


■ Other  
■ Residual Fuel Oil  
■ Jet Fuel  
■ Gas Oils & Kerosene  
■ Gasoline

\*Includes equity in affiliates.

## Downstream Operating Data

**Marketing Retail Outlets**  
Number of outlets



■ Affiliate  
■ Company  
■ Retailer

### Marketing Retail Outlets<sup>1,2</sup>

At December 31

|                 | 2009         |               | 2008         |               | 2007         |               | 2006         |               | 2005         |               |
|-----------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                 | Company      | Other         | Company      | Other         | Company      | Other         | Company      | Other         | Company      | Other         |
| United States   | 502          | 9,089         | 507          | 9,178         | 548          | 9,183         | 578          | 9,050         | 611          | 8,672         |
| Canada          | 161          | -             | 160          | 1             | 162          | 2             | 162          | 2             | 162          | 2             |
| Europe          | 74           | 1,169         | 84           | 1,293         | 101          | 1,227         | 396          | 1,760         | 423          | 1,733         |
| Latin America   | 541          | 841           | 977          | 2,442         | 1,040        | 2,510         | 1,134        | 2,575         | 1,218        | 2,760         |
| Asia-Pacific    | 1,031        | 1,188         | 1,091        | 1,136         | 1,272        | 955           | 1,229        | 950           | 1,201        | 905           |
| Africa-Pakistan | 930          | 824           | 1,488        | 1,100         | 1,509        | 1,148         | 1,480        | 1,177         | 1,435        | 1,232         |
| <b>Total</b>    | <b>3,239</b> | <b>13,111</b> | <b>4,307</b> | <b>15,150</b> | <b>4,632</b> | <b>15,025</b> | <b>4,979</b> | <b>15,514</b> | <b>5,050</b> | <b>15,304</b> |

<sup>1</sup> Excludes outlets of equity affiliates totaling 5,643, 5,560, 5,425, 5,338 and 6,128 for 2009, 2008, 2007, 2006 and 2005, respectively.

<sup>2</sup> Company outlets are motor vehicle outlets that are company owned or leased. These outlets may be either company operated or leased to a dealer. Other outlets consist of all remaining branded outlets that are owned by others and supplied with branded products.

### Vessels - Crude-Oil and Refined-Product Tankers by Type, Dead-Weight Tonnage<sup>1</sup>

At December 31

|  | 2009     |           | 2008     |           | 2007     |           | 2006     |           | 2005     |           |
|--|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
|  | U.S.     | Int'l.    | U.S.     | Int'l.    | U.S.     | Int'l.    | U.S.     | Int'l.    | U.S.     | Int'l.    |
| <b>Company-Owned and Bareboat-Chartered</b>        |          |           |          |           |          |           |          |           |          |           |
| 25,000-65,000                                      | 5        | -         | 5        | -         | 4        | -         | 3        | -         | 3        | -         |
| 65,000-120,000                                     | -        | 6         | -        | 6         | -        | 6         | -        | 5         | -        | 4         |
| 120,000-160,000                                    | -        | 4         | -        | 4         | -        | 5         | -        | 5         | -        | 6         |
| 160,000-320,000                                    | -        | 6         | -        | 6         | -        | 6         | -        | 6         | -        | 6         |
| Above 320,000                                      | -        | 3         | -        | 3         | -        | 3         | -        | 3         | -        | 2         |
| <b>Total Company-Owned and Bareboat-Chartered</b>  | <b>5</b> | <b>19</b> | <b>5</b> | <b>19</b> | <b>4</b> | <b>20</b> | <b>3</b> | <b>19</b> | <b>3</b> | <b>18</b> |
| <b>Time-Chartered<sup>2</sup></b>                  |          |           |          |           |          |           |          |           |          |           |
| 25,000-65,000                                      | -        | 7         | -        | 10        | -        | 16        | -        | 14        | -        | 11        |
| 65,000-120,000                                     | -        | 8         | -        | 7         | -        | 8         | -        | 8         | -        | 7         |
| 160,000-320,000                                    | -        | 2         | -        | -         | -        | -         | -        | -         | -        | -         |
| <b>Total Time-Chartered</b>                        | <b>-</b> | <b>17</b> | <b>-</b> | <b>17</b> | <b>-</b> | <b>24</b> | <b>-</b> | <b>22</b> | <b>-</b> | <b>18</b> |
| <b>Total Crude-Oil and Refined-Product Tankers</b> | <b>5</b> | <b>36</b> | <b>5</b> | <b>36</b> | <b>4</b> | <b>44</b> | <b>3</b> | <b>41</b> | <b>3</b> | <b>36</b> |

<sup>1</sup> Consolidated companies only. Excludes tankers chartered on a voyage basis, those with dead-weight tonnage less than 25,000, and those used exclusively for storage.

<sup>2</sup> Includes tankers chartered for more than one year.

### Cargo Transported - Crude Oil and Refined Products\*

Year ended December 31

|                       | 2009 |        | 2008 |        | 2007 |        | 2006 |        | 2005 |        |
|-----------------------|------|--------|------|--------|------|--------|------|--------|------|--------|
|                       | U.S. | Int'l. | U.S. | Int'l. | U.S. | Int'l. | U.S. | Int'l. | U.S. | Int'l. |
| Millions of barrels   | 42   | 307    | 32   | 255    | 36   | 278    | 25   | 297    | 28   | 271    |
| Billions of ton-miles | 7    | 358    | 5    | 328    | 6    | 333    | 3    | 344    | 2    | 285    |

\* Consolidated companies only. Includes cargo carried by company-owned, bareboat-chartered and time-chartered vessels; excludes cargo carried by single-voyage charters.



