



Human Energy®

## 2014 Supplement to the Annual Report





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**Cover photo:** Chevron is undertaking the largest shipbuilding and fleet modernization program in the company's recent history. During 2014, Chevron took delivery of seven new ships, including the first two of six new liquefied natural gas (LNG) carriers to support the company's growing LNG operations.

**Inside front cover photo:** Interior of an LNG cargo tank on one of the company's new LNG carriers. Each LNG carrier contains four separate cargo tanks and has a total carrying capacity of 160,000 cubic meters.

# 2014 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 and build new legacy positions. Downstream - deliver competitive returns and grow earnings across the value chain. Gas and Midstream - apply commercial excellence in supply, trading and transportation to enable success of upstream and downstream strategies. Technology - differentiate performance through technology.

## Accomplishments

### Corporate

**Safety** - Achieved strong safety results including record lows in the days-away-from-work rate, total recordable incident rate, loss of containment incidents and spill volumes.

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

**Dividends** - Paid \$7.9 billion in dividends, with 2014 marking the 27th consecutive year of higher annual dividend payouts. Since 2004, the dividend has grown at a compound annual rate of 11 percent.

**Capital and exploratory expenditures** - Invested \$40.3 billion in the company's businesses, including \$3.5 billion (Chevron share) of spending by affiliates. Announced 2015 projected outlays of \$35.0 billion, including \$4.0 billion of affiliate expenditures. Focus continues on exploration and production activities.

**Portfolio management** - Realized \$5.7 billion in proceeds from sales of nonstrategic assets, remaining on track to reach a targeted \$10 billion in proceeds over the 2014 to 2016 period.

**Stock repurchase program** - Acquired \$5.0 billion of the company's shares of common stock.

### Upstream

**Exploration** - Achieved an exploration drilling success rate of 66 percent with 35 discoveries worldwide, and added 1.4 billion barrels of oil-equivalent resources. Made significant discoveries at the Anchor and Guadalupe prospects in the deepwater Gulf of Mexico. Made five natural gas discoveries in the Carnarvon Basin offshore Western Australia, contributing to the resources available to extend and expand the company's liquefied natural gas projects. Continued shale and tight resource drilling programs in Argentina, Canada and the United States.

**Portfolio additions** - Signed agreements to begin exploration in the Narambuena Block of the Vaca Muerta Shale in Argentina. Added deepwater acreage in the U.S. Gulf of Mexico. Announced acquisition of offshore acreage in Myanmar and New Zealand.

**Production** - Produced 2.571 million net oil-equivalent barrels per day, with about 74 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 Jack/St. Malo and Tubular Bells projects in the U.S. Gulf of Mexico, the Chirag Oil Project in Azerbaijan, and the Bibiyana Expansion Project in Bangladesh. Achieved start-up and initial production of product from the Escravos Gas-to-Liquids Project in Nigeria. Continued to ramp up production at the Papa-Terra Project in Brazil, the Loma Campana Project in Argentina, the Permian Basin in Texas and New Mexico, and the Marcellus Shale in western Pennsylvania. Achieved a 230,000-barrel-per-day increase in capacity of the Caspian Pipeline. Progressed construction of the Gorgon and Wheatstone projects in Australia, reaching 88 percent and 53 percent complete, respectively, at year-end 2014. Reached final investment decision on the Stampede Project in the U.S. Gulf of Mexico.

### Downstream

**Refinery investments** - Started commercial operations of a 25,000-barrel-per-day premium base oil facility at the Pascagoula Refinery in the United States.

**Chemical** - Started commercial operations of the world's largest on-purpose 1-hexene plant, with a design capacity of 250,000 metric tons per year, in Texas (50 percent-owned). Progressed construction of a petrochemicals project in Texas that includes an ethane cracker with an annual design capacity of 1.5 million metric tons and two polyethylene units, each with an annual design capacity of 500,000 metric tons (all 50 percent-owned).

## Financial Highlights

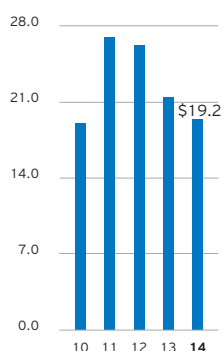
- **Sales and other operating revenues**  
\$200.5 billion
- **Net income attributable to Chevron Corporation**  
\$19.2 billion  
\$10.14 per share - diluted
- **Return on capital employed**  
10.9%
- **Return on stockholders' equity**  
12.7%
- **Cash dividends**  
\$4.21 per share



## Financial Information

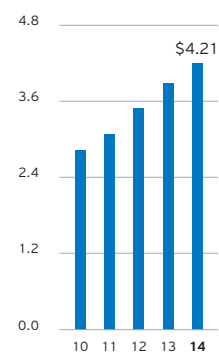
### Net Income Attributable to Chevron Corporation

Billions of dollars



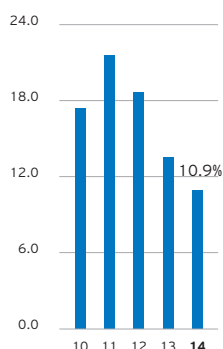
### Annual Cash Dividends

Dollars per share



### Return on Capital Employed

Percent



## Financial Summary

	Year ended December 31				
Millions of dollars	2014	2013	2012	2011	2010
Net income attributable to Chevron Corporation	\$ 19,241	\$ 21,423	\$ 26,179	\$ 26,895	\$ 19,024
Sales and other operating revenues	200,494	220,156	230,590	244,371	198,198
Cash dividends - common stock	7,928	7,474	6,844	6,139	5,674
Capital and exploratory expenditures	40,316	41,877	34,229	29,066	21,755
Cash provided by operating activities	31,475	35,002	38,812	41,098	31,359
Working capital at December 31	10,306	17,232	21,508	19,634	19,829
Total cash and cash equivalents at December 31	12,785	16,245	20,939	15,864	14,060
Total assets at December 31	266,026	253,753	232,982	209,474	184,769
Total debt and capital lease obligations at December 31	27,818	20,431	12,192	10,152	11,476
Total liabilities at December 31	109,835	103,326	95,150	87,293	78,958
Chevron Corporation stockholders' equity at December 31	155,028	149,113	136,524	121,382	105,081
Share repurchases	5,000	5,000	5,000	4,250	750
Market valuation at December 31	209,270	237,258	208,984	209,289	181,890

## Common Stock

	Year ended December 31				
	2014	2013	2012	2011	2010
Number of shares outstanding at December 31 (Millions)	1,865.5	1,899.4	1,932.5	1,967.0	1,993.3
Weighted-average shares outstanding for the year (Millions)	1,883.6	1,916.3	1,949.7	1,985.7	1,995.9
Number of stockholders of record at December 31 (Thousands)	153	161	169	179	188
Per-share data					
Net income attributable to Chevron Corporation					
- Basic	\$ 10.21	\$ 11.18	\$ 13.42	\$ 13.54	\$ 9.53
- Diluted	10.14	11.09	13.32	13.44	9.48
Cash dividends	4.21	3.90	3.51	3.09	2.84
Chevron Corporation stockholders' equity at December 31	83.10	78.50	70.65	61.71	52.72
Market price					
- Close at December 31	112.18	124.91	108.14	106.40	91.25
- Intraday high	135.10	127.83	118.53	110.01	92.39
- Intraday low	100.15	108.74	95.73	86.68	66.83

## Financial Ratios\*

	Year ended December 31				
	2014	2013	2012	2011	2010
Current ratio	1.3	1.5	1.6	1.6	1.7
Interest coverage ratio	87.2	126.2	191.3	165.4	101.7
Debt ratio	15.2 %	12.1 %	8.2 %	7.7 %	9.8 %
Net debt to capital ratio	8.0 %	2.3 %	(6.5)%	(7.5)%	(4.8)%
Return on stockholders' equity	12.7 %	15.0 %	20.3 %	23.8 %	19.3 %
Return on capital employed	10.9 %	13.5 %	18.7 %	21.6 %	17.4 %
Return on total assets	7.4 %	8.8 %	11.8 %	13.6 %	10.9 %
Cash dividends/net income (payout ratio)	41.2 %	34.9 %	26.1 %	22.8 %	29.8 %
Cash dividends/cash from operations	25.2 %	21.4 %	17.6 %	14.9 %	18.1 %
Total stockholder return	(6.9)%	19.2 %	5.0 %	20.3 %	22.9 %

\* Refer to page 59 for financial ratio definitions.

## Capital Employed

	Year ended December 31				
Millions of dollars	2014	2013	2012	2011	2010
Upstream					
- United States	\$ 30,984	\$ 29,645	\$ 27,582	\$ 22,950	\$ 14,751
- International	113,395	98,063	77,721	65,597	60,621
- Goodwill	4,593	4,639	4,640	4,642	4,617
- Total	148,972	132,347	109,943	93,189	79,989
Downstream					
- United States	13,835	12,928	11,769	11,077	11,358
- International	11,215	10,325	9,905	10,284	10,645
- Total	25,050	23,253	21,674	21,361	22,003
All Other	9,987	15,258	18,407	17,783	15,294
<b>Total Capital Employed</b>	<b>\$184,009</b>	<b>\$170,858</b>	<b>\$150,024</b>	<b>\$132,333</b>	<b>\$117,286</b>

## Employees

	Year ended December 31				
	2014	2013	2012	2011	2010
Number of employees					
Employees excluding service station employees	61,456	61,345	58,286	57,376	58,267
Service station employees	3,259	3,205	3,656	3,813	3,929
<b>Total Employed</b>	<b>64,715</b>	<b>64,550</b>	<b>61,942</b>	<b>61,189</b>	<b>62,196</b>

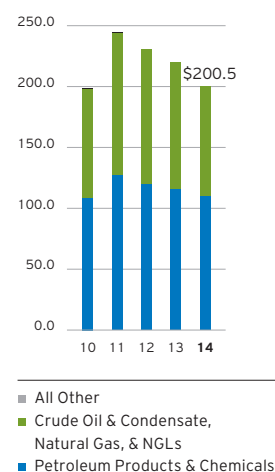
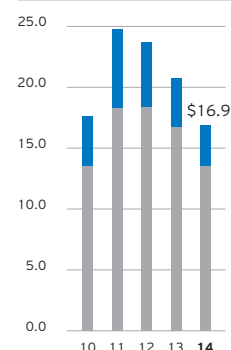
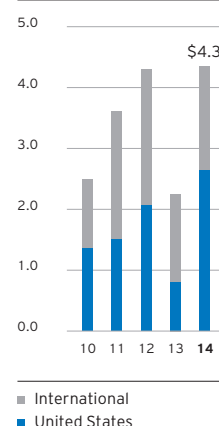
## Consolidated Statement of Income

Millions of dollars	Year ended December 31				
	2014	2013	2012	2011	2010
<b>Revenues and Other Income</b>					
<b>Sales and Other Operating Revenues</b>					
Gasoline	\$ 41,257	\$ 42,736	\$ 45,432	\$ 48,037	\$ 42,553
Jet fuel	16,742	17,680	18,168	19,030	14,337
Gas oil and kerosene	25,266	27,167	27,231	29,495	25,863
Residual fuel oil	6,521	7,626	8,671	9,510	6,461
Other refined products	7,398	7,858	7,770	8,072	6,232
<b>Total Refined Products</b>	<b>97,184</b>	<b>103,067</b>	<b>107,272</b>	<b>114,144</b>	<b>95,446</b>
Crude oil and condensate	70,811	83,996	91,191	94,936	68,014
Natural gas	16,048	16,733	15,265	17,299	17,290
Natural gas liquids (NGLs)	3,329	3,470	3,965	4,618	3,868
Other petroleum revenues	2,818	2,173	2,589	2,836	2,660
Chemicals	2,022	2,024	2,049	2,045	1,813
Excise taxes	8,186	8,492	8,010	8,085	8,591
Other	(159)	(160)	(133)	(122)	(117)
<b>Total Upstream and Downstream</b>	<b>200,239</b>	<b>219,795</b>	<b>230,208</b>	<b>243,841</b>	<b>197,565</b>
All Other	255	361	382	530	633
<b>Total Sales and Other Operating Revenues</b>	<b>200,494</b>	<b>220,156</b>	<b>230,590</b>	<b>244,371</b>	<b>198,198</b>
Income from equity affiliates	7,098	7,527	6,889	7,363	5,637
Other income	4,378	1,165	4,430	1,972	1,093
<b>Total Revenues and Other Income</b>	<b>211,970</b>	<b>228,848</b>	<b>241,909</b>	<b>253,706</b>	<b>204,928</b>
<b>Costs and Other Deductions</b>					
Purchased crude oil and products	119,671	134,696	140,766	149,923	116,467
Operating expenses	25,285	24,627	22,570	21,649	19,188
Selling, general and administrative expenses	4,494	4,510	4,724	4,745	4,767
Exploration expenses	1,985	1,861	1,728	1,216	1,147
Depreciation, depletion and amortization	16,793	14,186	13,413	12,911	13,063
Taxes other than on income	12,540	13,063	12,376	15,628	18,191
Interest and debt expense	-	-	-	-	50
<b>Total Costs and Other Deductions</b>	<b>180,768</b>	<b>192,943</b>	<b>195,577</b>	<b>206,072</b>	<b>172,873</b>
<b>Income Before Income Tax Expense</b>	<b>31,202</b>	<b>35,905</b>	<b>46,332</b>	<b>47,634</b>	<b>32,055</b>
Income tax expense	11,892	14,308	19,996	20,626	12,919
<b>Net Income</b>	<b>19,310</b>	<b>21,597</b>	<b>26,336</b>	<b>27,008</b>	<b>19,136</b>
Less: Net income attributable to noncontrolling interests	69	174	157	113	112
<b>Net Income Attributable to Chevron Corporation</b>	<b>\$ 19,241</b>	<b>\$ 21,423</b>	<b>\$ 26,179</b>	<b>\$ 26,895</b>	<b>\$ 19,024</b>

