



Human Energy®

2012 Supplement to the Annual Report



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Cover and inside front photos: Production at the Agbami Field in Nigeria is by subsea wells tied back to the floating production, storage and offloading vessel (FPSO). The maximum total liquids production rate at the FPSO is 250,000 barrels per day.



2012 at a Glance

Corporate Strategies

Financial-return objective - Create shareholder value and achieve sustained financial returns from operations that will enable Chevron to outperform its competitors.

Enterprise strategies - Invest in people to strengthen organizational capability and develop a talented global workforce that gets results the right way. Execute with excellence through rigorous application of the company's operational excellence and capital stewardship systems and disciplined cost management. Grow profitably by using competitive advantages to maximize value from existing assets and capture new opportunities.

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 grow earnings across the value chain. Technology - differentiate performance through technology; invest in profitable renewable energy and energy efficiency solutions.

Accomplishments

Corporate

Safety - Achieved world-class performance in the days-away-from-work metric.

Financial - Achieved a total stockholder return that led the peer group for the previous five-year period.

Dividends - Paid \$6.8 billion in dividends, with 2012 marking the 25th consecutive year of higher annual dividend payouts. Since 2003, the dividend has grown at a compound annual rate of 11 percent over the period.

Capital and exploratory expenditures - Invested \$34.2 billion in the company's businesses, including \$2.1 billion (Chevron share) of spending by affiliates. Announced 2013 projected outlays of \$36.7 billion, including \$3.3 billion of affiliate expenditures. Focus continues on exploration and production activities.

Stock repurchase program - Continued the company's common stock repurchases, acquiring \$5.0 billion of the company's shares of common stock.

Upstream

Exploration - Achieved an exploration drilling success rate of 74 percent. Announced six natural gas discoveries in the Carnarvon Basin offshore Western Australia supporting the company's long-term growth plan for its liquefied natural gas (LNG) projects. Commenced shale gas drilling programs in Argentina and China.

Portfolio additions - Added shelf and deepwater acreage in the U.S. Gulf of Mexico and deepwater acreage in Sierra Leone and Suriname. Acquired interests in two production-sharing contracts in the Kurdistan Region of Iraq. Added acreage in New Mexico and Lithuania, providing further opportunities to explore for shale and unconventional resources. Exchanged interests in several Browse Basin licenses for additional ownership in the Clio and Acme fields in Australia.

Production - Produced 2.610 million net oil-equivalent barrels per day, with about 75 percent of the volume outside the United States in more than 20 different countries.

Major projects - Continued progress on the company's development projects to deliver future production growth. Achieved first production at the Usan Field in Nigeria and Caesar/Tonga in the U.S. Gulf of Mexico. Continued to ramp up production at the Perdido and Tahiti 2 projects in the U.S. Gulf of Mexico, and the Agbami 2 project in Nigeria. Continued work on the expansion of the Caspian pipeline in Kazakhstan and Russia. Progressed construction of the Gorgon Project in Australia, reaching more than 55 percent complete at year-end 2012. Awarded approximately \$17 billion in contracts for materials and services, and progressed construction of the Wheatstone Project in Australia. Executed agreements with Asian customers for the delivery of additional LNG from the Gorgon and Wheatstone projects. Reached final investment decisions on a number of major capital projects, including Mafumeira Sul in Angola, Lianzi in the Angola-Republic of the Congo Joint Development Area, Bibiyana Expansion in Bangladesh and Hebron in Canada. Reached agreement to acquire a 50 percent-owned and operated interest in the Kitimat LNG project.

Downstream

Refinery upgrades - Progressed construction on a \$1.4 billion, 25,000-barrel-per-day base-oil plant at the Pascagoula Refinery in the United States and a 53,000-barrel-per-day vacuum gas oil fluid catalytic cracking unit at the 50 percent-owned Yeosu Refinery in South Korea.

Chemical - Achieved commercial production at an olefins and derivatives facility in Al Jubail, Saudi Arabia (35 percent-owned by Chevron Phillips Chemical Company LLC). Commenced construction of a 1-hexene plant with a design capacity of 250,000 metric tons per year in Texas (50 percent-owned). Commenced expansion of the Oronite additives manufacturing plant in Singapore.

Sale of nonstrategic assets - Completed a multiyear plan to streamline the asset portfolio and to continue repositioning the business toward higher growth and higher margin products.

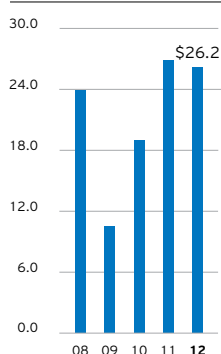
Financial Highlights

- **Sales and other operating revenues**
\$231 billion
- **Net income attributable to Chevron Corporation**
\$26 billion
\$13.32 per share - diluted
- **Return on capital employed**
18.7%
- **Return on stockholders' equity**
20.3%
- **Cash dividends**
\$3.51 per share

Financial Information

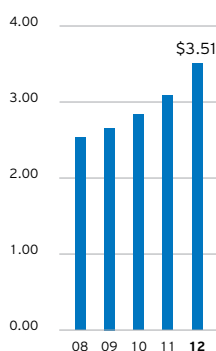
Net Income Attributable to Chevron Corporation

Billions of dollars



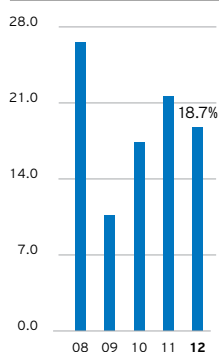
Annual Cash Dividends

Dollars per share



Return on Capital Employed

Percent



Financial Summary

	Year ended December 31				
Millions of dollars	2012	2011	2010	2009	2008
Net income attributable to Chevron Corporation	\$ 26,179	\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931
Sales and other operating revenues	230,590	244,371	198,198	167,402	264,958
Cash dividends - common stock	6,844	6,139	5,674	5,302	5,162
Capital and exploratory expenditures	34,229	29,066	21,755	22,237	22,775
Cash provided by operating activities	38,812	41,098	31,359	19,373	29,632
Working capital at December 31	21,508	19,634	19,829	11,005	4,447
Total cash and cash equivalents at December 31	20,939	15,864	14,060	8,716	9,347
Total assets at December 31	232,982	209,474	184,769	164,621	161,165
Total debt and capital lease obligations at December 31	12,192	10,152	11,476	10,514	8,901
Total liabilities at December 31	95,150	87,293	78,958	72,060	74,048
Chevron Corporation stockholders' equity at December 31	136,524	121,382	105,081	91,914	86,648
Share repurchases	5,000	4,250	750	-	8,000
Market valuation at December 31	208,984	209,289	181,890	153,484	147,205

Common Stock

	Year ended December 31				
	2012	2011	2010	2009	2008
Number of shares outstanding at December 31 (Millions)	1,932.5	1,967.0	1,993.3	1,993.6	1,990.1
Weighted-average shares outstanding for the year (Millions)	1,949.7	1,985.7	1,995.9	1,991.5	2,037.4
Number of stockholders of record at December 31 (Thousands)	169	179	188	197	206
Per-share data					
Net income attributable to Chevron Corporation					
- Basic	\$ 13.42	\$ 13.54	\$ 9.53	\$ 5.26	\$ 11.74
- Diluted	13.32	13.44	9.48	5.24	11.67
Cash dividends	3.51	3.09	2.84	2.66	2.53
Chevron Corporation stockholders' equity at December 31	70.65	61.71	52.72	46.11	43.54
Market price					
- Close at December 31	108.14	106.40	91.25	76.99	73.97
- Intraday high	118.53	110.01	92.39	79.82	104.63
- Intraday low	95.73	86.68	66.83	56.12	55.50

Financial Ratios*

	Year ended December 31				
Millions of dollars	2012	2011	2010	2009	2008
Current ratio	1.6	1.6	1.7	1.4	1.1
Interest coverage	191.3	165.4	101.7	62.3	166.9
Debt ratio	8.2 %	7.7 %	9.8 %	10.3 %	9.3 %
Net debt to capital ratio	(6.5)%	(7.5)%	(4.8)%	1.7%	(0.7)%
Return on stockholders' equity	20.3 %	23.8 %	19.3 %	11.7%	29.2 %
Return on capital employed	18.7 %	21.6 %	17.4 %	10.6%	26.6 %
Return on total assets	11.8 %	13.6 %	10.9 %	6.4%	15.4 %
Cash dividends/net income (payout ratio)	26.1 %	22.8 %	29.8 %	50.6%	21.6 %
Cash dividends/cash from operations	17.6 %	14.9 %	18.1 %	27.4%	17.4 %
Total stockholder return	5.0 %	20.3 %	22.9 %	8.1%	(18.4)%

* Refer to page 59 for financial ratio definitions.

Capital Employed

	Year ended December 31				
Millions of dollars	2012	2011	2010	2009	2008
Upstream					
- United States	\$ 27,582	\$ 22,950	\$ 14,751	\$ 15,636	\$ 15,027
- International	77,721	65,597	60,621	55,080	47,793
- Goodwill	4,640	4,642	4,617	4,618	4,619
- Total	109,943	93,189	79,989	75,334	67,439
Downstream					
- United States*	11,769	11,077	11,358	11,160	9,788
- International*	9,905	10,284	10,645	10,468	12,264
- Total	21,674	21,361	22,003	21,628	22,052
All Other	18,407	17,783	15,294	6,113	6,527
Total Capital Employed	\$150,024	\$132,333	\$117,286	\$103,075	\$ 96,018

* Includes a realignment of accounts payable from Downstream - International to Downstream - United States that reflects crude oil purchased by international trading companies for refining operations in the United States.

Employees

	Year ended December 31				
	2012	2011	2010	2009	2008
Number of employees					
Employees excluding service station employees	58,286	57,376	58,267	59,963	61,604
Service station employees	3,656	3,813	3,929	4,169	5,041
Total Employed	61,942	61,189	62,196	64,132	66,645

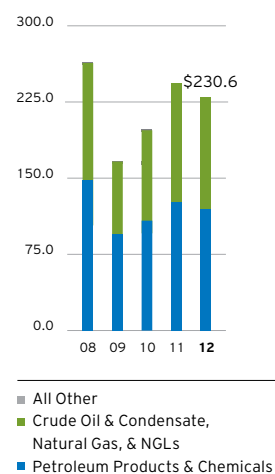
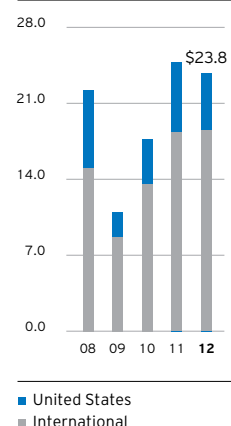
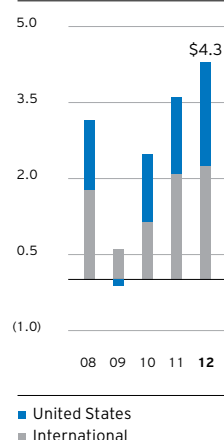
Consolidated Statement of Income

Millions of dollars	Year ended December 31				
	2012	2011	2010	2009	2008
Revenues and Other Income					
Sales and Other Operating Revenues					
Gasoline	\$ 45,432	\$ 48,037	\$ 42,553	\$ 37,336	\$ 53,254
Jet fuel	18,168	19,030	14,337	11,912	23,056
Gas oil and kerosene	27,231	29,495	25,863	23,311	40,940
Residual fuel oil	8,671	9,510	6,461	5,642	9,937
Other refined products	7,770	8,072	6,232	5,241	6,407
Total Refined Products	107,272	114,144	95,446	83,442	133,594
Crude oil and condensate	91,191	94,936	68,014	53,488	78,600
Natural gas	15,265	17,299	17,290	15,007	31,814
Natural gas liquids (NGLs)	3,965	4,618	3,868	3,130	5,517
Other petroleum revenues	2,589	2,836	2,660	2,123	3,116
Chemicals	2,049	2,045	1,813	1,502	1,694
Excise taxes	8,010	8,085	8,591	8,109	9,846
Other	(133)	(122)	(117)	(103)	(90)
Total Upstream and Downstream	230,208	243,841	197,565	166,698	264,091
All Other	382	530	633	704	867
Total Sales and Other Operating Revenues	230,590	244,371	198,198	167,402	264,958
Income from equity affiliates	6,889	7,363	5,637	3,316	5,366
Other income	4,430	1,972	1,093	918	2,681
Total Revenues and Other Income	241,909	253,706	204,928	171,636	273,005
Costs and Other Deductions					
Purchased crude oil and products	140,766	149,923	116,467	99,653	171,397
Operating expenses	22,570	21,649	19,188	17,857	20,795
Selling, general and administrative expenses	4,724	4,745	4,767	4,527	5,756
Exploration expenses	1,728	1,216	1,147	1,342	1,169
Depreciation, depletion and amortization	13,413	12,911	13,063	12,110	9,528
Taxes other than on income	12,376	15,628	18,191	17,591	21,303
Interest and debt expense	-	-	50	28	-
Total Costs and Other Deductions	195,577	206,072	172,873	153,108	229,948
Income Before Income Tax Expense	46,332	47,634	32,055	18,528	43,057
Income tax expense	19,996	20,626	12,919	7,965	19,026
Net Income	26,336	27,008	19,136	10,563	24,031
Less: Net income attributable to noncontrolling interests	157	113	112	80	100
Net Income Attributable to Chevron Corporation	\$ 26,179	\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931

Income Attributable to Chevron Corporation by Operating Segment

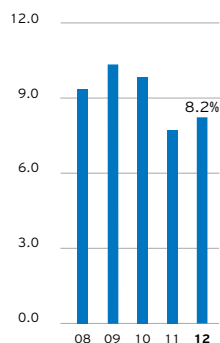
Millions of dollars	Year ended December 31				
	2012	2011	2010	2009	2008
Upstream					
- United States	\$ 5,332	\$ 6,512	\$ 4,122	\$ 2,262	\$ 7,147
- International	18,456	18,274	13,555	8,670	15,022
- Total	23,788	24,786	17,677	10,932	22,169
Downstream					
- United States	2,048	1,506	1,339	(121)	1,369
- International	2,251	2,085	1,139	594	1,783
- Total	4,299	3,591	2,478	473	3,152
All Other*	(1,908)	(1,482)	(1,131)	(922)	(1,390)
Net Income Attributable to Chevron	\$ 26,179	\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931

* Includes mining operations, power generation businesses, worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities, energy services, alternative fuels, and technology companies.

Sales & Other Operating Revenues
Billions of dollarsWorldwide Upstream Earnings
Billions of dollarsWorldwide Downstream Earnings
Billions of dollars

Financial Information

Ratio of Total Debt to Total Debt-Plus-Chevron Corporation Stockholders' Equity Percent



Consolidated Balance Sheet

At December 31

Millions of dollars	2012	2011	2010	2009	2008
Assets					
Cash and cash equivalents	\$ 20,939	\$ 15,864	\$ 14,060	\$ 8,716	\$ 9,347
Time deposits	708	3,958	2,855	-	-
Marketable securities	266	249	155	106	213
Accounts and notes receivable, net	20,997	21,793	20,759	17,703	15,856
Inventories:					
Crude oil and petroleum products	3,923	3,420	3,589	3,680	5,175
Chemicals	475	502	395	383	459
Materials, supplies and other	1,746	1,621	1,509	1,466	1,220
Total inventories	6,144	5,543	5,493	5,529	6,854
Prepaid expenses and other current assets	6,666	5,827	5,519	5,162	4,200
Total Current Assets	55,720	53,234	48,841	37,216	36,470
Long-term receivables, net	3,053	2,233	2,077	2,282	2,413
Investments and advances	23,718	22,868	21,520	21,158	20,920
Properties, plant and equipment, at cost	263,481	233,432	207,367	188,288	173,299
Less: Accumulated depreciation, depletion and amortization	122,133	110,824	102,863	91,820	81,519
Properties, plant and equipment, net	141,348	122,608	104,504	96,468	91,780
Deferred charges and other assets	4,503	3,889	3,210	2,879	4,711
Goodwill	4,640	4,642	4,617	4,618	4,619
Assets held for sale	-	-	-	-	252
Total Assets	\$232,982	\$209,474	\$184,769	\$164,621	\$161,165
Liabilities and Equity					
Short-term debt	\$ 127	\$ 340	\$ 187	\$ 384	\$ 2,818
Accounts payable	22,776	22,147	19,259	16,437	16,580
Accrued liabilities	5,738	5,287	5,324	5,375	8,077
Federal and other taxes on income	4,341	4,584	2,776	2,624	3,079
Other taxes payable	1,230	1,242	1,466	1,391	1,469
Total Current Liabilities	34,212	33,600	29,012	26,211	32,023
Long-term debt	11,966	9,684	11,003	9,829	5,742
Capital lease obligations	99	128	286	301	341
Deferred credits and other noncurrent obligations	21,502	19,181	19,264	17,390	17,678
Noncurrent deferred income taxes	17,672	15,544	12,697	11,521	11,539
Reserves for employee benefit plans	9,699	9,156	6,696	6,808	6,725
Total Liabilities	95,150	87,293	78,958	72,060	74,048
Common stock	1,832	1,832	1,832	1,832	1,832
Capital in excess of par value	15,497	15,156	14,796	14,631	14,448
Retained earnings	159,730	140,399	119,641	106,289	101,102
Accumulated other comprehensive loss	(6,369)	(6,022)	(4,466)	(4,321)	(3,924)
Deferred compensation and benefit plan trust	(282)	(298)	(311)	(349)	(434)
Treasury stock, at cost	(33,884)	(29,685)	(26,411)	(26,168)	(26,376)
Total Chevron Corporation Stockholder's Equity	136,524	121,382	105,081	91,914	86,648
Noncontrolling interests	1,308	799	730	647	469
Total Equity	137,832	122,181	105,811	92,561	87,117
Total Liabilities and Equity	\$232,982	\$209,474	\$184,769	\$164,621	\$161,165

Segment Assets

At December 31

Millions of dollars	2012	2011	2010	2009	2008
Upstream ¹	\$162,337	\$140,290	\$120,242	\$111,305	\$108,440
Downstream	43,047	42,699	41,965	39,935	37,842
Total Segment Assets	\$205,384	\$182,989	\$162,207	\$151,240	\$146,282
All Other ²	27,598	26,485	22,562	13,381	14,883
Total Assets	\$232,982	\$209,474	\$184,769	\$164,621	\$161,165

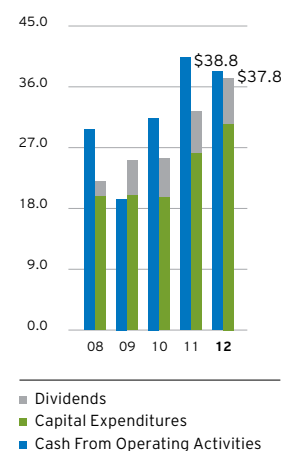
¹ Includes goodwill associated with the acquisition of Unocal Corporation in 2005 and Atlas Energy, Inc., in 2011:

\$ 4,640 \$ 4,642 \$ 4,617 \$ 4,618 \$ 4,619

² "All Other" assets consist primarily of worldwide cash, cash equivalents, time deposits and marketable securities, real estate, energy services, information systems, mining operations, power generation businesses, alternative fuels, technology companies, and assets of the corporate administrative functions.

Consolidated Statement of Cash Flows

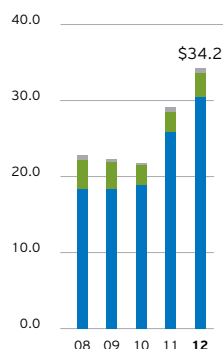
Millions of dollars	Year ended December 31				
	2012	2011	2010	2009	2008
Operating Activities					
Net income	\$ 26,336	\$ 27,008	\$ 19,136	\$ 10,563	\$ 24,031
Adjustments:					
Depreciation, depletion and amortization	13,413	12,911	13,063	12,110	9,528
Dry hole expense	555	377	496	552	375
Distributions less than income from equity affiliates	(1,351)	(570)	(501)	(103)	(440)
Net before-tax gains on asset retirements and sales	(4,089)	(1,495)	(1,004)	(1,255)	(1,358)
Net foreign currency effects	207	(103)	251	466	(355)
Deferred income tax provision	2,015	1,589	559	467	598
Net decrease (increase) in operating working capital composed of:					
Decrease (increase) in accounts and notes receivable	1,153	(2,156)	(2,767)	(1,476)	6,030
(Increase) decrease in inventories	(233)	(404)	15	1,213	(1,545)
Increase in prepaid expenses and other current assets	(471)	(853)	(542)	(264)	(621)
Increase (decrease) in accounts payable and accrued liabilities	544	3,839	3,049	(1,121)	(4,628)
(Decrease) increase in income and other taxes payable	(630)	1,892	321	(653)	(909)
Net decrease (increase) in operating working capital	363	2,318	76	(2,301)	(1,673)
Increase in long-term receivables	(169)	(150)	(12)	(258)	(161)
Decrease (increase) in other deferred charges	1,047	341	48	201	(84)
Cash contributions to employee pension plans	(1,228)	(1,467)	(1,450)	(1,739)	(839)
Other	1,713	339	697	670	10
Net Cash Provided by Operating Activities	38,812	41,098	31,359	19,373	29,632
Investing Activities					
Acquisition of Atlas Energy	-	(3,009)	-	-	-
Advance to Atlas Energy	-	(403)	-	-	-
Capital expenditures	(30,938)	(26,500)	(19,612)	(19,843)	(19,666)
Proceeds and deposits from asset sales	2,777	3,517	1,995	2,564	1,491
Time deposits purchased	(717)	(6,439)	(5,060)	-	-
Time deposits matured	3,967	5,335	2,205	-	-
Net maturities (purchases) of time deposits	3,250	(1,104)	(2,855)	-	-
Marketable securities purchased	(35)	(112)	(90)	(30)	(3,236)
Marketable securities sold	32	38	41	157	3,719
Net (purchases) sales of marketable securities	(3)	(74)	(49)	127	483
Repayment of loans by equity affiliates	328	339	338	336	179
Net (purchases) sales of other short-term investments	(210)	(255)	(732)	244	432
Net Cash Used for Investing Activities	(24,796)	(27,489)	(20,915)	(16,572)	(17,081)
Financing Activities					
Net borrowings (payments) of short-term obligations	264	23	(212)	(3,192)	2,647
Proceeds from issuances of long-term debt	4,007	377	1,250	5,347	-
Repayments of long-term debt and other financing obligations	(2,224)	(2,769)	(156)	(496)	(965)
Cash dividends - common stock	(6,844)	(6,139)	(5,674)	(5,302)	(5,162)
Distributions to noncontrolling interests	(41)	(71)	(72)	(71)	(99)
Net (purchases) sales of treasury shares	(4,142)	(3,193)	(306)	168	(6,821)
Net Cash Used for Financing Activities	(8,980)	(11,772)	(5,170)	(3,546)	(10,400)
Effect of exchange rate changes on cash and cash equivalents	39	(33)	70	114	(166)
Net Change in Cash and Cash Equivalents	5,075	1,804	5,344	(631)	1,985
Cash and cash equivalents at January 1	15,864	14,060	8,716	9,347	7,362
Cash and Cash Equivalents at December 31	\$ 20,939	\$ 15,864	\$ 14,060	\$ 8,716	\$ 9,347

Cash From Operating Activities Compared With Capital Expenditures & Dividends
Billions of dollars

Financial Information

Capital & Exploratory Expenditures*

Billions of dollars



■ All Other
■ Downstream
■ Upstream

*Includes equity share in affiliates.

Capital and Exploratory Expenditures

(Includes equity share in affiliates)

	Year ended December 31				
Millions of dollars	2012	2011*	2010	2009	2008
United States					
Exploration	\$ 1,827	\$ 528	\$ 638	\$ 605	\$ 1,305
Production	6,634	7,767	2,800	2,656	4,211
Other Upstream	70	23	12	33	132
Refining	1,215	964	948	1,505	1,593
Marketing	110	80	49	133	196
Chemicals	323	278	264	210	407
Other Downstream	265	139	195	239	261
All Other	602	575	286	402	618
Total United States	11,046	10,354	5,192	5,783	8,723
International					
Exploration	2,366	1,690	2,077	1,385	1,173
Production	18,075	14,400	12,173	12,463	10,771
Other Upstream	1,472	1,464	1,204	1,154	769
Refining	627	611	629	959	801
Marketing	283	226	197	202	311
Chemicals	148	93	69	92	78
Other Downstream	201	220	201	196	142
All Other	11	8	13	3	7
Total International	23,183	18,712	16,563	16,454	14,052
Worldwide					
Exploration	4,193	2,218	2,715	1,990	2,478
Production	24,709	22,167	14,973	15,119	14,982
Other Upstream	1,542	1,487	1,216	1,187	901
Refining	1,842	1,575	1,577	2,464	2,394
Marketing	393	306	246	335	507
Chemicals	471	371	333	302	485
Other Downstream	466	359	396	435	403
All Other	613	583	299	405	625
Total Worldwide	\$ 34,229	\$ 29,066	\$ 21,755	\$ 22,237	\$ 22,775
Memo: Equity share of affiliates' expenditures included above	\$ 2,117	\$ 1,695	\$ 1,388	\$ 1,585	\$ 2,306

* Excludes \$4.5 billion acquisition of Atlas Energy, Inc.

Exploration Expenses¹

	Year ended December 31				
Millions of dollars	2012	2011	2010	2009	2008
Geological and geophysical	\$ 499	\$ 391	\$ 255	\$ 328	\$ 329
Unproductive wells drilled	555	377	496	552	375
Other ²	674	448	396	462	465
Total Exploration Expenses	\$ 1,728	\$ 1,216	\$ 1,147	\$ 1,342	\$ 1,169
Memo: United States	\$ 244	\$ 198	\$ 186	\$ 451	\$ 370
International	1,484	1,018	961	891	799

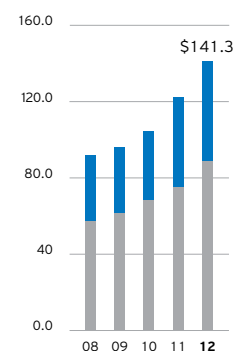
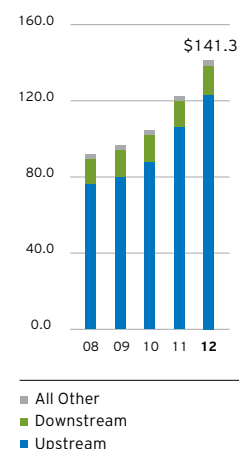
¹ Consolidated companies only. Excludes amortization of undeveloped leaseholds.

² Includes expensed well contributions, oil and gas lease rentals, and research and development costs.