# Chemicals



Photo: Chevron Oronite's manufacturing facility in Gonfreville, France.

## Chevron Phillips Chemical Company LLC (CPChem)

CPChem is equally owned with ConocoPhillips Corporation and is one of the world's leading producers of commodity petrochemicals.

### Industry Conditions

Sales margins for commodity chemicals were down sharply during the first quarter 2009 due to the global economic slowdown. However, they strengthened during the second and third quarters as a result of increased demand from Asian markets. Furthermore, the prevailing disparity in crude-oil and natural-gas pricing helped boost margins for domestic and international ethylene producers with light- and flexible-feedstock capabilities. During the fourth quarter, margins weakened somewhat due to newly built capacity that came on line in Asia and the Middle East.

In 2009, CPChem's worldwide production volume increased from 2008 levels, bolstered by reliable olefins and derivative operations. Production volume also benefited from the production ramp-up at CPChem's 50 percent-owned styrene facilities in Al Jubail, Saudi Arabia, which achieved start-up in 2008. Equity production from CPChem's other Middle East joint ventures continued to contribute to the company's profits.

### 2009 Accomplishments

- › Maintained top-tier safety performance by participating in the Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP). CPChem has increased the number of its OSHA VPP-certified sites to 19.
- › Received, in June 2009, the 2008 First Place Award for Environmental Performance by the Kingdom of Saudi Arabia Royal Commission. This is the second consecutive year that CPChem's 50 percent-owned Al Jubail facilities have received this award.
- › Completed construction of CPChem's wholly owned 22 million-pound-per-year Ryton PPS manufacturing facility in Borger, Texas. Ryton PPS is an engineering thermoplastic used in a variety of applications, including automobiles and electronics.
- › Continued construction of the Saudi Polymers petrochemical project in Al Jubail. The 35 percent-owned joint-venture project includes an olefins unit and downstream polyethylene, polypropylene, 1-hexene and polystyrene units. Completion is expected in 2011.
- › Continued construction of the 49 percent-owned Q-Chem II project, located in both Mesaieed and Ras Laffan, Qatar. Q-Chem II in Mesaieed includes a high-density polyethylene and normal alpha olefins plant. Included in the project is a separate joint venture for an ethylene cracker in Ras Laffan, in which Q-Chem II has 54 percent of the capacity rights. Start-up for the ethylene cracker is expected in March 2010, and start-up for the polyethylene and alpha olefins plants is anticipated in the third quarter 2010.

### Manufacturing and Research and Development Locations\*

At year-end 2009, CPChem had manufacturing facilities at 34 locations:

| United States                                 | Major Products   | International                       | Major Products                              |
|---|--|-------------------------------------|---|
| Torrance, California (50%)                    | Polystyrene  | Kallo-Beveren, Belgium              | Ryton PPS Compounds                         |
| Allyn's Point, Connecticut (50%)              | Polystyrene  | Tessenderlo, Belgium                | Organosulfur Chemicals                      |
| Joliet, Illinois (50%)                        | Polystyrene  | Guaruja, Brazil (50%)               | Polystyrene                                 |
| St. James, Louisiana (50%)                    | Styrene  | Jinshanwei, China (40%)             | HDPE  |
| Pascagoula, Mississippi                       | Paraxylene, Benzene                                      | Zhangjiagang, China                 | Polystyrene                                 |
| Hanging Rock, Ohio (50%)                      | Polystyrene  | Cartagena, Colombia (50%)           | Polystyrene                                 |
| Marietta, Ohio (50%)                          | Polystyrene  | Mesaieed, Qatar (49%)               | Ethylene, HDPE, 1-Hexene                    |
| Cedar Bayou Facility,<br>Baytown, Texas       | Ethylene, Propylene, HDPE,<br>Alpha Olefins, LLDPE, LDPE | Al Jubail, Saudi Arabia (Various %) | Benzene, Cyclohexane,<br>Styrene, Propylene |
| Borger, Texas                                 | Specialty Chemicals, Ryton PPS                           | Singapore (50%)                     | HDPE  |
| Conroe, Texas                                 | Drilling Specialty Chemicals                             | Yochon, South Korea (60%)           | K-Resin SBC                                 |
| La Porte, Texas                               | Ryton PPS Compounds                                      |                                     |   |
| Sweeny Facility, Old Ocean, Texas             | Ethylene, Propylene                                      |                                     |   |
| Orange, Texas                                 | HDPE   |                                     |   |
| Pasadena Plastics Complex,<br>Pasadena, Texas | HDPE, K-Resin SBC,<br>Polypropylene (60%)                |                                     |   |
| Port Arthur, Texas                            | Ethylene, Propylene, Cyclohexane                         |                                     |   |
| Nine Other Locations                          | Polyethylene Pipe, Pipe Fittings                         |                                     |   |

\* CPChem has 100% interest in each location unless otherwise noted.

For other information on CPChem's major businesses, refer to its Web site at [www.cpchem.com](http://www.cpchem.com).



## Chevron Oronite Company

Chevron Oronite is a world-leading developer, manufacturer and marketer of performance-enhancement additives for lubricating oils and fuels. Oronite lubricant additives are blended into refined base oils to produce finished lubricant used in most engine applications, such as passenger cars, heavy-duty diesel trucks, buses, ships, locomotives and motorcycles. Due to industry and performance specifications, each engine type requires a unique mix of additive formulations to properly protect the engines from premature wear, corrosion and deposit-related performance problems. Typically, several additive components, such as dispersants, detergents, inhibitors and viscosity index improvers, are combined to meet the desired performance specifications. Additionally, specialty additives are marketed for other oil applications, such as power transmission fluids and hydraulic oils.