## Income Attributable to Chevron Corporation by Operating Segment

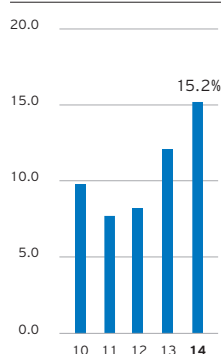
Millions of dollars		2014	2013	2012	2011	2010
Upstream	- United States	\$ 3,327	\$ 4,044	\$ 5,332	\$ 6,512	\$ 4,122
	- International	13,566	16,765	18,456	18,274	13,555
	- Total	16,893	20,809	23,788	24,786	17,677
Downstream	- United States	2,637	787	2,048	1,506	1,339
	- International	1,699	1,450	2,251	2,085	1,139
	- Total	4,336	2,237	4,299	3,591	2,478
All Other*		(1,988)	(1,623)	(1,908)	(1,482)	(1,131)
Net Income Attributable to Chevron		\$ 19,241	\$ 21,423	\$ 26,179	\$ 26,895	\$ 19,024

\* All Other includes income from power and energy services, insurance operations, real estate activities, 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	2014	2013	2012	2011	2010
<b>Assets</b>					
Cash and cash equivalents	\$ 12,785	\$ 16,245	\$ 20,939	\$ 15,864	\$ 14,060
Time deposits	8	8	708	3,958	2,855
Marketable securities	422	263	266	249	155
Accounts and notes receivable, net	16,736	21,622	20,997	21,793	20,759
Inventories:					
Crude oil and petroleum products	3,854	3,879	3,923	3,420	3,589
Chemicals	467	491	475	502	395
Materials, supplies and other	2,184	2,010	1,746	1,621	1,509
Total inventories	6,505	6,380	6,144	5,543	5,493
Prepaid expenses and other current assets	5,776	5,732	6,666	5,827	5,519
<b>Total Current Assets</b>	<b>42,232</b>	<b>50,250</b>	<b>55,720</b>	<b>53,234</b>	<b>48,841</b>
Long-term receivables, net	2,817	2,833	3,053	2,233	2,077
Investments and advances	26,912	25,502	23,718	22,868	21,520
Properties, plant and equipment, at cost	327,289	296,433	263,481	233,432	207,367
Less: Accumulated depreciation, depletion and amortization	144,116	131,604	122,133	110,824	102,863
Properties, plant and equipment, net	183,173	164,829	141,348	122,608	104,504
Deferred charges and other assets	6,299	5,120	4,503	3,889	3,210
Goodwill	4,593	4,639	4,640	4,642	4,617
Assets held for sale	-	580	-	-	-
<b>Total Assets</b>	<b>\$266,026</b>	<b>\$253,753</b>	<b>\$232,982</b>	<b>\$209,474</b>	<b>\$184,769</b>
<b>Liabilities and Equity</b>					
Short-term debt	\$ 3,790	\$ 374	\$ 127	\$ 340	\$ 187
Accounts payable	19,000	22,815	22,776	22,147	19,259
Accrued liabilities	5,328	5,402	5,738	5,287	5,324
Federal and other taxes on income	2,575	3,092	4,341	4,584	2,776
Other taxes payable	1,233	1,335	1,230	1,242	1,466
<b>Total Current Liabilities</b>	<b>31,926</b>	<b>33,018</b>	<b>34,212</b>	<b>33,600</b>	<b>29,012</b>
Long-term debt	23,960	19,960	11,966	9,684	11,003
Capital lease obligations	68	97	99	128	286
Deferred credits and other noncurrent obligations	23,549	22,982	21,502	19,181	19,264
Noncurrent deferred income taxes	21,920	21,301	17,672	15,544	12,697
Noncurrent employee benefit plans	8,412	5,968	9,699	9,156	6,696
<b>Total Liabilities</b>	<b>109,835</b>	<b>103,326</b>	<b>95,150</b>	<b>87,293</b>	<b>78,958</b>
Common stock	1,832	1,832	1,832	1,832	1,832
Capital in excess of par value	16,041	15,713	15,497	15,156	14,796
Retained earnings	184,987	173,677	159,730	140,399	119,641
Accumulated other comprehensive loss	(4,859)	(3,579)	(6,369)	(6,022)	(4,466)
Deferred compensation and benefit plan trust	(240)	(240)	(282)	(298)	(311)
Treasury stock, at cost	(42,733)	(38,290)	(33,884)	(29,685)	(26,411)
<b>Total Chevron Corporation Stockholders' Equity</b>	<b>155,028</b>	<b>149,113</b>	<b>136,524</b>	<b>121,382</b>	<b>105,081</b>
Noncontrolling interests	1,163	1,314	1,308	799	730
<b>Total Equity</b>	<b>156,191</b>	<b>150,427</b>	<b>137,832</b>	<b>122,181</b>	<b>105,811</b>
<b>Total Liabilities and Equity</b>	<b>\$266,026</b>	<b>\$253,753</b>	<b>\$232,982</b>	<b>\$209,474</b>	<b>\$184,769</b>

### Segment Assets

At December 31

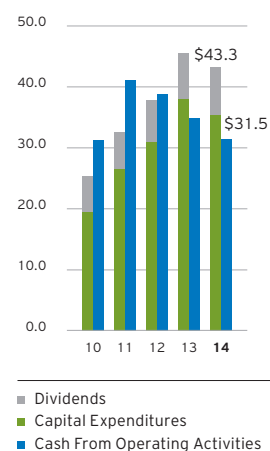
Millions of dollars	2014	2013	2012	2011	2010
Upstream*	\$206,534	\$187,171	\$162,337	\$140,290	\$120,242
Downstream	40,791	44,097	43,047	42,699	41,965
<b>Total Segment Assets</b>	<b>\$247,325</b>	<b>\$231,268</b>	<b>\$205,384</b>	<b>\$182,989</b>	<b>\$162,207</b>
All Other	18,701	22,485	27,598	26,485	22,562
<b>Total Assets</b>	<b>\$266,026</b>	<b>\$253,753</b>	<b>\$232,982</b>	<b>\$209,474</b>	<b>\$184,769</b>

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

\$ 4,593	\$ 4,639	\$ 4,640	\$ 4,642	\$ 4,617
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## Consolidated Statement of Cash Flows

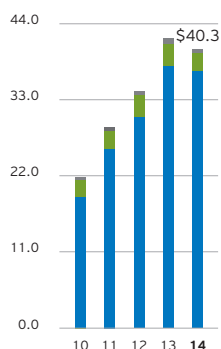
Millions of dollars	Year ended December 31				
	2014	2013	2012	2011	2010
<b>Operating Activities</b>					
Net income	\$ 19,310	\$ 21,597	\$ 26,336	\$ 27,008	\$ 19,136
Adjustments:					
Depreciation, depletion and amortization	16,793	14,186	13,413	12,911	13,063
Dry hole expense	875	683	555	377	496
Distributions less than income from equity affiliates	(2,202)	(1,178)	(1,351)	(570)	(501)
Net before-tax gains on asset retirements and sales	(3,540)	(639)	(4,089)	(1,495)	(1,004)
Net foreign currency effects	(277)	(103)	207	(103)	251
Deferred income tax provision	1,572	1,876	2,015	1,589	559
Net (increase) decrease in operating working capital composed of:					
Decrease (increase) in accounts and notes receivable	4,491	(1,101)	1,153	(2,156)	(2,767)
(Increase) decrease in inventories	(146)	(237)	(233)	(404)	15
(Increase) decrease in prepaid expenses and other current assets	(407)	834	(471)	(853)	(542)
(Decrease) increase in accounts payable and accrued liabilities	(3,737)	160	544	3,839	3,049
(Decrease) increase in income and other taxes payable	(741)	(987)	(630)	1,892	321
Net (increase) decrease in operating working capital	(540)	(1,331)	363	2,318	76
(Increase) decrease in long-term receivables	(9)	183	(169)	(150)	(12)
Decrease (increase) in other deferred charges	263	(321)	1,047	341	48
Cash contributions to employee pension plans	(392)	(1,194)	(1,228)	(1,467)	(1,450)
Other	(378)	1,243	1,713	336	697
<b>Net Cash Provided by Operating Activities</b>	<b>31,475</b>	<b>35,002</b>	<b>38,812</b>	<b>41,095</b>	<b>31,359</b>
<b>Investing Activities</b>					
Acquisition of Atlas Energy	-	-	-	(3,009)	-
Advance to Atlas Energy	-	-	-	(403)	-
Capital expenditures	(35,407)	(37,985)	(30,938)	(26,500)	(19,612)
Proceeds and deposits from asset sales	5,729	1,143	2,777	3,517	1,995
Time deposits purchased	(317)	(2,317)	(717)	(6,439)	(5,060)
Time deposits matured	317	3,017	3,967	5,335	2,205
Net maturities (purchases) of time deposits	-	700	3,250	(1,104)	(2,855)
Marketable securities purchased	(162)	(7)	(35)	(112)	(90)
Marketable securities sold	14	10	32	38	41
Net sales (purchases) of marketable securities	(148)	3	(3)	(74)	(49)
Repayment of loans by equity affiliates	140	314	328	339	338
Net sales (purchases) of other short-term investments	(207)	216	(210)	(255)	(732)
<b>Net Cash Used for Investing Activities</b>	<b>(29,893)</b>	<b>(35,609)</b>	<b>(24,796)</b>	<b>(27,489)</b>	<b>(20,915)</b>
<b>Financing Activities</b>					
Net borrowings (payments) of short-term obligations	3,431	2,378	264	23	(212)
Proceeds from issuances of long-term debt	4,000	6,000	4,007	377	1,250
Repayments of long-term debt and other financing obligations	(43)	(132)	(2,224)	(2,769)	(156)
Cash dividends - common stock	(7,928)	(7,474)	(6,844)	(6,136)	(5,674)
Distributions to noncontrolling interests	(47)	(99)	(41)	(71)	(72)
Net (purchases) sales of treasury shares	(4,412)	(4,494)	(4,142)	(3,193)	(306)
<b>Net Cash Used for Financing Activities</b>	<b>(4,999)</b>	<b>(3,821)</b>	<b>(8,980)</b>	<b>(11,769)</b>	<b>(5,170)</b>
Effect of exchange rate changes on cash and cash equivalents	(43)	(266)	39	(33)	70
<b>Net Change in Cash and Cash Equivalents</b>	<b>(3,460)</b>	<b>(4,694)</b>	<b>5,075</b>	<b>1,804</b>	<b>5,344</b>
Cash and cash equivalents at January 1	16,245	20,939	15,864	14,060	8,716
<b>Cash and Cash Equivalents at December 31</b>	<b>\$ 12,785</b>	<b>\$ 16,245</b>	<b>\$ 20,939</b>	<b>\$ 15,864</b>	<b>\$ 14,060</b>

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	2014	2013	2012	2011*	2010
<b>United States</b>					
Exploration	\$ 1,391	\$ 1,184	\$ 1,827	\$ 528	\$ 638
Production	7,354	7,221	6,634	7,767	2,800
Other Upstream	54	75	70	23	12
Refining	373	889	1,215	964	948
Marketing	66	67	110	80	49
Chemicals	1,025	723	323	278	264
Other Downstream	185	307	265	139	195
All Other	584	821	602	575	286
<b>Total United States</b>	<b>11,032</b>	<b>11,287</b>	<b>11,046</b>	<b>10,354</b>	<b>5,192</b>
<b>International</b>					
Exploration	2,131	3,994	2,366	1,690	2,077
Production	25,228	23,964	18,075	14,400	12,173
Other Upstream	957	1,420	1,472	1,464	1,204
Refining	309	434	627	611	629
Marketing	254	304	283	226	197
Chemicals	150	223	148	93	69
Other Downstream	228	228	201	220	201
All Other	27	23	11	8	13
<b>Total International</b>	<b>29,284</b>	<b>30,590</b>	<b>23,183</b>	<b>18,712</b>	<b>16,563</b>
<b>Worldwide</b>					
Exploration	3,522	5,178	4,193	2,218	2,715
Production	32,582	31,185	24,709	22,167	14,973
Other Upstream	1,011	1,495	1,542	1,487	1,216
Refining	682	1,323	1,842	1,575	1,577
Marketing	320	371	393	306	246
Chemicals	1,175	946	471	371	333
Other Downstream	413	535	466	359	396
All Other	611	844	613	583	299
<b>Total Worldwide</b>	<b>\$ 40,316</b>	<b>\$ 41,877</b>	<b>\$ 34,229</b>	<b>\$ 29,066</b>	<b>\$ 21,755</b>
Memo: Equity share of affiliates' expenditures included above	<b>\$ 3,467</b>	<b>\$ 2,698</b>	<b>\$ 2,117</b>	<b>\$ 1,695</b>	<b>\$ 1,388</b>

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

### Exploration Expenses<sup>1</sup>

	Year ended December 31				
Millions of dollars	2014	2013	2012	2011	2010
Geological and geophysical	\$ 404	\$ 493	\$ 499	\$ 391	\$ 255
Unproductive wells drilled	875	683	555	377	496
Other <sup>2</sup>	706	685	674	448	396
<b>Total Exploration Expenses</b>	<b>\$ 1,985</b>	<b>\$ 1,861</b>	<b>\$ 1,728</b>	<b>\$ 1,216</b>	<b>\$ 1,147</b>
Memo: United States	<b>\$ 586</b>	<b>\$ 555</b>	<b>\$ 244</b>	<b>\$ 198</b>	<b>\$ 186</b>
International	<b>1,399</b>	<b>1,306</b>	<b>1,484</b>	<b>1,018</b>	<b>961</b>

<sup>1</sup> Consolidated companies only. Excludes amortization of undeveloped leaseholds.