Properties, Plant and Equipment

(Includes capital leases)

	At December 31				
Millions of dollars	2012	2011	2010	2009	2008
Net Properties, Plant and Equipment at January 1	\$122,608	\$104,504	\$ 96,468	\$ 91,780	\$ 78,610
Additions at Cost					
Upstream ¹	29,554	30,126	19,315	14,321	20,392
Downstream	4,042	1,669	1,560	2,330	2,598
All Other ²	419	596	270	357	603
Total Additions at Cost	34,015	32,391	21,145	17,008	23,593
Depreciation, Depletion and Amortization Expense³					
Upstream	(11,435)	(10,893)	(11,055)	(10,238)	(7,750)
Downstream	(1,094)	(1,119)	(1,179)	(1,106)	(1,103)
All Other ²	(255)	(271)	(316)	(303)	(245)
Total Depreciation, Depletion and Amortization Expense	(12,784)	(12,283)	(12,550)	(11,647)	(9,098)
Net Retirements and Sales					
Upstream	(824)	(778)	(254)	(295)	(504)
Downstream	(400)	(1,185)	(246)	(90)	(579)
All Other ²	(191)	(37)	(18)	(30)	(35)
Total Net Retirements and Sales	(1,415)	(2,000)	(518)	(415)	(1,118)
Net Intersegment Transfers and Other Changes⁴					
Upstream ⁵	(72)	(116)	(64)	(137)	(346)
Downstream ⁵	(1,003)	26	6	(122)	121
All Other ²	(1)	86	17	1	18
Total Net Intersegment Transfers and Other Changes	(1,076)	(4)	(41)	(258)	(207)
Net Properties, Plant and Equipment at December 31					
Upstream ⁶	123,227	106,004	87,665	79,723	76,072
Downstream	15,263	13,718	14,327	14,186	13,174
All Other ²	2,858	2,886	2,512	2,559	2,534
Total Net Properties, Plant and Equipment at December 31	\$141,348	\$122,608	\$104,504	\$ 96,468	\$ 91,780
Memo: Gross properties, plant and equipment	\$263,481	\$233,432	\$207,367	\$188,288	\$173,299
Accumulated depreciation, depletion and amortization	(122,133)	(110,824)	(102,863)	(91,820)	(81,519)
Net properties, plant and equipment	\$141,348	\$122,608	\$104,504	\$ 96,468	\$ 91,780
¹ Net of exploratory well write-offs.					
² Primarily mining operations, power generation businesses, real estate assets and management information systems.					
³ 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	\$ 13,413	\$ 12,911	\$ 13,063	\$ 12,110	\$ 9,528
Less: Accretion expense	(629)	(628)	(513)	(463)	(430)
DD&A - Properties, plant and equipment	\$ 12,784	\$ 12,283	\$ 12,550	\$ 11,647	\$ 9,098
⁴ Includes reclassifications to/from other asset accounts.					
⁵ Includes reclassification adjustments for "Assets held for sale" in 2008.					
⁶ Includes net investment in unproved oil and gas properties:	\$ 13,910	\$ 12,000	\$ 5,081	\$ 5,321	\$ 5,367

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

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: Material offloading facility at the three-train, 15.6 million-metric-ton-per-year Gorgon LNG Project on Barrow Island offshore Western Australia.

Highlights

With experience in varied operating environments, innovative technology, project management expertise and the ability to work successfully with multiple partners, Chevron's upstream business has the strengths and capabilities to help meet the world's energy demands. In addition, the company's upstream has operations in most of the world's key hydrocarbon basins and a portfolio that provides a foundation for future growth.

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.
- Growing and developing the equity gas resource base.
- Identifying, capturing and effectively incorporating new core upstream businesses.

Industry Conditions

Average prices for crude oil were essentially flat in 2012 compared with 2011. The spot price for West Texas Intermediate (WTI) crude oil averaged \$94 per barrel for full-year 2012, compared with \$95 in 2011. The Brent price averaged \$112 per barrel for full-year 2012, compared with \$111 in 2011. The majority of the company's equity crude production is priced based on the Brent benchmark. WTI traded at a discount to Brent throughout 2012 due to excess crude supply in the U.S. midcontinent market, driven by strong growth in domestic production.

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, prices at Henry Hub averaged \$2.71 per thousand cubic feet (MCF), compared with about \$4.00 per MCF in 2011. Fluctuations in the price for natural gas in the United States are closely associated with customer demand relative to the volumes produced in North America. In 2012, Chevron's international natural gas realizations averaged approximately \$6.00 per MCF, compared with about \$5.40 per MCF during 2011. These realizations reflected a strong demand for energy in certain Asian markets. Prices of liquefied natural gas (LNG) in these Asian markets are typically indexed to prices for crude oil.

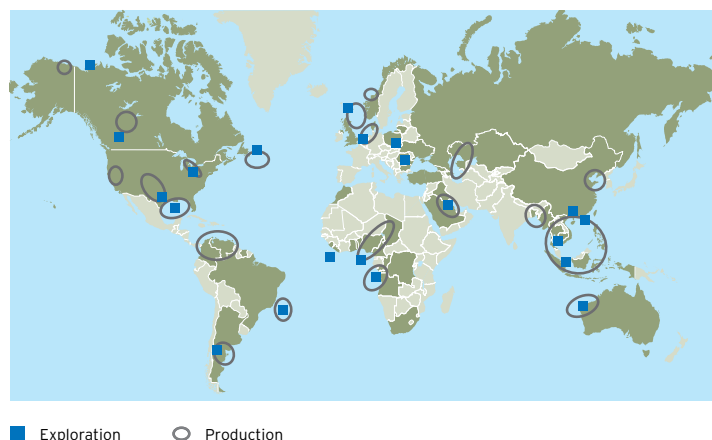
Financial and Operational Highlights

In 2012, Chevron's upstream business achieved world-class safety performance in terms of the days-away-from-work metric. Financial performance was strong, with net income of \$23.8 billion. Production of 2.610 million oil-equivalent barrels per day was 2 percent lower than net oil-equivalent production in 2011. This decrease was primarily due to normal field declines, the shut-in of the Frade Field in Brazil and a major planned turnaround at the Tengizchevroil (TCO) facilities in Kazakhstan. The start-up and ramp-up of several major capital projects - the Platong II natural gas project in Thailand, the Usan and Agbami 2 projects in Nigeria and the Perdido, Tahiti 2 and Caesar/Tonga projects in the U.S. Gulf of Mexico - partially offset the decrease in net production from 2011. Upstream capital and exploratory expenditures rose to \$30.4 billion for 2012. In 2013, the upstream capital budget is \$33.0 billion: 10 percent for exploration activities, 60 percent for major capital projects and 30 percent for continued development of the base business.

Exploration and Portfolio Additions

The company made several significant portfolio additions during 2012. Additional shelf and deepwater acreage was acquired in the central Gulf of Mexico and deepwater acreage was acquired in Sierra Leone and Suriname. The company also acquired interests in two production-sharing contracts (PSCs) in the Kurdistan Region of Iraq. Acreage was added in New Mexico and Lithuania, providing further opportunities to explore for shale and unconventional resources. In early 2013, the company acquired shallow-water acreage offshore China and signed agreements to pursue exploration opportunities offshore Morocco and in the Karoo Shale basin in South Africa.

Upstream Portfolio



Upstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions

	2012	2011
Earnings	\$ 23,788	\$ 24,786
Net liquids production (Thousands of barrels per day)	1,764	1,849
Net natural gas production (Millions of cubic feet per day)	5,074	4,941
Net oil-equivalent production (Thousands of barrels per day)	2,610	2,673
Net proved reserves* (Millions of barrels of oil-equivalent)	11,347	11,236
Net unrisked resource base* (Billions of barrels of oil-equivalent)	65	65
Capital and exploratory expenditures	\$ 30,444	\$ 25,872

* For definitions of reserves and resources, refer to pages 58 and 59, respectively.

The company's focus areas for exploration drilling in 2012 were the deepwater regions of West Africa and the U.S. Gulf of Mexico, North American unconventional and offshore northwest Australia. Drilling and seismic activities occurred or were in various stages of planning in several other areas, including Argentina, the eastern coast of Canada, China, central Europe, Indonesia, the Kurdistan Region of Iraq, Liberia, Thailand, Vietnam and offshore United Kingdom. The company's exploration activities have added 10.2 billion barrels of risked oil-equivalent resources since 2003.

2012 Accomplishments:

- Achieved an exploration drilling success rate of 74 percent.
- Argentina - Commenced a multiwell drilling program in El Trapial concession, targeting shale gas and tight oil resources.
- Australia - Announced six natural gas discoveries in the Carnarvon Basin offshore Western Australia supporting the company's long-term growth plans for its LNG projects. In addition, discovered natural gas at one prospect in the Browse Basin offshore Western Australia.
- Australia - Exchanged interests in several Browse Basin leases for additional ownership in the Clio and Acme fields.
- Canada - Reached agreement to acquire shale gas acreage in the Horn River and Liard basins.
- China - Commenced drilling program for shale gas in the Qiannan Basin and added new exploration acreage in the South China Sea.
- Kurdistan Region of Iraq - Acquired working interest and operatorship in two PSCs covering the Rovi and Sarta blocks.
- Lithuania - Acquired a 50 percent interest in an exploration and production company to pursue shale opportunities.
- Sierra Leone - Acquired working interest and became operator in two deepwater exploration blocks.
- Suriname - Acquired working interest in two deepwater exploration blocks.
- Ukraine - Bid successfully for the right to exclusively negotiate a 50-year PSC for the Oleska Block.
- United States - Added liquids-rich, unconventional acreage in the Delaware Basin of New Mexico.
- United States - Added 30 offshore leases in the central Gulf of Mexico - 15 in the deepwater and 15 on the shelf.

2013 Outlook:

During 2013, the company plans to invest \$3.4 billion in exploration and to drill about 90 exploration and appraisal wells worldwide. This planned spending includes initial appraisal of acreage acquired over the past two years, including Suriname, the Kurdistan Region of Iraq, Morocco and Sierra Leone. The program also supports continued exploration and appraisal activity in Western Australia, the U.S. Gulf of Mexico, West Africa and in several shale gas regions around the world.

Resources and Proved Reserves

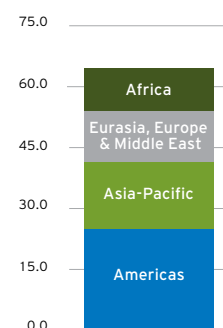
The company's net unrisked resource base at year-end 2012 was essentially unchanged from year-end 2011, at 65 billion barrels of oil-equivalent. Increases due to exploration success in Australia, Canada and the United States and optimization activities at the TCO facilities were essentially offset by the effect of an equity change in Kazakhstan and asset sales. Included in the resource base are 11.3 billion barrels of net proved oil-equivalent reserves at year-end 2012.

The resource base is well diversified across geographic regions, with about 24 percent of these resources located in the United States, 12 percent in Australia and 10 percent in Kazakhstan. The company's resource base is also diversified by product, with liquids representing about 60 percent and natural gas about 40 percent of the total. The company has about 160 trillion cubic feet of unrisked natural gas resources globally, with about half located in Australia and Asia, and is well situated to supply anticipated growth in Asia-Pacific natural gas demand.

Base Business

Continued development of the base business is critical to maintaining the company's crude oil and natural gas production. Through a consistent focus on operating efficiency, maintenance and reliability, and targeted investment in small capital projects, the company has been successful in limiting the annual rate of production decline in the base business to about 4 percent. In addition, the effective use of proprietary technology, including the i-field program that applies information technology to improve production from mature fields and new projects, and the Real-Time Reservoir Management tool that improves the efficiency of reservoir surveillance, has also contributed to improved long-term field performance. Major initiatives to improve operating efficiencies, invest in targeted growth and fully leverage existing facilities will continue in 2013. Key milestones achieved in 2012 include reaching the 4 billionth barrel of crude oil produced from Block O, offshore Angola, and the 2 billionth barrel of crude oil produced from the Tengiz and Korolev fields since the formation of TCO in 1993.

2012 Net Unrisked Resources by Region*
Billions of oil-equivalent barrels



*Refer to page 59 for definition of resources.

Major Capital Projects

Production growth is dependent on bringing resources and proved reserves into production through the successful development of major capital projects. The company has a robust queue of major capital projects expected to sustain the company's production growth over the long term. Several of these projects are building legacy positions in natural gas. As of early 2013, over 90 percent of the company's 2017 production target of 3.3 million barrels of oil-equivalent per day comes from projects under construction or already producing.

2012 Accomplishments:

- Angola - Commenced front-end engineering and design (FEED) for the Lucapa Field.
- Angola - Reached final investment decision for the Mafumeira Sul Project.
- Angola-Republic of the Congo Joint Development Area - Reached final investment decision for the Lianzi Project.
- Australia - Progressed construction of the Gorgon Project, reaching more than 55 percent completed at year-end. (Approximately 60 percent completed in mid-March 2013.)
- Australia - Awarded approximately \$17 billion of contracts for materials and services and progressed construction of the Wheatstone Project. (As of mid-March 2013, \$19 billion was contracted.)
- Australia - Executed agreements with Asian customers for the delivery of additional volumes of LNG from the Wheatstone Project with more than 80 percent of Chevron's equity LNG offtake covered under long-term contracts at year-end 2012. In addition, sale of a portion of Wheatstone equity decreased ownership to 80.2 percent in the offshore licenses and 64.1 percent in the LNG facilities.
- Bangladesh - Reached final investment decision for the Bibiyana Expansion Project.
- Canada - Reached agreement to acquire an interest in the Kitimat LNG project.
- Canada - Reached final investment decision for the Hebron project.
- Indonesia - Completed FEED and requested bids for all major contracts for the Gendalo-Gehem project.
- Kazakhstan - Commenced FEED for the Future Growth Project, the Wellhead Pressure Management Project and the Capacity and Reliability Project at TCO.
- Kazakhstan/Russia - Continued work on the Caspian Pipeline Consortium Expansion Project with mechanical completion of the offshore loading system.
- Nigeria - Achieved first production from the Usan deepwater project and the Agbami Phase 2 development program.
- United Kingdom - Commenced FEED for the Rosebank development project.
- United Kingdom - Commenced procurement and fabrication activities for the Clair Ridge Project.
- United States - Commenced FEED for the Mad Dog II Project.
- United States - Continued fabrication and development drilling activities at the Big Foot, Jack/St. Malo and Tubular Bells projects.
- United States - Initiated water injection at the Tahiti 2 deepwater project.
- United States - Achieved first production at the Caesar/Tonga Project.

2013 Outlook:

- Angola - Commence FEED for the Greater Vanza/Longui Area development and the Kambala, Lifua and Malange projects.
- Angola - Achieve first LNG shipment from the Angola LNG plant.
- Australia - Commence FEED for the fourth Gorgon LNG train.
- Australia - Continue construction of the Gorgon and Wheatstone projects. Sign additional Sales and Purchase Agreements.
- Australia - Commence production from the North Rankin 2 Project.
- Azerbaijan - Commence production from the Azeri-Chirag-Gunashli Chirag Oil Project.
- Brazil - Commence production from the Papa-Terra Project.
- Canada - Complete acquisition of an interest in the Kitimat LNG project. (Acquisition completed in February 2013.)
- China - Achieve mechanical completion of the initial capacity of the Chuandongbei natural gas project.
- Nigeria - Achieve start-up of the Escravos Gas-to-Liquids (EGTL) facility.
- Kazakhstan - Reach final investment decision for the Future Growth Project, the Wellhead Pressure Management Project and the Capacity and Reliability Project at TCO.
- Partitioned Zone - Commence FEED for the expanded application of the Large-Scale Steamflood Pilot Project into the Second Eocene carbonate reservoir.
- Republic of the Congo - Reach final investment decision for the Moho Nord project.
- United Kingdom - Reach final investment decision for the Alder development.
- United States - Commence topsides module installation for the Big Foot and the Jack/St. Malo projects, upon arrival of floating production unit hulls.

The projects in the table below are considered the more significant in the development portfolio and have commenced production or are in the construction phase. Each project has an expected maximum net daily production of 25,000 barrels of oil-equivalent or more:

Major Capital Projects				Maximum Total Production ^{1,2}	
Year of Start-Up/Project	Location	Ownership Percentage	Operator	Liquids (MBPD)	Natural Gas (MMCFPD)
2012					
Usan	Nigeria	30.0	Partner	180	–
2013					
Angola LNG Plant	Angola	36.4	Affiliate	63	670
EGTL	Nigeria	75.0	Chevron	33 ³	–
North Rankin 2	Australia	16.7	Partner	39 ⁴	1,980 ⁴
Papa-Terra	Brazil	37.5	Partner	140 ⁵	–
2014					
Bibiyana Expansion	Bangladesh	98.0	Chevron	4	300
Big Foot	United States	60.0	Chevron	75 ⁵	25 ⁵
Chuandongbei	China	49.0	Chevron	–	558
Gorgon LNG Trains 1-3	Australia	47.3	Chevron	20	2,580
Jack/St. Malo	United States	50.0–51.0	Chevron	170 ⁵	42 ⁵
2015					
Mafumeira Sul	Angola	39.2	Chevron	120	–
2016					
Dibi Long-Term Project	Nigeria	40.0	Chevron	70 ⁵	–
Sonam Field Development	Nigeria	40.0	Chevron	30	215
Wheatstone LNG Trains 1-2	Australia	80.2/64.1 ⁶	Chevron	30 ⁷	1,608 ⁷
2017					
Hebron	Canada	26.6	Partner	134	–

¹ Maximum total production refers to all volumes projected to be produced for each field or project. 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.

² MBPD-thousands of barrels per day; MMCFPD-millions of cubic feet per day.

³ Represents total plant offtake of liquids.

⁴ Volumes are not incremental. Offshore facility designed to maintain LNG plant capacity.

⁵ Represents facility design capacity.

⁶ Represents the company's ownership in the offshore licenses and LNG facilities.

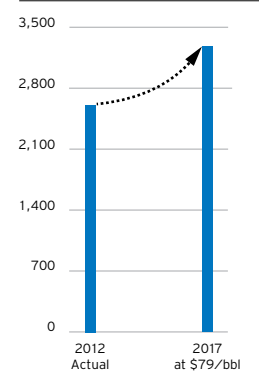
⁷ Includes third-party production.

Production Outlook

The company's production is expected to grow over the next decade as a result of continued investment in major capital projects, a sharp focus on mitigating base business declines and continued success in exploration. Production growth is expected to increase to 4 to 5 percent per year in the 2014 to 2017 time frame with the start-up of the Jack/St. Malo and Big Foot projects in the deepwater Gulf of Mexico and the Gorgon and Wheatstone projects in Australia. Production is expected to reach 3.3 million oil-equivalent barrels per day in 2017, measured at 2010's average Brent price of \$79 per barrel.

Net Production

Thousands of barrels per day



United States

Chevron's U.S. portfolio encompasses a diverse group of assets concentrated in California, the Gulf of Mexico, Colorado, Louisiana, Michigan, New Mexico, Pennsylvania, Ohio, Oklahoma, Texas, West Virginia and Wyoming. The company was one of the largest hydrocarbon producers in the United States during 2012, with net daily oil-equivalent production averaging 655,000 barrels, representing approximately one-fourth of the companywide total.

California

Operating primarily in the San Joaquin Valley, Chevron again ranked No. 1 in net daily oil-equivalent production in California in 2012 at 178,000 barrels, composed of 163,000 barrels of crude oil, 70 million cubic feet of natural gas and 4,000 barrels of natural gas liquids (NGLs). 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 2012, the net daily production from these leases was 119,000 barrels of crude oil and 9 million cubic feet of natural gas. With respect to these operated leases, Chevron's interest by field is: Kern River, 99 percent; Midway Sunset, 99 percent; and Cymric, 100 percent.

With approximately 86 percent of the company's 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 hydrocarbons, with emphasis on improved energy efficiency.



Kern River The Kern River Field had net average daily production from company-operated leases of 70,000 barrels of crude oil and 2 million cubic feet of natural gas. The company drilled 250 wells at Kern River in 2012 and has plans to drill more than 300 wells in 2013. New steamflood expansion projects continued in 2012, focusing on new zones at the periphery of the field. The company continues to develop steamflooding techniques to successfully increase recovery from thinner, higher-pressure and colder sands.

Diatomite Reservoirs Chevron has crude oil resources in diatomite reservoirs at the Cymric, McKittrick, Midway Sunset and Lost Hills fields. Diatomite is a reservoir rock with very high porosity but low permeability, making commercial production difficult. In 2012, net average daily production from these diatomite reservoirs was approximately 31,000 barrels of liquids and 10 million cubic feet of natural gas.

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 these fields. The company drilled 99 wells in new, infill and replacement locations during 2012 and plans to drill an additional 90 wells in these reservoirs in 2013.

In the Lost Hills Field (a light-oil diatomite reservoir), the company drilled 36 production wells during 2012. Waterflood technology is being used 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 2012, 208 development wells (including producers and injectors) were drilled, including wells in shale zones, which continued to extend the producing boundaries. Net daily production was 9,000 barrels of crude oil, 44 million cubic feet of natural gas and 4,000 barrels of NGLs. A variety of primary and enhanced recovery techniques are used to allow production of crude oil and natural gas that would not be recovered using conventional methods.

Gulf of Mexico

During 2012, net daily production for the company's combined interests in the Gulf of Mexico shelf and deepwater areas and the onshore fields in the region averaged 153,000 barrels of crude oil, 395 million cubic feet of natural gas and 16,000 barrels of NGLs. As of early 2013, Chevron has an interest in 695 leases in the Gulf of Mexico, 421 of which are located in water depths greater than 1,000 feet (305 m). At the end of 2012, the company was one of the largest leaseholders in the Gulf of Mexico.

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 2012 was 48,000 barrels of crude oil, 321 million cubic feet of natural gas and 8,000 barrels of NGLs. The company drilled 39 development and delineation wells during 2012. In addition, Chevron began drilling in 2011 on Lineham Creek, an ultra-deep gas exploration well. Drilling of this well is expected to be completed in first-half 2013. The ultra-deep drilling program is an extension of the company's Gulf of Mexico shelf deep-gas exploration focus to evaluate the potential of this emerging trend with subsurface targets below 25,000 feet (7,620 m). Chevron added 15 new leases to its shelf portfolio as a result of bid awards stemming from the central Gulf of Mexico Lease Sale 216/222 in mid-2012.

Deep Water

Chevron is one of the top leaseholders in the deepwater Gulf of Mexico. Average net daily production in 2012 was 105,000 barrels of crude oil, 74 million cubic feet of natural gas and 8,000 barrels of NGLs, primarily from the Tahiti and Blind Faith fields and the Perdido Regional Development.

The company's mobile deepwater rig count in the Gulf of Mexico reached new levels during 2012 with the addition of a fifth drillship. Collectively, the fleet is undertaking planned exploration and development drilling and field maintenance well work. Marine Well Containment Company LLC (MWCC), a nonprofit company sponsored by Chevron and other major energy companies, completed a successful demonstration of its interim containment system, including the physical deployment of a 100-ton capping stack, in July 2012. The capping stack was lowered 6,900 feet (2,103 m), latched to a simulated wellhead on the seafloor and pressure tested. MWCC continues work on an expanded system with increased capacity and compatibility with a wider range of well designs, flow rates and environmental conditions.



■ Chevron Activity Highlight

Jack/St. Malo The Jack and St. Malo fields are located within 25 miles (40 km) of each other in the Walker Ridge area, and are being jointly developed with a host floating production unit (FPU) located between the two fields in 7,000 feet (2,134 m) of water. Chevron has a 50 percent interest in the Jack Field, a 51 percent interest in the St. Malo Field and a 50.7 percent interest in the production host facility. Both fields are company-operated, and combined, they have estimated total potentially recoverable oil-equivalent resources in excess of 500 million barrels. The facility is planned to have a design capacity of 177,000 barrels of oil-equivalent per day to accommodate production from the Jack/St. Malo development, which is estimated at a maximum total daily rate of 94,000 barrels of oil-equivalent, plus production from third-party tiebacks. Total project costs for the initial phase of the development are estimated at \$7.5 billion, and first oil is expected in 2014. The fields have an estimated production life of 30 years. Proved reserves have been recognized for this project.

At the end of 2012, project activities were 57 percent complete. The FPU hull sailed from South Korea in February 2013 and is scheduled to arrive at the integration site near Ingleside, Texas, in April 2013, where the topsides modules are planned to be lifted and placed onto the hull. Drilling operations progressed during 2012, with five of 10 planned wells drilled. Three of the wells were completed with Chevron's first application of enhanced single-trip, multizone, frac-pack technology. Subsea installation activities are expected to commence in third quarter 2013, and FPU installation is expected to commence in fourth quarter 2013.



Photo: The topside modules for the Jack/St. Malo development in the fabrication yard near Ingleside, Texas.

In 2012, evaluation of additional development opportunities was initiated for the Jack and St. Malo fields. Stage 2, the first phase of future development work, is expected to include four additional development wells, two each at the Jack and the St. Malo fields. Front-end engineering and design (FEED) activities for Stage 2 are scheduled to begin in mid-2013. At the end of 2012, proved reserves had not been recognized for the Jack/St. Malo Stage 2 project.

Big Foot The development plan for this 60 percent-owned and operated project, also located in the Walker Ridge area, includes a 15-slot drilling and production platform with water injection facilities. The facility is planned to have a design capacity of 79,000 barrels of oil-equivalent per day. Fabrication and development drilling continued during 2012. At the end of 2012, project activities were 68 percent complete. The hull sailed from South Korea in December 2012 and arrived at the integration site near Ingleside, Texas, in March 2013, in preparation for topsides module installation planned for May 2013. Drilling activities in 2012 included drilling two of eight planned development wells. Project costs are estimated at \$4.1 billion, and first oil is expected in 2014. The field has an estimated production life of 20 years, and total potentially recoverable oil-equivalent resources are estimated to exceed 200 million barrels. Proved reserves have been recognized for this project.

Tahiti In 2012, net daily production averaged 43,000 barrels of crude oil, 17 million cubic feet of natural gas and 3,000 barrels of NGLs at the 58 percent-owned and operated Tahiti Field. The Tahiti 2 project is the second development phase and is designed to increase recovery from the main producing interval and return production to more than 100,000 barrels of crude oil per day. The project includes two additional production wells, three water injection wells and water injection facilities. Total project costs are estimated at \$2.3 billion. Drilling commenced on the first production well in early 2012, and start-up is expected by third quarter 2013. Water injection began in first quarter 2012. Proved reserves have been recognized for the Tahiti 2 project. The Tahiti Field has an estimated production life of 30 years.