Oronite fuel additives are used to improve engine performance and extend engine life. The main additive applications are for gasoline and diesel fuels. Many fuel additive packages are unique and blended specifically to individual customer specifications. Fuel performance standards vary for customers throughout the world, and specific packages are delivered for each region's markets.

Oronite's regional offices cover markets in Africa, Asia-Pacific, Europe, Latin America, the Middle East and North America. Major manufacturing facilities and technology centers are located in each region to provide superior service and value to customers.

### 2009 Accomplishments

- › Achieved an Oronite record for safety, reaching almost 7 million hours (a full year) with zero lost days due to injury.
- › Achieved the 20th consecutive year without a lost workday due to injury at both the product blending and shipping facility and the research and development center in Omaezaki, Japan. This period dates back to 1989 when the plant was first commissioned.
- › Achieved Oronite's best-ever reliability performance as measured by facility utilization and availability.
- › Began operations of the detergent expansion unit at the facility in Singapore. This project is expected to significantly increase detergent capacity to meet global marine customer commitments and help enable the company to maintain its strong leadership position in the Asia-Pacific region.

### Manufacturing and Research and Development Locations\*

At year-end 2009, Chevron Oronite manufactured, blended and/or conducted research and development at 10 locations:

| United States               | Products/Services   | International                  | Products/Services   |
|-----------------------------|---|--------------------------------|---|
| Richmond, California        | Technology Center   | Maua, Brazil                   | Lube Additives M&D  |
| Belle Chasse, Louisiana     | Fuel and Lube Additives, Manufacturing and Distribution (M&D) | Gonfreville, France            | M&D and Technology Center                                   |
|                             |   | Omaezaki, Japan (82.8%)        | Lube Additives Blending, Distribution and Technology Center |
| San Antonio, Texas (leased) | Testing and Development                                       | Chennai, India (50%)           | Lube Additives M&D  |
|                             |   | San Juan del Rio, Mexico (40%) | Lube Additives M&D  |
|                             |   | Rotterdam, Netherlands         | Technology Center   |
|                             |   | Singapore                      | Lube Additives M&D  |

\* Interest in each location is 100% unless otherwise noted.

## Other Businesses



Photo: Wind turbines at the Casper Wind Farm in Wyoming.

## Technology

Chevron's technology organization supports the company's worldwide businesses by identifying and deploying technology solutions and capabilities across the company, thereby driving business performance and creating options for the future.

### 2009 Accomplishments

#### Upstream and Gas

- › Deployed Real-Time Reservoir Management (RTRM) at the Tahiti Field in the U.S. Gulf of Mexico. RTRM automates key engineering workflows to improve efficiency of reservoir surveillance activities and quality of information necessary to make effective reservoir management decisions. This technology enabled accelerated production ramp-up at the Tahiti Field.
- › Implemented a next-generation earth-modeling and interpretation platform that accommodates proprietary workflows. The platform is expected to significantly improve exploration and production efficiencies over the next 10 to 15 years.
- › Deployed a leading-edge reservoir simulator to several of the company's producing assets. The application reduces assessment time and can process many reservoir scenarios, which support field development and improved-recovery efficiency.
- › Commissioned a horizontal steam-injection test facility in Bakersfield, California - the first facility of its kind with capability to host full-scale testing and evaluation of thermal recovery devices that are designed to improve the control of steam distribution in long horizontal injection wells.
- › Deployed a new process framework and associated tools for evaluating the potential impact of greenhouse gases early in the planning of major capital projects.
- › Expanded the commercial application of a unique wireless capability to monitor real-time, high-bandwidth, down-hole well data that is based on technology developed in alliance with the Los Alamos National Laboratory in New Mexico. This is expected to significantly reduce reservoir surveillance costs and increase the amount and types of usable subsurface information.
- › Deployed advanced nondestructive inspection and analytical techniques designed to improve facility reliability and safety.
- › Developed proprietary reservoir characterization technology intended to improve the prediction quality of reservoir properties derived from seismic data.
- › Developed and implemented proprietary flow assurance modeling tools and processes that assisted in reliable start-ups of Tahiti in the U.S. Gulf of Mexico and Tombua-Landana in Angola. In 2009, these tools and processes were also applied to several deepwater projects, including Gorgon in Australia; Agbami in Nigeria; Lianzi in the Angola-Republic of the Congo Joint Development Area; and Blind Faith, Jack & St. Malo, and Big Foot in the U.S. Gulf of Mexico.
- › Applied operator training simulators and control system optimization to the start-ups of the Takula Flare and Relief Modification Project and Tombua-Landana in Angola, Tahiti in the U.S. Gulf of Mexico, and Frade in Brazil. In 2009, these applications were also applied to ongoing production optimization efforts for several projects, including Agbami in Nigeria, Blind Faith in the U.S. Gulf of Mexico and Benguela Belize-Lobito Tomboco in Angola.

#### Downstream

- › Developed and deployed the next generation of lube base-oil production catalysts, which achieve higher yields.
- › Commercialized several new catalysts for a range of applications for Chevron refineries and other companies wishing to license the proprietary technology. This achievement demonstrates Chevron's world-class position in hydroprocessing.
- › Installed a secure wireless mesh network at the Richmond, California, refinery. This network enables more process data, such as temperature and pressure, to be collected at half the cost of wired devices.
- › Improved the screening/selection process for new refining catalysts, which is expected to result in reduced catalyst costs for Chevron's refining operations. This work was performed at the newly commissioned fluid catalytic converter testing facility in Richmond, California.