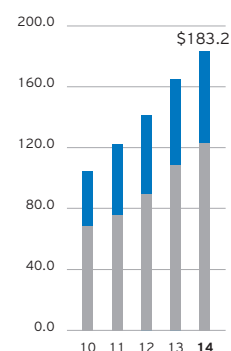
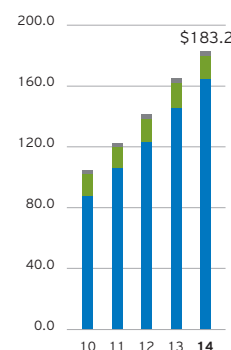
<sup>2</sup> Includes expensed well contributions, oil and gas lease rentals, and research and development costs.



## Properties, Plant and Equipment

(Includes capital leases)

	At December 31				
Millions of dollars	2014	2013	2012	2011	2010
<b>Net Properties, Plant and Equipment at January 1</b>	<b>\$164,829</b>	\$141,348	\$122,608	\$104,504	\$ 96,468
<b>Additions at Cost</b>					
Upstream <sup>1</sup>	34,608	35,571	29,554	30,126	19,315
Downstream	1,118	1,807	4,042	1,669	1,560
All Other <sup>2</sup>	606	744	419	596	270
<b>Total Additions at Cost</b>	<b>36,332</b>	38,122	34,015	32,391	21,145
<b>Depreciation, Depletion and Amortization Expense<sup>3</sup></b>					
Upstream	(14,051)	(12,157)	(11,435)	(10,893)	(11,055)
Downstream	(1,271)	(1,138)	(1,094)	(1,119)	(1,179)
All Other <sup>2</sup>	(589)	(264)	(255)	(271)	(316)
<b>Total Depreciation, Depletion and Amortization Expense</b>	<b>(15,911)</b>	(13,559)	(12,784)	(12,283)	(12,550)
<b>Net Retirements and Sales</b>					
Upstream	(1,829)	(107)	(824)	(778)	(254)
Downstream	(251)	(293)	(400)	(1,185)	(246)
All Other <sup>2</sup>	(85)	(55)	(191)	(37)	(18)
<b>Total Net Retirements and Sales</b>	<b>(2,165)</b>	(455)	(1,415)	(2,000)	(518)
<b>Net Intersegment Transfers and Other Changes<sup>4</sup></b>					
Upstream <sup>5</sup>	131	(603)	(72)	(116)	(64)
Downstream	22	(19)	(1,003)	26	6
All Other <sup>2</sup>	(65)	(5)	(1)	86	17
<b>Total Net Intersegment Transfers and Other Changes</b>	<b>88</b>	(627)	(1,076)	(4)	(41)
<b>Net Properties, Plant and Equipment at December 31</b>					
Upstream <sup>6</sup>	164,790	145,931	123,227	106,004	87,665
Downstream	15,238	15,620	15,263	13,718	14,327
All Other <sup>2</sup>	3,145	3,278	2,858	2,886	2,512
<b>Total Net Properties, Plant and Equipment at December 31</b>	<b>\$183,173</b>	\$164,829	\$141,348	\$122,608	\$104,504
Memo: Gross properties, plant and equipment	\$327,289	\$296,433	\$263,481	\$233,432	\$207,367
Accumulated depreciation, depletion and amortization	(144,116)	(131,604)	(122,133)	(110,824)	(102,863)
Net properties, plant and equipment	\$183,173	\$164,829	\$141,348	\$122,608	\$104,504
<sup>1</sup> Net of exploratory well write-offs.					
<sup>2</sup> Primarily mining activities, power and energy services, real estate assets, and management information systems.					
<sup>3</sup> Difference between the total depreciation, depletion and amortization (DD&A) and total DD&A expense shown on the income statement relates to accretion expense. Reconciliation as follows:					
DD&A on consolidated statement of income	\$ 16,793	\$ 14,186	\$ 13,413	\$ 12,911	\$ 13,063
Less: Accretion expense	(882)	(627)	(629)	(628)	(513)
DD&A - Properties, plant and equipment	\$ 15,911	\$ 13,559	\$ 12,784	\$ 12,283	\$ 12,550
<sup>4</sup> Includes reclassifications to/from other asset accounts.					
<sup>5</sup> Includes reclassification adjustments for "Assets held for sale" in 2013 and 2014.					
<sup>6</sup> Includes net investment in unproved oil and gas properties.	\$ 14,490	\$ 15,703	\$ 13,882	\$ 12,000	\$ 5,081

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

# Upstream

Grow profitably in core areas  
and build new legacy positions.



**Photo:** The Jack/St. Malo semi-submersible floating production unit is the largest of its kind in the Gulf of Mexico and has a production capacity of 170,000 barrels of crude oil and 42 million cubic feet of natural gas per day, with the potential for future expansion.

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

### Industry Conditions

The price of crude oil fell significantly beginning mid-year 2014, reflecting robust non-OPEC supply growth led by expanding unconventional production in the United States, weakening growth in emerging markets and the decision by OPEC in fourth quarter 2014 to maintain its current production ceiling. The spot price for West Texas Intermediate (WTI) crude oil averaged \$93 per barrel for full-year 2014, compared with \$98 in 2013. The Brent price averaged \$99 per barrel for full-year 2014, compared with \$109 in 2013. As of early March 2015, the WTI and Brent prices were \$50 per barrel and \$61 per barrel, respectively. The majority of the company's equity crude production is priced based on the Brent benchmark. WTI traded at a discount to Brent throughout 2014 due to high inventories and excess crude supply in the U.S. market. In response to the volatile crude price environment, the company has significant efforts under way to lower its cost structure and capital spend rate while still executing its business strategies.

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. 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 the United States, prices at Henry Hub averaged \$4.28 per thousand cubic feet (MCF) in 2014, compared with \$3.70 per MCF in 2013. Outside the United States, price changes for natural gas depend on a wide range of supply, demand, regulatory and commercial factors. In 2014, Chevron's international natural gas realizations averaged \$5.78 per MCF, compared with \$5.91 per MCF during 2013. These realizations reflected a strong demand for energy in certain Asian markets. The company's contract prices for liquefied natural gas (LNG) are typically indexed to prices for crude oil.

### Financial and Operational Highlights

In 2014, Chevron's upstream business achieved strong safety results including record lows on the total recordable incident rate, loss of containment incidents and spill volumes. Financial performance was strong, with net income of \$16.9 billion. Production of 2.571 million oil-equivalent barrels per day was 1 percent lower than net oil-equivalent production in 2013. Production increases in the Permian Basin in Texas and New Mexico, and the Marcellus Shale in western Pennsylvania, and project ramp-ups in Nigeria, Argentina and Brazil were more than offset by normal field declines, production entitlement effects in several locations and the effect of asset sales. Upstream capital and exploratory expenditures were \$37.1 billion in 2014. In 2015, the upstream capital budget is \$31.6 billion. Approximately \$14 billion is related to the construction of major capital projects already under way, primarily LNG investments (about \$8.5 billion) and deepwater developments (about \$3.5 billion). Of the approximately \$12 billion in base business spend, about \$3.5 billion is associated with shale and tight resource developments. Exploration funding accounts for approximately \$3 billion. The remainder is for projects that have not achieved a final investment decision. On these projects, spending has been significantly reduced in response to market conditions. Portfolio management activities resulted in proceeds of \$3.7 billion, primarily related to the sale of a 30 percent interest in the Duvernay Shale in Canada, upstream and pipeline interests in Chad and Cameroon, and upstream interests in Cambodia, the Netherlands, Norway and mature U.S. midcontinent assets.

Upstream Portfolio Overview



■ Exploration Areas    ○ Production

#### Upstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions

	2014	2013
Earnings	\$ 16,893	\$ 20,809
Net liquids production (Thousands of barrels per day)	1,709	1,731
Net natural gas production (Millions of cubic feet per day)	5,167	5,192
Net oil-equivalent production (Thousands of barrels per day)	2,571	2,597
Net proved reserves* (Millions of barrels of oil-equivalent)	11,102	11,203
Net unrisked resource base* (Billions of barrels of oil-equivalent)	67	68
Capital and exploratory expenditures	\$ 37,115	\$ 37,858

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



## Exploration and Portfolio Additions

The company made several important portfolio additions in 2014 and early 2015. The company signed agreements to begin exploration in the Nambuena Block of the Vaca Muerta Shale in Argentina. Offshore acreage was acquired in the western Gulf of Mexico. Announced the acquisition of acreage in Mauritania, Myanmar and New Zealand.

The company's focus areas for exploration drilling in 2014 were the deepwater regions of West Africa, the deepwater U.S. Gulf of Mexico, offshore northwest Australia, and several shale and tight resource plays in North America. Exploration activity, including drilling and seismic acquisition, was ongoing in several other areas, including Argentina, offshore southern Australia, the eastern coast of Canada, China, Indonesia, Liberia, Morocco, Norway, the Partitioned Zone, Thailand and offshore United Kingdom. The company's exploration activities have added 10.2 billion barrels of potentially recoverable oil-equivalent resources since 2005.

### 2014 Accomplishments:

- Achieved an exploration drilling success rate of 66 percent with 35 discoveries worldwide and added 1.4 billion barrels of oil-equivalent resources.
- Argentina - Signed agreements to begin exploration in the Nambuena Block of the Vaca Muerta Shale.
- Australia - Made five natural gas discoveries in the Carnarvon Basin offshore Western Australia, contributing to the resources available to extend and expand the company's LNG projects. Discovered natural gas at the Lasseter prospect in the Browse Basin.
- Myanmar - Announced the acquisition of offshore acreage.
- New Zealand - Announced the acquisition of three deepwater permits.
- United States - Made significant discoveries at the Anchor and Guadalupe prospects in the deepwater Gulf of Mexico.
- United States - Added 11 deepwater leases in the western Gulf of Mexico.

### 2015 Outlook:

During 2015, the company plans to invest approximately \$3 billion in exploration activities and to drill more than 50 exploration and appraisal wells worldwide, including 12 impact wells (a well with a predrill unrisks resource potential of greater than 100 million barrels of oil-equivalent). The program supports continued exploration and appraisal activity in the U.S. Gulf of Mexico, Western Australia, West Africa, and shale and tight resource plays in the Permian Basin and Canada. This planned spending also includes initial evaluation of acreage acquired over the past three years, including Australia, the Kurdistan Region of Iraq and Morocco.

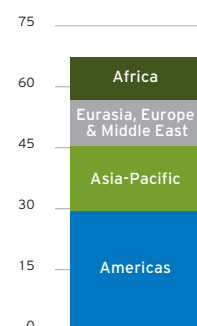
## Resources and Proved Reserves

The company's net unrisks resource base at year-end 2014 was little changed from year-end 2013, at 67 billion barrels of oil-equivalent. Production, divestments and technical revisions were mostly offset by extensions and discoveries in the United States, Australia and Canada. Included in the resource base are 11.1 billion barrels of net proved oil-equivalent reserves at year-end 2014.

The resources are well diversified across geographic regions, with 25 percent located in the United States, 13 percent in Australia and 10 percent in Nigeria. The company's resource base is also diversified by type, with liquids representing about 60 percent and natural gas about 40 percent of the total. The company has about 170 trillion cubic feet of unrisks 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.

**2014 Net Unrisks Resources by Region\***

Billions of oil-equivalent barrels



\*Refer to page 59 for definition of resources.