Perdido Regional Development The nonoperated Perdido development includes a producing host facility (37.5 percent working interest) that is designed to service multiple Alaminos Canyon fields, including Great White (33.3 percent working interest), Silvertip (60 percent working interest) and Tobago (57.5 percent working interest). Total daily production in 2012 averaged 63,000 barrels of crude oil (24,000 net), 75 million cubic feet of natural gas (29 million net) and 7,000 barrels of NGLs (3,000 net). As of year-end 2012, 11 of the 21 planned development wells had been placed in service. Two additional development wells and two additional injection wells are expected to be completed in 2013. Production from new wells is expected to offset the decline in existing wells, with total daily production expected to stabilize and average about 100,000 barrels of oil-equivalent in 2013.

Tubular Bells Chevron has a 42.9 percent nonoperated working interest in the Tubular Bells Field located in 4,300 feet (1,311 m) of water in the Mississippi Canyon area. The development plans include three producing and two injection wells, with a subsea tieback to a third-party production facility. The development is estimated to cost \$2.3 billion, and maximum total production is expected to reach 40,000 to 45,000 barrels of oil-equivalent per day. Development drilling began in second quarter 2012, and first oil is anticipated in 2014. The field has an estimated production life of 25 years. The initial recognition of proved reserves for the project occurred in 2012.

Caesar/Tonga Chevron holds a 20.3 percent nonoperated working interest in the Caesar/Tonga area, which consists of Green Canyon Blocks 683, 727 and 770 and a portion of Block 726. The area includes the Caesar, Tonga and West Tonga fields. First production occurred in first quarter 2012, and maximum total daily production reached 62,000 barrels of oil-equivalent by year-end 2012. Drilling operations on the fourth development well concluded in early 2013, and the well is expected to commence production in second quarter 2013.

Mad Dog Chevron has a 15.6 percent nonoperated working interest in the Mad Dog Field. Production in the field resumed in August 2012 after a 15-month platform turnaround. Development drilling was stopped in 2008, when the platform drilling rig was lost during Hurricane Ike. A new platform rig was installed in second quarter 2012, and drilling is expected to resume in 2014 once the new rig is fully operational. The Mad Dog II Project to develop the west and south flanks of the Mad Dog Field includes the construction and installation of a new production and drilling spar facility with 19 producing and 14 water injection wells. The project entered FEED in second quarter 2012 and is expected to add incremental maximum total daily production of 120,000 to 140,000 barrels of oil-equivalent and is estimated to provide an incremental 600 million barrels of total potentially recoverable oil-equivalent resources. The final investment decision is expected in 2014. At the end of 2012, proved reserves had not been recognized for the Mad Dog II Project.

Stampede Chevron signed commercial agreements allowing for the joint development of the Knotty Head and Pony fields, located in Green Canyon Blocks 468, 511 and 512. In 2012, a Chevron-led bid for the adjoining Green Canyon Block 511 was successful in adding this new block to the development plan. Chevron holds a 20 percent nonoperated working interest in the joint development. The fields are located at a water depth of 3,600 feet (1,097 m) with a reservoir depth of 30,000 feet (9,144 m). The project is expected to enter FEED by mid-2013. At the end of 2012, proved reserves had not been recognized for this project.

Exploration During 2012, the company participated in three deepwater exploratory wells - one appraisal and two wildcats. Drilling began on an appraisal well at the 43.8 percent-owned and operated Moccasin discovery in fourth quarter 2012. Drilling activities were placed on hold in early 2013 for equipment repair and are expected to resume later this year. Moccasin and the 55 percent-owned and operated Buckskin discovery, located 12 miles (19 km) apart, could be jointly developed upon the successful completion of additional appraisal wells planned for 2013. Drilling was terminated at the first Coronado wildcat well in 2011 due to adverse drilling conditions in the shallow section of the wellbore. A second Coronado well began drilling at an alternate location in second quarter 2012, targeting the lower Tertiary Wilcox formation. Drilling was completed in February 2013, and the results are under evaluation. Chevron also had a 20 percent nonoperated working interest in the Hummer Shallow wildcat well. Chevron added 15 leases to the deepwater portfolio as a result of awards from the central Gulf of Mexico Lease Sale 216/222 held in mid-2012. In addition, Chevron acquired 28 additional deepwater leases from the western Gulf of Mexico Lease Sale 229 held in late 2012.

Midcontinent

The company produces crude oil and natural gas in the midcontinent region of the United States, primarily in Colorado, New Mexico, Oklahoma, Texas and Wyoming. In 2012, the company's net daily production in these areas averaged 90,000 barrels of crude oil, 600 million cubic feet of natural gas and 29,000 barrels of NGLs. Capital spending is focused in the liquids-rich basins of southeast New Mexico, West Texas, East Texas and Oklahoma. During the year, 497 development wells were completed.

The company's most significant interests in the midcontinent region are in the Permian Basin of West Texas and southeast New Mexico. The Permian comprises several basins, including the Delaware Basin and Midland Basin, and it offers both conventional and unconventional opportunities. The estimated total potentially recoverable oil-equivalent resources from the company's acreage in the Permian Basin are approximately 4.7 billion barrels of oil-equivalent.



■ Chevron Activity Highlight

Conventional Resources

Chevron utilizes primary, secondary and tertiary recovery methods to manage its onshore conventional oil and gas assets in the midcontinent region. The company is efficiently maintaining production through infill drilling programs, well workovers, artificial-lift techniques, facility and equipment optimization, and enhanced recovery methods to minimize natural decline rates and maximize the value of these base business operations.

Chevron is the second-largest producer in the Permian Basin of West Texas and southeastern New Mexico, with 2012 average net daily oil-equivalent production of 119,000 barrels. Substantial hydrocarbons remain and are recoverable through secondary and tertiary techniques that increase ultimate recovery and reduce natural declines while optimizing existing facilities.



Photo: Pump jack in the Permian Basin.

Unconventional Resources

Chevron continues to pursue opportunities in unconventional oil and gas resources with an ongoing focus to develop tight oil and liquids-rich shale production.

Delaware Basin Chevron is one of the largest acreage holders in the Delaware Basin, with approximately 1,100,000 total acres (4,451 sq km), located in West Texas and southeast New Mexico. This acreage also includes a major portion of the more than 350,000 total acres acquired in New Mexico in October 2012. Average net daily production from the acquired acreage was 4,000 barrels of crude oil, 23 million cubic feet of natural gas and 1,000 barrels of NGLs. One company-operated drilling rig was added effective with the acquisition, and the company plans to have three rigs running by third quarter 2013. The company has participated in more than 100 wells in the last three years, defining multiple liquids-rich unconventional plays and demonstrating production in the Avalon Shale, Bone Spring Sands and Shale, Wolfcamp Shale, and Delaware Mountain Group. As a result, potentially recoverable oil-equivalent resources have been added in addition to the identification of additional exploration opportunities.

Wolfcamp In the Midland Basin, the Wolfcamp tight oil play continues to be developed utilizing vertical drilling and multistage fracture stimulation. Chevron holds more than 320,000 total acres (1,295 sq km) in the trend. At the end of 2012, these holdings included 107,000 total acres (433 sq km) in properties where Chevron has an average nonoperated working interest of about 70 percent in more than 1,100 wells, with average net daily oil-equivalent production of more than 18,000 barrels. The remaining acreage, which is company-operated and approximately 97 percent-owned, continued to ramp up during the year, and seven rigs were operating at year-end 2012.

East Texas The company continued development of the multiple stacked reservoirs in the East Texas area, including the Travis Peak, Cotton Valley, Bossier and Haynesville zones. Development of the Travis Peak and Cotton Valley reservoirs continued through multiwell horizontal drilling projects. Haynesville Shale appraisal continued with two wells drilled in Panola and Nacogdoches counties in 2012. In these zones, the company holds more than 83,000 total acres (336 sq km), and total potentially recoverable oil-equivalent resources are estimated in excess of 600 million barrels. In 2012, Chevron also participated in a successful exploration well in the Bossier Shale, which lies above the Haynesville Shale. The company completed processing of a 3-D seismic survey across Panola County, Texas, which is being interpreted to improve the company's understanding of the reservoirs in this area.

Piceance Basin The company is continuing a managed development of 100 percent-owned and operated natural gas properties consisting of approximately 72,000 total acres (291 sq km) located in north-western Colorado. An estimated 3.5 trillion cubic feet of natural gas is potentially recoverable from this project. Field optimization continues, but the pace of development has slowed due to natural gas market conditions. The Niobrara Shale has been identified as an additional potential resource in this basin and the company continues to evaluate this opportunity.

Appalachian Basin/Michigan

The company is a significant leaseholder in the Marcellus Shale and Utica Shale, primarily located in southwestern Pennsylvania, Ohio and West Virginia, and in the Antrim Shale in Michigan. In 2012, the company's net daily production in these areas averaged approximately 138 million cubic feet of natural gas. Capital spending during 2012 was focused on the Marcellus Shale.



■ Chevron Interest

Marcellus Shale The company's lease holdings in the Marcellus Shale are approximately 714,000 total acres (2,890 sq km). During 2012, 100 development wells were drilled in the Marcellus, mostly funded by a 75 percent drilling carry. The company had 10 drilling rigs in operation at year-end. In light of natural gas market conditions, development is proceeding at a measured pace, focused on improving execution capability and reservoir understanding. The company also holds a 49 percent interest in Laurel Mountain Midstream, LLC, an affiliate that owns more than 1,200 miles (1,931 km) of natural gas gathering lines servicing the Marcellus.



Photo: Drilling operations in the Marcellus Shale area in southwestern Pennsylvania.

Utica Shale The company has a large position in the Utica Shale, with approximately 491,000 total acres (1,987 sq km). Activity during 2012 included acquisition of regional seismic data in eastern Ohio to identify core areas. The company commenced drilling on four exploratory wells during the year. This initial activity was focused on acquiring data necessary for potential future development.

Antrim Shale In Michigan, the company holds approximately 459,000 total acres (1,858 sq km) in the Antrim and Collingwood/Utica Shale formations, with production in the Antrim. In first quarter 2013, drilling commenced on a Collingwood/Utica Shale exploratory well to further evaluate this opportunity.

U.S. Natural Gas Marketing and Trading

Chevron ranks among the top U.S. natural gas marketers, with natural gas sales in 2012 averaging approximately 6 billion cubic feet per day. Activities include capturing profitable trading opportunities and managing the market risks associated with holding physical natural gas positions. Chevron has contracted liquefied natural gas (LNG) offloading, storage and regasification capacity at the Sabine Pass LNG facility and natural gas transportation capacity in a third-party pipeline system connecting the terminal to the U.S. natural gas pipeline grid.

Other Americas

In Other Americas, the company is engaged in upstream activities in Argentina, Brazil, Canada, Colombia, Suriname, Trinidad and Tobago, and Venezuela. Net daily oil-equivalent production of 230,000 barrels during 2012 in these countries represented approximately 9 percent of the companywide total.

Canada

Chevron has interests in oil sands projects and shale acreage in the province of Alberta, exploration, development and production projects offshore in the Atlantic region, an LNG project and shale acreage in British Columbia, and exploration and discovered resource interests in the Beaufort Sea region of the Northwest Territories. Net daily production in 2012 from Canadian operations was 25,000 barrels of crude oil, 4 million cubic feet of natural gas and 43,000 barrels of synthetic oil from oil sands.



Western Canada

Athabasca Oil Sands Project (AOSP) The company holds a 20 percent nonoperated working interest in the AOSP near Fort McMurray, Alberta. Oil sands are mined from both the Muskeg River and the Jackpine mines. Bitumen is extracted from the oil sands and transported by pipeline to the Scotford Upgrader near Edmonton, Alberta, where it is upgraded into synthetic oil using hydroprocessing technology. In 2012, ramp-up associated with the AOSP Expansion 1 Project continued, increasing average total daily production to 225,000 barrels (43,000 net) of synthetic oil. As a result of the project, daily production design capacity was increased to approximately 255,000 barrels. In addition, a final investment decision was reached in mid-2012 on the Quest Project, a carbon capture and sequestration project that is designed to capture and store more than 1 million tons annually of carbon dioxide produced by bitumen processing at the AOSP by 2015.



Photo: The Muskeg River Mine, Athabasca Oil Sands Project.

Kitimat LNG In February 2013, Chevron acquired a 50 percent-owned and operated interest in the Kitimat LNG project and proposed Pacific Trail Pipeline, and a 50 percent nonoperated working interest in 644,000 total acres (2,606 sq km) in the Horn River and Liard shale gas basins in British Columbia. The Kitimat project is planned to include a two-train, 10.0 million-metric-ton-per-year LNG facility, and at the time of acquisition, FEED activities were in progress.

Exploration The company holds shale exploration leases totaling approximately 253,000 acres (1,024 sq km) in the Duvernay Shale formation and approximately 200,000 overlying acres in the Montney tight rock formation in Alberta. In 2012, drilling for these unconventional resources continued, with a multiwell Duvernay program on these 100 percent-owned and operated leases. Initial production to permanent facilities was achieved in late 2012.

Atlantic Canada

Chevron holds a 26.9 percent nonoperated working interest in the Hibernia Field that comprises two key reservoirs, Hibernia and Ben Nevis Avalon. Production decline continues to be mitigated through drilling programs for both reservoirs. Average net daily crude oil production in 2012 was 25,000 barrels.

Hibernia Southern Extension (HSE) The HSE Unit development is expected to increase the economic life of the Hibernia Field. Chevron has a 23.6 percent nonoperated working interest in the unitized HSE areas of the Hibernia Field. During 2011, two producing wells were completed from the Hibernia platform. Fabrication of topside and subsea equipment progressed in 2012. Total project costs are estimated to be \$1.8 billion. Full production start-up is planned for 2014. Proved reserves have been recognized for the initial wells drilled.

Hebron Chevron holds a 26.6 percent nonoperated working interest in the Hebron Field development located offshore the province of Newfoundland and Labrador. The development plan includes a concrete, gravity-base platform with a capacity of 150,000 barrels of crude oil per day. The maximum total daily crude oil production is expected to be 134,000 barrels. FEED activities were completed in 2012, and the final investment decision was made in December 2012. Project costs are estimated at \$14.0 billion. This heavy-oil field is estimated to contain total potentially recoverable oil-equivalent resources of more than 600 million barrels. The project has an expected economic life of 30 years, and first oil is expected in 2017. The initial recognition of proved reserves occurred during 2012 for this project.

Exploration Chevron operates and holds a 65 percent interest in an Orphan Basin exploration license totaling approximately 1.5 million acres (6,040 sq km). Drilling on a third exploration well in the Orphan Basin began in first quarter 2013. In the Flemish Pass Basin, Chevron holds a 40 percent nonoperated interest in exploration rights for two blocks totaling approximately 1.1 million acres (4,340 sq km). A 3-D seismic survey has been completed on these blocks in anticipation of a drilling decision in 2013. In 2012, no exploration activities were carried out on the 100 percent-owned and operated Exploration License 1109 located offshore Labrador, and the company is assessing plans for further exploration.

Northern Canada

Chevron holds two exploration licenses in the Beaufort Sea. One of the licenses is 100 percent-owned and operated. During second-half 2012, Chevron acquired 3-D seismic data on the second license, which is 60 percent-owned and operated. Chevron also holds a 35.4 percent nonoperated working interest in the offshore Amauligak discovery and is continuing to assess development concept alternatives.

Canada Natural Gas Marketing and Trading

Chevron holds a 94 percent interest in Aitken Creek and a 43 percent nonoperated interest in the Alberta Hub natural gas storage facilities, which have an aggregate total capacity of approximately 100 billion cubic feet. These facilities are located in western Canada, near the Duvernay, Horn River, Liard and Montney shale gas plays. The company provides natural gas storage services and products to a diverse customer base and conducts trading activities to optimize the overall value of these facilities.

Greenland

In December 2012, Chevron relinquished its 29.2 percent nonoperated working interest in Exploration License 2007/26, which included Block 4 offshore Disko Island, West Greenland.

Argentina

Chevron holds operated interests in four concessions in the Neuquen Basin, with working interests ranging 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. During 2012, net daily production averaged 21,000 barrels of crude oil and 4 million cubic feet of natural gas. In 2012, the company continued the development of El Trapial Field to mitigate production declines. El Trapial concession expires in 2032.

Exploration During 2012, the company drilled two exploratory wells targeting shale gas and tight oil resources in the Vaca Muerta formation in El Trapial concession. In early 2013, a third exploratory well commenced drilling and the results of the previous wells were under evaluation. Chevron plans to drill three additional appraisal wells in 2013.



■ Chevron Activity Highlight

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).

Frade The Frade Field lies in approximately 3,700 feet (1,128 m) of water, 230 miles (370 km) northeast of Rio de Janeiro. During 2012, net daily production averaged 6,000 barrels of crude oil and 2 million cubic feet of natural gas. In March 2012, production was suspended as a precautionary measure while studies were conducted to better understand the geology in the area. Field production is expected to partially resume in 2013, subject to necessary regulatory approvals. The concession that includes the Frade Field expires in 2025.

Papa-Terra The Papa-Terra project lies in approximately 3,900 feet (1,189 m) of water. The project involves a floating production, storage and offloading vessel (FPSO) and a tension leg wellhead platform, with a design capacity of 140,000 barrels of crude oil per day. Total potentially recoverable crude oil is estimated at approximately 350 million barrels. During 2012, construction activities and development drilling continued. The FPSO is scheduled to be completed and installed at the field in mid-2013. First production is expected in second-half 2013. Proved reserves have been recognized for this project. The concession expires in 2032.

Maromba Evaluation of the Maromba Field development concept continued in 2012 with an initial Plan of Development submitted to the authorities in September. The concession expires in 2032. At the end of 2012, proved reserves had not been recognized for this project.

Colombia

Chevron's activities in Colombia are focused on the production 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 and receives 43 percent of the production for the remaining life of each field and a variable production volume based on prior Chuchupa capital contributions. Net daily production in 2012 averaged 216 million cubic feet of natural gas. In 2013, plans include installing of additional compression facilities for existing fields and continuing to assess growth opportunities within the country.



Suriname

In November 2012, Chevron acquired a 50 percent nonoperated working interest in Blocks 42 and 45 offshore Suriname. The deep-water exploration blocks cover a combined area of approximately 2.8 million acres (11,331 sq km). Under the agreements, the company would assume the role of operator in the event of commercial discoveries. In 2013, an exploration program focused on seismic data acquisition and processing is planned.

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 development. Net daily production during 2012 from the Dolphin and Dolphin Deep fields averaged 173 million cubic feet of natural gas. These volumes were sold under four sales contracts.

Starfish Development of the Starfish Field commenced in third quarter 2012 and includes four development wells and a subsea tieback to the Dolphin A platform. First gas is expected in 2014. Natural gas from the project will supply existing contractual commitments. Proved reserves have been recognized for this project.

Exploration The company operates and holds a 50 percent interest in the Manatee Area of Block 6(d). The Manatee discovery comprises a single cross-border field with Venezuela's Loran Field in Block 2. In 2012, work continued on maturing commercial development concepts.

Venezuela

Chevron's production activities in Venezuela are performed by two affiliates in western Venezuela and one affiliate in the Orinoco Belt, which produces and upgrades heavy-oil resources. In addition, a Chevron-led consortium is participating in another heavy-oil project in the Orinoco Belt. Chevron also has interests in two offshore exploratory blocks in the Plataforma Deltana region. During 2012, net daily production averaged 64,000 barrels of liquids and 27 million cubic feet of natural gas.

Petroboscan The company holds a 39.2 percent interest in Petroboscan, which operates the onshore Boscan Field in western Venezuela under a contract expiring in 2026. During 2012, net daily production averaged 28,000 barrels of liquids and 5 million cubic feet of natural gas. Sixteen development wells were drilled in 2012.

Petroindependiente The company holds a 25.2 percent interest in Petroindependiente, which operates the LL-652 Field in Lake Maracaibo under a contract expiring in 2026. During 2012, net daily production averaged 1,000 barrels of liquids and 8 million cubic feet of natural gas.

Petropiar Chevron holds a 30 percent interest in Petropiar, which operates the Hamaca heavy-oil production and upgrading project under an agreement expiring in 2033. The project is located in the Orinoco Belt and includes processing and upgrading of extra heavy crude oil (8.5 degrees API gravity) into lighter, higher-value synthetic oil (up to 26 degrees API gravity). Net daily production averaged 17,000 barrels of synthetic crude oil, 18,000 barrels of extra-heavy crude oil and 14 million cubic feet of natural gas during 2012. A major turnaround was completed on the upgrader during third quarter 2012. Enhanced oil recovery studies also continued through 2012.

Petroindependencia Chevron holds a 34 percent interest in Petroindependencia, which is working toward commercialization of the Carabobo 3 Project. This heavy-oil project is located in three blocks within the Carabobo Area of the Orinoco Belt. Conceptual engineering for the potential development project is in progress. The primary term of the concession is for 25 years, with a 15-year extension granted upon upgrader start-up and commencement of thermal recovery operations. Project activities in 2012 focused on the plan of development.

Plataforma Deltana 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. The Loran Field in Block 2 and the Manatee Field in Trinidad and Tobago form a single, cross-border field that lies along the maritime border of Venezuela and Trinidad and Tobago. In 2012, work continued on maturing commercial development concepts.

Africa

In Africa, the company is engaged in upstream activities in Angola, Chad, Democratic Republic of the Congo, Liberia, Morocco, Nigeria, Republic of the Congo, Sierra Leone and South Africa. Net daily oil-equivalent production of 451,000 barrels during 2012 in these countries represented approximately 17 percent of the company-wide 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. In addition, Chevron has a 36.4 percent interest in Angola LNG Limited. During 2012, net daily liquids production averaged 128,000 barrels.



Block O

Block O is divided into areas A and B and contains 21 fields that produced a net daily average of 98,000 barrels of liquids in 2012. Area A comprises 15 producing fields and averaged net daily production of 60,000 barrels of crude oil and 2,000 barrels of liquefied petroleum gas (LPG). Area B has six producing fields and averaged net daily production of 31,000 barrels of crude oil and condensate and 5,000 barrels of LPG. The Block O concession extends through 2030. In 2012, Block O achieved its 4 billionth barrel of crude oil production.

Greater Vanza/Longui Area (GVLA) The GVLA development area is located approximately 37 miles (60 km) off the western coast of Angola in Area B. The project is anticipated to be a key supplier of gas to Angola LNG, and is scheduled to enter FEED in second-half 2013. At the end of 2012, proved reserves had not been recognized for this project.

Kambala Planning continues on a project to develop three reservoirs in the Kambala Field, which is located approximately 5 miles (8 km) offshore Angola in Area A. This project will further develop the Toca and Pinda reservoirs and establish production in the Vermelha reservoir. The project is scheduled to enter FEED in second-half 2013. At the end of 2012, proved reserves had not been recognized for this project.

Lifua The Lifua project is a waterflood program for the Likouala and Vermelha reservoirs in the Lifua Field. The project is scheduled to enter FEED in second-half 2013. At the end of 2012, proved reserves had not been recognized for this project.

Mafumeira Sul A final investment decision was reached in 2012 on the second stage of the Mafumeira Field development. The development plans include a central processing facility, two wellhead platforms, approximately 75 miles (121 km) of subsea pipelines, 34 producing wells and 16 water injection wells. Platform fabrication is scheduled to commence in third quarter 2013 with pipeline construction scheduled to begin in late 2013. First production is planned for 2015, with maximum total daily production expected to reach 110,000 barrels of crude oil and 10,000 barrels of LPG. The total potentially recoverable oil-equivalent resources are estimated at 300 million barrels. The project is estimated to cost \$5.6 billion. The initial recognition of proved reserves for the project occurred in 2012.

Nemba Enhanced Secondary Recovery (ESR) Stage 1 and 2

Work continued on the Nemba ESR Stage 1 and 2 Project in 2012. The total project is estimated to cost \$2.0 billion, and maximum total daily production is expected to be 13,000 barrels of oil-equivalent. The final stage of the development project includes additional compression facilities on a new platform that will be bridge-connected to the existing South Nemba platform. Installation of the platform is scheduled for late 2013, and start-up of the project is anticipated in early 2015. Proved reserves have been recognized for this project.

South N'Dola FEED activities continued during 2012 on the south extension of the N'Dola Field development. The development plans include a wellhead platform with production from 12 wells tied back to existing infrastructure. The facility is planned to have a design capacity of 28,000 barrels of crude oil per day. A final investment decision is planned for 2014. At the end of 2012, proved reserves had not been recognized for this project.

Exploration Drilling commenced on a post-salt/pre-salt dual objective exploration well in Area A in late 2012 and was completed in early 2013. The results are under evaluation. An additional pre-salt exploration well in Area A is planned during second-half 2013, along with one pre-salt and one post-salt appraisal well in Area B.

Block 14

In 2012, net daily production was 28,000 barrels of liquids from Benguela Belize-Lobito Tomboco, Kuito, Tombua and Landana fields. Development and production rights for the various producing fields in Block 14 expire between 2023 and 2028.

Lucapa Studies to evaluate development alternatives for the Lucapa Field, a multireservoir, deepwater development, located on the north rim of the Congo Canyon, were completed in early 2012, and the project entered FEED in June 2012. The development includes an FPSO and 17 subsea wells that will be located in approximately 4,000 feet (1,219 m) of water. The facility is planned to have a design capacity of 80,000 barrels of crude oil per day. A final investment decision is expected in 2014. At the end of 2012, proved reserves had not been recognized for this project.

Malange Development concept selection studies continued during 2012, with FEED planned to start in mid-2013. At the end of 2012, proved reserves had not been recognized for this project.

Exploration Activity during 2012 concentrated on well planning for key prospects. Additional 2012 exploration activities included the identification of new prospects and reprocessing of 3-D seismic data in northern Block 14.

Block 2 and FST Area

Net daily production averaged 2,000 barrels of liquids in 2012.

Natural Gas Commercialization

Natural gas commercialization efforts in Angola are expected to monetize a total potentially recoverable resource of approximately 4 trillion cubic feet of natural gas and 140 million barrels of liquids through export sales of LNG and NGLs. Major commercialization projects include participation in Angola LNG Limited and the Congo River Canyon Crossing Pipeline.

Angola LNG The 5.2 million-metric-ton-per-year LNG plant is located in Soyo, Angola, and will be operated by Angola LNG Limited. The plant is designed with a capacity to process 1.1 billion cubic feet of natural gas per day, with expected average total daily sales of 670 million cubic feet of natural gas and up to 63,000 barrels of NGLs. The plant reached mechanical completion, and commissioning activities continued through 2012. The first LNG shipment from the plant is expected to occur in second quarter 2013. The project is estimated to cost \$10 billion. The anticipated economic life of the project is in excess of 20 years. Proved reserves have been recognized for producing operations associated with this project.



Photo: Angola LNG plant in Soyo, Angola.