#### Information Technology and Infrastructure

- › Expanded the set of information technology solutions and architecture that allow the company's downstream organization to model, view and economically optimize supply-chain operations globally. This expansion provides greater visibility into supply network data for faster and better decision making across areas of demand.
- › Delivered three key i-field (integrated field) solutions in the U.S. Gulf of Mexico operations - real-time production optimization, marine operations logistics and compression decision support. These solutions improve opportunity recognition and decision making by integrating data from various sources and enabling both model-based forecasts and information visualization.

#### Venture Capital

- › Transferred 10 new technology applications into Chevron's core operations and invested in two oil-and-gas technology start-up companies and a communications-technology start-up company.

### Hydrogen/Biofuels

- › Completed new equity investments and research agreements with strategic third-party technology providers to advance the company's focused, next-generation biofuels portfolio.
- › Safely operated five demonstration hydrogen fueling stations across the United States and completed preparations for conclusion of hydrogen demonstration programs for the U.S. Department of Energy and the Florida Department of Environmental Protection.

### Emerging Energy

- › Began construction on a solar-to-steam demonstration project in the San Joaquin Valley, California. This new technology application is designed to use solar energy to produce steam, which is injected into the well bore to make heavy oil less viscous and easier to extract. Project completion is expected in 2011.
- › Began construction of a one megawatt solar photovoltaic installation on a former refinery site in Bakersfield, California. Project completion is expected during the second quarter 2010. Through experience gained at this beneficial reuse project, the company plans to evaluate the potential viability of these solar technologies at other Chevron sites. Also during 2009, planning advanced on a similar solar facility on the tailing site of the company's molybdenum mine in Questa, New Mexico. Construction is expected to begin in the second quarter 2010 and be completed by the end of the year.

## Power Generation

Chevron's power generation business has interest in 13 power-generation assets with a total operating capacity of over 3,100 megawatts, primarily through joint ventures in the United States and Asia. The company has more than 25 years of experience in successfully developing and operating commercial power projects for utilities and large industrial customers worldwide. Twelve of the assets consist of efficient combined-cycle and gas-fired cogeneration facilities that utilize waste-heat recovery to produce electricity and support industrial thermal hosts. The 13th facility is a wind farm, located in Casper, Wyoming, that began operating in late 2009. The 100 percent-owned and operated Casper Wind Farm is a small-scale wind power facility designed to optimize the efficient use of a decommissioned refinery site for delivery of clean, renewable energy to the local utility provider.

The global power organization also provides comprehensive technical services for the company's power-generation assets embedded within production and refining facilities, including a number of facilities that provide steam for enhanced recovery in heavy-oil operations.

In addition, Chevron is the world's largest producer of geothermal energy, with major operations in Indonesia and the Philippines. For additional information on the company's geothermal activities, see pages 27 and 28.

## Chevron Energy Solutions (CES)

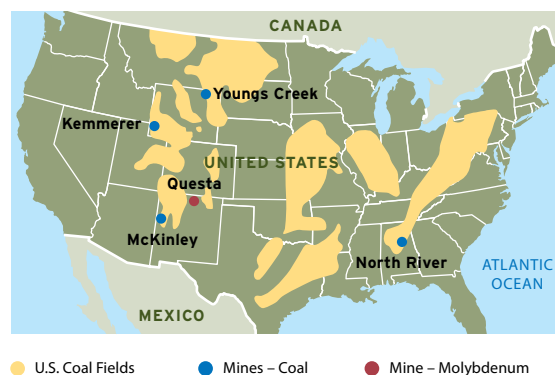
CES is a wholly owned subsidiary that designs and implements sustainable solutions for public institutions and businesses to increase energy efficiency and reliability, reduce energy costs, and utilize renewable and alternative-power technologies. CES has developed hundreds of projects that help governments, educational institutions and other customers reduce their energy costs and environmental impact. Major projects completed by CES in 2009 include solar and energy-efficiency installations for the Los Angeles County Metropolitan Transportation Authority and San Jose Unified School District, which were the largest projects of this nature for a U.S. transit authority and school district. In addition, CES was named one of "The World's 50 Most Innovative Companies" by *Fast Company* magazine.

## Mining

Chevron's U.S.-based mining company produces and markets coal and molybdenum.

The company owns and is the operator of a surface coal mine in Kemmerer, Wyoming; an underground coal mine in North River, Alabama; a molybdenum mine in Questa, New Mexico; and a surface coal mine in McKinley, New Mexico. The company also owns a 50 percent interest in Youngs Creek Mining Company LLC, which was formed to develop a coal mine in northern Wyoming.

Coal reserves at the North River Mine and elsewhere in Alabama continue to be marketed for sale. Underground development and production plans at Questa have been scaled back in response to the dramatic price drop in the molybdenum market.



### Industry Conditions

The economic slowdown caused a reduction in demand for both coal and molybdenum in 2009.

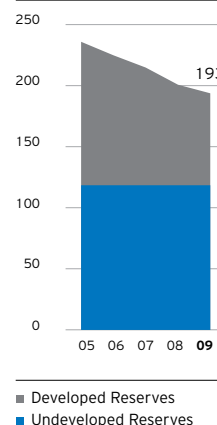
Coal markets are dominated by electricity generators, which consume about 90 percent of the coal used in the United States. Competition in the power industry places a premium on low-cost, low-sulfur, coal-fired power generation. During 2009, reduced demand for electricity adversely affected the ability of power and industrial customers to take delivery of contracted coal volumes, and the recent decline in natural-gas prices relative to coal has created a natural-gas preference for some power customers.

Molybdenum is primarily used as an alloy agent in steel. The economic slowdown and the resulting falloff in demand for steel led to an overall sharp decrease in molybdenum prices that began in late 2008 and extended through 2009.