## Base Business

Continued development of the base business is critical to maintaining the company's crude oil and natural gas production. Through targeted investment in small capital projects and a consistent focus on operating efficiency, maintenance and reliability, the company has been successful in limiting the annual rate of production decline in the base business to less than 3 percent. Application of technology is instrumental to the success of the base business. The global i-field program, for example, uses information technology to monitor reservoirs, wells and facilities on six continents in real time. It includes a drilling and completions decision support center that offers round-the-clock technical support for teams managing complex drilling projects. The Real-Time Reservoir Management system provides a common data platform that optimizes surveillance and management of the company's reservoirs, allowing for faster and more thorough analysis and improved decision making. Initiatives to improve operating efficiencies, invest in targeted growth and fully leverage existing facilities are planned to continue in 2015.

## Shale and Tight Resources

An area of focus for the company is the development of unconventional oil and gas resources located in shale and tight formations. The company has a significant shale and tight resource position, including legacy acreage in the Permian Basin in the United States, as well as newer positions in several other plays elsewhere in the United States, and in Argentina and Canada. Areas of particular focus are the liquids-rich shale formations in the Permian Basin, the Vaca Muerta Shale in Argentina and the Duvernay Shale in Canada. The company is focused on identifying those areas most prospective for development and bringing those resources to production in a safe and efficient manner.

**Shale and Tight Resources - Key Areas**

Location	Basin or Plays	Net Acreage (Thousands of acres)
Argentina	Vaca Muerta	167
Canada	Duvernay	228
Canada	Liard/Horn River	322
United States	Marcellus	718
United States	Permian (Delaware Basin)	1,000
United States	Permian (Midland Basin)	500
United States	Utica	364

**Major Capital Projects**

Production growth is dependent on bringing resources and 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. Several of these projects are building legacy positions in natural gas through LNG infrastructure.

**2014 Accomplishments:**

- Angola - Progressed construction of the Mafumeira Sul Project.
- Angola-Republic of the Congo Joint Development Area - Progressed construction of the Lianzi Project.
- Australia - Continued construction of the Gorgon Project, which was 88 percent complete at year-end (with more than 90 percent complete as of early March 2015).
- Australia - Progressed construction of the Wheatstone Project, which was 53 percent complete at year-end (with 57 percent complete as of early March 2015). In addition, progressed the development well drilling campaign for the Wheatstone Project.
- Azerbaijan - Commenced production from the Chirag Oil Project.
- Bangladesh - Commenced production at the Bibiyana Expansion Project.
- China - Achieved mechanical completion of the first processing train at the Chuandongbei natural gas project.
- Indonesia - Reached final investment decision for the Bangka project.
- Kazakhstan/Russia - Achieved a 230,000-barrel-per-day increase in capacity of the Caspian Pipeline Consortium (CPC) pipeline.
- Nigeria - Achieved start-up and initial production of product from the Escravos Gas-to-Liquids (EGL) facility.
- Trinidad and Tobago - Achieved first production at the Starfish Field.
- United States - Commenced production at the Jack/St. Malo and Tubular Bells projects.
- United States - Progressed construction of the Big Foot Project.
- United States - Reached final investment decision for the Stampede Project.

**2015 Outlook:**

- Angola - Restart Angola LNG following completion of plant modifications and repairs.
- Angola - Start-up of the Congo River Crossing Pipeline supporting Angola LNG.
- Angola - Achieve start-up of the Nemba Enhanced Secondary Recovery (ESR) Stage 1 & 2 Project.
- Angola-Republic of the Congo Joint Development Area - Achieve first production at the Lianzi Project.
- Australia - Achieve Train 1 start-up and first LNG shipment at the Gorgon Project.
- Australia - Continue construction of the Wheatstone Project and Gorgon Trains 2 and 3.
- China - Commence production at Chuandongbei Train 1.
- Kazakhstan - Reach final investment decisions for the Future Growth Project and the Wellhead Pressure Management Project at TCO.
- Partitioned Zone - Commence front-end engineering and design (FEED) at the Wafra Steamflood Stage 1 Project.
- Republic of the Congo - Commence production to the existing Moho-Bilondo floating production unit at the Moho Nord Project.
- United States - Complete installation of the Big Foot drilling and production platform and commence production.
- United States - Commence FEED for the Buckskin/Moccasin and Tahiti Vertical Expansion projects.

The projects in the table below are considered the more significant in the development portfolio and have commenced production or are in the design or construction phase. Each project has a project cost of more than \$500 million, Chevron share.

Major Capital Projects				Facility Design Capacity <sup>1</sup>	
Year of Start-Up/Location	Project	Ownership Percentage	Operator	Liquids (MBPD)	Natural Gas (MMCFPD)
<b>2014</b>					
Azerbaijan	Chirag Oil Project	11.3	Other	183	285
Bangladesh	Bibiyana Expansion	100.0	Chevron	4	300
Kazakhstan/Russia	CPC Expansion	15.0	Affiliate	670 <sup>2</sup>	–
Nigeria	EGTL	75.0	Chevron	33 <sup>3</sup>	–
United States	Jack/St. Malo	40.6–51.0	Chevron	170	42
	Tubular Bells	42.9	Other	58–67 <sup>4,5</sup>	–
<b>2015–2017</b>					
Angola	Angola LNG Plant <sup>6</sup>	36.4	Affiliate	63 <sup>7</sup>	670 <sup>7</sup>
	Mafumeira Sul	39.2	Chevron	150	350
	Nemba ESR Stage 1 & 2	39.2	Chevron	9 <sup>4</sup>	–
Angola-Republic of the Congo	Lianzi	31.3	Chevron	46	–
Australia	Gorgon LNG Trains 1–3	47.3	Chevron	20	2,580
	Wheatstone LNG Trains 1–2	80.2/64.1 <sup>8</sup>	Chevron	30	1,608
Canada	Hebron	26.6	Other	150	–
	Hibernia SW Ben Nevis Avalon	26.9	Other	Maintain capacity	–
China	Chuandongbei	49.0	Chevron	–	558 <sup>7</sup>
Nigeria	Agbami 3	67.3	Chevron	Maintain capacity	–
	Escravos Gas Plant Phase 3B	40.0	Chevron	–	120 <sup>9</sup>
	Sonam Field Development	40.0	Chevron	30 <sup>4</sup>	215 <sup>4</sup>
Republic of the Congo	Moho Nord	31.5	Other	140 <sup>4</sup>	–
United Kingdom	Alder	73.7	Chevron	14	110
	Clair Ridge	19.4	Other	120	100
United States	Big Foot	60.0	Chevron	75	25
<b>2018+</b>					
Canada	Kitimat LNG	50.0	Chevron	–	1,600
Indonesia	Gendalo-Gehem	~63.0	Chevron	47	1,100
Kazakhstan	TCO Future Growth Project	50.0	Affiliate	250–300 <sup>4</sup>	–
	TCO Wellhead Pressure Management Project	50.0	Affiliate	Maintain capacity	–
Nigeria	Bonga SW/Aparo	19.6	Other	225	–
Partitioned Zone	Central Gas Utilization Project	50.0	Chevron	–	Eliminate flaring
	Wafra Steamflood Stage 1	50.0	Chevron	80	–
Thailand	Ubon	35.0	Chevron	35	115
United Kingdom	Captain Enhanced Oil Recovery	85.0	Chevron	Maintain capacity	–
	Rosebank	40.0	Chevron	100	80
United States	Buckskin/Moccasin	55.0/87.5	Chevron	30 <sup>10</sup>	15 <sup>10</sup>
	Jack/St. Malo Stage 2	40.6–51.0	Chevron	Maintain capacity	–
	Stampede	25.0	Other	80	40

<sup>1</sup> MBPD – thousands of barrels per day; MMCFPD – millions of cubic feet per day.

<sup>2</sup> Represents incremental throughput capacity. Staged ramp-up with full capacity available in 2016.

<sup>3</sup> Represents total plant offtake of liquids.

<sup>4</sup> Represents expected total daily production.

<sup>5</sup> Expressed in thousands of oil-equivalent barrels per day.

<sup>6</sup> Plant restart in 2015.

<sup>7</sup> Represents facility design outlet capacity.

<sup>8</sup> Represents the company's ownership in the offshore licenses and LNG facilities, respectively.

<sup>9</sup> Excludes incremental crude oil production enabled by this project.

<sup>10</sup> Represents firm capacity rights to a third-party production facility.

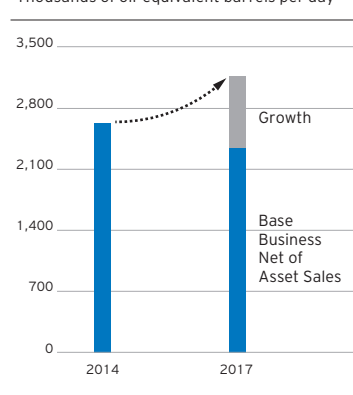
## Production Outlook

The company's production is expected to grow as a result of continued investment in major capital projects, a sharp focus on mitigating base business declines and continued success in exploration. Production is expected to reach 3.1 million oil-equivalent barrels per day in 2017, based on assets that are already in the portfolio. This growth is driven by the start-up of the Jack/St. Malo and Big Foot projects in the deepwater Gulf of Mexico, the Gorgon and Wheatstone projects in Australia, and increased production in the Permian. This growth is expected to deliver strong financial performance, with the proportion of oil-linked pricing remaining at about 80 percent of production. These investments are also expected to increase the portion of production coming from legacy assets having flat or low production declines for a decade or longer.

This outlook for future production levels is subject to many factors and uncertainties, including the duration of the low price environment that began in second-half 2014; production quotas imposed by OPEC; price effects on entitlement volumes; changes in fiscal terms or restrictions on the scope of company operations; delays in the construction, start-up or ramp-up of projects; fluctuations in demand for natural gas; weather conditions; delays in completion of maintenance turnarounds; greater-than-expected declines from mature fields; or other disruptions to operations.

## Net Production Outlook

Thousands of oil-equivalent barrels per day



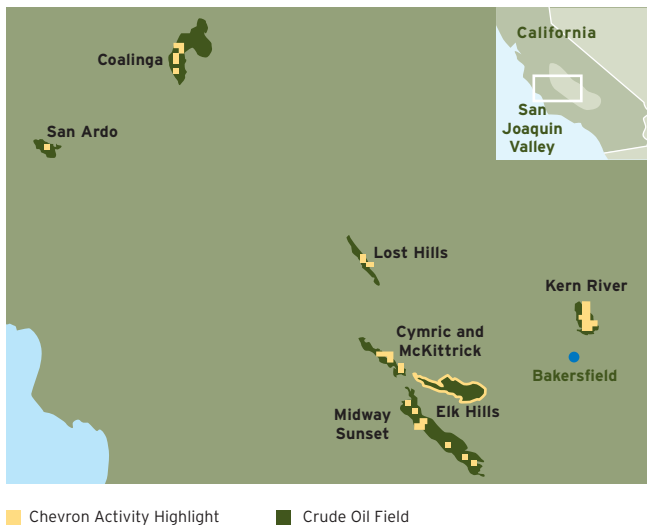


## United States

Chevron's U.S. portfolio encompasses a diverse group of assets primarily located in California, the Gulf of Mexico, Colorado, Louisiana, Michigan, New Mexico, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia and Wyoming. The company was one of the largest liquids producers in the United States in 2014, with net daily oil-equivalent production averaging 664,000 barrels, representing 26 percent of the companywide total.

### California

Located primarily in the San Joaquin Valley with more than 17,000 wells in operation, Chevron ranked No. 1 in net daily oil-equivalent production in California in 2014 at 177,000 barrels, composed of 163,000 barrels of crude oil, 66 million cubic feet of natural gas and 3,000 barrels of natural gas liquids (NGLs).



Chevron has a 99 percent-owned and operated interest in leases covering most of the Kern River Field. In addition, the company operates leases in the Cymric Field (100 percent-owned), the McKittrick Field (98 percent-owned) and the Midway Sunset Field (94 percent-owned). Chevron also operates and holds interests in the San Ardo, Coalinga and Lost Hills fields. Net average daily production from company-operated leases during 2014 was 152,000 barrels of crude oil and 22 million cubic feet of natural gas. Active development programs are ongoing in these fields, with 779 new wells drilled in 2014 and 520 wells planned in 2015. These development programs, as well as a recent focus on increasing steam injection, have helped reverse the decline rate on company-operated properties from 7 percent in 2010 to essentially flat in 2014.

With 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. The company's industry-leading expertise in steamflood operations has resulted in more than a 60 percent crude oil recovery rate at the Kern River Field. Chevron continues to leverage leading-edge heat management capabilities in the recovery of these hydrocarbons, with emphasis on improved energy efficiency through new technology and processes.

Chevron also holds an average nonoperated working interest of approximately 23 percent in four producing zones at the Elk Hills Field. Net daily production was 8,000 barrels of crude oil, 43 million cubic feet of natural gas and 3,000 barrels of NGLs in 2014.

### Gulf of Mexico

During 2014, net daily production in the Gulf of Mexico averaged 133,000 barrels of crude oil, 320 million cubic feet of natural gas and 15,000 barrels of NGLs. As of early 2015, Chevron has an interest in 587 leases in the Gulf of Mexico, 386 of which are located in water depths greater than 1,000 feet (305 m). At the end of 2014, the company was the largest leaseholder in the Gulf of Mexico.