Congo River Canyon Crossing Pipeline Chevron holds a 38.1 percent interest in the pipeline which is designed to transport up to 250 million cubic feet per day of natural gas from Blocks 0 and 14 to the Angola LNG plant in Soyo, Angola. The development plans include 87 miles (140 km) of offshore pipeline routed under the Congo River subsea canyon. Fabrication of the pipeline operations platform was completed in 2012, and the platform installation occurred in early 2013. Pipeline construction activities began in first quarter 2013, with project completion targeted for 2014. The project is estimated to cost \$2 billion.

Angola-Republic of the Congo Joint Development Area

Chevron is the operator and holds a 31.3 percent interest in the Lianzi development zone, located in an area shared equally by Angola and the Republic of the Congo.

A final investment decision was reached on the Lianzi Project in July 2012. The project scope includes four producing wells and three water injection wells with a subsea tieback to an existing platform in Block 14. First production is anticipated in 2015. Maximum total daily production is expected to be 46,000 barrels of crude oil. The project is estimated to cost \$2.0 billion. The initial recognition of proved reserves for the project occurred in 2012.

Democratic Republic of the Congo

Chevron has a 17.7 percent nonoperated working interest in a concession off the coast of Democratic Republic of the Congo. Net daily production in 2012 from seven fields averaged 2,000 barrels of crude oil.

Republic of the Congo

Chevron has a 31.5 percent nonoperated working interest in the Haute Mer permit areas (Nkossa, Nsoko and Moho-Bilondo) and a 29.3 percent nonoperated working interest in the Kitina permit area, all of which are offshore. The licenses for Kitina, Nsoko, Nkossa and Moho-Bilondo expire in 2014, 2018, 2027 and 2030, respectively. Average net daily production in 2012 from Republic of the Congo fields was 17,000 barrels of liquids.

Moho Nord FEED activities for the Moho Nord project, located in the Moho-Bilondo development area, continued in 2012. The project development includes the Albion reservoirs producing to a new facilities hub and the Miocene reservoirs producing to both the new facilities hub and through a subsea tieback to the existing Moho-Bilondo FPU. A final investment decision is pending final government approvals. Maximum total daily production is expected to be 140,000 barrels of crude oil per day. At the end of 2012, proved reserves had not been recognized for the project.

Exploration One pre-salt exploration well was drilled within the Nkossa permit in 2012.

Chad/Cameroon

Chevron holds a nonoperated working interest in crude oil fields in southern Chad. The produced volumes are transported approximately 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. Net daily crude oil production in 2012 from seven fields in the Doba Basin averaged 22,000 barrels.

Nigeria

Chevron operates and holds a 40 percent interest in 13 concessions, predominantly in the onshore and near-offshore regions of the Niger Delta. The concessions cover 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. The company also holds acreage positions in four operated and six nonoperated deepwater blocks, with working interests ranging from 18 percent to 100 percent. In 2012, net daily production averaged 238,000 barrels of crude oil, 165 million cubic feet of natural gas and 4,000 barrels of LPG.

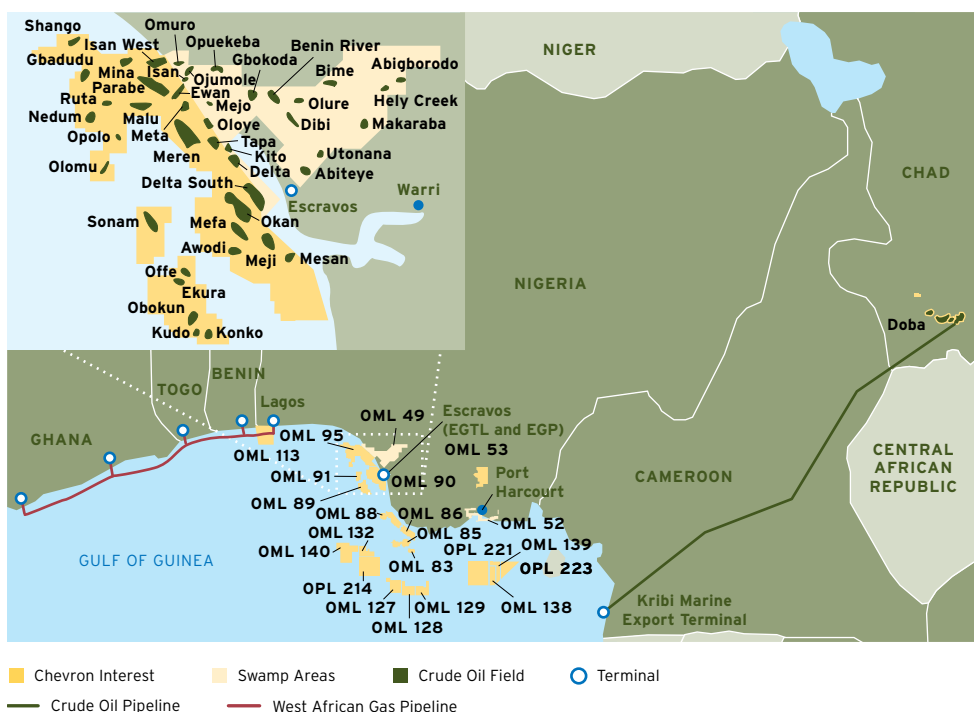
Niger Delta

In 2012, net daily production from 32 fields in the Niger Delta averaged 83,000 barrels of crude oil, 150 million cubic feet of natural gas and 4,000 barrels of LPG.

Olero Creek Restoration Project Work to rebuild the Olero Creek production facilities and to lay a new pipeline to transport natural gas from Abiteye to the processing facilities at Escravos was completed in fourth quarter 2012. The production facilities have a design capacity of 48,000 barrels of crude oil per day, and start-up is expected in 2013.

Dibi Long-Term Project This project is designed to rebuild the Dibi facilities that were vandalized in 2003 and replace the existing Early Production System facility, placed in service in 2007. The facilities have a maximum production capacity of 70,000 barrels of crude oil per day. A final investment decision was reached in first quarter 2013, and start-up is expected in 2016.

Exploration Shallow-water exploration activities to identify and evaluate potential deep gas targets are ongoing. Reprocessing of 3-D seismic data over Oil Mining Lease (OML) 86 and OML 88 and regional mapping activities continued in 2012.



Deep Water

In 2012, net daily production from the deepwater Agbami and Usan fields averaged 155,000 barrels of crude oil and 15 million cubic feet of natural gas.

Agbami In 2012, net daily production from the Agbami Field averaged 134,000 barrels of crude oil and 14 million cubic feet of natural gas. The 67.3 percent-owned and operated field spans OML 127 and OML 128. The 10-well Phase 2 development program, Agbami 2, is expected to offset field decline and to maintain a maximum total daily liquids production rate of 250,000 barrels. The first Phase 2 development well commenced production in second quarter 2012. Drilling is expected to continue through 2016. Total costs for the drilling program are estimated at \$1.9 billion. The leases that contain the Agbami Field expire in 2023 and 2024.

Usan Chevron holds a 30 percent nonoperated working interest in the Usan 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. Production commenced in first quarter 2012, and total daily production at year-end 2012 was 81,000 barrels of crude oil (21,000 net) and 3 million cubic feet of natural gas (1 million net). The facilities have a maximum daily production capacity of 180,000 barrels of crude oil. The field is estimated to contain total potentially recoverable crude oil in excess of 300 million barrels. The PSC expires in 2023.



Photo: Production commenced at the Usan Field in first quarter 2012.

Bonga SW/Aparo The Aparo Field in OML 132 and OML 140 and the third-party-owned Bonga SW Field in OML 118 share a common geologic structure and are planned to be developed jointly. The geologic structure lies 70 miles (113 km) off the coast of the western Niger Delta region in 4,300 feet (1,311 m) of water. The proposed development plan involves subsea wells tied back to an FPSO. The project is expected to enter FEED in 2013. At the end of 2012, no proved reserves were recognized for this project.

Exploration The company has a nonoperated working interest of 27 percent in Oil Prospecting License (OPL) 223 where an exploration well in Owowo West was drilled in third quarter 2012. 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. Additional exploration activities are planned for 2013 and 2014.

Natural Gas Commercialization

Chevron's natural gas commercialization efforts in the Escravos areas are expected to monetize a total potentially recoverable natural gas resource of approximately 18 trillion cubic feet through a combination of domestic and export sales, power generation, and use as fuel in company operations. Major commercialization projects include the continued expansion of the Escravos Gas Plant (EGP), construction of the Escravos Gas-to-Liquids (EGTL) facility, the Sonam Field Development and the Agura Independent Power Plant. Access to planned nearby LNG plants and expansion of domestic infrastructure may provide additional future commercialization opportunities.

EGP Phase 3B Chevron operates and holds a 40 percent interest in the EGP. Phase 3B is a continuation of the company's Western Delta Gas Development Program, focused on eliminating 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 74 miles (119 km) of subsea pipelines, and modifications to nine existing production platforms in eight near-shore fields. Construction of the pipelines and modifications to the production platforms continued through 2012. Construction of the gas gathering and compression platform began in July 2012. Total capital costs for the project are estimated to be \$2.4 billion, and the project is expected to be completed in 2016. Proved reserves have been recognized for the project.

EGTL Chevron and the NNPC 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 EGP Phase 3A expansion. Engineering, procurement, fabrication and bulk construction are complete. Commissioning activities were 26 percent complete and the overall work on the project was more than 89 percent complete in early 2013. Chevron is the operator and has a 75 percent interest in the plant, which is scheduled for start-up in late 2013. The estimated cost of the project is \$9.5 billion.



Photo: The EGTL facility in Escravos, Nigeria, is nearing completion.

Sonam Field Development The 40 percent-owned and operated Sonam Field Development project is designed to process natural gas through the EGP facilities, to deliver a total of 215 million cubic feet of natural gas per day to the domestic gas market and to produce a total of 30,000 barrels of liquids per day. The estimated cost of this project is \$1.7 billion. First production is expected in 2016. Proved reserves have been recognized for this project.

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 per day to the Nigerian domestic gas market. Construction was completed in third quarter 2012, and start-up commenced in late 2012.

West African Gas Pipeline With a 36.7 percent interest, Chevron is the largest shareholder in West African Gas Pipeline Company Limited, which owns and operates the 421-mile (678-km) West African Gas Pipeline. The pipeline supplies Nigerian natural gas to customers in Benin, Ghana and Togo for industrial applications and power generation and has the capacity to transport 170 million cubic feet of natural gas per day.

Assa-North/Ohaji South Development Chevron holds a 20 percent nonoperated working interest in this development project, located in OML 53, which is planned to supply natural gas to the domestic market. The project is expected to enter FEED in late 2013.

Agura Independent Power Plant Chevron operates and holds a 40 percent interest in the Agura Independent Power Plant project. Phase 1 of the development project has a design capacity of 330 megawatts. A final investment decision is expected in 2013 subject to the conclusion of commercial agreements and renewal of offshore leases.

Liberia

Chevron operates three deepwater blocks off the coast of Liberia. In July 2012, the company farmed down its interest from 70 percent to 45 percent in these blocks, LB-11, LB-12 and LB-14, which cover a combined area of 2.0 million acres (8,100 sq km). Exploration wells were drilled in the LB-11 block and in the LB-12 block during 2012. The focus for 2013 is maturation of drilling prospects based on the evaluation of 2012 drilling results and 3-D seismic data.



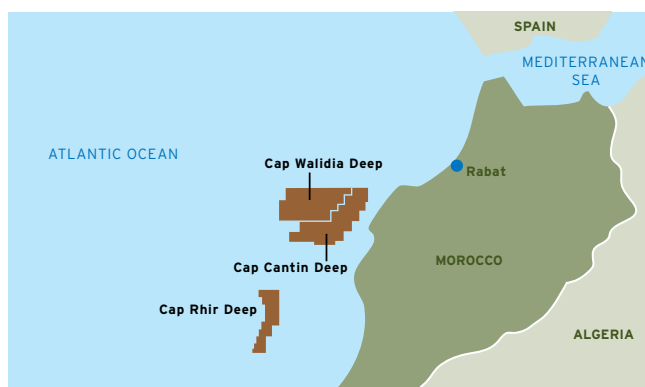
■ Chevron Interest

Sierra Leone

In September 2012, the company announced that it had been awarded operatorship and a 55 percent interest in a concession off the coast of Sierra Leone. The concession contains two deepwater blocks, SL-8A-10 and SL-8B-10, with a combined area of approximately 1.4 million acres (5,500 sq km). Acquisition of 2-D seismic data is planned for 2013.

Morocco

In early 2013, the company entered into agreements to acquire a 75 percent operated interest in three deepwater areas offshore Morocco. The areas, Cap Rhir Deep, Cap Cantin Deep and Cap Walidia Deep, encompass approximately 7.2 million acres (29,200 sq km). Once the award is finalized, acquisition of seismic data is planned.



■ Successful Bidder

South Africa

In December 2012, the company entered into an agreement to seek shale gas exploration opportunities in the Karoo Basin in South Africa. This agreement allows Chevron and its partner to work together over a five-year period to obtain exploration permits in the 151 million-acre (611,237-sq-km) basin.

Asia

In Asia, upstream activities are located in Azerbaijan, Bangladesh, Cambodia, China, Indonesia, Kazakhstan, the Kurdistan Region of Iraq, Myanmar, the Partitioned Zone between Saudi Arabia and Kuwait, the Philippines, Russia, Thailand, and Vietnam. Net daily oil-equivalent production of 1,061,000 barrels during 2012 in these countries represented approximately 41 percent of the company-wide total.

Azerbaijan

Chevron holds an 11.3 percent nonoperated working interest in Azerbaijan International Operating Company (AIOC) and the crude oil production from the Azeri-Chirag-Gunashli (ACG) fields. AIOC operations are conducted under a PSC that expires in 2024. Chevron also has an 8.9 percent interest in the Baku-Tbilisi-Ceyhan (BTC) Pipeline affiliate, which transports the majority of ACG production from Baku, Azerbaijan, through Georgia to Mediterranean deepwater port facilities at Ceyhan, Turkey.

In 2012, average net daily production was 26,000 barrels of crude oil and 10 million cubic feet of natural gas. AIOC production is exported primarily via the BTC pipeline and the Western Route Export Pipeline (WREP), which is wholly owned and operated by AIOC. The 1,099-mile (1,768-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.

ACG Chirag Oil Project During 2012, work continued on the ACG Chirag Oil Project. The project is designed to further develop the deepwater Gunashli Field and includes a new 48-slot platform. The total estimated cost of the project is \$6.0 billion, with an incremental targeted maximum total daily production of 103,000 barrels of oil-equivalent. Proved reserves have been recognized, and production is scheduled to begin in late 2013.



Kazakhstan

Chevron has a 50 percent interest in the Tengizchevroil (TCO) affiliate, which operates the Tengiz and Korolev fields. The company's nonoperated working interest in the Karachaganak Field was reduced in June 2012, from 20 percent to 18 percent as a result of a 2011 agreement with the Republic of Kazakhstan government. Net daily production in 2012 from TCO and Karachaganak was 273,000 barrels of liquids and 440 million cubic feet of natural gas.

Tengiz and Korolev TCO is developing the Tengiz and Korolev crude oil fields in western Kazakhstan under a concession agreement that expires in 2033. Net daily production in 2012 averaged 218,000 barrels of crude oil, 301 million cubic feet of natural gas and 18,000 barrels of NGLs. The majority of TCO's crude oil production was exported through the Caspian Pipeline Consortium (CPC) pipeline. The balance of production was exported via rail to Black Sea ports. In November 2012, TCO produced the 2 billionth barrel of crude oil from the Tengiz and Korolev fields since its formation in 1993.



Photo: Second Generation Plant at Tengiz, Kazakhstan.

In 2012, FEED activities were initiated for three projects. The Wellhead Pressure Management Project is designed to maintain production capacity and extend the production plateau from existing assets. The Capacity and Reliability Project is designed to reduce facility bottlenecks and increase plant efficiency and reliability. The Future Growth Project is designed to increase total daily production by 250,000 to 300,000 barrels of oil-equivalent and to increase the ultimate recovery of the reservoir. The project would expand the utilization of sour gas injection technology proven in existing operations. The final investment decisions for these projects are planned for late 2013. At the end of 2012, proved reserves have only been recognized for the Wellhead Pressure Management Project.

The Sulfur Expansion Project is expected to increase TCO's sulfur-granulation capacity and eliminate routine additions to sulfur inventory. Project start-up commenced in December 2012.

Karachaganak The Karachaganak Field is located in northwest Kazakhstan, and operations are conducted under a PSC that expires in 2038. The development of the field is being conducted in phases. Net daily production during 2012 averaged 37,000 barrels of liquids and 139 million cubic feet of natural gas. Approximately 35,000 net barrels per day of processed liquids were exported and sold at prices available in world markets. Most of the exported volumes were transported through the CPC pipeline. A portion was also exported via the Atyrau-Samara (Russia) pipeline. Liquids not exported by these pipelines were sold as condensate into the local and Russian markets. Work continues on identifying the optimal scope for the future expansion of the field. At the end of 2012, proved reserves had not been recognized for any further expansion.

Kazakhstan/Russia

CPC 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, providing the critical export route for crude oil production from both TCO and Karachaganak. Chevron holds a 15 percent interest in CPC. During 2012, the CPC pipeline transported an average of 657,000 barrels of crude oil per day to Novorossiysk, composed of 590,000 barrels per day originating from Kazakhstan and 67,000 barrels per day from Russia. In addition, approximately 94,000 barrels per day of Tengiz crude oil was discharged from the CPC pipeline in Atyrau, Kazakhstan, for loading onto rail cars.

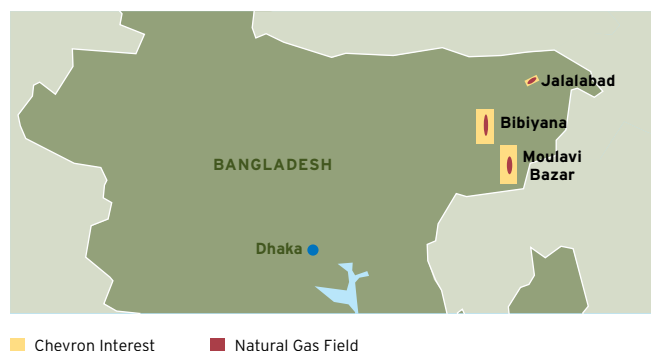
In 2012, work continued on the 670,000-barrel-per-day expansion of the pipeline capacity with the mechanical completion of the offshore loading system. The \$5.4 billion project is planned to be implemented in three phases, with capacity increasing progressively until reaching maximum capacity of 1.4 million barrels per day in 2016. The first increase in capacity of 400,000 barrels per day is expected in 2014. The expansion is expected to provide additional transportation capacity that accommodates a portion of the future growth in TCO production.

Turkey

In December 2012, Chevron relinquished its 50 percent interest in License 3921 in the Black Sea.

Bangladesh

Chevron holds interests in two operated PSCs in Bangladesh covering Block 12 (Bibiyana Field) and Blocks 13 and 14 (Jalalabad and Moulavi Bazar fields). The company has a 98 percent interest in all three blocks. The rights to produce from Jalalabad expire in 2024, from Moulavi Bazar in 2028 and from Bibiyana in 2034.



The company sells the natural gas production to the government under long-term sales agreements. In 2012, net daily production averaged 550 million cubic feet of natural gas and 2,000 barrels of condensate.

In April 2012, start-up of the Muchai compression project was achieved. The project supports additional daily natural-gas-production capacity of 80 million cubic feet from the Bibiyana, Jalalabad and Moulavi Bazar fields.

The Bibiyana Expansion project achieved a final investment decision in July 2012. The project includes a gas plant expansion, additional development wells and an enhanced liquids recovery unit, and is expected to increase the total maximum daily production by more than 300 million cubic feet of natural gas and 4,000 barrels of condensate. First production is expected in 2014, and the project's economic life will last for the duration of the PSC. The initial recognition of proved reserves for this project occurred in 2012.



Photo: An expansion project is under way at the Bibiyana natural gas plant.

In 2012, four development wells were drilled at Bibiyana, and additional development drilling is planned for 2013. Further seismic work to assess the potential of the Jalalabad Field is planned for 2013.

Cambodia

Chevron owns a 30 percent interest in and operates the 1.2 million-acre (4,709-sq-km) Block A, located in the Gulf of Thailand.

In 2012, the company progressed discussions on the production permit for development of Block A. The planned development consists of a wellhead platform and a floating storage and offloading vessel (FSO). A final investment decision for the development is pending resolution of commercial terms. At the end of 2012, proved reserves had not been recognized for the project.

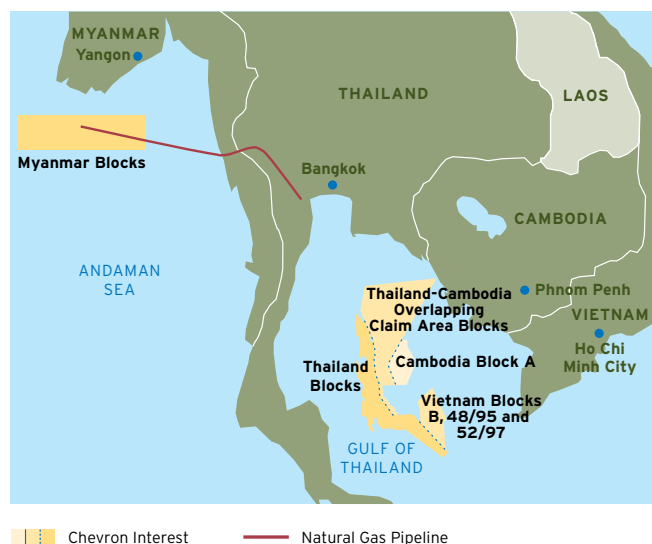
Myanmar

Chevron has a 28.3 percent nonoperated working interest in a PSC for the production of natural gas from the Yadana and Sein fields, within Blocks M5 and M6, in the Andaman Sea. The PSC expires in 2028. The company also has a 28.3 percent nonoperated working interest in a pipeline company that transports the natural gas to the Myanmar-Thailand border for delivery to power plants in Thailand.

Most of the natural gas production is sold for use in power plants in Thailand. The remaining volumes are dedicated to the Myanmar market. Net daily natural gas production during 2012 averaged 94 million cubic feet.

In 2012, drilling of one infill well to maintain plateau production was completed, and the timing of drilling a second infill well is being evaluated.

A 3-D seismic survey for Block M6 started in 2012 and was completed in early 2013.



Thailand

In the Gulf of Thailand, Chevron has operated and nonoperated working interests in multiple offshore blocks. Operated interests are in the Pattani Basin, with ownership interests ranging from 35 percent to 80 percent. Concessions for the producing areas in the Pattani Basin expire between 2020 and 2035. In the Malay Basin, Chevron holds a 16 percent nonoperated working interest in the Arthit Field. Concessions for the producing areas in the Malay Basin expire between 2036 and 2040.

The company sells the natural gas production to the domestic market under long-term sales agreements. Net average daily production in 2012 was 67,000 barrels of crude oil and condensate and 1.1 billion cubic feet of natural gas.

During 2012, 12 wellhead platforms were installed and 325 development wells were drilled in the Pattani Basin, and four wellhead platforms were installed and 43 development wells were drilled at the Arthit Field.

Work progressed on evaluating the Ubon project. A decision to proceed into FEED is expected in second-half 2013. The development concept is expected to include facilities and wells to develop resources in Block 12/27. At the end of 2012, proved reserves had not been recognized for this project.

In 2012, the company drilled six exploration wells in the operated areas of the Pattani Basin. Four of the wells were successful. In addition, at the Arthit Field six exploration wells were drilled, five of which were successful.

Chevron also holds operated and nonoperated working interests in the Thailand-Cambodia overlapping claims area that range from 30 percent to 80 percent. As of early 2013, these areas were inactive pending resolution of border issues between Thailand and Cambodia.

Vietnam

The company is the operator of two 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. The company also has a 28.7 percent nonoperated interest in a pipeline project to deliver natural gas from the Block B Gas Development to utility companies in southern Vietnam.

Block B Gas Development In 2012, FEED and commercial evaluation continued for the Block B Gas Development Project. The project includes installation of wellhead and hub platforms, an FSO, field pipelines, a living quarters platform, a central processing platform, and a pipeline to shore. Targeted maximum total daily production is 490 million cubic feet of natural gas and 4,000 barrels of condensate. A final investment decision for the development is pending resolution of commercial terms. At the end of 2012, proved reserves had not been recognized for the development project.

Exploration During 2012, the company drilled two exploratory wells in Block 52/97, and both were successful.

China

Chevron has four operated PSCs in China. One PSC is for the 49 percent-owned and operated Chuandongbei Project, which is composed of several natural gas fields located in the onshore Sichuan Basin. This PSC expires in 2037. The company also has a 59.2 percent-owned and operated interest in deepwater Block 42/05 in the South China Sea, which covers an exploratory area of approximately 1.3 million acres (5,271 sq km). In 2012, Chevron entered into an agreement to acquire a 100 percent-owned and operated interest in shallow-water Blocks 15/10 and 15/28 in the South China Sea, which cover approximately 1.4 million acres (5,782 sq km). Government approval is expected in first-half 2013.

The company also has four nonoperated PSCs. In the South China Sea, the company has a 32.7 percent nonoperated working interest in offshore Blocks 16/08 and 16/19, located in the Pearl River Mouth Basin. In Bohai Bay, the company holds a 16.2 percent nonoperated working interest in Block 11/19 and a 24.5 percent nonoperated working interest in the Qinhuangdao (QHD) 32-6 Field. The PSC for Block 16/08 expires at the end of 2013, and the PSCs for Block 16/19, the QHD 32-6 Field and Block 11/19 expire between 2019 and 2022.

In 2012, net average daily production was 20,000 barrels of crude oil and condensate and 9 million cubic feet of natural gas.

In Bohai Bay, an FPSO replacement project progressed during 2012 and is expected to be completed in third quarter 2013.

Chuandongbei The full development includes two sour-gas processing plants with an aggregate inlet design capacity of 740 million cubic feet per day, connected by a gas gathering system to five natural gas fields. In 2012, the company continued construction of the first natural gas processing plant and development of the LuoJiazhai and Gunziping natural gas fields. The initial plant, with an expected maximum total production of 258 million cubic feet per day, is targeted for mechanical completion at the end of 2013. In addition, site preparation commenced during 2012 for the second natural gas processing plant. Planned maximum total daily natural gas production is 558 million cubic feet, and the total project cost is estimated to be \$6.4 billion. This project is estimated to contain total potentially recoverable natural gas resources of 3 trillion cubic feet. Proved reserves have been recognized for the project. The project's estimated economic life exceeds 20 years from the time of start-up.



Photo: Construction of the Chuandongbei natural gas plant.

QHD 32-6 Stage 2 Work continued in 2012 for QHD 32-6 Stage 2, which includes four platforms and additional facilities to further develop resources in the QHD 32-6 Field. Maximum total daily production is expected to be 36,000 barrels of crude oil. At the end of 2012, proved reserves had been recognized for this project. First production is expected in fourth quarter 2013.