### 2009 Activities

- › The McKinley Mine suspended coal production at the end of 2009 after fulfilling contractual obligations to customers. The mine has produced more than 179 million tons of coal over a span of 47 years. In 2010, the company plans to focus on full reclamation activities for this mine.
- › In July 2009, the McKinley Mine donated 208 acres (0.84 sq km) of adjacent, unmined land to the Navajo Code Talkers Association for a museum and future veterans' center in recognition of the mine's long time partnership with the Navajo Nation.
- › The Questa Mine was awarded the 2009 Underground Metal/Nonmetal Safe Operator of the Year and 2009 Safety Innovator of the Year jointly by the New Mexico Mining Association in cooperation with the New Mexico Bureau of Mine Safety.

**Coal Reserves**  
Millions of tons



### Mining Operations<sup>1</sup>

|  |                   |                        | Capacity <sup>2</sup>  |      | Annual Sales |      |      |      |      |
|--|-------------------|------------------------|------------------------|------|--------------|------|------|------|------|
| Mine Name/Affiliate                    | State/<br>Country | Principal Operation    | At 12/31/09            | 2009 | 2008         | 2007 | 2006 | 2005 |      |
| <b>Coal:</b>                           |                   |                        | <b>Sulfur Content</b>  |      |              |      |      |      |      |
| Kemmerer                               | Wyoming           | Truck-and-Shovel (T&S) | Low                    | 5.5  | 4.5          | 5.0  | 5.2  | 4.6  | 4.5  |
| McKinley <sup>3,4</sup>                | New Mexico        | Dragline/T&S           | Low                    | -    | 2.6          | 3.2  | 3.7  | 5.2  | 5.5  |
| North River                            | Alabama           | Longwall               | Medium                 | 3.1  | 2.7          | 2.9  | 3.1  | 2.8  | 3.6  |
| Inter-American Coal (30%) <sup>5</sup> | Venezuela         | T&S                    | Low                    | -    | -            | -    | -    | -    | 0.5  |
| <b>Total Coal Sales</b>                |                   |                        |                        | 8.6  | 9.8          | 11.1 | 12.0 | 12.6 | 14.1 |
| <b>Minerals:</b>                       |                   |                        | <b>Type of Mineral</b> |      |              |      |      |      |      |
| Mountain Pass <sup>4,6</sup>           | California        | T&S                    | Rare Earths            | -    | -            | 2.5  | 4.3  | 5.3  | 2.4  |
| Questa <sup>4,7</sup>                  | New Mexico        | Underground            | Molybdenum             | 4.2  | 0.5          | 4.1  | 3.9  | 4.0  | 1.2  |
| CBMM (35%) <sup>5</sup>                | Brazil            | T&S                    | Niobium                | -    | -            | -    | -    | 6.1  | 7.7  |

<sup>1</sup> Sales represent the company's share. Quantities at the coal facilities and niobium facility are shown in millions of tons. Volumes of the rare earth and molybdenum facilities are expressed in millions of pounds.

<sup>2</sup> Quantity shown represents the estimated annual capacity.

<sup>3</sup> Mining operations at McKinley were suspended at the end of 2009.

<sup>4</sup> Environmental reclamation activities are in progress at McKinley, Questa and Mountain Pass (offsite remediation).

<sup>5</sup> Chevron's interest in Inter-American Coal was sold in late 2005; Chevron's interest in CBMM was sold in mid-2006.

<sup>6</sup> Mining operations at Mountain Pass were sold in September 2008.

<sup>7</sup> Mining operations at Questa were scaled back in 2009.



## Reference

### Glossary of Energy and Financial Terms

#### Energy Terms

**Acreeage** Land leased for crude-oil and natural-gas exploration and production.

**Additives** Chemicals to control engine deposits and improve lubricating performance.

**Barrels of Oil-Equivalent** A unit of measure to quantify crude-oil, natural-gas-liquids and natural-gas amounts using the same basis. Natural-gas volumes are converted to barrels on the basis of energy content. See *oil-equivalent gas* and *production*.

**Biofuel** Any fuel that is derived from biomass – recently living organisms or their metabolic byproducts – from sources such as farming, forestry, and biodegradable industrial and municipal waste. See *renewables*.

**Condensate** Hydrocarbons that are in a gaseous state at reservoir conditions but condense into liquid as they travel up the well bore and reach surface conditions.

**Development** Drilling, construction and related activities following discovery that are necessary to begin production and transportation of crude oil and/or natural gas.

**Enhanced Recovery** Techniques used to increase or prolong production from crude-oil and natural-gas fields.

**Exploration** Searching for crude oil and/or natural gas by utilizing geological and topographical studies, geophysical and seismic surveys, and drilling of wells.

**Gas-to-Liquids (GTL)** A process that converts natural gas into high-quality transportation fuel and other products.

**Liquefied Natural Gas (LNG)** Natural gas that is liquefied under extremely cold temperatures to facilitate storage or transportation in specially designed vessels.

**Liquefied Petroleum Gas (LPG)** Light gases, such as butane and propane, that can be maintained as liquids while under pressure.

**Natural Gas Liquids (NGL)** Separated from natural gas, these include ethane, propane, butane and natural gasoline.

**Oil-Equivalent Gas (OEG)** The volume of natural gas needed to generate the equivalent amount of heat as a barrel of crude oil. Approximately 6,000 cubic feet of natural gas is equivalent to 1 barrel of crude oil.

**Oil Sands** Naturally occurring mixture of bitumen (a heavy, viscous form of crude oil), water, sand and clay. Using hydro-processing technology, bitumen can be refined to yield *synthetic oil*.

**Petrochemicals** Compounds derived from petroleum. These include aromatics, which are used to make plastics, adhesives, synthetic fibers and household detergents; and olefins, which are used to make packaging, plastic pipes, tires, batteries, household detergents and synthetic motor oils.