### Shelf

Chevron is the largest producer of crude oil and natural gas on the Gulf of Mexico shelf. Average net daily production in 2014 was 51,000 barrels of crude oil, 253 million cubic feet of natural gas and 7,000 barrels of NGLs. The company drilled 37 development and delineation wells during 2014. In 2014, Chevron continued to evaluate the Lineham Creek well results and the emerging Ultra Deep Gas trend with subsurface targets below 25,000 feet (7,620 m).



### Deep Water

Chevron is one of the top leaseholders in the deepwater Gulf of Mexico. Average net daily production in 2014 was 82,000 barrels of crude oil, 67 million cubic feet of natural gas and 8,000 barrels of NGLs, primarily from the Tahiti, Blind Faith and Caesar/Tonga fields and the Perdido Regional Development.

The company's mobile deepwater rigs in the Gulf of Mexico include five drillships. Collectively, the fleet is undertaking planned exploration, appraisal and development drilling. Marine Well Containment Company LLC, a nonprofit company sponsored by Chevron and other major energy companies, continues work on an expanded containment system to replace its interim containment system. The expanded system will have increased capacity and compatibility with a wider range of well designs, flow rates and environmental conditions. Included in the expanded system are two marine capture vessels. The first vessel arrived in the Gulf of Mexico in 2013, and the second vessel arrived in early 2014. A system integration test was successfully conducted on the first and second vessels in July and October 2014, respectively. The expanded containment system became available during first quarter 2015.

**Jack/St. Malo** The Jack and St. Malo fields 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 in the Walker Ridge area. Chevron has a 50 percent interest in the Jack Field and a 51 percent interest in the St. Malo Field. Both fields are company-operated. Chevron's interest in the production host facility is 40.6 percent. The facility has a design capacity of 170,000 barrels of crude oil and 42 million cubic feet of natural gas per day to accommodate production from the Jack/St. Malo development as well as third-party tiebacks. First production was achieved in December 2014, and production from three of 10 planned wells ramped up during first quarter 2015.

In 2014, work continued on the evaluation of additional development opportunities for the Jack and St. Malo fields. Stage 2, the second phase of the development plan, 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 continued during 2014, and construction is expected to commence in 2016. Proved reserves have been recognized for this project.

Production from the Jack/St. Malo development is expected to ramp up to a total daily rate of 94,000 barrels of crude oil and 21 million cubic feet of natural gas. The Jack and St. Malo fields have an estimated production life of 30 years from the time of start-up, and total potentially recoverable oil-equivalent resources are estimated to exceed 500 million barrels. The company continues to study advanced drilling, completion and other production technologies that could be employed in future development phases with the potential to substantially increase incremental recovery at the fields.

**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 has a design capacity of 75,000 barrels of crude oil and 25 million cubic feet of natural gas per day. The field has an estimated production life of 35 years from the time of start-up, and total potentially recoverable oil-equivalent resources are estimated to exceed 200 million barrels. Proved reserves have been recognized for this project.

At the end of 2014, project activities were 93 percent complete. Two wells have been predrilled and the crude oil export pipeline installed. The drilling rig was installed on the platform in second quarter 2014. Topsides fabrication and integration was completed in third quarter 2014, and onshore hook-up and commissioning activities were completed in fourth quarter 2014. Installation of the platform is expected to be completed in first quarter 2015, followed by offshore hook-up and commissioning activities. First oil is expected in late 2015. Two additional wells are expected to be drilled from the platform in 2016.



**Photo:** Installation of the drilling rig on the Big Foot platform was completed in May 2014.

**Tahiti** In 2014, net daily production averaged 31,000 barrels of crude oil, 13 million cubic feet of natural gas and 4,000 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 by adding production wells, water injection wells and water injection facilities. The last injection well was completed in first quarter 2015.

Additional infill drilling is scheduled for the Tahiti Field through 2016. The first well has been drilled, and first production is anticipated in second-half 2015. The next development phase, the Tahiti Vertical Expansion Project, is expected to enter FEED in mid-2015. The initial recognition of proved reserves occurred in 2014 for the infill drilling, and at the end of 2014, proved reserves had not been recognized for the Tahiti Vertical Expansion Project. The Tahiti Field has an estimated remaining production life of at least 20 years.

**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 includes four production wells, one injection well and a subsea tieback to a third-party production facility. First production was achieved in November 2014. Total production is expected to average 58,000 to 67,000 barrels of oil-equivalent per day in 2015. Development drilling is expected to continue during 2015. The field has an estimated production life of 25 years from the time of start-up.

**Perdido Regional Development** The nonoperated Perdido development includes a producing host facility (37.5 percent interest) that is designed to service multiple Alaminos Canyon fields, including Great White (33.3 percent interest), Silvertip (60 percent interest) and Tobago (57.5 percent interest). Net daily production in 2014 averaged 27,000 barrels of crude oil, 31 million cubic feet of natural gas and 4,000 barrels of NGLs. During 2014, three wells were completed and placed in service. These new wells increase the field well count to 14 producers and three injectors. Production from new wells has assisted in offsetting the field decline rate.

**Mad Dog** Chevron has a 15.6 percent nonoperated working interest in the Mad Dog Field. In 2014, net daily production averaged 4,000 barrels of liquids and 1 million cubic feet of natural gas. The placement of surface casing on five new wells was completed in 2014, and the first well is expected to commence production in third quarter 2015.

The next development phase, the Mad Dog 2 Project, is planned to develop the southern portion of the Mad Dog Field. The development plan was re-evaluated in 2013, and FEED was re-entered on a new development concept in third quarter 2014. The total potentially recoverable oil-equivalent resources for Mad Dog 2 are estimated to exceed 500 million barrels. At the end of 2014, proved reserves had not been recognized for the Mad Dog 2 Project.

**Stampede** Chevron holds a 25 percent nonoperated working interest in the Stampede Project, which includes the joint development of the Knotty Head and Pony fields, located in the Green Canyon area. The fields are located at a water depth of 3,500 feet (1,067 m) with a reservoir depth of 30,000 feet (9,144 m). The development plan includes a tension leg platform with a design capacity of 80,000 barrels of crude oil and 40 million cubic feet of natural gas per day. A final investment decision was reached in third quarter 2014. Drilling is planned to commence in fourth quarter 2015 with first oil expected in 2018. The fields have an estimated production life of 30 years from the time of start-up, and total potentially recoverable oil-equivalent resources are estimated to exceed 300 million barrels. The initial recognition of proved reserves occurred in 2014 for this project.

**Buckskin/Moccasin** Pre-FEED activities were completed in 2014, resulting in a more cost-effective development concept. FEED activities commenced in early 2015 on a project to jointly develop the 55 percent-owned and operated Buckskin Field and the 87.5 percent-owned and operated Moccasin Field, which are located 12 miles (19 km) apart. The development includes seven production wells and a subsea tieback to a third-party production facility with 30,000 barrels of crude oil and 15 million cubic feet of natural gas per day of firm capacity and rights to additional available capacity. A final investment decision is expected in 2016. At the end of 2014, proved reserves had not been recognized for this project.

**Exploration** During 2014 and early 2015, the company participated in 12 deepwater wells, four appraisal and eight exploration. Drilling of an appraisal well at the Buckskin Field was completed in second quarter 2014, and drilling of a sidetrack of this appraisal well was completed in the fourth quarter. The drilling results are under evaluation. Chevron completed drilling an exploration well in October 2014 at the 42.5 percent-owned and operated Guadalupe prospect, which resulted in a significant crude oil discovery in the Lower Tertiary Wilcox Sands, located in northwest Keathley Canyon. Drilling at the 55 percent-owned and operated Anchor prospect was completed in December 2014, resulting in a significant crude oil discovery, also located in the Lower Tertiary Wilcox Sands. In late 2014, drilling commenced on an appraisal well of

the Tiber discovery as well as on a sidetrack of the Gila discovery well, and drilling is expected to continue until mid-2015. Drilling commenced at the 40 percent-owned and operated Sweetwater exploration well in January 2015 and is expected to be completed second quarter 2015. Drilling also commenced at the 50 percent-owned and operated Sicily exploration well in January 2015 and is expected to be completed second quarter 2015.

In early 2015, the company announced an agreement to explore and appraise 24 jointly held offshore leases in the northwest portion of Keathley Canyon. Chevron will be the operator. The transaction includes the Tiber and Gila discoveries and the Gibson exploratory prospect, located between Gila and Tiber. The company acquired a 36 percent working interest in the Gila leases and a 31 percent working interest in the Tiber leases and also holds a 36 percent working interest in the Gibson prospect.

The resource potential in this area of northwest Keathley Canyon may enable cost-effective development of the Guadalupe, Tiber and Gila discoveries through a centralized production facility. This potential development is under evaluation as exploration and appraisal work progresses. Chevron has been designated the operator.

Chevron added six leases to the deepwater portfolio as a result of awards from the western Gulf of Mexico Lease Sale 231 held in first quarter 2014. In addition, Chevron acquired five deepwater leases from the western Gulf of Mexico Lease Sale 238 held in third quarter 2014.

During 2014, the company exchanged its interest in the Coronado prospect for interests in other prospective deepwater exploration opportunities.

## Midcontinent

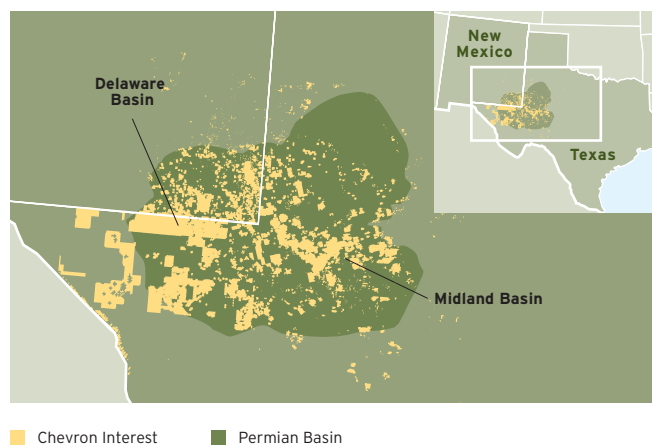
The company produces crude oil and natural gas in the midcontinent region of the United States, primarily in Colorado, New Mexico, Oklahoma, Texas and Wyoming. In 2014, the company's net daily production in these areas averaged 110,000 barrels of crude oil, 595 million cubic feet of natural gas and 31,000 barrels of NGLs.

The company's most significant holdings in the midcontinent region are in the Permian Basin of West Texas and southeast New Mexico. The Permian is composed of several basins, including the liquids-rich Midland and Delaware basins, and it offers both conventional and shale and tight resource opportunities. Chevron is the largest net acreage leaseholder and one of the largest producers in the Permian. Average net daily production in 2014 was 87,000 barrels of crude oil, 266 million cubic feet of natural gas and 19,000 barrels of NGLs. The total potentially recoverable oil-equivalent resources from the company's acreage in the Permian Basin are estimated at approximately 7 billion barrels of oil-equivalent.

## Conventional Resources

Chevron actively manages declines in its conventional oil and gas assets in the midcontinent region, including the Permian. Substantial hydrocarbons are recoverable through secondary and tertiary methods that increase ultimate recovery and offset field decline. The company is efficiently maintaining production of these conventional resources through well workovers, artificial-lift techniques, facility and equipment optimization, and enhanced recovery methods to maximize the value of these base business operations.





### Shale and Tight Resources

Chevron has increased its capital spending on exploration and development of the approximately 1.5 million net acres (6,070 sq km) of shale and tight resources in the Midland and Delaware basins. Because of the company's strong legacy position in the Permian, 85 percent of its leases have either low or no royalty payments, providing a significant competitive advantage. With multiple, stacked tight oil zones, the area is poised to deliver significant long-term growth for Chevron. The multiple, stacked plays enable efficient development and production from multiple zones and utilization of existing infrastructure. The company's development activities in the Permian are focused in the Delaware Basin and Midland Basin. The company also holds shale and tight resource opportunities elsewhere in the midcontinent region, primarily in East Texas and the Piceance Basin in northwestern Colorado.

**Midland Basin** The company holds approximately 500,000 net acres (2,023 sq km) in the Midland Basin. Development activity continued to ramp up in 2014, with 176 company-operated wells drilled during the year. A total of eight rigs on company-operated wells were active at year-end. The company also participated in 206 non-operated wells during 2014, with 11 rigs active at year-end. These activities utilized vertical and horizontal pad drilling and multistage fracture stimulation.



**Photo:** Development drilling in the Midland and Delaware basins ramped up in 2014.

**Delaware Basin** Chevron is the largest acreage holder in the Delaware Basin, with approximately 1.0 million net acres (4,047 sq km). Development activity continued to ramp up in 2014, with 29 company-operated wells drilled during the year. A total of three rigs were active at year-end on company-operated wells. The company also participated in 139 nonoperated wells during 2014, with eight rigs active at year-end. The company has two joint development agreements in the Delaware Basin, including access to related infrastructure. These operated and nonoperated development activities have defined multiple liquids-rich stacked plays. As a result, significant potentially recoverable oil-equivalent resources have been added, and additional exploration opportunities have been identified.