Exploration At the Chuandongbei Project, drilling of an exploration well is expected to commence in third quarter 2013.

During 2012, the company drilled the final two wells of a three-well program in the South China Sea deepwater Blocks 42/05, 53/30 and 64/18, and both were unsuccessful. Additional 3-D seismic data was also acquired over Block 42/05. Further exploration drilling is under evaluation. In November 2012, the company relinquished its interest in Blocks 53/30 and 64/18. Also in the South China Sea, a 3-D seismic survey for Block 15/10 and Block 15/28 is expected to commence in mid-2013.

During 2012, the company drilled an initial exploratory well for shale gas in the Qiannan Basin. Evaluation of the well continued in early 2013. Additional drilling is planned for 2013.



Philippines

Malampaya Chevron holds a 45 percent nonoperated working interest in the Malampaya natural gas field, located approximately 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. Net daily production during 2012 averaged 120 million cubic feet of natural gas and 4,000 barrels of condensate. During 2012, plans progressed on Malampaya Phase 2 to drill two additional infill wells and to add depletion compression facilities. Start-up is planned for 2014. Proved reserves have been recognized for this project.

Geothermal Chevron develops and produces steam resources for the third-party Tiwi and Mak-Ban geothermal power plants in southern Luzon, which have a combined generating capacity of 637 megawatts. During fourth quarter 2012, Chevron sold 60 percent of its interest in these geothermal operations in order to secure a 25-year geothermal operating contract with the Philippine government for the continued development and operation of the steam fields.

In addition, Chevron holds a 90 percent-owned and operated interest in the Kalinga geothermal prospect area in northern Luzon, which is under a 25-year renewable-energy service contract with the Philippine government. During 2012, the project continued the early phase of geological and geophysical assessment. If successful, it could add an additional 100 megawatts of capacity to Chevron's geothermal portfolio.

Indonesia

Chevron's operated interests in Indonesia include two onshore PSCs on the island of Sumatra, four PSCs offshore East Kalimantan and two PSCs onshore in West Papua. In addition, the company operates two geothermal fields in West Java and a cogeneration plant and geothermal prospect area in Sumatra. Chevron holds a nonoperated working interest in the offshore South Natuna Sea Block B, located northeast of the island of Sumatra. Net daily production in 2012 from all producing areas in Indonesia averaged 158,000 barrels of liquids and 236 million cubic feet of natural gas.

Sumatra

Chevron's interests in Sumatra include the 100 percent-owned and operated Rokan and Siak PSCs, which will expire in 2021 and fourth quarter 2013, respectively. Net daily production averaged 137,000 barrels of crude oil and 48 million cubic feet of natural gas in 2012.

During 2012, the majority of Chevron's Sumatran 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 2012, 73 percent of the field was under steam injection, with net daily production averaging 72,000 barrels of crude oil.



Photo: Steam station at the Duri Field in Sumatra.

The remaining production from the Rokan PSC is in the Sumatra light-oil area, consisting of approximately 90 active fields with net daily production that averaged 65,000 barrels of liquids and 48 million cubic feet of natural gas in 2012. During 2012, 135 wells were drilled in this area.

The company continues to implement projects designed to sustain production, improve reliability and increase recovery from existing reservoirs. In Area 1 through Area 12 of the Duri Field, 186 production wells and 56 steam injection and observation wells were drilled during 2012. Development also continued in the northern region of the field. Construction began on the Duri Development Area 13 expansion project in fourth quarter 2012. First production is scheduled for late 2013, and the maximum total daily production of 17,000 barrels of crude oil is expected to be reached in 2016. In the Minas Field, 57 production wells were drilled during 2012, and efforts continued to optimize the waterflood program to sustain

field production. A pilot project for a chemical injection process that could further improve recoverability of light oil in Minas and surrounding fields was progressed with first pilot test injection in 2012.

Exploration During 2012, four exploration wells were drilled. Two wells were successful and the results for two wells are under evaluation in early 2013. Appraisal and exploration drilling is planned for 2013.



East Kalimantan

Chevron's operated working interests in East Kalimantan include four offshore PSC areas that cover approximately 2.8 million acres (11,100 sq km) in the Kutei Basin, including the East Kalimantan (92.5 percent), Makassar Strait (72 percent), Rapak (62 percent) and Ganai (62 percent) PSCs.

Net daily production averaged 14,000 barrels of crude oil and 102 million cubic feet of natural gas in 2012, with the majority of production from 14 producing fields in the shelf area within the East Kalimantan PSC. The shelf area averaged 12,000 net barrels of liquids and 91 million net cubic feet of natural gas. The East Kalimantan PSC expires in 2018. The remaining production came from the deepwater West Seno Field in the Makassar Strait PSC, with net daily production averaging 2,000 barrels of liquids and 11 million cubic feet of natural gas in 2012. The Makassar Strait PSC expires in 2020.

The company continues to implement development projects designed to sustain production, increase recovery and improve reliability from existing reservoirs in both the shelf and deepwater areas. In the shelf area, Chevron continued to execute a development program, with 16 wells drilled in 2012. Based on the positive results of the drilling program, additional seismic data acquisition and processing is planned for 2013.

In addition, there are two deepwater development projects in the Kutei Basin progressing under a single plan of development.

Gendalo-Gehem The Gendalo-Gehem natural gas project includes two separate hub developments, each with its own FPU, subsea drill centers, natural gas and condensate pipelines, and onshore receiving facility. Gas from the project is expected to be used domestically and for LNG export. Maximum total daily production from the project is expected to be approximately 1.1 billion cubic feet of natural gas and 31,000 barrels of condensate. The company's working interest is approximately 63 percent. During 2012, the company completed FEED for the project and requested bids for all major contracts. A final investment decision is planned for 2014. This project is estimated to contain a total potentially recoverable natural gas resource of 3 trillion cubic feet. At the end of 2012, proved reserves had not been recognized for this project.

Bangka During 2012, the company requested bids for all major contracts for the Bangka Project. A final investment decision is planned for 2013. The project scope includes a subsea tieback to an FPU with a maximum total daily production of 114 million cubic feet of natural gas and 4,000 barrels of condensate. The company's working interest is 62 percent. At the end of 2012, proved reserves had not been recognized for this project.

South Natuna Sea Block B

Chevron holds a 25 percent nonoperated working interest in the off-shore South Natuna Sea Block B. Block B production is from five natural gas fields and two crude oil fields. Net daily production during 2012 averaged 7,000 barrels of liquids and 86 million cubic feet of natural gas.

West Papua

Chevron's interests in West Papua include the 51 percent-owned and operated West Papua I and West Papua III PSCs. The two onshore blocks cover approximately 2 million acres (8,000 sq km) and are in close proximity to a third-party LNG facility. In 2012, 2-D seismic data acquisition and processing was completed for West Papua I. Acquisition and processing of 2-D seismic data for West Papua III is planned for completion in 2013.

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.

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.

In Sumatra, Chevron operates and holds a 95 percent interest in the North Duri Cogeneration Plant, supplying up to 300 megawatts of electrical power to the company's Sumatra operations and steam in support of the Duri steamflood project. In addition, Chevron holds a 95 percent-owned and operated interest in the Suoh-Sekincau prospect area located in the Lampung Barat Regency, South Sumatra. Chevron was issued an exploration license and is in the early phase of geological and geophysical assessment. If successful, additional development could add approximately 200 megawatts to Chevron's geothermal portfolio.

Kurdistan Region of Iraq

In July 2012, the company announced the acquisition of an 80 percent-owned and operated interest in two PSCs covering the Rovi and Sarta blocks in the Kurdistan Region of Iraq. The blocks cover a combined area of approximately 232,000 acres (937 sq km).

Partitioned Zone

Chevron holds a concession agreement to operate the Kingdom of Saudi Arabia's 50 percent interest in the hydrocarbon resources of the onshore area of the Partitioned Zone between Saudi Arabia and Kuwait. Under the concession agreement, Chevron has the right to Saudi Arabia's 50 percent interest in the hydrocarbon resources. The concession expires in 2039.

During 2012, net daily production from four fields averaged 86,000 barrels of crude oil and 21 million cubic feet of natural gas. During 2012, 89 wells were drilled. Development drilling, well workovers and numerous facility-enhancement programs that began in 2012 and are scheduled to continue in 2013 are expected to partially offset field declines.



Wafra The Large-Scale Steamflood Pilot Project (LSP) at the Wafra Field involves steamflooding in the First Eocene carbonate reservoir. Through 2012, the company continued with the steam injection pilot project.



Photo: Wafra Steamflood facilities.

In 2012, work progressed to expand application of the LSP to the Second Eocene carbonate reservoir. The project is expected to enter FEED by late 2013. The site preparation work is completed and the test wells have been drilled.

Development planning also continued on a full-field steamflood application in the Wafra Field. The Wafra Steamflood Stage 1 Project is expected to commence FEED in 2014. Stage 1 is expected to reach maximum total daily production of 80,000 barrels of crude oil. At the end of 2012, proved reserves had not been recognized for any of these steamflood developments.

During 2012, FEED activities continued on the Central Gas Utilization Project. The project is intended to increase natural gas utilization and eliminate natural gas flaring at the Wafra Field. A final investment decision is expected in 2014. At the end of 2012, proved reserves had not been recognized for the project.

Australia

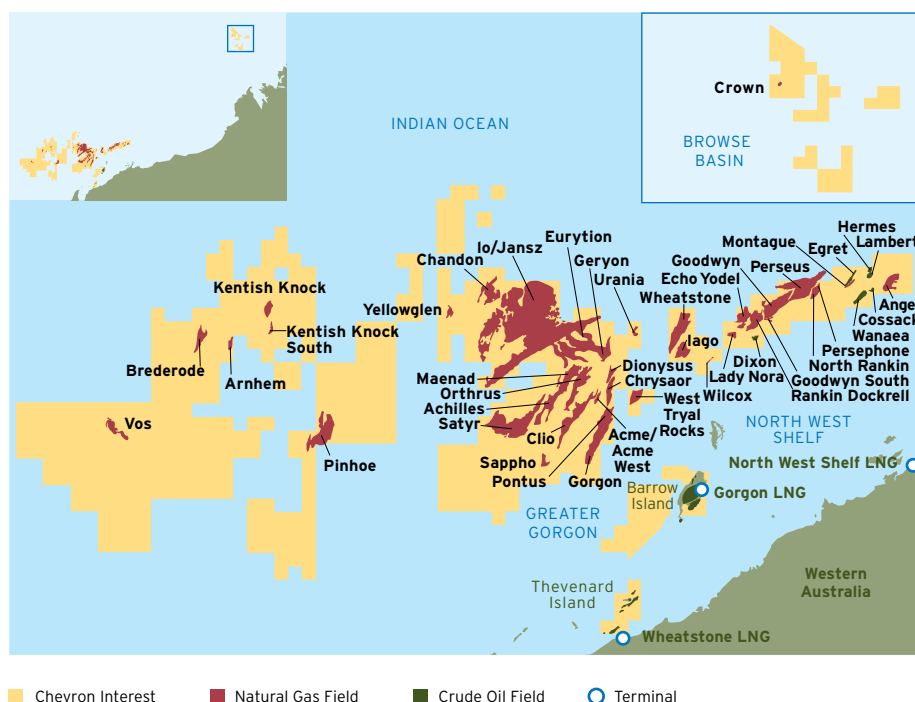
Chevron is the largest holder of natural gas resources in Australia and the operator of two major LNG projects, Gorgon and Wheatstone, where total potentially recoverable natural gas from the fields that will supply these projects is estimated at 50 trillion cubic feet. Chevron also has a nonoperated working interest in the North West Shelf (NWS) Venture LNG project. During 2012, the company's net daily oil-equivalent production in Australia averaged 99,000 barrels.

Gorgon Chevron holds a 47.3 percent interest across most of the Greater Gorgon Area and is the operator of the Gorgon Project, which combines the development of the Gorgon Field and the nearby I/Jansz Field. The development includes a three-train, 15.6 million-metric-ton-per-year LNG facility, a carbon sequestration project and a domestic natural gas plant with a capacity of 280 million cubic feet per day. The facilities are being constructed on Barrow Island. The offshore portion of the development includes subsea infrastructure and pipelines. Maximum total daily production from the project is expected to reach approximately 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate. Start-up of the first train is expected in late 2014, leading to the first LNG cargo in first quarter 2015. The total estimated project cost for the first phase of development is \$52 billion. Proved reserves have been recognized for this project. The project's estimated economic life exceeds 40 years from the time of start-up.

Work on the project continued to progress, with approximately 60 percent of the project completed as of mid-March 2013. Key milestones achieved during 2012 and early 2013 include completion of the material offloading facility on Barrow Island and the arrival and installation of the first LNG plant modules. Installation activities also began on the Train 1 compressors and domestic gas pipeline. Progress continued on the construction of the LNG tanks and jetty. The construction village on Barrow Island was completed in early 2013, providing accommodation facilities for a peak, on-island workforce of approximately 5,000.



Photo: A major milestone was achieved with the arrival of the first LNG plant modules on Barrow Island in Western Australia.



Construction of the upstream facilities also advanced during 2012 with major activities under way, including the installation of the first subsea wellhead trees and subsea pipelines. The development drilling program is also progressing, with eight Gorgon wells and 10 Jansz wells drilled in 2012 with completions planned in 2013.

Gorgon has awarded contracts for materials and services totaling \$33 billion, more than \$18 billion of which is with Australian companies. Outside Australia, fabrication of modules in yards in South Korea, China and Indonesia is progressing as planned.

Chevron has signed binding, long-term LNG Sales and Purchase Agreements with six Asian customers for delivery of approximately 4.8 million metric tons of LNG per year, which brings delivery commitments to approximately 65 percent of Chevron's share of LNG from this project. Discussions continue with potential customers to increase long-term sales to around 85 percent of Chevron's net LNG offtake. Chevron also has binding, long-term agreements for delivery of approximately 65 million cubic feet per day of natural gas to Western Australian natural gas consumers starting in 2015, and the company continues to market additional natural gas quantities from the Gorgon Project.

An expansion project to develop a fourth train is expected to enter FEED in late 2013. At the end of 2012, proved reserves had not been recognized for the fields associated with this project.

Wheatstone Chevron is the operator of the Wheatstone Project, which includes a two-train, 8.9 million-metric-ton-per-year LNG facility and a domestic gas plant, both located at Ashburton North, on the Pilbara coast. The company plans to supply natural gas to the facilities from three company-operated licenses containing the Wheatstone Field and the nearby Iago Field. The maximum total daily production from these and third-party fields is expected to be approximately 1.6 billion cubic feet of natural gas and 30,000 barrels of condensate. Start-up of the first train is expected in 2016. The foundation phase of the company-operated project is estimated to cost \$29 billion. Proved reserves have been recognized for this project. The project's estimated economic life exceeds 30 years from the time of start-up.

In 2012, construction and fabrication progressed, with a focus on delivering site infrastructure, including accommodation facilities, roads and water supply to enable efficient plant construction. Elsewhere, fabrication commenced on key upstream components, including the platform and subsea equipment. A total of \$19 billion in contracts for materials and services had been awarded by mid-March 2013. Of this amount, \$9.7 billion was committed to Australian companies. Chevron signed additional commercial agreements that decreased Chevron's interest in the offshore licenses to 80.2 percent and in the LNG facilities to 64.1 percent. The company also executed agreements with Asian customers for the delivery of additional volumes of LNG. As of year-end 2012, more than 80 percent of Chevron's equity LNG offtake is covered under long-term agreements with customers in Asia. In addition, the company has begun marketing its equity share of natural gas of approximately 120 million cubic feet per day to Western Australian natural gas consumers.



Photo: Wheatstone construction site at Ashburton North.

Gorgon and Wheatstone Exploration During 2012 and early 2013, Chevron announced seven natural gas discoveries in the Carnarvon Basin. These include natural gas discoveries at the 47.3 percent-owned and operated Pontus prospect in Block WA-37-L, the 50 percent-owned and operated Satyr prospect in Block WA-374-P, the 50 percent-owned and operated Pinhoe prospect in Block WA-383-P, the 50 percent-owned and operated Arnhem prospect in Block WA-364-P, and the 50 percent-owned and operated Kentish Knock South prospect in Block WA-365-P. These discoveries are expected to contribute to potential expansion at company-operated LNG projects.

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 and a domestic gas plant. Production is from the Angel, Echo Yodel, Goodwyn, North Rankin and Perseus natural gas fields and the Cossack, Hermes, Lambert and Wanaea crude oil fields. The NWS Venture concession expires in 2034.

Net daily production during 2012 averaged 20,000 barrels of crude oil and condensate, 4,000 barrels of LPG, and 428 million cubic feet of natural gas. Approximately 70 percent of the natural gas was sold in the form of LNG to major utilities in Asia, primarily under long-term contracts, with the remainder sold to the domestic market in Western Australia.

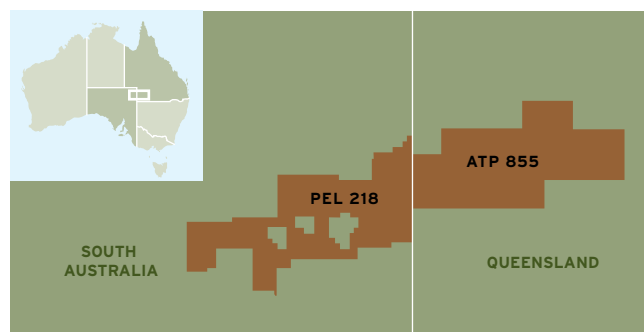
The North Rankin 2 Project (NR2) continued to advance during 2012, with start-up expected in mid-2013. NR2 is designed to recover remaining low-pressure natural gas from the North Rankin and Perseus fields to meet gas supply needs and maintain NWS production capacity of approximately 2 billion cubic feet of natural gas and 39,000 barrels of condensate. Proved reserves have been recognized for this project. Total estimated projects costs are \$5.4 billion. The project's estimated economic life exceeds 20 years from the time of start-up.

The NWS Venture continues to progress additional natural gas supply opportunities through development of a number of smaller fields on the western flank of the Goodwyn reservoirs and undeveloped satellite fields east of North Rankin reservoirs. During 2012, construction progressed on the Greater Western Flank-1 project, which is the first phase of these developments. Start-up of the first phase is expected in 2016.

Browse Basin In October 2012, the company exchanged its 16.7 percent interest in the East Browse leases and its 20 percent interest in the West Browse leases for financial consideration and a 33.3 percent interest in the WA-205-P and WA-42-R blocks in the Carnarvon Basin, which contain the Clio and Acme Fields, and now holds a 100 percent interest in these blocks. The company retains other nonoperated working interests ranging from 24.8 percent to 50 percent in three other blocks in the Browse Basin. Drilling in the fourth quarter 2012 resulted in a natural gas discovery at the Crown prospect in Block WA-274-P.

Barrow Island and Thevenard Island On these two islands off the northwest coast of Australia, Chevron-operated net daily production in 2012 averaged 4,000 barrels of crude oil. Chevron's interests are 57.1 percent for Barrow and 51.4 percent for Thevenard.

Cooper Basin In early 2013, the company has reached agreement to acquire interests in two onshore blocks that are prospective for natural gas production from tight gas and shale. The blocks cover approximately 810,000 total acres (3,277 sq km) in the Cooper Basin in central Australia. The acquisition, pending government approvals, includes a 30 percent nonoperated working interest in the Permian section of PEL 218 in South Australia and an 18 percent nonoperated working interest in ATP 855 in Queensland. Under the farm-in agreement, Chevron could earn a 60 percent nonoperated working interest in PEL 218 and a 36 percent nonoperated working interest in ATP 855.



■ Pending Government Approval

Europe

In Europe, the company is engaged in upstream activities in Bulgaria, Denmark, Lithuania, the Netherlands, Norway, Poland, Romania, Ukraine and the United Kingdom. Net daily oil-equivalent production of 114,000 barrels during 2012 in these countries represented approximately 4 percent of the companywide total.

Denmark

Chevron holds a 12 percent nonoperated working interest in the Danish Underground Consortium (DUC). In July 2012, as part of a 30-year concession extension, the state-owned Danish North Sea Fund received a 20 percent ownership of the DUC in exchange for the previous 20 percent government profit-take arrangement and the company's interest was reduced from 15 percent to 12 percent. The DUC has production from 13 North Sea fields. Average net daily production in 2012 from the DUC was 24,000 barrels of crude oil and 74 million cubic feet of natural gas. The concession expires in 2042.



Netherlands

Chevron operates and holds interests in 10 blocks in the Dutch sector of the North Sea. Five blocks, with a unitized interest of 34.1 percent, make up the A/B Gas Project. The company also has interests ranging from 46.7 percent to 80 percent in three blocks that contain other producing fields and a 48 percent interest in the P/1 and P/2 exploration blocks. In 2012, average net daily production was 2,000 barrels of crude oil and 42 million cubic feet of natural gas.

Norway

Chevron holds a 7.6 percent nonoperated working interest in the Draugen Field. Net daily average production in 2012 was 3,000 barrels of crude oil.

Chevron has a 40 percent-owned and operated interest in the PL 527 exploration license, which covers 892,000 acres (3,609 sq km) within the deepwater portion of the Norwegian Sea. In 2012, Chevron began processing two 3-D seismic surveys, which were acquired in 2011, with final processing expected to be completed by second quarter 2013.

Chevron also has a 40 percent-owned and operated interest in exploration license PL 598, which covers 409,000 total acres (1,654 sq km) within the deepwater portion of the Norwegian Sea and is 25 miles (40 km) southwest of the PL 527 license. In 2012, Chevron acquired a 3-D seismic survey and expects to complete the seismic data processing by year-end 2013.

United Kingdom

Chevron has interests in 10 offshore producing fields, 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).

Net daily production in 2012 from the 10 fields averaged 46,000 barrels of liquids and 122 million cubic feet of natural gas. Most of the production was from three fields: the Captain Field, with net average daily production of 26,000 barrels of liquids and 4 million cubic feet of natural gas; the Britannia Field, with net average daily production of 3,000 barrels of liquids and 67 million cubic feet of natural gas; and the Alba Field, with net average daily production of 5,000 barrels of liquids.

The company continues to implement projects designed to sustain production and increase recovery at Captain, Britannia and Alba. At Captain, six new development wells, from platform and subsea locations, added net daily production of 5,000 barrels of crude oil in 2012, which partially offset normal field decline. Continued development drilling is expected through 2018. Testing of enhanced oil recovery continued through a pilot study utilizing polymer injection, and is forecasted to continue through first-half 2013. At Britannia, work continued on the long-term compression project to install a low-pressure compression module to increase field recovery with start-up expected in 2014. At Alba, a 4-D seismic survey was used to plan and drill three development wells during 2012. Development drilling is expected to continue beyond 2015.

Alder The 70 percent-owned and operated Alder high-temperature, high-pressure gas condensate discovery, located approximately 17 miles (27 km) to the west of the Britannia Field, is being evaluated as a potential subsea development. The maximum total daily production is planned to be 30,000 barrels of oil-equivalent. A final investment decision is planned for late 2013. At the end of 2012, proved reserves had not been recognized for this project.

Clair Ridge Chevron holds a 19.4 percent nonoperated working interest in the Clair Ridge project, located 47 miles (75 km) west of the Shetland Islands. Clair Ridge is the second development phase of the Clair Field. Procurement and fabrication activities began in 2012. The total estimated cost of the project is \$7 billion, and the design capacity is 120,000 barrels of crude oil per day. Production is scheduled to begin in 2016, and the project's estimated economic life exceeds 40 years from the time of start-up. The project is estimated to provide incremental potentially recoverable resources in excess of 600 million barrels. Proved reserves have been recognized for the Clair Ridge project.

Rosebank The Rosebank Field is approximately 80 miles (129 km) northwest of the Shetland Islands in 3,658 feet (1,115 m) of water. Chevron operates and holds a 40 percent interest in the project, which entered FEED in July 2012. A final investment decision is planned for 2014. Maximum total daily production is expected to reach 64,000 barrels of liquids and 42 million cubic feet of natural gas. The field is estimated to contain total potentially recoverable oil-equivalent resource of 240 million barrels. At the end of 2012, proved reserves had not been recognized for this project.

Exploration West of the Shetland Islands, an exploration well was drilled at the Aberlour prospect in the 40 percent-owned and operated License P1194. The well was unsuccessful. Applications for additional exploration acreage were submitted under the UK 27th Licensing Round, which closed May 2012. Full and partial block relinquishments have been made during the year under Licenses P119 (Strathspey area), P1026, P1191 and P1194 (Aberlour).

Bulgaria

In June 2011, the Bulgarian government advised that Chevron had submitted a winning tender for a permit for exploration in a 1.1 million-acre (4,372-sq-km) area in northeast Bulgaria. In January 2012, prior to execution of the license agreement, the Bulgarian government announced the withdrawal of the decision awarding the permit, and the Bulgarian parliament imposed a ban on hydraulic fracturing, a technology commonly used for shale development and production. Chevron continues to work with the government of Bulgaria to provide the necessary assurances to both the government and the public that hydrocarbons from shale can be developed safely and responsibly.

Lithuania

In October 2012, Chevron acquired a 50 percent interest in an exploration and production company. In 2013, the affiliate plans to commence shale exploration activities in the 394,000-acre (1,595-sq-km) Rietavas Block. Drilling of an exploration well is planned for mid-2013.

Poland

Chevron holds four shale concessions in southeast Poland (Frampol, Grabowiec, Krasnik and Zwierzyniec), totaling 1.1 million acres (4,391 sq km). All four exploration licenses are 100 percent-owned and operated. The drilling of the first well in the Grabowiec concession was completed in March 2012, followed by a diagnostic fracture integrity test conducted in December 2012. As of early 2013, the results of the well are under evaluation. A first well was also drilled in the Frampol concession during 2012. Drilling of a well in the Zwierzyniec concession commenced in December 2012. Continued exploration drilling is planned for 2013.



■ Chevron Interest ■ Successful Bidder

Romania

Chevron holds a 100 percent interest and operates the Barlad Shale concession. This 1.6 million-acre (6,350-sq-km) license is located in northeast Romania. Drilling of an exploration well is planned for second-half 2013.

Three additional concession agreements covering approximately 670,000 acres (2,711 sq km) in southeast Romania were approved by the government of Romania in March 2012. Chevron holds a 100 percent interest and operates the concessions. Acquisition of 2-D seismic data across these concessions is expected to commence in second-half 2013.

Ukraine

In 2012, Chevron was the successful bidder for the right to exclusively negotiate a 50-year PSC with the government of Ukraine for the Oleska Block in western Ukraine. Chevron is expected to operate and hold a 50 percent interest in the 1.6 million-acre (6,350-sq-km) concession. As of early 2013, the PSC and Joint Operating Agreement terms were being negotiated.