**Production** *Total production* refers to all the crude oil (including *synthetic oil*), natural gas liquids and natural gas produced from a property. *Gross production* is the company's share of total production before deducting both royalties paid to landowners and a government's agreed-upon share of production under a *PSC*. *Net production* is *gross production* minus both royalties paid to landowners and a government's agreed-upon share of production under a *PSC*. *Oil-equivalent production* is the sum of the barrels of liquids and the oil-equivalent barrels of natural gas produced. See *barrels of oil-equivalent* and *oil-equivalent gas*.

**Production-Sharing Contract (PSC)** An agreement between a government and a contractor (generally an oil and gas company) whereby production is shared between the parties in a pre-arranged manner. The contractor typically incurs all exploration, development and production costs that are subsequently recoverable out of an agreed-upon share of any future *PSC* production, referred to as cost recovery oil and/or gas. Any remaining production, referred to as profit oil and/or gas, is shared between the parties on an agreed-upon basis as stipulated in the *PSC*. The government also may retain a share of *PSC* production as a royalty payment, and the contractor may owe income taxes on its portion of the profit oil and/or gas. The contractor's share of *PSC* oil and/or gas production and reserves varies over time, as it is dependent on prices, costs and specific *PSC* terms.

**Refinery Utilization** Represents average crude oil consumed in fuel and asphalt refineries for the year expressed as a percentage of the refineries' average annual crude unit capacity.

**Renewables** Energy resources that are not depleted when consumed or converted into other forms of energy (e.g., solar, geothermal, ocean and tide, wind, hydroelectric power, biofuels, and hydrogen).

**Reserves** Crude oil or natural gas contained in underground rock formations called reservoirs and, effective for 2009, saleable hydrocarbons extracted from oil sands, shale, coalbeds or other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas. *Proved reserves* are the estimated quantities that geoscience and engineering data demonstrate with reasonable certainty to be economically producible in the future from known reservoirs under existing economic conditions, operating methods and government regulations. Estimates change as additional information becomes available. *Oil-equivalent reserves* are the sum of the liquids reserves and the oil-equivalent gas reserves. See *barrels of oil-equivalent* and *oil-equivalent gas*.

The company only discloses proved reserves in its filings with the U.S. Securities and Exchange Commission (SEC). Certain terms, such as "probable" or "possible" reserves, "potentially recoverable" volumes, and "resources," among others, may be used to describe certain oil and gas properties in this document, which is not filed with the SEC. These other terms are used because they are common to the industry, are measures considered by management to be important in making capital investment and operating decisions, and provide some indication to stockholders of the potential ultimate recovery of oil and gas from properties in which the company has an interest. In that regard, potentially recoverable volumes are those that can be produced using all known primary and enhanced recovery methods. Investors should refer to proved reserves disclosures in Chevron's *Annual Report on Form 10-K* for the year ended December 31, 2009.

**Shale gas** Natural gas produced from shale (clay-rich, very fine grained) formations where the gas was sourced from within the shale itself and is trapped in rocks with low porosity and extremely low permeability. Production of shale gas requires the use of hydraulic fracturing (pumping a fluid-sand mixture into the formation under high pressure) to help produce the gas.

**Synthetic Oil** A marketable and transportable hydrocarbon liquid, resembling crude oil, that is produced by upgrading highly viscous or solid hydrocarbons, such as extra-heavy crude oil or *oil sands*.

**Wells** Oil and gas wells are classified as either exploration or development wells. *Exploration wells* are wells drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil and gas in another reservoir. *Appraisal wells* are exploration wells drilled to confirm the results of a discovery well. *Delineation wells* are exploration wells drilled to determine the boundaries of a productive formation or to delineate the extent of a find. *Development wells* are wells drilled in an existing reservoir in a proved oil- or gas-producing area. *Completed wells* are wells in which drilling work has been completed and that are capable of producing. *Dry wells* are wells completed as dry holes; that is, wells not capable of producing in commercial quantities.

#### Financial Terms

**Capital Employed** The sum of Chevron Corporation stockholders' equity, total debt and noncontrolling interests. Average capital employed is computed by averaging the sum of capital employed at the beginning and end of the year.

**Cash Flow From Operating Activities** Cash generated from the company's businesses; an indicator of a company's ability to pay dividends and fund capital and common stock repurchase programs. Excludes cash flows related to the company's financing and investing activities.

**Current Ratio** Current assets divided by current liabilities.

**Debt Ratio** Total debt, including capital lease obligations, divided by total debt plus Chevron Corporation stockholders' equity.

**Earnings** Net income attributable to Chevron Corporation as presented on the Consolidated Statement of Income.

**Goodwill** An asset representing the future economic benefits arising from the other assets acquired in a business combination that are not individually identified and separately recognized.

**Interest Coverage Ratio** Income before income tax expense, plus interest and debt expense and amortization of capitalized interest, less net income attributable to noncontrolling interests, divided by before-tax interest costs.

**Margin** The difference between the cost of purchasing, producing and/or marketing a product and its sales price.

**Return on Capital Employed (ROCE)** Ratio calculated by dividing *earnings* (adjusted for after-tax interest expense and noncontrolling interests) by average *capital employed*.

**Return on Stockholders' Equity** Ratio calculated by dividing *earnings* by average Chevron Corporation stockholders' equity. Average Chevron Corporation stockholders' equity is computed by averaging the sum of the beginning-of-year and end-of-year balances.

**Return on Total Assets** Ratio calculated by dividing *earnings* by average total assets. Average total assets is computed by averaging the sum of the beginning-of-year and end-of-year balances.