### Appalachian Basin/Michigan

The company is a significant leaseholder in the Marcellus Shale and the Utica Shale, primarily located in southwestern Pennsylvania, eastern Ohio and the West Virginia panhandle, and in the Antrim Shale and Collingwood/Utica Shale in Michigan. In 2014, the company's net daily production in these areas averaged 269 million cubic feet of natural gas. Capital spending during 2014 was focused on the Marcellus Shale.



**Marcellus Shale** In the Marcellus Shale, the company holds 718,000 net acres (2,906 sq km). During 2014, 85 development wells were drilled, mostly funded by a 75 percent drilling carry. The company had four drilling rigs in operation at year-end. Development is proceeding at a measured pace, focused on improving execution capability and reservoir understanding.

**Utica Shale** The company holds a significant position in the Utica Shale, with approximately 364,000 net acres (1,473 sq km). Activity during 2014 included the drilling of six exploratory wells. This initial activity was focused on acquiring data necessary for potential future development.

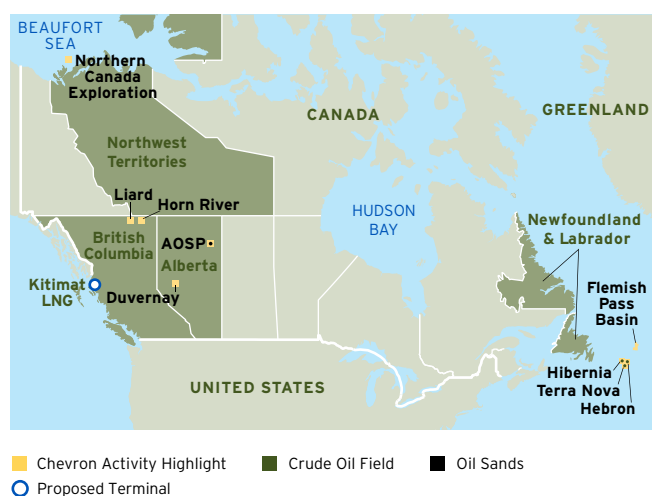
**Antrim Shale** In Michigan, the company holds approximately 458,000 net acres (1,853 sq km) in the Antrim Shale and Collingwood/Utica Shale formations, with production from approximately 2,800 wells in the Antrim.

## Other Americas

In Other Americas, the company is engaged in upstream activities in Argentina, Brazil, Canada, Colombia, Greenland, Suriname, Trinidad and Tobago, and Venezuela. Net daily oil-equivalent production of 228,000 barrels during 2014 in these countries represented 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 the province of Newfoundland and Labrador in the Atlantic region; a liquefied natural gas (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 2014 from Canadian operations was 24,000 barrels of crude oil, 10 million cubic feet of natural gas and 43,000 barrels of synthetic oil from oil sands.



### Atlantic Canada

**Hibernia** Chevron holds a 26.9 percent nonoperated working interest in the Hibernia Field that comprises two key reservoirs, Hibernia and Ben Nevis Avalon (BNA). Production declines continue to be mitigated through drilling programs in both reservoirs. Average net daily crude oil production in 2014 was 23,000 barrels.

Chevron has a 23.6 percent nonoperated working interest in the unitized Hibernia Southern Extension areas of the Hibernia Field. During 2014, one water injection well was completed and one water injection well began drilling to support the producing wells. Installation of subsea equipment was completed in 2014. Full production start-up is planned for 2015. Proved reserves have been recognized for this project. The Hibernia SW BNA Project includes the development of the southwest region of the BNA resource. FEED activities are ongoing. At the end of 2014, proved reserves had not been recognized for this project.

**Hebron** Chevron holds a 26.6 percent nonoperated working interest in the Hebron Field development, which includes a concrete, gravity-based platform with a design capacity of 150,000 barrels of crude oil per day. Construction of the platform structure and topsides continued during 2014. 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 from the time of start-up, and first oil is expected in 2017. Proved reserves have been recognized for this project.



**Photo:** Construction of the Hebron gravity-based platform structure continued during 2014.

**Exploration** In the Flemish Pass Basin, Chevron holds a 40 percent nonoperated working interest in two exploration blocks totaling 429,000 net acres (1,736 sq km). A 3-D seismic survey has been completed on these blocks and drilling is expected to commence in late 2015.

### 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 2014, average total daily production increased to 243,000 barrels (43,000 net) of synthetic oil. Construction work progressed during 2014 on the Quest Project, which is designed to capture and store more than 1 million tons of carbon dioxide produced annually by AOSP bitumen processing. Project start-up is expected in 2016.

**Duvernay Shale** The company holds 228,000 net acres (923 sq km) in the Duvernay Shale in Alberta and approximately 200,000 overlying acres (809 sq km) in the Montney tight rock formation. Chevron has a 70 percent-owned and operated interest in most of the Duvernay acreage after completing a 30 percent farm-down of its interest in the Duvernay Shale in fourth quarter 2014. Production from the initial wells in the Duvernay continued to demonstrate good flow rates and high condensate yields from these tight resources. Drilling also began during 2014 on an expanded 16-well appraisal program. A total of 12 wells had been tied into production facilities by early 2015.



**Photo:** An expanded 16-well appraisal program began during 2014 in the Duvernay Shale.

**Kitimat LNG** Chevron holds a 50 percent-owned and operated interest in the proposed Kitimat LNG and Pacific Trail Pipeline projects and a 50 percent interest in 322,000 net acres (1,303 sq km) in the Horn River and Liard shale gas basins in British Columbia. The Kitimat LNG Project is planned to include a two-train LNG facility and has a 10.0 million-metric-ton-per-year LNG export license. The total production capacity for the project is expected to be 1.6 billion cubic feet of natural gas per day. Major environmental and LNG export permits and First Nations benefits agreements are in place. Spending is being paced until LNG market conditions and reductions in project costs are sufficient to support the development of this project. At the end of 2014, proved reserves had not been recognized for this project.

## Greenland

Chevron holds a 29.2 percent-owned and operated interest in two blocks located in the Kanumas Area, offshore the northeast coast of Greenland. Blocks 9 and 14 are in water depths up to 1,500 feet (450 m) and cover 350,000 net acres (1,417 sq km). Acquisition of 2-D seismic data over the licenses commenced in third quarter 2014, and this program is expected to continue over the next few years.



■ Chevron Interest

## Argentina

In the Vaca Muerta Shale formation – a thick, laterally extensive, shale with significant liquids potential – Chevron holds a 50 percent nonoperated interest in two concessions covering 73,000 net acres (294 sq km). Chevron also holds an 85 percent-owned and operated interest in one concession covering 94,000 net acres (380 sq km) with both conventional production and Vaca Muerta Shale potential. In addition, the company holds operated interests in three concessions covering 73,000 net acres (294 sq km) elsewhere in the Neuquen Basin, with interests ranging from 18.8 percent to 100 percent. During 2014, Argentina net daily production averaged 21,000 barrels of crude oil and 23 million cubic feet of natural gas.

**Loma Campana** Development activities continued in 2014 at the Loma Campana concession in the Vaca Muerta Shale, with an average of 19 rigs per month on site drilling both horizontal and vertical wells. During 2014, 166 wells were drilled, and the 2015 drilling plan includes approximately 150 wells. At the end of 2014, a total of 290 wells were tied into production facilities with net daily production of 7,000 barrels of crude oil and 17 million cubic feet of natural gas.



**Photo:** Development drilling continued in 2014 at the Loma Campana concession.



**El Trapial** In 2014, the company continued the development of the El Trapial Field to mitigate production declines. The company also continued production testing of four previously completed wells in the Vaca Muerta Shale. The El Trapial concession expires in 2032.

**Exploration** During 2014, the company signed agreements for exploration of shale oil and gas resources in the Nambueña Block in the Chihuido de la Sierra Negra concession, also in the Vaca Muerta Shale. The exploration plan for Nambueña includes a total of nine wells to be drilled in two phases.



■ 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 interests, respectively). During 2014, net daily production averaged 20,000 barrels of crude oil and 6 million cubic feet of natural gas.

**Frade** Following the resumption of production from four wells during 2013, production resumed from the remaining six wells in second quarter 2014. During 2014, net daily production averaged 12,000 barrels of crude oil and 4 million cubic feet of natural gas. The concession that includes the Frade Field expires in 2025.

**Papa-Terra** The producing facilities at the Papa-Terra Field, which include a floating production, storage and offloading vessel (FPSO) and a tension leg wellhead platform, have a design capacity of 140,000 barrels of crude oil and 35 million cubic feet of natural gas per day. The tension leg well platform was installed at the field in fourth quarter 2014. Total daily production during 2014 was 24,000 barrels of crude oil (8,000 net) and 7 million cubic feet of natural gas (2 million net). Production is expected to ramp up through 2017 with additional development drilling until 2021. Total potentially recoverable crude oil is estimated at 350 million barrels. The concession expires in 2032.



**Photo:** The *Brasil Voyager*, a dynamically-positioned shuttle tanker, lifted Chevron's first cargo from the Papa-Terra Field in May 2014.

**Maromba** An initial plan of development was submitted to the authorities in 2012, and the evaluation of the Maromba Field development concept continues. The concession expires in 2032. At the end of 2014, proved reserves had not been recognized for this project.

**Exploration** Chevron holds a 50 percent-owned and operated interest in Block CE-M715, located in the Ceara Basin offshore equatorial Brazil. The deepwater block covers 40,000 net acres (163 sq km). A 3-D seismic data acquisition was contracted for the Ceara license and is expected to commence in second quarter 2015.

## 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 2014 averaged 186 million cubic feet of natural gas. In 2014, additional compression facilities for existing fields were installed.



■ Chevron Activity Highlight

## Suriname

Chevron holds a 50 percent nonoperated working interest in Blocks 42 and 45 offshore Suriname. The deepwater exploration blocks cover a combined area of approximately 1.4 million acres (5,649 sq km). In 2014, 2-D and 3-D seismic data for Blocks 42 and 45 were processed. Farm-down opportunities are being pursued for the two blocks.

## 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 2014 from the Dolphin, Dolphin Deep and Starfish fields averaged 112 million cubic feet of natural gas. These volumes were sold under long-term sales contracts to supply the domestic market and for export.

**Starfish** Development of the Starfish Field, which includes drilling three wells and a subsea tieback to the Dolphin A platform, continued during 2014. First gas was achieved in December 2014 with production from the first development well. Two additional wells are planned to be brought online in second quarter 2015. Natural gas from the project is planned to supply existing contractual commitments.



**Photo:** Production commenced in 2014 from the Starfish Field via a subsea tieback to the Dolphin A platform.

**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. Cross-border agreements have been signed between the governments of Trinidad and Tobago and Venezuela, and work continued in 2014 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, Chevron is a partner in a consortium in another heavy oil project in the Orinoco Belt. Chevron also has interests in two offshore exploratory blocks in the Plataforma Deltana region. During 2014, net daily production averaged 59,000 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 2014, net daily production averaged 26,000 barrels of liquids and 5 million cubic feet of natural gas. Twenty development wells were drilled in 2014.

**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 2014, net daily production averaged 1,000 barrels of liquids and 7 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 30,000 barrels of synthetic crude oil, 2,000 barrels of extra-heavy crude oil and 15 million cubic feet of natural gas during 2014. Enhanced oil recovery (EOR) studies continued through the year. Forty-eight development wells were drilled in 2014.



**Photo:** Aerial view of Hamaca upgrader.

**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, and work continued in 2014 on maturing commercial development concepts.

**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 2013, cross-border agreements were signed between the governments of Trinidad and Tobago and Venezuela, and work continued in 2014 on maturing commercial development concepts.

## Africa

In Africa, the company is engaged in upstream activities in Angola, Democratic Republic of the Congo, Liberia, Mauritania, Morocco, Nigeria, Republic of the Congo, Sierra Leone and South Africa. Net daily oil-equivalent production of 439,000 barrels during 2014 in this region represented 17 percent of the companywide total.

### Angola

The company operates and holds a 39.2 percent interest in Block O, a concession adjacent to the Cabinda coastline, and a 31 percent interest in a production-sharing contract (PSC) for deepwater Block 14, located west of Block O. The company also has a 16.3 percent nonoperated working interest in the onshore Fina Sonangol Texaco (FST) concession area. Chevron's interest in Block 2 expired in July 2014. In addition, Chevron has a 36.4 percent interest in Angola LNG Limited. During 2014, net daily production averaged 114,000 barrels of liquids and 78 million cubic feet of natural gas.



### Block O

Block O is divided into Areas A and B and contains 21 fields that produced a net daily average of 87,000 barrels of liquids in 2014. Area A comprises 15 producing fields and averaged net daily production of 53,000 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 28,000 barrels of crude oil and condensate and 4,000 barrels of LPG. The Block O concession extends through 2030.