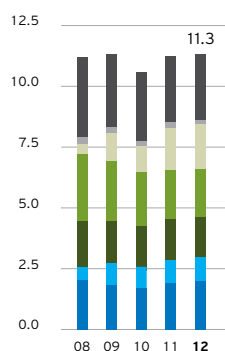
Europe Natural Gas Marketing and Trading

The company continues to build a natural gas trading presence in Europe, including marketing a portion of equity production and production from a growing third-party supply base.

Upstream Operating Data

Net Proved Reserves

Billions of BOE*

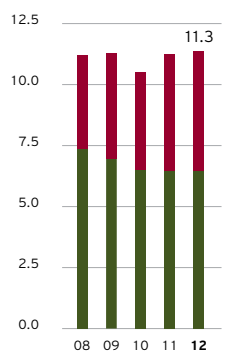


■ Affiliates
■ Europe
■ Australia
■ Asia
■ Africa
■ Other Americas
■ United States

*BOE (barrels of oil-equivalent)

Net Proved Reserves Liquids vs. Natural Gas

Billions of BOE



■ Natural Gas
■ Liquids

Net Proved Reserves - Liquids^{1,2}

At December 31

Millions of barrels	2012	2011	2010	2009	2008
Consolidated Companies					
United States	1,359	1,311	1,275	1,361	1,470
Other Americas	736	636	574	564	149
Africa	1,130	1,155	1,168	1,246	1,385
Asia	837	894	1,013	1,171	1,456
Australia	134	140	88	98	73
Europe	157	159	152	170	202
Total Consolidated Companies	4,353	4,295	4,270	4,610	4,735
Equity Share in Affiliates					
TCO	1,732	1,759	1,820	1,946	2,176
Other	396	401	413	417	439
Total Equity Share in Affiliates	2,128	2,160	2,233	2,363	2,615
Total Worldwide	6,481	6,455	6,503	6,973	7,350

¹ Refer to the Glossary for a definition of proved reserves. For additional discussion of the company's proved reserves, refer to the company's 2012 Annual Report on Form 10-K.

² Includes crude oil, condensate, natural gas liquids and synthetic oil.

Net Proved Reserves - Natural Gas*

At December 31

Billions of cubic feet	2012	2011	2010	2009	2008
Consolidated Companies					
United States	3,722	3,646	2,472	2,698	3,150
Other Americas	1,475	1,664	1,815	1,985	2,368
Africa	3,081	3,196	2,944	3,021	3,056
Asia	6,867	6,721	7,193	7,860	7,997
Australia	10,252	9,744	6,056	6,245	1,961
Europe	257	258	275	344	490
Total Consolidated Companies	25,654	25,229	20,755	22,153	19,022
Equity Share in Affiliates					
TCO	2,299	2,251	2,386	2,833	3,175
Other	1,242	1,203	1,110	1,063	878
Total Equity Share in Affiliates	3,541	3,454	3,496	3,896	4,053
Total Worldwide	29,195	28,683	24,251	26,049	23,075

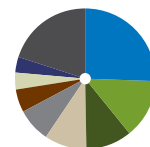
* Refer to the Glossary for a definition of proved reserves. For additional discussion of the company's proved reserves, refer to the company's 2012 Annual Report on Form 10-K.

Upstream Operating Data

Net Oil-Equivalent Production

Thousands of barrels per day	Year ended December 31				
	2012	2011	2010	2009	2008
Consolidated Companies					
United States					
Alabama - Onshore	7	7	8	10	9
Alabama - Offshore	7	8	8	9	10
Alaska - Onshore	11	20	22	23	24
Alaska - Offshore	-	8	9	7	10
California	178	183	199	211	215
Colorado	26	27	27	26	25
Louisiana - Onshore	2	2	2	2	3
Louisiana - Offshore	182	205	233	214	127
Michigan	10	9	1	2	2
New Mexico	36	34	36	37	38
Oklahoma	9	8	9	10	11
Pennsylvania	12	7	-	-	-
Texas - Onshore	117	114	117	132	149
Texas - Offshore	38	23	10	9	11
Wyoming	17	20	25	23	28
Other states	3	3	2	2	9
Total United States	655	678	708	717	671
Other Americas					
Argentina	22	27	32	38	44
Brazil	6	35	24	2	-
Canada	69	70	54	28	37
Colombia	36	39	41	41	35
Trinidad and Tobago	29	31	38	34	32
Total Other Americas	162	202	189	143	148
Africa					
Angola	137	147	161	150	154
Chad	23	26	28	27	29
Democratic Republic of the Congo	3	3	2	3	2
Nigeria	269	260	253	232	154
Republic of the Congo	19	23	25	21	13
Total Africa	451	459	469	433	352
Asia					
Azerbaijan	28	28	30	30	29
Bangladesh	94	74	69	66	71
China	21	22	20	19	22
Indonesia	198	208	226	243	235
Kazakhstan	61	62	64	69	66
Myanmar	16	14	13	13	15
Partitioned Zone	90	91	98	105	106
Philippines	24	25	25	27	26
Thailand	243	209	216	198	217
Total Asia	775	733	761	770	787
Total Australia	99	101	111	108	96
Europe					
Denmark	36	44	51	55	61
Netherlands	9	7	8	9	9
Norway	3	3	3	5	6
United Kingdom	66	85	97	110	106
Total Europe	114	139	159	179	182
Total Consolidated Companies	2,256	2,312	2,397	2,350	2,236
Equity Share in Affiliates					
TCO	286	296	308	274	201
Petropiar	37	35	30	28	35
Petroboscan	29	28	26	24	28
Petroindependiente	2	2	2	2	3
Total Equity Share in Affiliates	354	361	366	328	267
Total Consolidated Companies and Affiliates	2,610	2,673	2,763	2,678	2,503
Other Produced Volumes					
Athabasca Oil Sands Project in Canada	-	-	-	26	27
Total Other Produced Volumes	-	-	-	26	27
Total Worldwide	2,610	2,673	2,763	2,704	2,530

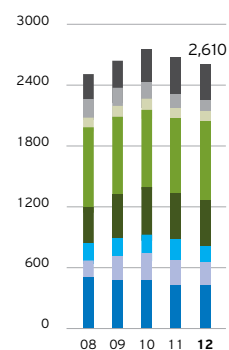
2012 Net Oil-Equivalent Production by Country* Percentage



United States	25.1%
Kazakhstan	13.3%
Nigeria	10.3%
Thailand	9.3%
Indonesia	7.6%
Angola	5.2%
Australia	3.8%
Partitioned Zone	3.4%
Others	21.9%

*Includes equity share in affiliates.

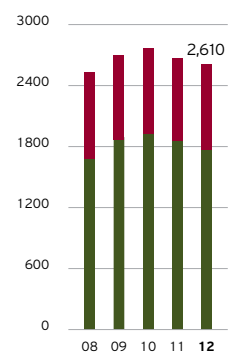
Net Oil-Equivalent Production* Thousands of barrels per day



Affiliates
Europe
Australia
Asia
Africa
Other Americas
United States - Offshore
United States - Onshore

*Includes other produced volumes in 2008 to 2009.

Net Production Liquids vs. Natural Gas* Thousands of barrels per day

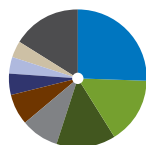


Natural Gas
Liquids

*Includes other produced volumes in 2008 to 2009.

Upstream Operating Data

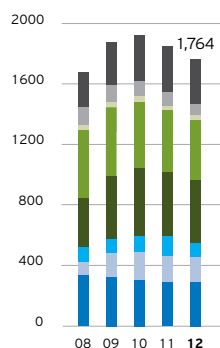
2012 Net Liquids Production by Country*
Percentage



United States	25.8%
Kazakhstan	15.5%
Nigeria	13.7%
Indonesia	9.0%
Angola	7.3%
Partitioned Zone	4.9%
Canada	3.9%
Thailand	3.8%
Others	16.1%

*Includes equity share in affiliates.

Net Liquids Production*
Thousands of barrels per day



Affiliates
Europe
Australia
Asia
Africa
Other Americas
United States – Offshore
United States – Onshore

*Includes other produced volumes in 2008 to 2009.

Net Liquids Production*

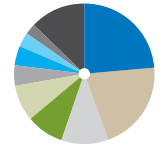
Thousands of barrels per day		Year ended December 31				
		2012	2011	2010	2009	2008
Consolidated Companies						
United States						
Alaska	- Onshore	9	11	11	12	12
	- Offshore	-	3	3	2	5
California		167	169	183	196	201
Colorado		10	10	10	9	10
Louisiana	- Onshore	1	1	1	1	1
	- Offshore	136	158	178	154	77
New Mexico		21	19	19	21	21
Texas	- Onshore	71	66	66	71	76
	- Offshore	28	15	4	3	4
Wyoming		5	6	7	7	7
Other states		7	7	7	8	7
Total United States		455	465	489	484	421
Other Americas						
Argentina		21	26	31	33	37
Brazil		6	33	23	2	-
Canada		68	69	53	27	36
Trinidad and Tobago		-	-	1	1	-
Total Other Americas		95	128	108	63	73
Africa						
Angola		128	139	152	141	145
Chad		22	25	27	26	28
Democratic Republic of the Congo		2	3	2	3	2
Nigeria		242	236	239	225	142
Republic of the Congo		17	21	23	19	11
Total Africa		411	424	443	414	328
Asia						
Azerbaijan		26	26	28	28	28
Bangladesh		2	2	2	2	2
China		20	20	18	17	19
Indonesia		158	166	187	199	182
Kazakhstan		37	38	39	42	41
Partitioned Zone		86	88	94	101	103
Philippines		4	4	4	4	5
Thailand		67	65	70	65	67
Total Asia		400	409	442	458	447
Total Australia		28	26	34	35	34
Europe						
Denmark		24	29	32	35	37
Netherlands		2	2	2	2	2
Norway		3	3	3	5	6
United Kingdom		46	59	64	73	71
Total Europe		75	93	101	115	116
Total Consolidated Companies		1,464	1,545	1,617	1,569	1,419
Equity Share in Affiliates						
TCO		236	244	252	226	168
Petropiar		35	32	28	26	34
Petroboscan		28	27	25	24	27
Petroindependiente		1	1	1	1	1
Total Equity Share in Affiliates		300	304	306	277	230
Total Consolidated Companies and Affiliates		1,764	1,849	1,923	1,846	1,649
Other Produced Volumes						
Athabasca Oil Sands Project in Canada		-	-	-	26	27
Total Other Produced Volumes		-	-	-	26	27
Total Worldwide		1,764	1,849	1,923	1,872	1,676
* Net production of natural gas liquids:						
United States		50	47	51	50	47
International		23	20	21	20	19
Total		73	67	72	70	66

Upstream Operating Data

Net Natural Gas Production*

Millions of cubic feet per day	Year ended December 31				
	2012	2011	2010	2009	2008
Consolidated Companies					
United States					
Alabama - Onshore	19	22	24	29	30
Alabama - Offshore	43	45	48	54	56
Alaska - Onshore	12	60	68	69	73
Alaska - Offshore	-	29	32	27	30
California	70	83	96	90	88
Colorado	98	104	104	102	90
Louisiana - Onshore	5	3	5	8	10
Louisiana - Offshore	273	287	332	358	300
Michigan	60	55	9	9	9
New Mexico	89	89	97	99	103
Oklahoma	35	35	39	42	45
Pennsylvania	72	39	-	-	-
Texas - Onshore	281	282	302	364	441
Texas - Offshore	59	48	38	39	46
Wyoming	74	85	110	99	129
Other states	13	13	10	10	51
Total United States	1,203	1,279	1,314	1,399	1,501
Other Americas					
Argentina	4	4	5	27	45
Brazil	2	13	7	-	-
Canada	4	4	4	4	4
Colombia	216	234	249	245	209
Trinidad and Tobago	173	183	223	199	189
Total Other Americas	399	438	488	475	447
Africa					
Angola	53	50	52	49	52
Chad	6	6	6	5	5
Democratic Republic of the Congo	1	1	1	1	1
Nigeria	165	142	86	48	72
Republic of the Congo	13	10	10	13	12
Total Africa	238	209	155	116	142
Asia					
Azerbaijan	10	10	11	10	7
Bangladesh	550	434	404	387	414
China	9	10	13	16	22
Indonesia	236	253	236	268	319
Kazakhstan	139	144	149	161	153
Myanmar	94	86	81	76	89
Partitioned Zone	21	20	23	21	20
Philippines	120	126	124	137	128
Thailand	1,060	867	875	794	894
Total Asia	2,239	1,950	1,916	1,870	2,046
Total Australia	428	448	458	434	376
Europe					
Denmark	74	91	116	119	142
Netherlands	42	31	35	41	40
Norway	1	1	1	1	1
United Kingdom	122	155	194	222	208
Total Europe	239	278	346	383	391
Total Consolidated Companies	4,746	4,602	4,677	4,677	4,903
Equity Share in Affiliates					
TCO	301	312	338	289	195
Petropiar	14	13	10	8	9
Petroboscan	5	6	6	6	7
Petroindependiente	8	8	9	9	11
Total Equity Share in Affiliates	328	339	363	312	222
Total Worldwide	5,074	4,941	5,040	4,989	5,125
* Includes natural gas consumed in operations:					
United States	63	69	62	58	70
International	523	513	475	463	450
Total	586	582	537	521	520

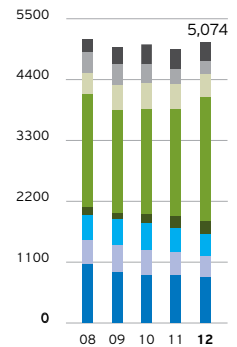
2012 Net Natural Gas Production by Country* Percentage



United States	23.7%
Thailand	20.9%
Bangladesh	10.8%
Kazakhstan	8.7%
Australia	8.4%
Indonesia	4.7%
Colombia	4.3%
Trinidad and Tobago	3.4%
United Kingdom	2.4%
Others	12.7%

*Includes equity share in affiliates.

Net Natural Gas Production Millions of cubic feet per day



■ Affiliates
■ Europe
■ Australia
■ Asia
■ Africa
■ Other Americas
■ United States - Offshore
■ United States - Onshore

Upstream Operating Data

Oil and Gas Acreage ^{1,2}		At December 31				
	Gross Acres	Net Acres				
Thousands of acres	2012	2012	2011	2010	2009	2008
United States						
Onshore						
Louisiana	487	419	411	386	275	272
Michigan	459	362	358	57	56	59
New Mexico	822	565	351	355	335	343
Pennsylvania	869	735	830	-	-	-
Texas	4,871	3,531	3,552	3,575	3,265	3,280
Other states	2,830	1,738	1,794	1,612	1,563	1,887
Total Onshore	10,338	7,350	7,296	5,985	5,494	5,841
Offshore						
Alaska and Pacific Coast	39	7	7	7	9	10
Gulf Coast	3,810	2,812	2,755	2,865	1,974	2,369
Total Offshore	3,849	2,819	2,762	2,872	1,983	2,379
Total United States	14,187	10,169	10,058	8,857	7,477	8,220
Other Americas						
Argentina	242	167	167	141	275	1,402
Brazil	176	64	64	74	74	74
Canada	24,600	14,403	14,050	15,095	14,525	15,244
Colombia	203	87	87	87	87	87
Greenland	-	-	1,006	1,006	1,028	1,029
Suriname	2,799	1,400	-	-	-	-
Trinidad and Tobago	168	84	84	84	84	84
Venezuela	73	58	275	275	275	1,239
Total Other Americas	28,261	16,263	15,733	16,762	16,348	19,159
Africa						
Angola	2,374	807	875	821	823	828
Chad	114	28	28	29	39	2,043
Democratic Republic of the Congo	250	44	44	44	44	44
Liberia	2,007	903	1,661	1,661	-	-
Libya	-	-	-	-	2,796	2,796
Nigeria	5,888	2,620	2,634	2,791	2,871	2,871
Republic of the Congo	158	49	49	49	49	49
Sierra Leone	1,385	762	-	-	-	-
Total Africa	12,176	5,213	5,291	5,395	6,622	8,631
Asia						
Azerbaijan	108	12	12	12	11	11
Bangladesh	186	182	182	973	1,828	1,828
Cambodia	1,163	349	349	349	640	640
China	1,677	921	4,396	4,766	294	1,081
Indonesia	10,300	6,536	6,536	6,695	6,695	6,695
Kazakhstan	80	14	16	16	16	16
Kurdistan Region of Iraq	232	185	-	-	-	-
Myanmar	6,460	1,826	1,826	1,826	1,832	1,832
Partitioned Zone	1,361	681	681	681	681	681
Philippines	206	93	93	93	93	93
Thailand	9,718	3,908	4,118	6,344	6,388	6,429
Turkey	-	-	2,781	2,781	125	125
Vietnam	791	339	339	684	684	1,201
Total Asia	32,282	15,046	21,329	25,220	19,287	20,632
Total Australia	12,345	5,967	6,304	7,323	8,660	7,950
Europe						
Denmark	420	50	63	63	63	63
Netherlands	74	30	26	22	21	22
Norway	1,370	526	526	541	609	252
Poland	1,085	1,085	1,085	1,085	790	-
Romania	2,239	2,239	1,569	-	-	-
United Kingdom	941	349	476	831	962	980
Other countries	-	-	-	-	-	94
Total Europe	6,129	4,279	3,745	2,542	2,445	1,411
Total Consolidated Companies	105,380	56,937	62,460	66,099	60,839	66,003
Equity Share in Affiliates						
Kazakhstan	380	190	190	304	304	304
Lithuania	394	197	-	-	-	-
Venezuela	423	145	145	145	100	100
Total Equity Share in Affiliates	1,197	532	335	449	404	404
Total Worldwide	106,577	57,469	62,795	66,548	61,243	66,407

¹ Table does not include mining acreage associated with synthetic oil production in Canada.

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

Upstream Operating Data

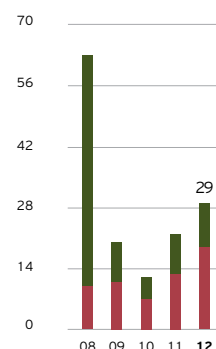
Net Wells Completed*

	Year ended December 31									
	2012		2011		2010		2009		2008	
	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry
Consolidated Companies										
United States										
Exploratory	4	-	5	1	1	1	4	5	8	2
Development	941	6	909	9	634	7	582	3	846	4
Total United States	945	6	914	10	635	8	586	8	854	6
Other Americas										
Exploratory	8	-	1	-	-	1	1	2	39	2
Development	50	-	37	-	32	-	36	-	35	-
Total Other Americas	58	-	38	-	32	1	37	2	74	2
Africa										
Exploratory	1	2	1	-	1	-	2	1	2	1
Development	23	-	29	-	33	-	40	-	33	-
Total Africa	24	2	30	-	34	-	42	1	35	1
Asia										
Exploratory	12	3	10	1	5	5	9	1	9	2
Development	566	15	549	15	445	15	580	10	665	1
Total Asia	578	18	559	16	450	20	589	11	674	3
Australia										
Exploratory	3	-	4	1	5	2	4	2	4	-
Development	-	-	-	-	-	-	-	-	-	-
Total Australia	3	-	4	1	5	2	4	2	4	-
Europe										
Exploratory	1	2	-	1	-	-	-	-	1	-
Development	9	-	6	-	4	-	7	-	6	-
Total Europe	10	2	6	1	4	-	7	-	7	-
Total Consolidated Companies	1,618	28	1,551	28	1,160	31	1,265	24	1,648	12
Equity Share in Affiliates										
Exploratory	-	-	1	-	-	-	-	-	-	-
Development	26	-	25	-	8	-	6	-	16	-
Total Equity Share in Affiliates	26	-	26	-	8	-	6	-	16	-
Total Worldwide	1,644	28	1,577	28	1,168	31	1,271	24	1,664	12

* 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.

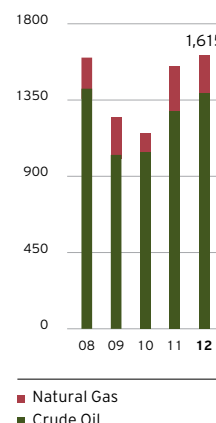
Net Productive Exploratory Wells Completed

Number of wells



Net Productive Development Wells Completed

Number of wells



Net Productive Wells^{1,2}

	At December 31				
	2012	2011	2010	2009	2008
Consolidated Companies					
United States					
Oil	32,758	32,368	32,462	32,720	33,595
Gas	7,737	7,671	5,720	5,671	5,569
Total United States	40,495	40,039	38,182	38,391	39,164
International					
Oil	13,299	12,802	12,495	10,873	10,261
Gas	2,018	2,208	2,000	2,061	1,837
Total International	15,317	15,010	14,495	12,934	12,098
Total Consolidated Companies	55,812	55,049	52,677	51,325	51,262
Equity Share in Affiliates					
Oil	456	434	404	403	413
Gas	2	2	2	2	2
Total Equity Share in Affiliates	458	436	406	405	415
Total Worldwide	56,270	55,485	53,083	51,730	51,677

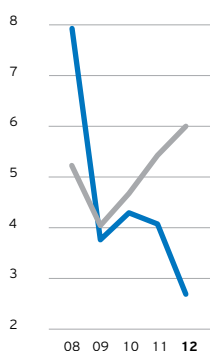
¹ Net Productive Wells includes wholly owned wells and the sum of the company's fractional interests in wells completed in jointly owned operations.

² 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.

Upstream Operating Data

Natural Gas Realizations

Dollars per thousand cubic feet

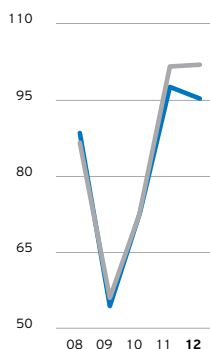


■ International*
■ United States

*Includes equity share in affiliates.

Liquids Realizations

Dollars per barrel



■ International*
■ United States

*Includes equity share in affiliates.

Natural Gas Realizations*

Dollars per thousand cubic feet	Year ended December 31				
	2012	2011	2010	2009	2008
United States	\$ 2.64	\$ 4.04	\$ 4.26	\$ 3.73	\$ 7.90
International	5.99	5.39	4.64	4.01	5.19

* U.S. natural gas realizations are based on revenues from net production. International natural gas realizations are based on revenues from liftings and include equity share in affiliates.

Liquids Realizations*

Dollars per barrel	Year ended December 31				
	2012	2011	2010	2009	2008
United States	\$ 95.21	\$ 97.51	\$ 71.59	\$ 54.36	\$ 88.43
International	101.88	101.53	72.68	55.97	86.51

* U.S. realizations are based on liquids revenues from net production and include intercompany sales at transfer prices that are at estimated market prices. International realizations are based on liquids revenues from liftings and include equity share in affiliates.

Natural Gas Sales*

Millions of cubic feet per day	Year ended December 31				
	2012	2011	2010	2009	2008
United States	5,470	5,836	5,932	5,901	7,226
International	4,315	4,361	4,493	4,062	4,215
Total	9,785	10,197	10,425	9,963	11,441

* International sales include equity share in affiliates.

Natural Gas Liquids Sales*

Thousands of barrels per day	Year ended December 31				
	2012	2011	2010	2009	2008
United States	16	15	22	17	15
International	24	24	27	23	17
Total	40	39	49	40	32

* International sales include equity share in affiliates.

Exploration and Development Costs*

Millions of dollars	Year ended December 31				
	2012	2011	2010	2009	2008
United States					
Exploration	\$ 511	\$ 506	\$ 287	\$ 576	\$ 728
Development	6,597	5,517	4,446	3,338	4,348
Other Americas					
Exploration	362	175	203	286	257
Development	1,211	1,537	1,611	1,515	1,334
Africa					
Exploration	321	252	236	346	347
Development	3,118	2,698	2,985	3,426	3,723
Asia					
Exploration	558	334	320	154	197
Development	3,797	2,867	3,325	2,698	4,697
Australia					
Exploration	434	336	396	419	322
Development	4,555	2,638	2,623	565	540
Europe					
Exploration	253	309	136	143	78
Development	753	633	411	285	545
Total Consolidated Companies					
Exploration	\$ 2,439	\$ 1,912	\$ 1,578	\$ 1,924	\$ 1,929
Development	20,031	15,890	15,401	11,827	15,187

* Consolidated companies only. Excludes costs of property acquisitions.

Downstream

Improve returns and grow earnings
across the value chain.



Photo: Saudi Polymers Company's petrochemicals facility in Al Jubail, Saudi Arabia. Commercial production was announced in October 2012.

Highlights

The company has a strong presence in all aspects of the downstream industry – refining, marketing, trading and transporting of hydrocarbon products and petrochemicals. As such, Downstream is an important element of Chevron's integrated value chain to obtain higher value for equity production.

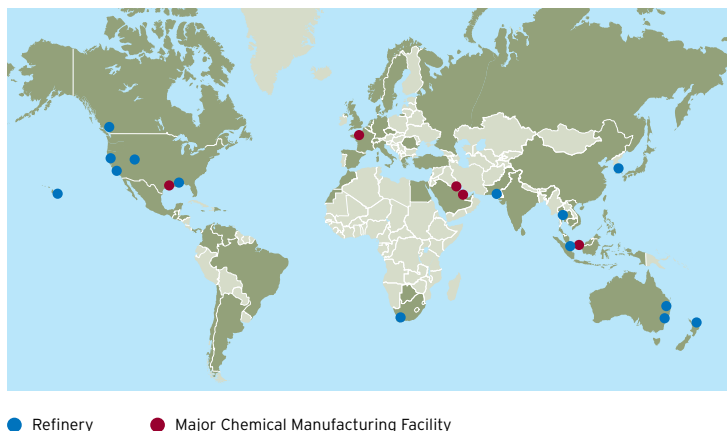
Business Strategies

Improve returns and grow earnings across the value chain by:

- Achieving world-class operational excellence.
- Creating a focused refining and marketing portfolio.
- Focusing on asset scale, flexibility and complexity.
- Targeting growth in higher return segments of petrochemicals and lubricants.

The focus on operational excellence drives improved reliability and enhanced safety performance, which are fundamental to the company's competitive position and success. Although the company recently completed a multiyear plan to streamline its refining and marketing portfolio, it will continue to optimize its geographic focus. Refining investments are focused on improving asset scale, flexibility and complexity to achieve improved cost efficiencies, increased earnings and improved competitive performance. The company is building a more segment-balanced earnings portfolio by targeting growth in higher-margin segments, such as base oils, finished lubricants and petrochemicals. Chevron remains committed to the downstream business because of the benefits of integration in five broad areas: commercial support, new market development, processing of equity crudes, transfer of technology and organizational capability.