**Total Stockholder Return** The return to stockholders as measured by stock price appreciation and reinvested dividends for a period of time.

## Additional Information

### Stock Exchange Listing

Chevron common stock is listed on the New York Stock Exchange. The symbol is "CVX."

### Publications and Other News Sources

Additional information relating to Chevron is contained in its *2009 Annual Report* to stockholders and its *Annual Report on Form 10-K* for the fiscal year ended December 31, 2009, filed with the U.S. Securities and Exchange Commission. Copies of these reports are available on the company's Web site, [www.chevron.com](http://www.chevron.com), or may be requested in writing to:

Chevron Corporation  
Comptroller's Department  
6001 Bollinger Canyon Road, A3201  
San Ramon, CA 94583-2324

The *2009 Corporate Responsibility Report* is available in May on the company's Web site, [www.chevron.com](http://www.chevron.com), or may be requested in writing to:

Chevron Corporation  
Policy, Government and Public Affairs  
6001 Bollinger Canyon Road, A2177  
San Ramon, CA 94583-2324

For additional information about the company and the energy industry, visit Chevron's Web site, [www.chevron.com](http://www.chevron.com). It includes articles, news releases, speeches, quarterly earnings information and the *Proxy Statement*.

### Legal Notice

As used in this report, the terms "Chevron" and "the company" may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole, but unless the context clearly indicates otherwise, the term should not be read to include "affiliates" of Chevron, that is, those companies accounted for by the equity method (generally owned 50 percent or less) or investments accounted for by the cost method. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

### Trademark Notice

Chevron, the Chevron Hallmark, Human Energy, Texaco, the Texaco Star, Caltex, the Caltex Star, Delo, Havoline, Meropa, Techron, Taro and Ursa are registered trademarks of Chevron Intellectual Property LLC. I-field is a trademark of Chevron Intellectual Property LLC. Ryton and K-Resin are registered trademarks of Chevron Phillips Chemical Company LP.

### Investor Information

If you have any questions regarding the data included herein, please contact:

Chevron Corporation  
Investor Relations  
6001 Bollinger Canyon Road, A3064  
San Ramon, CA 94583-2324  
925 842 5690  
Email: [invest@chevron.com](mailto:invest@chevron.com)

This publication was issued in March 2010 solely for the purpose of providing additional Chevron financial and statistical data. It is not a circular or prospectus regarding any security or stock of the company, nor is it issued in connection with any sale, offer for sale of or solicitation of any offer to buy any securities. This report supplements the *Chevron Corporation 2009 Annual Report* to stockholders and should be read in conjunction with it. The financial information contained in this *2009 Supplement to the Annual Report* is expressly qualified by reference to the *2009 Annual Report*, which contains audited financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other supplemental data.

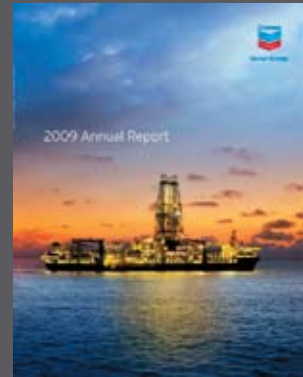
## Organizations

| Organization Type/Name   | Principal Business  | Principal Areas of Activity |
|--|---|-----------------------------|
| <b>Operating</b>   |   |                             |
| Cabinda Gulf Oil Company Limited   | Exploration and Production  | Angola                      |
| Chevron Africa and Latin America Exploration and Production Company      | Exploration and Production  | Africa and Latin America    |
| Chevron Asia Pacific Exploration and Production Company                  | Exploration and Production  | Asia-Pacific                |
| Chevron Australia Pty Ltd.   | Exploration and Production  | Australia                   |
| Chevron Canada Limited   | Integrated Energy Activities  | Canada                      |
| Chevron Europe, Eurasia and Middle East Exploration & Production Limited | Exploration and Production  | International               |
| Chevron Geothermal Indonesia, Ltd.                                       | Power Generation  | Indonesia                   |
| Chevron Global Energy Inc.   | Integrated Energy Activities  | International               |
| Chevron Global Gas   | Global Gas Activities   | Worldwide                   |
| Chevron Global Power Company   | Electric Power and Cogeneration   | Worldwide                   |
| Chevron Mining Inc.  | Mining  | United States               |
| Chevron Nigeria Limited  | Exploration and Production  | Nigeria                     |
| Chevron North America Exploration and Production Company                 | Exploration and Production  | North America               |
| Chevron Oronite Company LLC  | Lubricating Oils and Fuels Additives  | Worldwide                   |
| Chevron Pipe Line Company  | Crude Oil, Refined Products and Natural Gas Transportation                              | United States               |
| Chevron Products Company   | Refining, Marketing, Trading, Supply and Distribution of Crude Oil and Refined Products | United States               |
| Chevron Thailand Exploration and Production, Ltd.                        | Exploration and Production  | Thailand                    |
| Chevron Transport Corporation Ltd.                                       | Marine Transportation   | International               |
| Chevron U.S.A. Inc.  | Integrated Energy Activities  | Worldwide                   |
| PT Chevron Pacific Indonesia   | Exploration and Production  | Indonesia                   |
| Saudi Arabian Chevron Inc.   | Exploration and Production  | Partitioned Zone            |
| Texaco Inc.  | Exploration and Production  | Worldwide                   |
| Unocal Corporation   | Exploration and Production  | Worldwide                   |
| <b>Affiliates</b>  |   |                             |
| Angola LNG Limited (36.4%)   | Liquefied Natural Gas   | Angola                      |
| The Baku-Tbilisi-Ceyhan Pipeline Company (8.9%)                          | Crude Oil Transportation  | Eurasia                     |
| Caltex Australia Limited (50%)   | Refining and Marketing  | Australia                   |
| Caspian Pipeline Consortium (15%)  | Crude Oil Transportation  | Eurasia                     |
| Catchlight Energy LLC (50%)  | Biofuels  | United States               |
| Chevron Phillips Chemical Company LLC (50%)                              | Petrochemicals  | Worldwide                   |
| Colonial Pipeline (23.4%)  | Refined Product Transportation  | United States               |
| GS Caltex Corporation (50%)  | Refining and Marketing  | International               |
| Petrobras, S.A. (39.2%)  | Exploration and Production  | Venezuela                   |
| Petroindependiente, S.A. (25.2%)   | Exploration and Production  | Venezuela                   |
| Petropiar, S.A. (30%)  | Exploration and Production  | Venezuela                   |
| Star Petroleum Refining Co., Ltd. (64%)                                  | Refining  | Thailand                    |
| Tengizchevroil LLP (50%)   | Exploration and Production  | Kazakhstan                  |
| West African Gas Pipeline Company Limited (36.7%)                        | Natural Gas Transportation  | West Africa                 |
| <b>Services</b>  |   |                             |
| Chevron Business and Real Estate Services                                | Property Management   | Worldwide                   |
| Chevron Energy Solutions Company   | Energy Services   | United States               |
| Chevron Energy Technology Company  | Integrated Energy Technology and Services   | Worldwide                   |
| Chevron Environmental Management Company                                 | Environmental Remediation   | United States               |
| Chevron Information Technology Company                                   | Information Technology  | Worldwide                   |
| Chevron Services Company   | Financial, Legal and Technical Support Services   | Worldwide                   |
| Chevron Technology Ventures  | Emerging Technologies   | United States               |
| <b>Finance</b>   |   |                             |
| Chevron Canada Funding Corporation                                       | Debt Financing  |                             |
| Chevron Funding Corporation  | Commercial Paper Issuer and Debt Financing  |                             |
| Texaco Capital Inc.  | Debt Financing  |                             |