**Mafumeira Sul** The second stage of the Mafumeira Field development includes a central processing facility, two wellhead platforms, approximately 75 miles (121 km) of subsea pipelines, 34 producing wells and 16 water injection wells. The facility has a design capacity of 150,000 barrels of liquids and 350 million cubic feet of natural gas per day. Platform and topsides fabrication continued during 2014. Installation of offshore facilities and laying of the pipe are expected to be completed in first-half 2015. Other activities planned for 2015 include commencement of hook-up activities and a drilling campaign. First production is planned for 2016, and ramp-up to full production is expected to continue through 2017. The total potentially recoverable oil-equivalent resources are estimated at 300 million barrels. Proved reserves have been recognized for this project.



Photo: Fabrication of the Mafumeira Sul platform topsides continued during 2014.

**Nemba Enhanced Secondary Recovery (ESR) Stage 1 & 2** Work continued on the Nemba ESR Stage 1 & 2 Project in 2014. In addition to enhanced secondary recovery, this project is planned to decrease flaring in Block O. The two-stage development project includes additional compression facilities on a new platform. The facilities will be bridge-connected to the existing South Nemba platform. Installation of the platform was completed in early 2014, and start-up of the project is expected in first quarter 2015. The expected total daily production is 9,000 barrels of crude oil. Proved reserves have been recognized for this project.

**Greater Longui Area (GLA)** The GLA Project consists of a two-platform hub concept, a wellhead platform for 18 planned wells in the Longui Field and a gathering platform adjacent to the existing Sanha complex. GLA is planned to enable development of the Longui Field and several future phased developments from other Area B crude oil fields and to supply gas to Angola LNG. The timing of the project is under review. At the end of 2014, proved reserves had not been recognized for this project.



**Future Development** Potential future projects in Block O include development of the Lifua Field and the Kambala Field, as well as the southern area of the N'Dola Field.

**Exploration** In 2014, the company drilled one post-salt appraisal well in Area B and one pre-salt exploration well in Area A, which completed drilling in early 2015. As of early 2015, the results for both wells were under evaluation. One additional exploration well in Area A is planned to commence drilling in fourth quarter 2015.

#### Block 14

In 2014, net daily production was 25,000 barrels of liquids from Benguela Belize-Lobito Tomboco (BBLT), Belize North, Benguela North, Tombua and Landana fields. Development and production rights for the various producing fields in Block 14 expire between 2023 and 2028.

**Future Development** Potential future projects in Block 14 include development of the Lucapa Field and the Malange Field.

**Exploration** Activity during 2014 was focused on well planning for key prospects. Additional 2014 exploration activities included the identification of new prospects and reprocessing of 3-D seismic data in Block 14.

#### Block 2 and FST Area

Net daily production averaged 1,000 barrels of liquids in 2014. Production in Block 2 ceased in April 2014, and in July 2014, production in the FST area was shut in.

#### Natural Gas Commercialization

Natural gas commercialization efforts in Angola are expected to monetize a total potentially recoverable resource of more than 3 trillion cubic feet of natural gas and 130 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 is operated by Angola LNG Limited. The plant has the 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. This is the world's first LNG plant supplied with associated gas, where the natural gas is a by-product of crude oil production. Feedstock for the plant originates from multiple fields and operators. In April 2014, the plant experienced a failure in the flare blowdown piping system, resulting in an extended plant shutdown. Following a thorough review, a number of design issues have been identified that require modifications. Capacity and reliability enhancements are also planned to be completed during the shutdown. The plant will be restarted following completion of these modifications and repairs, and LNG production is expected to resume in late 2015. Total daily production in 2014 averaged 75 million cubic feet of natural gas (27 million net) and 3,000 barrels of NGLs (1,000 net). The remaining economic life of the project is anticipated to be in excess of 20 years.



**Photo:** Work progressed during 2014 and early 2015 toward the restart of Angola LNG.

**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 O and 14 to the Angola LNG plant. The development plan includes 87 miles (140 km) of offshore pipeline routed under the Congo River subsea canyon. Drilling operations on the pipeline well intersection under the Congo River canyon commenced in early 2015, with completion expected in mid-2015, and represent the final portion of the pipeline to be completed. Commissioning and start-up of the pipeline are targeted for second-half 2015.

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

Chevron is the operator of and holds a 31.3 percent interest in the Lianzi Unitization Zone, located in an area shared equally by Angola and Republic of the Congo. The Lianzi Project includes four producing wells and three water injection wells with a subsea tieback to the BBLT platform in Block 14. The project has a design capacity of 46,000 barrels of crude oil per day. In 2014, engineering and procurement of materials and supplies was completed, and fabrication, installation and drilling activities commenced. First production is planned for fourth quarter 2015. Proved reserves have been recognized for this project.

#### 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 2014 from 11 fields averaged 2,000 barrels of crude oil.



## Republic of the Congo

Chevron has a 31.5 percent nonoperated working interest in the off-shore Haute Mer permit areas (Nkossa, Nsoko and Moho-Bilondo). The licenses for Nsoko, Nkossa and Moho-Bilondo expire in 2018, 2027 and 2030, respectively. Average net daily production in 2014 from Republic of the Congo fields was 14,000 barrels of liquids.

**Moho Nord** The Moho Nord Project, located in the Moho-Bilondo development area, includes Albian reservoirs producing to a new facilities hub and Miocene reservoirs producing to both the new hub and through a subsea tieback to the existing Moho-Bilondo FPU. The drilling campaign started in October 2014. Fabrication of the tension leg platform, FPU and subsea production systems continued during 2014, and enhancements are under way at existing facilities to accommodate the new production. First production to the existing Moho-Bilondo FPU is expected in 2015, and total daily production of 140,000 barrels of crude oil per day is expected in 2017. Proved reserves have been recognized for this project.

**Exploration** In 2014, the company acquired a 20.4 percent non-operated working interest in the Haute Mer B permit area, which covers more than 20,000 net acres (82 sq km) offshore Republic of the Congo.

## Chad/Cameroon

In June 2014, the company sold its 25 percent interest in seven crude oil fields in southern Chad and an approximate 21 percent interest in two affiliates that own the related crude oil export pipeline to the coast of Cameroon. Net daily crude oil production in 2014 averaged 8,000 barrels.

## Liberia

Chevron operates and holds a 45 percent interest in three blocks off the coast of Liberia. The deepwater blocks, LB-11, LB-12 and LB-14, cover a combined area of 819,000 acres (3,314 sq km). In 2014, Chevron requested, and the government of Liberia granted, a one-year extension of the LB-11 and LB-12 blocks.



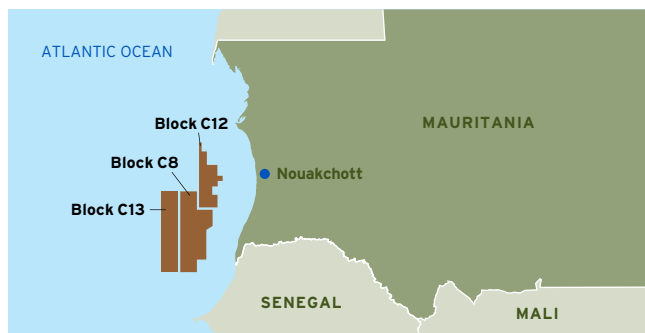
■ Chevron Interest

## Sierra Leone

The company is the operator of and holds 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 762,000 acres (3,084 sq km). In 2014, 2-D seismic processing was completed to identify drilling prospects.

## Mauritania

In early 2015, the company reached an agreement to acquire a 30 percent nonoperated working interest in the C8, C12 and C13 contract areas offshore Mauritania. The blocks cover 2.0 million net acres (8,033 sq km) and have a water depth between 5,000 and 10,000 feet (1,600 m and 3,000 m). The acquisition is pending government approval.



■ Pending Government Approval

## Morocco

The company operates and holds a 75 percent interest in three deepwater areas offshore Morocco. The areas, Cap Rhir Deep, Cap Cantin Deep and Cap Walidia Deep, encompass approximately 5.4 million net acres (21,913 sq km). The acquisition of 2-D seismic data was completed in 2014. A 3-D seismic survey is planned for 2015. Chevron is pursuing a farm-down of its interest.



■ Chevron Interest

## Nigeria

Chevron operates and holds a 40 percent interest in nine concessions, predominantly in the onshore and near-offshore regions of the Niger Delta. The company also holds acreage positions in three operated and six nonoperated deepwater blocks, with working interests ranging from 20 percent to 100 percent. In 2014, net daily production averaged 240,000 barrels of crude oil, 236 million cubic feet of natural gas and 6,000 barrels of LPG. The company is pursuing selected opportunities for divestment and farm-down in Nigeria.



### Niger Delta

In 2014, net daily production from 32 fields in the Niger Delta averaged 74,000 barrels of crude oil, 218 million cubic feet of natural gas and 6,000 barrels of LPG.

**Exploration** Shallow-water exploration activities to identify and evaluate potential deep hydrocarbon targets are ongoing. Reprocessing of 3-D seismic data over Oil Mining Lease (OML) 49 and regional mapping activities over the western Niger Delta continued in 2014. Acquisition of new ocean bottom cable 3-D seismic data over Meren and Okan fields is planned for 2015.

## Deep Water

In 2014, net daily production from the deepwater Agbami and Usan fields averaged 166,000 barrels of crude oil and 18 million cubic feet of natural gas.

**Agbami** In 2014, net daily production from the Agbami Field averaged 134,000 barrels of crude oil and 15 million cubic feet of natural gas. The 67.3 percent-owned and operated field spans OML 127 and OML 128. The 10-well second phase development program, Agbami 2, is expected to offset field decline and to maintain a total daily liquids production rate of 250,000 barrels. As of early 2015, eight of the wells were online. The third development phase, Agbami 3, is a five-well drilling program that is also expected to offset field decline. The project entered FEED in early 2014, and drilling for this phase commenced in early 2015. The drilling programs for Agbami 2 and Agbami 3 are scheduled to end in 2015 and 2017, respectively. The first Phase 3 development well is scheduled to commence production in 2016. The leases that contain the Agbami Field expire in 2023 and 2024. Proved reserves have been recognized for Agbami 3.



Photo: FPSO at the Agbami Field.

**Usan** Chevron holds a 30 percent nonoperated working interest in the Usan Project in OML 138. Net daily production in 2014 averaged 32,000 barrels of crude oil and 3 million cubic feet of natural gas. Additional development drilling is planned through 2018. The field is estimated to contain total potentially recoverable crude oil resources in excess of 300 million barrels. The PSC expires in 2023.

**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. Chevron holds a 19.6 percent nonoperated working interest in the unitized area, which is located 70 miles (113 km) off the coast of the western Niger Delta region in 4,300 feet (1,311 m) of water. The development plan involves subsea wells tied back to an FPSO, with a planned design capacity of 225,000 barrels of crude oil per day. A final investment decision is expected in 2015 or 2016. At the end of 2014, no proved reserves were recognized for this project.

**Exploration** Chevron operates and holds a 95 percent interest in OML 140, including the Nsiko discovery that is located 90 miles (145 km) off the coast of the western Niger Delta region in up to 8,000 feet (2,438 m) of water. Drilling commenced on an exploration well at the Nsiko North prospect in fourth quarter 2014. Additional exploration activities are planned for 2015. Chevron holds a 30 percent nonoperated working interest in OML 138. In 2014, two exploration wells were drilled in the Usan area that resulted in crude oil discoveries. In 2015, the company plans to evaluate development options.

### Natural Gas Commercialization

Chevron's natural gas commercialization efforts in the Escravos area are expected to monetize total potentially recoverable natural gas resources 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 optimization of the Escravos Gas Plant (EGP), the Escravos Gas-to-Liquids (EGTL) facility and the Sonam Field Development Project. Access to planned LNG plants nearby 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 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 74 miles (119 km) of subsea pipelines, and modifications to nine existing production platforms in eight near-shore fields. The Meren gas gathering and compression platform was installed in first quarter 2014, and topside installation commenced in early 2015. The project is expected to be completed in 2016. Proved reserves have been recognized for the project.

**EGTL** Chevron is the operator of a 33,000-barrel-per-day gas-to-liquids facility. The facility is designed to process 325 million cubic feet per day of natural gas from the EGP. The facility achieved initial production of product in mid-2014.



**Photo:** The EGTL facility achieved initial production of product in mid-2014.

**Sonam Field Development** The 40 percent-owned and operated Sonam natural gas field is located in OML 91. The 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. Construction of offshore facilities continued in 2014. First production is expected in 2017. Proved reserves have been recognized for this project.

**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.

### South Africa

In 2014, the company continued evaluating shale gas exploration opportunities in the Karoo Basin in South Africa under an agreement that allows Chevron and its partner to work together to obtain exploration permits in the 151 million-acre (611,237-sq-km) basin.

## Asia

In Asia, upstream activities are located in Azerbaijan, Bangladesh, 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 1,063,000 barrels during 2014 in these countries represented 41 percent of the companywide total.

### Azerbaijan

Chevron holds an 11.3 percent nonoperated 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 2014, average net daily production was 26,000 barrels of crude oil and 12 million cubic feet of natural gas. AIOC production is exported primarily via the BTC pipeline and the Western Route Export Pipeline (WREP), which is operated by AIOC. The 1,099-mile (1,768-km) BTC pipeline has the capacity to transport 1 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 to transport 100,000 barrels per day.