Downstream Overview



● Refinery ● Major Chemical Manufacturing Facility

2012 Accomplishments

- Achieved world-class safety performance for the downstream business in the days-away-from-work metric.
- Reported net income of \$4.3 billion, including strong financial performance in the lubricants and chemicals businesses.
- Completed the sale of the Perth Amboy, New Jersey, refinery in the United States and exits from eight countries in the Caribbean.
- Announced commercial production at a new olefins and derivatives facility in Al Jubail, Saudi Arabia (35 percent-owned by Chevron Phillips Chemical Company LLC [CPChem]) in October 2012.
- Commenced construction of a 1-hexene plant with a design capacity of 250,000 metric tons per year in Texas (50 percent-owned).
- Commenced front-end engineering and design (FEED) for an ethane cracker with an annual design capacity of 1.5 million metric tons of ethylene and two 500,000-metric-ton-per-year polyethylene units in Texas (all 50 percent-owned).
- Commenced expansion of the existing additives manufacturing plant on Jurong Island in Singapore.
- Progressed construction on a \$1.4 billion, 25,000-barrel-per-day base-oil plant at the Pascagoula, Mississippi, refinery in the United States and a 53,000-barrel-per-day vacuum gas oil fluid catalytic cracking unit at the 50 percent-owned Yeosu Refinery in South Korea.

2013 Outlook

In expectation of ongoing challenging industry conditions, the downstream business will continue to focus on increasing efficiency and improving financial returns. Key objectives include the following:

- Continue to improve safety and refinery reliability.
- Advance projects that improve refinery feedstock flexibility, high-value product yield and energy efficiency.
- Advance projects in the chemicals and base-oil manufacturing businesses that add capacity to serve key markets.
- Continue to reposition the business toward higher growth and higher margin products.

Downstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions

	2012	2011
Earnings	\$ 4,299	\$ 3,591
Refinery crude oil inputs (Thousands of barrels per day)	1,702	1,787
Refinery capacity at year-end (Thousands of barrels per day)	1,953	1,967
U.S. gasoline and jet fuel yields (Percent of U.S. refinery production)	66%	65%
Refined product sales (Thousands of barrels per day)	2,765	2,949
Motor gasoline sales (Thousands of barrels per day)	1,036	1,096
Natural gas liquids (NGLs) sales (Thousands of barrels per day)	205	209
Number of marketing retail outlets at December 31	16,769	17,831
Capital expenditures	\$ 3,172	\$ 2,611

Refining and Marketing

The company's refining and marketing activities are coordinated by two geographic businesses, Americas Products and International Products, each focused on optimizing the fuels value chain from crude to customer. The activities of each business include securing raw materials, manufacturing and blending products at its refineries, and selling finished products through its marketing and commercial networks. The company has complex refining assets concentrated in North America, Asia-Pacific and South Africa. Hydroprocessing flexibility at several of the refineries allows the company to maximize margins on lower-quality equity crudes.

Americas Products

The business serves commercial and industrial, wholesale, aviation, and retail customers in Canada, Latin America and the United States through the world-class Chevron and Texaco brands.

The Americas Products portfolio includes six wholly owned refineries in North America with a crude capacity of approximately 1 million barrels per day. Many of these refineries have large hydroprocessing units that provide the flexibility to convert lower-quality and challenging feedstocks into a variety of clean, high-value products.

The company serves customers at approximately 8,900 Chevron- and Texaco-branded retail outlets in Canada, Latin America and the United States. This network of service stations is supported and served by more than 50 fuel terminals. During 2012, the business sold a daily average of approximately 1.5 million barrels of gasoline and other refined products. Chevron continues to leverage its proprietary Techron technology in these markets in order to maintain a leading position in branded fuels. In addition, commercial aviation fuel is marketed at approximately 60 airports across Canada, Latin America and the United States.

Selectively Improving Refining Flexibility and Yield

During 2012, the company continued work on projects to improve refinery flexibility and enhance the capability to process lower-cost feedstocks. In July 2012, a new processing unit designed to further improve El Segundo, California, refinery's reliability, enhance high-value product yield and provide additional flexibility to process a broad range of crude slates achieved start-up. Similar projects were progressed in 2012 at the Salt Lake City, Utah, and Pascagoula, Mississippi, refineries and are scheduled to be completed in late 2013.

In 2012, the company continued work at the Pascagoula, Mississippi, refinery on a lubricant base-oil facility. For additional details about this project, refer to the Lubricants section on page 46.

With increased availability of crudes from the midcontinent area of North America, the company's refineries in Burnaby, Canada, and Salt Lake, Utah, are processing higher volumes of these crudes. In 2013, additional rail infrastructure is planned to enable the processing of larger quantities of midcontinent crudes.

Creating a Focused Marketing Portfolio

Through targeted market exits and divestitures, the company continues to align its portfolio and focus its operations on its areas of manufacturing strength, and to concentrate resources on the core elements of its refining and marketing operations.

Part of this asset rationalization has been focused on terminal operations. In July 2012, the company completed the sale of its idled 80,000-barrel-per-day Perth Amboy, New Jersey, refinery, which was operating as a terminal. In 2013, the company expects to complete the sale of two additional terminals in the United States.

In 2012, the company completed the sale of its fuels marketing and aviation businesses in eight countries in the Caribbean.

In select markets in the western, southeastern and Gulf Coast regions of the United States, where the company enjoys leading market positions, the company continues to capture opportunities to grow market share of motor gasoline and diesel fuel under the premium Chevron and Texaco brands. The company worked with a leading grocery chain to implement a new loyalty program in the western United States in fourth quarter 2012.

International Products

The business provides premium quality Caltex- and Texaco-branded fuel products to commercial and industrial, wholesale, aviation, and retail customers in Africa, the Middle East, Europe and the Asia-Pacific region.

The International Products portfolio includes eight refineries and is anchored by its refinery in Thailand and three large affiliates in South Korea, Australia and Singapore. The company has complex refining assets, which are well positioned to supply expected growth in the Asia-Pacific region. The refinery network, including the company's share of affiliates, has a crude capacity of approximately 1 million barrels per day.

Through a network of more than 55 fuel terminals, the company and its affiliates serve customers at approximately 7,800 Caltex- and Texaco-branded retail outlets in Africa, the Middle East, Europe and the Asia-Pacific region. The business sold a daily average of 1.3 million barrels of gasoline and other refined products during 2012. Chevron continues to leverage its proprietary Techron technology in these markets in order to maintain a leading position in branded fuels. In addition, commercial aviation fuel is marketed at approximately 60 airports across these markets.

Selectively Improving Refining Flexibility and Yield

GS Caltex, a 50 percent-owned equity affiliate, reached mechanical completion of a 53,000-barrel-per-day gas oil fluid catalytic cracking unit at the Yeosu Refinery in South Korea in early 2013. The unit is designed to increase high-value product yield and lower feedstock costs. This enhancement follows the 2010 completion of a 60,000-barrel-per-day heavy-oil hydrocracker and will further strengthen the competitiveness and world-class performance of the Yeosu Refinery.

In 2012, construction was completed on required modifications to the 64 percent-owned refinery in Map Ta Phut, Thailand, to meet regional specifications for cleaner fuel. The refinery continues to be a performance leader in the Thailand market.

Efforts to further improve competitiveness and yield are also under way at the 50 percent-owned Pulau Merlimau Refinery in Singapore. In 2012, Caltex Australia Ltd., a 50 percent-owned equity affiliate, announced plans to convert the Kurnell, Australia, refinery to an import terminal in 2014.

Creating a Focused Marketing Portfolio

Through market exits and divestitures, the company continues to more closely align its marketing portfolio with its refining system. In 2012, Chevron completed the sale of the company's fuels marketing and aviation fuels businesses in Spain as well as an asphalt business in Vietnam. GS Caltex also completed the sale of certain power and other assets in South Korea. In addition, the company sold its interests in two terminals and converted more than 240 company-owned, company-operated service stations into retailer-owned, retailer-operated sites operating under the Caltex brand.

Lubricants

Chevron is among the leading global developers and marketers of lubricants and is a top supplier of premium base oil worldwide. The company provides premium lubricants products to meet the needs of commercial, industrial, consumer and marine customers. Lubricants and coolants are produced and marketed under the Havoline, Delo, Ursa, Meropa and Taro product lines under three brands: Chevron, Texaco and Caltex.

Through its global network of 18 blending facilities and multiple contract blenders, the company is well positioned to supply markets around the world and consistently meet customer needs safely and reliably. Through strategic partnerships with original equipment manufacturers and advanced research at technology centers in the United States and Belgium, Chevron Lubricants is a leader in the technological development of products to meet future engine and machinery needs.

Expanding in Key Growth Markets

In 2012, Lubricants secured new customers in key growth segments, including fleet owner/operators, construction, and oil and gas, as well as with large-scale original equipment manufacturers and motor vehicle makers. Chevron continues to reduce complexity by exiting nonstrategic markets and completed the sale of its finished lubricants business in Spain in March 2012.

The focus continues to be on key growth markets in the Asia-Pacific and Latin America regions, as well as on building distribution channels and growing the marketer network worldwide. For example, Chevron is investing in the supply chain and marketing efforts in Asia, including doubling the capacity of the lubricants plant in Tianjin, China.

Construction progressed during 2012 on the 25,000-barrel-per-day premium base-oil facility at the company's Pascagoula, Mississippi, refinery. Mechanical completion of the \$1.4 billion project is expected by year-end 2013. This addition to Chevron's base-oil production capacity is expected to position the company as the worldwide industry leader in premium base-oil production.



Photo: Base-oil facility under construction in Pascagoula, Mississippi.

Supply & Trading

The supply and trading operation supports Chevron's global supply chain by maximizing the company's equity crude oil revenues, reducing the downstream business's raw material and transportation costs, optimizing product sales through trade channels, and managing the market risks associated with holding physical positions in crude and finished products. These activities include optimizing the supply of crude and other raw materials to Chevron's refining network and integrating equity crude oil from Chevron's upstream operations. In addition, the company markets crude oil from upstream operations to third parties and supplies finished products to serve Chevron's marketing system. Chevron handles more than 400 different grades of crude oil and petroleum products and manages nearly 5 million barrels per day in commodity transactions.

Chemicals

The company's chemical activities are divided into two businesses, CPChem and Chevron Oronite Company (Oronite).

CPChem

CPChem is a 50 percent-owned equity affiliate. It is one of the world's leading producers of olefins and polyolefins and is a leading supplier of aromatics, alpha olefins, specialty chemicals and polyethylene pipe. At year-end 2012, CPChem had 36 manufacturing facilities and two research and development centers around the world.

Leveraging Advantaged Feedstock Position

During 2012, flexible feedstock capability in the United States allowed CPChem to capitalize on low input costs, which contributed to increased profit margins.

CPChem's 35 percent-owned equity affiliate, Saudi Polymers Company, announced commercial production at its new olefins and derivatives facility in Al Jubail, Saudi Arabia, in October 2012. With the start-up, CPChem becomes the largest producer of high-density polyethylene in the world. It also becomes the largest equity producer of petrochemicals and the second-largest equity producer of ethylene in the Middle East among international nonstate-owned chemical companies.



Photo: Saudi Polymers Company's facility in Al Jubail, Saudi Arabia.

CPChem commenced construction of a 1-hexene plant at the company's Cedar Bayou facility in Baytown, Texas, with a design capacity of 250,000 metric tons per year. Start-up is expected in 2014.

The plant will utilize CPChem's proprietary 1-hexene technology and is expected to be the largest plant of its kind in the world.

CPChem also commenced FEED for several projects on the U.S. Gulf Coast, which are expected to capitalize on advantaged feedstock sourced from emerging shale gas development in North America. These include an ethane cracker with an annual design capacity of 1.5 million metric tons of ethylene at the Cedar Bayou facility and two polyethylene units to be located in Old Ocean, Texas, each with an annual design capacity of 500,000 metric tons.

For more information on CPChem, refer to its website at www.cpchem.com.

Oronite

Oronite is a world-leading developer, manufacturer and marketer of quality additives that improve the performance of lubricants and fuels. As an industry leader, Oronite conducts research and development for additive component and blended packages to meet the needs of increasingly demanding engine and equipment performance requirements. At year-end 2012, Oronite manufactured, blended or conducted research and development at 11 locations around the world.

Oronite lubricant additives are blended with refined base oils to produce finished lubricants used primarily in engine applications, including passenger cars, heavy-duty diesel trucks, buses, ships, locomotives and motorcycles. Typically, several additive components, such as dispersants, detergents, inhibitors and viscosity-index improvers, are combined to meet desired performance specifications. Specialty additives are also marketed for other oil applications, including 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 blended gasoline and gasoline aftermarket products. 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 tailored for each region's markets.

Expanding in Key Growth Markets

In February 2012, the company reached a final investment decision to significantly increase the capacity of its existing additives plant on Jurong Island in Singapore. Construction began in June on the expansion project, which will grow component manufacturing, blending and shipping capacity, and overall infrastructure to increase total supply capability for the Asia-Pacific region. The plant, already the largest additives manufacturing facility in the region, is expected to double its capacity since it was commissioned in 1999 as a result of this project. Commercial operations are expected to begin in 2014.

Transportation

The company's transportation businesses, including pipeline and shipping operations, are responsible for transporting a variety of products to customers worldwide. Transportation activities are aligned with the needs of the upstream, refining and marketing businesses.

Pipeline

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

In December 2012, the company executed agreements to sell the 100 percent-owned and operated Northwest Products System. This system consisted of a 760-mile (1,223-km) refined products pipeline extending from Salt Lake City, Utah, to Spokane, Washington, a dedicated jet fuel pipeline serving the Salt Lake City International Airport, and three refined products terminals located in Idaho and Washington. The sale is expected to be completed in first-half 2013. In addition, the company is in the process of relinquishing its interest in the Trans Alaska Pipeline System.

In the U.S. Gulf of Mexico, Chevron continues to lead the construction of a 136-mile (219-km), 24-inch (61-cm) crude oil pipeline from the planned Jack/St. Malo deepwater production facility to a platform in Green Canyon Block 19 on the U.S. Gulf of Mexico shelf, where there is an interconnect to pipelines delivering crude oil into Texas and Louisiana. The project is expected to be completed by start-up of the production facility in 2014.

Refer to pages 23, 25, 26 and 27 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

The company's marine fleet includes both U.S.- and foreign-flagged vessels. The U.S.-flagged vessels are engaged in transporting refined products, primarily in the coastal waters of the United States. The foreign-flagged vessels are engaged primarily in transporting crude oil from the Middle East, Southeast Asia, the Black Sea, South America, Mexico and West Africa to ports in the United States, Europe, Australia and Asia, as well as refined products and feedstocks 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) carriers, transporting cargoes for the North West Shelf Venture in Australia.

During 2012, the company managed approximately 2,100 deep-sea tanker voyages, using a combination of single-voyage, short-term and medium-term charters and company-owned or bareboat-chartered vessels, on behalf of Chevron and its affiliates. In 2012, the company ordered eight new vessels, a combination of bareboat charters and new builds contracts, to modernize the fleet and increase LNG coverage. In addition to the vessels ordered in 2012, the company has prior contracts in place to build LNG carriers and a dynamic-positioning shuttle tanker to support future projects.

In addition to providing marine transportation services, the company is staffed with a team of marine technical and operational professionals who are responsible for managing marine risk across the company, assisting with marine project conceptual and feasibility studies, conducting marine project engineering and design work, and providing marine project construction support.

Net Pipeline Mileage^{1,2}

At December 31

(Includes equity share in affiliates)

2012

Crude Oil Lines

United States

1,969

International

696

Total Crude Oil Lines

2,665

Natural Gas Lines

United States

2,396

International

199

Total Natural Gas Lines

2,595

Product Lines

United States

6,009

International

334

Total Product Lines

6,343

Total Net Pipeline Mileage

11,603

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

² Excludes gathering pipelines relating to the crude oil and natural gas production function.

Downstream Operating Data

Refinery Crude Distillation Utilization¹

(Includes equity share in affiliates)

Percentage of average capacity	Year ended December 31				
	2012	2011	2010	2009	2008
United States	87.2	89.3	94.6	95.5	94.8
Africa-Pakistan	71.5	69.9	63.6	63.9	63.6
Asia-Pacific ²	91.8	90.3	92.0	87.5	88.3
Europe ³	-	99.9	100.5	97.4	96.8
Other	89.3	77.4	72.8	88.6	66.6
Worldwide	88.2	88.9	91.9	90.8	86.9

¹ Utilization for fuel refineries only.

² As of June 2012, the Map Ta Phut, Thailand, refinery is reported on a 100 percent consolidated basis.

³ Chevron completed the sale of Pembroke, United Kingdom, refinery in August 2011.

Sources of Crude Oil Input for Worldwide Refineries*

(Consolidated)

Percentage of total input	Year ended December 31				
	2012	2011	2010	2009	2008
Middle East	31.7	26.7	24.2	26.7	27.8
South America	23.1	21.0	16.7	16.1	13.3
United States	18.0	12.1	12.1	11.4	9.4
Mexico	9.1	12.0	11.4	15.8	18.9
Africa	7.0	7.4	9.4	6.5	4.4
North Sea	-	8.9	14.7	13.0	14.6
Other	11.1	11.9	11.5	10.5	11.6
Total	100.0	100.0	100.0	100.0	100.0

* As of June 2012, the Map Ta Phut, Thailand, refinery is reported on a 100 percent consolidated basis.

Worldwide Refinery Production of Finished Products*

(Consolidated)

Thousands of barrels per day	Year ended December 31				
	2012	2011	2010	2009	2008
Gasoline	479	508	579	614	565
Gas oil	260	259	293	290	278
Jet fuel	216	226	232	238	252
Fuel oil	51	52	81	86	99
Other	127	123	133	135	152
Total	1,133	1,168	1,318	1,363	1,346

* As of June 2012, the Map Ta Phut, Thailand, refinery is reported on a 100 percent consolidated basis.

Sources of Crude Oil Input for U.S. Refineries

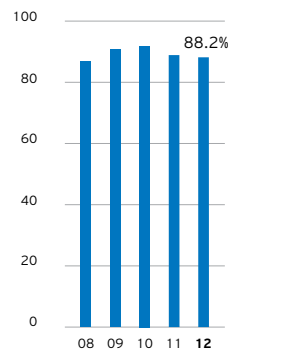
Percentage of total input	Year ended December 31				
	2012	2011	2010	2009	2008
South America	29.3	26.9	23.2	21.4	16.8
Middle East	26.9	28.9	28.8	30.8	35.0
United States - excluding Alaska North Slope	17.4	10.1	8.7	8.6	6.3
United States - Alaska North Slope	5.4	5.4	7.7	6.7	5.5
Mexico	11.6	15.4	15.6	21.0	23.8
Asia-Pacific	4.2	5.0	5.7	5.9	3.8
Africa	2.8	4.2	6.3	3.2	3.0
Other	2.4	4.1	4.0	2.4	5.8
Total	100.0	100.0	100.0	100.0	100.0

U.S. Refinery Production of Finished Products

Thousands of barrels per day	Year ended December 31				
	2012	2011	2010	2009	2008
Gasoline	403	399	417	446	426
Gas oil	178	180	187	185	170
Jet fuel	192	197	194	195	211
Fuel oil	30	28	43	46	56
Other	103	113	115	118	128
Total	906	917	956	990	991

Worldwide Refinery Utilization*

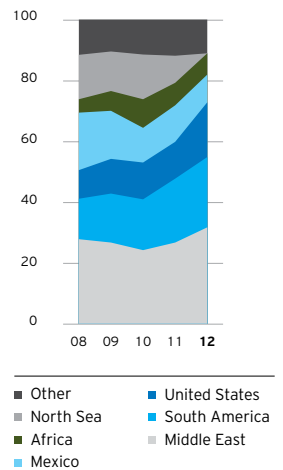
Percent of capacity



*Includes equity share in affiliates.

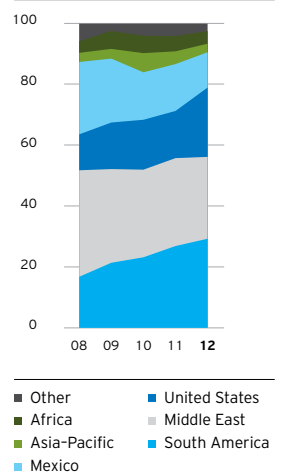
Sources of Crude Oil Input for Worldwide Refineries (Consolidated)

Percentage



Sources of Crude Oil Input for U.S. Refineries

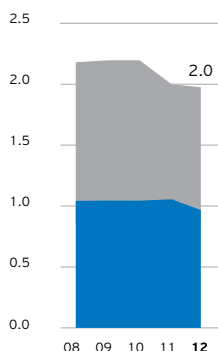
Percentage



Downstream Operating Data

Refinery Capacity at December 31

Millions of barrels per day

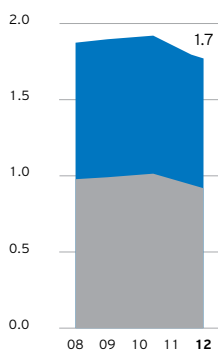


■ International*
■ United States

*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

Year ended December 31

Thousands of barrels per day	Refinery Capacity	Refinery Inputs				
	At December 31, 2012	2012	2011	2010	2009	2008
United States - Consolidated						
El Segundo, California	269	265	244	250	247	263
Kapolei, Hawaii	54	46	47	46	49	46
Pascagoula, Mississippi	330	335	327	325	345	299
Perth Amboy, New Jersey ¹	-	-	-	-	-	8
Richmond, California	257	142	192	228	218	237
Salt Lake City, Utah	45	45	44	41	40	38
Total United States - Consolidated	955	833	854	890	899	891
International - Consolidated						
Canada - Burnaby, British Columbia	55	49	43	40	49	36
South Africa - Cape Town ²	110	79	77	70	72	75
Thailand - Map Ta Phut (64% interest) ³	158	95	-	-	-	-
United Kingdom - Pembroke ⁴	-	-	122	211	205	203
Total International - Consolidated	323	223	242	321	326	314
International - Equity Shares in Affiliates						
Australia - Lytton (50%)	54	46	43	40	40	40
Australia - Kurnell (50%)	68	54	48	53	56	53
Cameroon - Limbe (8%) ⁵	-	-	-	-	-	1
Kenya - Mombasa (16%) ⁶	-	-	-	-	3	5
Martinique - Fort-de-France (11.5%) ⁷	-	-	1	2	1	2
New Zealand - Whangarei (12.7%)	14	13	14	13	12	12
Pakistan - Karachi (12%)	6	4	4	4	5	5
Singapore - Pulau Merlimau (50%)	145	128	128	119	113	128
South Korea - Yeosu (50%)	388	359	355	351	327	327
Thailand - Map Ta Phut (64% interest) ³	-	42	98	101	96	80
Total International - Equity Shares in Affiliates	675	646	691	683	653	653
Total International	998	869	933	1,004	979	967
Total Worldwide	1,953	1,702	1,787	1,894	1,878	1,858

¹ In July 2012, Chevron completed the sale of this refinery, which had been idled since early 2008 and operated as a terminal.

² 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 2013.

³ As of June 2012, the Map Ta Phut, Thailand, refinery is reported on a 100 percent consolidated basis. Prior to June 2012, crude-input volumes reflect a 64 percent equity interest.

⁴ Chevron sold its interest in this refinery in August 2011.

⁵ Chevron sold its ownership interest in Société Nationale de Raffinage in June 2008.

⁶ Chevron sold its ownership interest in Kenya Petroleum Refinery Ltd. in July 2009.

⁷ Chevron sold its interest in this refinery in August 2011.

Refining Capacity at Year-End 2012

Thousands of barrels per day	Chevron Share of Capacity ¹				
	Atmospheric Distillation ²	Catalytic Cracking ³	Hydro-cracking ⁴	Residuum Conversion ⁵	Lubricants ⁶
United States - Consolidated					
El Segundo, California	269	65	46	68	-
Kapolei, Hawaii	54	21	-	-	-
Pascagoula, Mississippi	330	86	58	98	-
Richmond, California	257	80	151	-	20
Salt Lake City, Utah	45	13	-	7	-
Total United States - Consolidated	955	265	255	173	20
International - Consolidated					
Canada - Burnaby, British Columbia	55	17	-	-	-
South Africa - Cape Town ⁷	110	22	-	11	-
Thailand - Map Ta Phut ^{8,9}	158	41	-	-	-
Total International - Consolidated	323	80	-	11	-
International - Equity Shares in Affiliates					
Australia - Lytton (50%) ⁹	54	18	-	-	-
Australia - Kurnell (50%)	68	22	-	-	-
New Zealand - Whangarei (12.7%) ⁹	14	-	4	-	-
Pakistan - Karachi (12%) ⁹	6	-	-	-	-
Singapore - Pulau Merlimau (50%) ⁹	145	23	17	16	-
South Korea - Yeosu (50%)	388	47	74	-	5
Total International - Equity Shares in Affiliates	675	110	95	16	5
Total International	998	190	95	27	5
Total Worldwide	1,953	455	350	200	25

¹ 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.

² Atmospheric distillation is the first 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.

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

⁴ Hydrocracking combines 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.

⁵ 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.

⁶ Lubricants capacity is based on dewaxed base-oil production.

⁷ 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 2013.

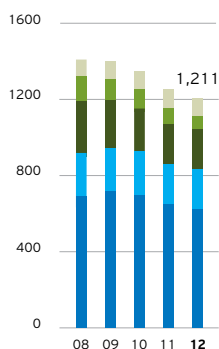
⁸ Map Ta Phut Refinery is reported on a 100 percent consolidated basis.

⁹ Source: 2012 Oil & Gas Journal Refining Survey.

Downstream Operating Data

U.S. Refined Product Sales

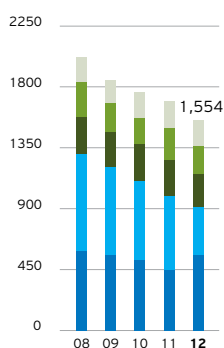
Thousands of barrels per day



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

International Refined Product Sales*

Thousands of barrels per day

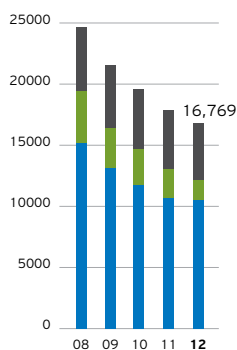


■ Other
■ Residual Fuel Oil
■ Jet Fuel
■ Gas Oil & Kerosene
■ Gasoline

*Includes equity in affiliates.