Chevron Corporation has ownership interests in more than 1,000 subsidiaries, branches, divisions, partnerships and affiliates. The above listing represents the most significant of the company's operations. These organizations may represent legal entities or divisions of operating units of legal entities. Chevron's interest is 100 percent unless otherwise noted.

## Chevron History

- 1879** Incorporated in San Francisco, California, as the Pacific Coast Oil Company.
- 1900** Acquired by the West Coast operations of John D. Rockefeller's original Standard Oil Company.
- 1911** Emerged as an autonomous entity - Standard Oil Company (California) - following U.S. Supreme Court decision to divide the Standard Oil conglomerate into 34 independent companies.
- 1926** Acquired Pacific Oil Company to become Standard Oil Company of California (Socal).
- 1936** Formed the Caltex Group of Companies, jointly owned by Socal and The Texas Company (later became Texaco), to manage exploration and production interests of the two companies in the Middle East and Indonesia and provide an outlet for crude oil through The Texas Company's European markets.
- 1947** Acquired Signal Oil Company, obtaining the Signal brand name and adding 2,000 retail stations in the western United States.
- 1961** Acquired Standard Oil Company (Kentucky), a major petroleum products marketer in five southeastern states, to provide outlets for crude oil from southern Louisiana and the U.S. Gulf of Mexico, where the company was a major producer.
- 1984** Acquired Gulf Corporation - nearly doubling the size of crude-oil and natural-gas activities - and gained significant presence in industrial chemicals, natural gas liquids and coal. Changed name to Chevron Corporation to identify with the name under which most products were marketed.
- 1988** Purchased Tenneco Inc.'s U.S. Gulf of Mexico crude-oil and natural-gas properties, becoming one of the largest U.S. natural-gas producers.
- 1993** Formed Tengizchevroil, a joint venture with the Republic of Kazakhstan, to develop and produce the giant Tengiz Field, becoming the first major Western oil company to enter newly independent Kazakhstan.
- 1999** Acquired Rutherford-Moran Oil Corporation. This acquisition provided inroads to Asian natural-gas markets.
- 2001** Merged with Texaco Inc. and changed name to ChevronTexaco Corporation. Became the second-largest U.S.-based energy company.
- 2002** Relocated corporate headquarters from San Francisco, California, to San Ramon, California.
- 2005** Acquired Unocal Corporation, an independent crude-oil and natural-gas exploration and production company. Unocal's upstream assets bolstered Chevron's already-strong position in the Asia-Pacific, U.S. Gulf of Mexico and Caspian regions. Changed name to Chevron Corporation to convey a clearer, stronger and more unified presence in the global marketplace.



2009 Annual Report



2009 Supplement to the Annual Report



2009 Corporate Responsibility Report

## Cautionary Statement Relevant to Forward-Looking Information for the Purpose of "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

This 2009 Supplement to the Annual Report 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," "budgets" 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 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 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: changing crude-oil and natural-gas prices; changing refining, marketing and chemical margins; 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 equity affiliates; 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 net production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude-oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign-currency movements compared with the U.S. dollar; 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 30 through 32 of the company's 2009 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 in this report could also have material adverse effects on forward-looking statements.





**Chevron Corporation**  
6001 Bollinger Canyon Road  
San Ramon, CA 94583-2324 USA  
[www.chevron.com](http://www.chevron.com)



**Mixed Sources**  
Product group from well-managed  
forests, controlled sources and  
recycled wood or fiber  
[www.fsc.org](http://www.fsc.org) Cert no. SGS-COC-005612  
© 1996 Forest Stewardship Council



Recycled Recyclable

912-0954