Marketing Retail Outlets

Number of outlets



■ Affiliate
■ Company
■ Retailer

Refined Product Sales

Thousands of barrels per day

	Year ended December 31				
	2012	2011	2010	2009	2008
United States					
Gasoline	624	649	700	720	692
Gas oil and kerosene	213	213	232	226	229
Jet fuel	212	209	223	254	274
Residual fuel oil	68	87	99	110	127
Other petroleum products	94	99	95	93	91
Total United States	1,211	1,257	1,349	1,403	1,413
International^{1,2}					
Gasoline	412	447	521	555	589
Gas oil and kerosene	496	543	583	647	710
Jet fuel	243	269	271	264	278
Residual fuel oil	210	233	197	209	257
Other petroleum products	193	200	192	176	182
Total International	1,554	1,692	1,764	1,851	2,016
Worldwide^{1,2}					
Gasoline	1,036	1,096	1,221	1,275	1,281
Gas oil and kerosene	709	756	815	873	939
Jet fuel	455	478	494	518	552
Residual fuel oil	278	320	296	319	384
Other petroleum products	287	299	287	269	273
Total Worldwide	2,765	2,949	3,113	3,254	3,429
¹ Includes share of equity affiliates' sales:	522	556	562	516	512
² As of June 2012, the Map Ta Phut, Thailand, refinery is reported on a 100 percent consolidated basis.					

Light Product Sales^{1,2}

	Year ended December 31				
	2012	2011	2010	2009	2008
Sales Revenues (Millions of dollars)					
United States	\$ 49,473	\$ 48,871	\$ 39,501	\$ 32,885	\$ 51,279
International ³	41,358	47,691	43,252	39,674	65,686
Total Sales Revenues	\$ 90,831	\$ 96,562	\$ 82,753	\$ 72,559	\$116,965
Sales Volumes (Thousands of barrels per day)					
United States	1,049	1,071	1,155	1,200	1,195
International ³	812	900	1,005	1,129	1,256
Total Sales Volumes	1,861	1,971	2,160	2,329	2,451

¹ Consolidated companies only.

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

³ As of June 2012, the Map Ta Phut, Thailand, refinery has been included and is reported on a 100 percent consolidated basis.

Marketing Retail Outlets^{1,2}

	At December 31									
	2012		2011		2010		2009		2008	
	Company	Other	Company	Other	Company	Other	Company	Other	Company	Other
United States	473	7,589	491	7,681	495	7,756	502	9,089	507	9,178
Canada	161	-	160	2	159	2	161	-	160	1
Europe	-	-	28	35	56	1,064	74	1,169	84	1,293
Latin America	97	587	336	835	496	863	541	841	977	2,442
Asia-Pacific	495	1,315	672	1,311	865	1,264	1,031	1,188	1,091	1,136
Africa-Pakistan	460	971	589	857	790	828	930	824	1,488	1,100
Total	1,686	10,462	2,276	10,721	2,861	11,777	3,239	13,111	4,307	15,150

¹ Excludes outlets of equity affiliates totaling 4,621, 4,834, 4,909, 5,224 and 5,198 for 2012, 2011, 2010, 2009 and 2008, respectively.

² 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.

CPChem Plant Capacities and Products at Year-End 2012¹CPChem Share of Capacity by Product²

Millions of pounds per year	Benzene	Cyclohexane	Ethylene	Normal Alpha Olefins	Polyethylene	Propylene	Styrene	Other ³
United States - Wholly Owned								
Baytown Texas (Cedar Bayou)	-	-	1,840	1,490	2,095	1,030	-	✓
Borger, Texas	-	-	-	-	-	-	-	✓
Conroe Texas	-	-	-	-	-	-	-	✓
La Porte, Texas	-	-	-	-	-	-	-	✓
Old Ocean, Texas (Sweeny)	-	-	4,110	-	-	1,170	-	-
Orange, Texas	-	-	-	-	970	-	-	-
Pasadena, Texas	-	-	-	-	2,180	-	-	✓
Pascagoula, Mississippi	1,600	-	-	-	-	-	-	✓
Port Arthur, Texas	-	1,060	1,880	-	-	775	-	✓
Nine other locations	-	-	-	-	-	-	-	✓
Total United States - Wholly Owned	1,600	1,060	7,830	1,490	5,245	2,975	-	✓
United States - Affiliates								
Allyn's Point, Connecticut (50%)	-	-	-	-	-	-	-	✓
Hanging Rock, Ohio (50%)	-	-	-	-	-	-	-	✓
Joliet, Illinois (50%)	-	-	-	-	-	-	-	✓
Marietta, Ohio (50%)	-	-	-	-	-	-	-	✓
St. James, Louisiana (50%)	-	-	-	-	-	-	1,050	-
Torrance, California (50%)	-	-	-	-	-	-	-	✓
Total United States - Affiliates	-	-	-	-	-	-	1,050	✓
Total United States	1,600	1,060	7,830	1,490	5,245	2,975	1,050	✓
International - Wholly Owned								
Belgium, Beringen	-	-	-	-	-	-	-	✓
Belgium, Kallo-Beveren	-	-	-	-	-	-	-	✓
Belgium, Tessenderlo	-	-	-	-	-	-	-	✓
China, Zhangjiagang	-	-	-	-	-	-	-	✓
Total International - Wholly Owned	-	-	-	-	-	-	-	✓
International - Affiliates								
China, Jinshanwei (40%)	-	-	-	-	130	-	-	-
Colombia, Cartagena (50%)	-	-	-	-	-	-	-	✓
Qatar, Mesaieed (49%)	-	-	560	440	875	-	-	-
Qatar, Ras Laffan (49%)	-	-	750	-	-	-	-	-
Saudi Arabia, Al Jubail (50%)	930	395	225	-	-	165	825	-
Saudi Arabia, Al Jubail (35%)	-	-	940	75	850	340	-	✓
Singapore (50%)	-	-	-	-	440	-	-	-
South Korea, Yeosu (60%)	-	-	-	-	-	-	-	✓
Total International - Affiliates	930	395	2,475	515	2,295	505	825	✓
Total International	930	395	2,475	515	2,295	505	825	✓
Total Worldwide	2,530	1,455	10,305	2,005	7,540	3,480	1,875	✓

¹ Includes CPChem's share of equity affiliates.² Capacities represent typical calendar-day processing rates for feedstocks to process units, determined over extended periods of time. Capacities may vary from actual depending on feedstocks, maintenance schedules and external factors.³ Other includes K-Resin SBC, paraxylene, polyalphaolefins, polypropylene, polystyrene, Ryton PPS, performance pipe and specialty chemicals.

Downstream Operating Data

Vessels - Crude Oil and Refined Product Tankers by Type, Dead-Weight Tonnage ¹										At December 31
	2012		2011		2010		2009		2008	
	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.
Company-Owned and Bareboat-Chartered										
25,000-65,000	4	-	4	-	5	-	5	-	5	-
65,000-120,000	-	6	-	6	-	6	-	6	-	6
120,000-160,000	-	4	-	4	-	4	-	4	-	4
160,000-320,000	-	6	-	5	-	5	-	6	-	6
Above 320,000	-	3	-	3	-	3	-	3	-	3
Total Company-Owned and Bareboat-Chartered	4	19	4	18	5	18	5	19	5	19
Time-Chartered²										
25,000-65,000	3	3	-	5	-	6	-	7	-	10
65,000-120,000	-	5	-	5	-	6	-	8	-	7
120,000-160,000	-	2	-	1	-	-	-	-	-	-
160,000-320,000	-	1	-	2	-	2	-	2	-	-
Total Time-Chartered	3	11	-	13	-	14	-	17	-	17
Total Crude Oil and Refined Product Tankers	7	30	4	31	5	32	5	36	5	36

¹ 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.

² Includes tankers chartered for more than one year.

Cargo Transported - Crude Oil and Refined Products*										Year ended December 31
	2012		2011		2010		2009		2008	
	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.
Millions of barrels	61	206	27	275	29	296	42	288	32	255
Billions of ton-miles	12	274	5	340	8	332	7	350	5	328

* Consolidated companies only. Includes cargo transported by company-owned, bareboat-chartered and time-chartered vessels with dead-weight tonnage 25,000 or greater; excludes cargo carried by single-voyage charters.

Other Businesses

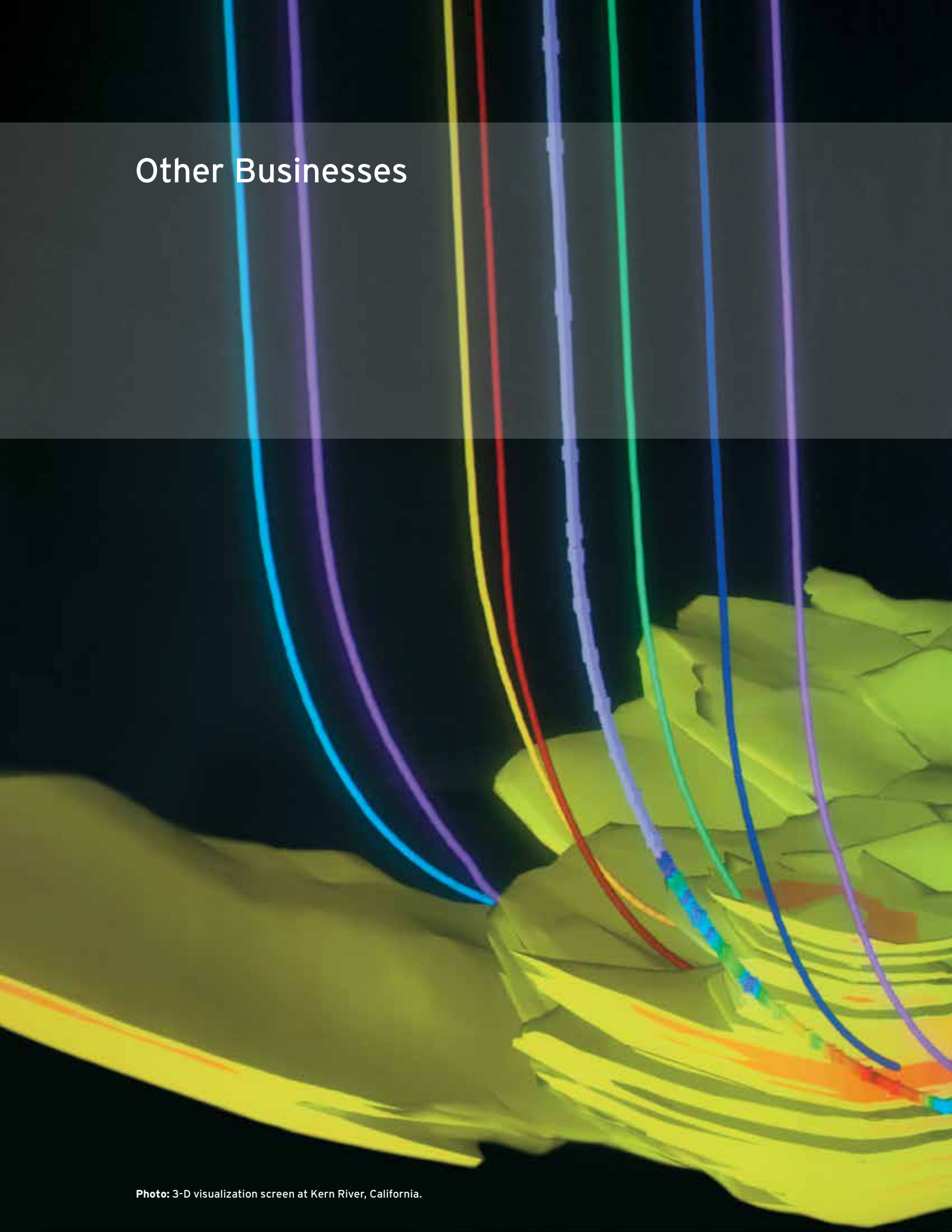


Photo: 3-D visualization screen at Kern River, California.

Technology

Chevron's technology activities support the company's worldwide operations by developing and deploying technology solutions that drive business growth and efficiency. The company differentiates performance through the application of technology - applying a portfolio approach that includes proprietary solutions, in-house expertise, strategic partnerships and venture capital investments. This builds on the company's strengths in upstream and downstream technologies, information technology and emerging energy.

Upstream and Gas Chevron's capabilities in subsurface imaging and modeling supports exploration, field development and reservoir management. Chevron leverages rapid advances in commercial seismic data acquisition techniques with proprietary imaging capability, well information and regional knowledge, to provide the company with a competitive edge. This is particularly advantageous in deepwater exploration and for complex geologies. Improved understanding of reservoir properties from seismic data and fluid prediction technology have led to continued exploration success for Chevron, including offshore Western Australia. The application of Ocean Bottom Node sensing, combined with proprietary processing, delivers high-fidelity images to geoscientists, enabling them to track fluid migration during field production.

Continued investment in drilling and completions technologies is of foremost importance as wells become deeper, longer and more geometrically complex and as resources are extracted from formations with low porosity and permeability. In continuing to progress these technologies, it is equally important that knowledge is shared across the company's global network of drilling specialists. The sharing of best practices in areas such as the company's new proprietary drilling and completion applications, supports safe, reliable and efficient operations.

In the deepwater, Chevron continues to make advances that will enable the company to drill and operate safely and efficiently, with technologies such as long-distance power, high-boost subsea pumping and advanced remote inspection monitoring. In collaboration with the University of Western Australia, the Australian Research Council and local companies, Chevron built a unique test facility to simulate underwater conditions during cyclones. Chevron's Wheatstone Project is leveraging the innovative research from this facility to improve the safety and reliability of pipeline design. The program has won awards, including the recent 2012 Western Australia Engineering Excellence Award for Innovation and Development.

Real-time reservoir management, with production and reservoir optimization capabilities, is integral to many of the company's major capital projects with high-volume wells. As these systems are deployed across Chevron's global operations, the company's asset teams have benefited from sophisticated systems with which to optimize production and recover reserves.

Core capabilities in basin analysis, geochemistry, seismic imaging, drilling, completions, reservoir management, rock properties and environmental management are applied to unlock resources from tight oil and gas reservoirs. For example, Chevron rock physics laboratories have expanded capabilities to measure fracturing in a wide variety of tight rock types, in support of subsurface interpretation and completions designs.

In 2012, the company launched a new tank technology for storing water at hydraulic fracturing operations. These patent-pending modular metal tanks can be quickly assembled and then taken apart for reuse at other wells. This enables drilling and fracturing without the need for water storage pits and is intended to result in enhanced safety, less land disturbance, smaller drill site pads and significantly lower costs. The first fully operational tank was brought into service in Ohio.

Downstream and Chemicals Chevron continues to build on more than four decades of research and development in improved catalysts. In 2012, the next-generation Isodewaxing catalyst, ICR 432, contributed to the highest base-oil yield ever recorded at the Richmond Base-Oil Plant. The company also developed ICR 215, a higher-octane, maximum naphtha hydrocracking catalyst. In addition, two improved heavy-oil hydroprocessing catalysts were developed and commercialized: a resid conversion ebullated-bed catalyst, which produces higher distillate yield; and a high-activity on-line replacement catalyst, which allows a refinery to process heavier, higher metals resid feedstocks.

Renewable Energy and Energy Efficiency Chevron continues to evaluate advanced biofuel technologies. Catchlight Energy LLC, a 50 percent-owned joint venture, signed agreements to supply forest-based feedstock to a third-party conversion plant and to purchase biofuel blendstocks from that plant. The plant was mechanically complete and began commissioning in late 2012.

Chevron completed construction and commissioning of an 800-kilowatt plant that converts waste heat from coproduced fluids into electricity at the Cymric Field in California. This project produces electricity and lowers fluid temperatures without venting heat to the atmosphere.

The company completed a demonstration project to enhance energy efficiency and reliability of cooling towers, using variable-speed direct-drive motors in the McKittrick Field in California. The project targets substantial reduction in energy costs as well as lower maintenance costs and improved reliability. Another similar project to test the technology in a distinctly different operating environment is being progressed in the geothermal operations in Darajat, Indonesia.

A solar-to-steam project, commissioned in 2011 to produce steam from solar thermal energy in support of enhanced oil recovery operations in Coalinga, California, has produced 460,000 barrels of steam since inception through year-end 2012. Initial assessments indicate that the project is capable of sustainably producing quality steam, meeting design capacity and reliability requirements, and integrating with the overall steam system used for enhanced oil recovery in Coalinga. Further analysis and testing is expected to enhance the company's understanding of the commercial viability of such systems.

The photovoltaic projects at Questa, New Mexico, and in the San Joaquin Valley, California, continue to test and evaluate solar technologies and have together produced 6.8 million kilowatt-hours of renewable energy since inception through year-end 2012.

Information Technology Chevron's information technology infrastructure and capabilities are essential to every aspect of the business and critical to data-intensive workflows. Seismic data processing and interpretation, for example, are supported by networked high-performance computing infrastructure that provides new levels of processing capability.

The U.S. Department of Homeland Security presented the prestigious Outstanding Collaboration in Science and Technology award to LOGIIC, an energy sector collaboration of oil and gas companies working to improve security of America's critical energy infrastructure. Chevron had a key role as part of LOGIIC's executive committee.

For collaborative work, Chevron and Los Alamos National Laboratory received the 2012 Excellence in Technology Transfer award presented by the Federal Laboratory Consortium. The award was received for transfer and commercialization of a wireless sensing technology used to collect real-time temperature and pressure information from oil and gas wells.

Health Environment and Safety Chevron scientists have improved existing methods to distinguish between petroleum and biodegraded petroleum and to identify specific petroleum breakdown products. This understanding has been incorporated into the State of California Leaking Underground Fuel Tank Guidance Manual to help meet California's goal of protecting health, safety and the environment. Technical data from this research has been shared collaboratively and transparently across industry and regulatory agencies in support of the advancement of sound science.

Venture Capital Chevron's venture capital investment group facilitated transfer of seven new technology applications - including downhole stability testing of nano-engineered coatings, enhanced pipeline inspection tools, engineered proppant, and secure connections between enterprise information technology networks and smartphones and tablets - into Chevron's core operations. The company added two new start-up investments in companies involved with nano-engineered coatings and metal thickness measurements using acoustic resonance technology.

Power Generation

Chevron's Global Power Company manages interests in 11 power-generation assets with a total operating capacity of more than 2,200 megawatts, primarily through joint ventures in the United States and Asia. Ten of these are efficient combined-cycle and gas-fired cogeneration facilities that utilize recovered waste heat to produce electricity and support industrial thermal hosts. The 11th facility is a wind farm, located in Casper, Wyoming, that is designed to optimize the use of a decommissioned refinery site for delivery of clean, renewable energy to the local utility provider.

The global power business also provides comprehensive technical, commercial and operational power services, utilizing state-of-the-art tools and technology to benefit 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. As the company's power solutions provider, these assets deliver industry-leading reliability results.

In addition, Chevron is one of the world's largest producers of geothermal energy. For additional information on the company's geothermal activities, see pages 29 and 31.

Mining

In 2012, Chevron concluded the divestment of its remaining coal mining operations. The company completed the sale of its Kemmerer, Wyoming, surface coal mine in early 2012. In second quarter 2012, the company completed the sale of its 50 percent interest in Youngs Creek Mining Company, LLC, which was formed to develop a coal mine in northern Wyoming. Activities related to final reclamation continued in 2012 at the company-operated surface coal mine in McKinley, New Mexico.

Underground development and production at the Questa molybdenum mine continued at reduced levels in response to weak prices for molybdenum. At year-end 2012, the company had proven reserves of 160 million pounds of contained molybdenum.

Chevron Energy Solutions (CES)

CES is a wholly owned subsidiary that develops and builds sustainable energy projects that increase energy efficiency and production of renewable power, reduce energy costs, and ensure reliable, high-quality energy for government, education and business facilities in the United States. Since 2000, CES has developed hundreds of projects that have helped customers reduce their energy costs and environmental impact. In 2012, CES completed several public sector projects, including a first-of-its-kind microgrid at the Santa Rita jail in Alameda County, and renewable and efficiency programs for Huntington Beach City School District, South San Francisco Unified School District and Union City, all in California, plus Rootstown Local School District in Ohio. CES also completed an energy efficiency program at the Detroit Arsenal in Michigan and a combined renewable power production and heating project at the Marine Corps Logistics Base in Albany, Georgia. CES is also guiding the work of the new Chevron Center for Sustainable Energy Efficiency in Qatar. In December 2012, the first large-scale solar testing in Qatar was inaugurated. The evaluation will help determine the most appropriate solar technologies for the Middle East.

Glossary of Energy and Financial Terms

Energy Terms

Acreage Land leased for crude oil and natural gas exploration and production.

Additives Specialty chemicals incorporated into fuels and lubricants that enhance the performance of the finished product.

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 A process that converts natural gas into high-quality transportation fuels 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 (NGLs) Separated from natural gas, these include ethane, propane, butane and natural gasoline.

Oil-Equivalent Gas 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 one barrel of crude oil.

Oil Sands Naturally occurring mixture of bitumen (a heavy, viscous form of crude oil), water, sand and clay. Using hydroprocessing 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.

Post-Salt, Pre-Salt and Subsalt *Post-salt* refers to crude oil and natural gas reservoirs lying above and deposited after an autochthonous (deposited in its present position) salt layer. *Pre-salt* refers to reservoirs lying beneath and deposited prior to an autochthonous salt layer. *Subsalt* refers to reservoirs lying beneath allochthonous (deposited at a distance from its present position) salt layers.

Production *Total production* refers to all the crude oil (including *synthetic oil*), natural gas liquids and natural gas produced from a property. Net production is the company's share of *total production* after deducting both royalties paid to landowners and a government's agreed-upon share of production under a PSC. *Liquids production* refers to crude oil, condensate, natural gas liquids and synthetic oil volumes. *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*, *oil-equivalent gas* and *production-sharing contract*.

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, which 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 typically owes income tax 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 and natural gas contained in underground rock formations called reservoirs and saleable hydrocarbons extracted from oil sands, shale, coalbeds and other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas. *Net 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, and exclude royalties and interests owned by others. 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 discloses only net proved reserves in its filings with the U.S. Securities and Exchange Commission. Investors should refer to proved reserves disclosures in Chevron's *Annual Report on Form 10-K* for the year ended December 31, 2012.

Resources Estimated quantities of oil and gas resources are recorded under Chevron's 6P system, which is modeled after the Society of Petroleum Engineers' Petroleum Resource Management System, and includes quantities classified as proved, probable and possible reserves, plus those that remain contingent on commerciality. *Unrisked resources, unrisked resource base* and similar terms represent the arithmetic sum of the amounts recorded under each of these classifications. *Recoverable resources, potentially recoverable volumes* and other similar terms represent estimated remaining quantities that are expected to be ultimately recoverable and produced in the future, adjusted to reflect the relative uncertainty represented by the various classifications. These estimates may change significantly as development work provides additional information. At times, *original oil in place* and similar terms are used to describe total hydrocarbons contained in a reservoir without regard to the likelihood of their being produced. All of these measures are considered by management in making capital investment and operating decisions and may provide some indication to stockholders of the resource potential of oil and gas properties in which the company has an interest.

Shale Gas Natural gas produced from shale (very fine-grained rock) 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*.

Unconventional Oil and Gas Resources Hydrocarbons contained in formations over very large areas with extremely low permeability that are not influenced by buoyancy. In contrast, conventional resources are contained within geologic structures/stratigraphy and float buoyantly over water. Unconventional resources include shale gas, coalbed methane, crude oil and natural gas from "tight" rock formations, tar sands, kerogen from oil shale, and gas hydrates that cannot commercially flow without well stimulation.

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.

Net Debt to Capital Total debt less the sum of cash and cash equivalents, time deposits, and marketable securities, as a percentage of total debt plus Chevron Corporation's stockholders' equity.

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.

Reference

Additional Information

Publications and Other News Sources

Additional information relating to Chevron is contained in its 2012 *Annual Report* to stockholders and its *Annual Report on Form 10-K* for the fiscal year ended December 31, 2012, filed with the U.S. Securities and Exchange Commission. Copies of these reports are available on the company's website, 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 2012 *Corporate Responsibility Report* is scheduled to be available in May on the company's website, www.chevron.com, or may be requested in writing to:

Chevron Corporation
Policy, Government and Public Affairs
6101 Bollinger Canyon Road, BR1X3200
San Ramon, CA 94583-5177

For additional information about the company and the energy industry, visit Chevron's website, 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.

Stock Exchange Listing

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

Stockholder Information

Questions about stock ownership, changes of address, dividend payments and direct deposit of dividends should be directed to Chevron's transfer agent and registrar:

Computershare
P.O. Box 43006
Providence, RI 02940-3006
800 368 8357
www.computershare.com/investor

Overnight correspondence should be mailed to:

Computershare
250 Royall Street
Canton, MA 02021-1011

The Computershare Investment Plan features dividend reinvestment, optional cash investments of \$50 to \$100,000 a year and automatic stock purchase.

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

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

This 2012 *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," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "budgets," "outlook" 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, many 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 chemicals 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 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 required by 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 28 through 30 of the company's 2012 *Annual Report on Form 10-K*. In addition, such results could be affected by general domestic and international economic and political conditions. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.

Certain terms, such as "unrisked resources," "unrisked resource base," "recoverable resources" and "oil in place," among others, may be used in this report to describe certain aspects of the company's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, these and other terms, see the "Glossary of Energy and Financial Terms" on pages 58 and 59 of this report.

As used in this report, the term "project" may describe new upstream development activity, individual phases in a multiphase development, maintenance activities, certain existing assets, new investments in downstream and chemicals capacity, investment in emerging and sustainable energy activities, and certain other activities. All of these terms are used for convenience only and are not intended as a precise description of the term "project" as it relates to any specific governmental law or regulation.

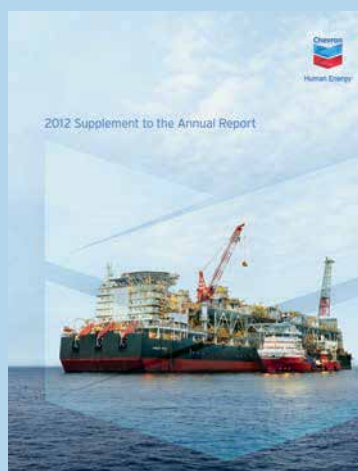
This publication was issued in March 2013 solely for the purpose of providing additional Chevron financial and statistical data. It is not a circular or prospectus regarding any security or stock of the company, nor is it issued in connection with any sale, offer for sale of or solicitation of any offer to buy any securities. This report supplements the *Chevron Corporation 2012 Annual Report* to stockholders and should be read in conjunction with it. The financial information contained in this 2012 *Supplement to the Annual Report* is expressly qualified by reference to the 2012 *Annual Report*, which contains audited financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other supplemental data.

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 combine Socal's exploration and production interests in the Middle East and Indonesia and provide an outlet for crude oil through The Texas Company's marketing network in Africa and Asia.
- 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 company's 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.
- 2011** Acquired Atlas Energy, Inc., an independent U.S. developer and producer of shale gas resources. The acquired assets provide a targeted, high-quality core acreage position primarily in the Marcellus Shale.



2012 Annual Report



2012 Supplement to the Annual Report



2012 Corporate Responsibility Report



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