**Chirag Oil Project** The Chirag Oil Project further develops the Chirag and Gunashli fields and includes a new offshore platform. The platform is a single, integrated 48-slot drilling and processing platform located between the Chirag platform and the Deepwater Gunashli offshore complex. The wells target the Pereriv and Balakhany reservoirs. The project has an incremental design capacity of 183,000 barrels of crude oil and 285 million cubic feet of natural gas per day. Production commenced in January 2014 and reached 84,000 barrels of crude oil and 87 million cubic feet of natural gas per day by year-end 2014.



### Kazakhstan

Chevron has a 50 percent interest in the Tengizchevroil (TCO) affiliate, which operates the Tengiz and Korolev fields, and an 18 percent nonoperated working interest in the Karachaganak Field. Net daily production in 2014 from TCO and Karachaganak was 290,000 barrels of liquids and 460 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 2014 averaged 239,000 barrels of crude oil, 334 million cubic feet of natural gas and 20,000 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 by rail to Black Sea ports and via the BTC pipeline to the Mediterranean.



**Photo:** Second Generation Plant at Tengiz, Kazakhstan.

In 2014, work progressed on three projects. The Wellhead Pressure Management Project (WPMP) is designed to maintain production capacity and extend the production plateau from existing assets. The Capacity and Reliability (CAR) Project is designed to reduce facility bottlenecks and increase plant efficiency and reliability. The Future Growth Project (FGP) is designed to increase total daily production by 250,000 to 300,000 barrels of liquids and to increase the ultimate recovery from the reservoir. The FGP is planned to expand the utilization of sour gas injection technology proven in existing operations. The final investment decision for the CAR Project was reached in February 2014. The final investment decisions for the FGP and the WPMP are anticipated in second-half 2015. Proved reserves have been recognized for the WPMP and the CAR Project.



**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 2014 averaged 31,000 barrels of liquids and 126 million cubic feet of natural gas, including 29,000 net barrels per day of processed liquids, which were exported and sold at prices available in world markets. Most of the exported liquids 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 2014, proved reserves had not been recognized for a future expansion.

### Kazakhstan/Russia

**CPC** The CPC operates a 935-mile (1,505-km) crude oil export pipeline from the Tengiz Field in Kazakhstan to tanker-loading facilities at Novorossiysk on the Russian coast of the Black Sea, providing a key export route for crude oil production from both TCO and Karachaganak. Chevron holds a 15 percent interest in the CPC. During 2014, the CPC pipeline transported an average of 865,000 barrels of crude oil per day to Novorossiysk, composed of 763,000 barrels per day originating from Kazakhstan and 102,000 barrels per day from Russia.

In 2014, work continued on the 670,000-barrel-per-day expansion of the pipeline capacity. The project is being implemented in phases, with capacity increasing progressively until reaching a design capacity of 1.4 million barrels per day in 2016. By the end of 2014, capacity from Kazakhstan had been increased by a maximum of 230,000 barrels per day, and in December, nearly 90 percent of TCO's total production was exported via CPC. Additional capacity is expected to progressively come on line in 2015 and 2016. The expansion is expected to provide additional transportation capacity that accommodates a portion of the future growth in TCO production.

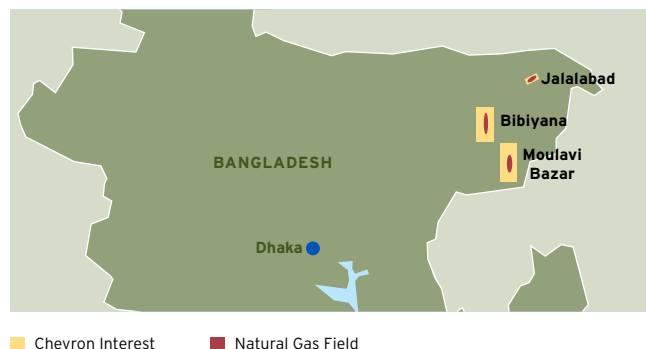


**Photo:** CPC expansion activities are under way at the tanker-loading terminal in Novorossiysk, Russia.

### Bangladesh

Chevron operates and holds a 100 percent interest in two onshore PSCs in Bangladesh covering Block 12 (Bibiyana Field) and Blocks 13 and 14 (Jalalabad and Moulavi Bazar fields). 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 2014, net daily production averaged 643 million cubic feet of natural gas and 2,000 barrels of condensate.



**Bibiyana** The Bibiyana Expansion Project includes two gas processing trains, additional development wells and an enhanced liquids recovery facility and has an incremental design capacity of 300 million cubic feet of natural gas and 4,000 barrels of condensate per day. First production was achieved in late 2014, and the expected economic life of the project is the duration of the PSC.

FEED activities continued on the Bibiyana Compression Project during 2014. The project is expected to provide incremental production to offset field decline. A final investment decision is pending commercial negotiations. At the end of 2014, proved reserves had not been recognized for this project.



**Photo:** The Bibiyana Expansion Project achieved first production in late 2014.

## Cambodia

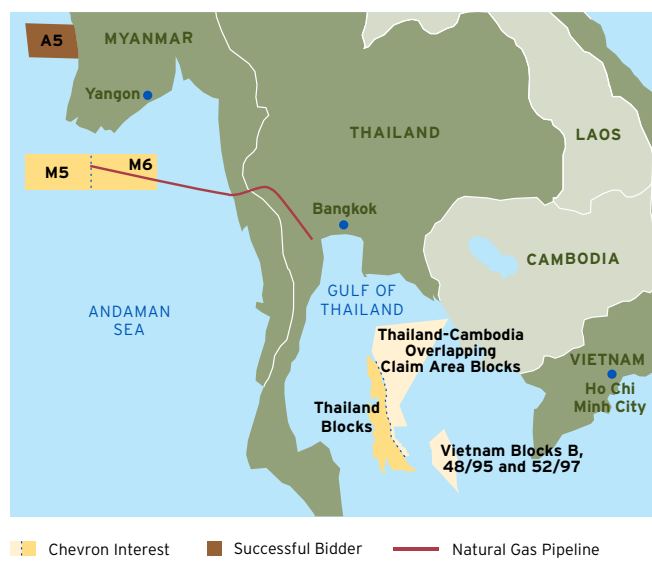
In October 2014, Chevron completed the sale of its 30 percent interest in Block A, located in the Gulf of Thailand.

## 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 interest in a pipeline company that transports most of the natural gas to the Myanmar-Thailand border for delivery to power plants in Thailand. The remaining volumes are dedicated to the Myanmar market. Net daily natural gas production during 2014 averaged 99 million cubic feet. In addition, Chevron was granted a 99 percent interest in and operatorship of Block A5 in March 2014. The exploration block covers 2.6 million net acres (10,500 sq km). As of early 2015, PSC terms were being finalized.

Badamyan-Low Compression Platform (LCP) is an expansion project in Block M5 to maintain the existing production plateau. Badamyan-LCP is designed to maintain production from the Yadana Field by lowering wellhead pressure and includes a compression platform, a remote wellhead platform and four development wells in the Badamyan Field. A final investment decision was reached in second-half 2014, and first production is expected in 2017. At the end of 2014, proved reserves have been recognized for this project.

A 3-D seismic survey for Blocks M5 and M6 was completed in 2014.



## 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 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 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 2014 was 63,000 barrels of crude oil and condensate and 1.0 billion cubic feet of natural gas.

During 2014, 18 wellhead platforms were installed and 529 development wells were drilled in the Pattani Basin, and four wellhead platforms were installed and 56 development wells were drilled at the Arthit Field.

**Ubon** The development concept at the 35 percent-owned and operated Ubon Project includes facilities and wells to develop resources in Block 12/27. The facilities have a planned design capacity of 35,000 barrels of liquids and 115 million cubic feet of natural gas per day. FEED activities continued during 2014. At the end of 2014, proved reserves had not been recognized for this project.

**Exploration** In 2014, the company drilled six exploration wells in the operated areas of the Pattani Basin, and four were successful. In addition, at the Arthit Field, four successful exploration wells and three successful delineation wells were drilled.

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 year-end 2014, these areas were inactive pending resolution of border issues between Thailand and Cambodia.

## Vietnam

The company is the operator of two PSCs. 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** The project includes installation of wellhead and hub platforms, a floating, storage and offloading vessel, field pipelines, a living quarters platform, a central processing platform, and a pipeline to shore. The facilities have a planned design capacity of 640 million cubic feet of natural gas and 21,000 barrels of liquids. A final investment decision for the development is pending resolution of commercial terms. Concurrently, the company is also evaluating these assets for possible divestment. At the end of 2014, proved reserves had not been recognized for the development project.

## China

Chevron has three operated PSCs in China. One is the 49 percent-owned and operated Chuandongbei Project, which is composed of several natural gas fields located onshore in the Sichuan Basin. This PSC expires in 2038. Chevron also has a 100 percent-owned and operated interest in shallow-water Blocks 15/10 and 15/28 in the South China Sea, which cover a combined exploratory area of approximately 1.4 million net acres (5,782 sq km).

The company also has three nonoperated PSCs. In the South China Sea, the company has a 32.7 percent nonoperated working interest in offshore Block 16/19, located in the Pearl River Mouth Basin. In Bohai Bay, the company holds a 16.2 percent working interest in Block 11/19 and a 24.5 percent working interest in the Qinhuangdao (QHD) 32-6 Field. The PSCs for these producing assets expire between 2022 and 2028.

In 2014, net average daily production was 16,000 barrels of crude oil.



**Chuandongbei** The full development includes two sour gas processing plants connected by a gas gathering system to five natural gas fields. In 2014, the company continued construction of the first natural gas processing plant and development of the LuoJiazhai and Gunziping natural gas fields. The first plant's initial three trains have a design outlet capacity of 258 million cubic feet per day. The first train reached mechanical completion in late 2014, and commissioning activities were initiated. Start-up is expected in 2015. The total design outlet capacity for the project is 558 million cubic feet of natural gas per day. This project is estimated to contain total potentially recoverable natural gas resources of 3 trillion cubic feet. Proved reserves have been recognized for the natural gas fields supplying the first sour gas processing plant. The project's estimated economic life exceeds 20 years from the time of start-up.



Photo: Chuandongbei natural gas project in the Sichuan Basin.

**Exploration** Processing of two 3-D seismic surveys in shallow-water Blocks 15/10 and 15/28 in the South China Sea was completed in 2014. The company plans to drill one exploration well in Block 15/10 in 2015. A deepwater exploration well was drilled on Block 42/05 in early 2014. The results were unsuccessful, and the block was relinquished in May 2014.

## Philippines

**Malampaya** Chevron holds a 45 percent nonoperated working interest in the Malampaya Field, offshore Palawan. Located in 2,800 feet (853 m) of water, the Malampaya development includes an offshore platform, seven production wells and a 314-mile (505-km) pipeline from the platform to the Batangas onshore natural gas plant. Net daily production during 2014 averaged 118 million cubic feet of natural gas and 3,000 barrels of condensate. The Malampaya Phase 2 Project is designed to maintain capacity at the offshore platform. First production from the infill wells commenced in 2013, with first production from the compression facilities expected in second-half 2015. Proved reserves have been recognized for this project.

**Geothermal** Chevron has a 40 percent interest in the Philippine Geothermal Production Company, Inc. (PGPC) affiliate. The PGPC develops and produces steam resources for the third-party Tiwi and Mak-Ban geothermal power plants in southern Luzon, which have a combined operating capacity of 692 megawatts. The renewable energy service contract with the Philippine government expires in 2038.

Chevron also has an interest in the Kalinga geothermal prospect area in northern Luzon. The company continues to assess the prospect area, and if successful, the steam resources could support 100 megawatts of capacity.

## Indonesia

Chevron's operated interests in Indonesia include one onshore PSC on the island of Sumatra and four PSCs offshore eastern Kalimantan. In addition, the company operates two geothermal fields in West Java. Chevron also holds a nonoperated working interest in the offshore South Natuna Sea Block B, located northeast of the island of Sumatra. Net daily production in 2014 from all producing areas in Indonesia averaged 149,000 barrels of liquids and 214 million cubic feet of natural gas.



### Sumatra

Chevron holds a 100 percent-owned and operated interest in the Rokan PSC, which expires in 2021. Net daily production averaged 131,000 barrels of crude oil and 39 million cubic feet of natural gas in 2014.

During 2014, 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 2014, 70 percent of the field was under steam injection, with net daily production averaging 63,000 barrels of crude oil.

The remaining production from the Rokan PSC is in the Sumatra light oil area, consisting of 76 active fields with net daily production that averaged 68,000 barrels of crude oil and 39 million cubic feet of natural gas in 2014.

The company continues a strong base business focus designed to sustain production, improve reliability and increase recovery from existing assets. In total, Chevron utilized 15 drilling rigs and more than 45 workover rigs to add approximately 800 wells and support existing production operations. In Area 13 of the Duri Field, production ramp-up continued, and first steam injection was achieved in 2014 at the steamflood expansion project.

Chevron also remains focused on the Minas Field. In addition to an active drilling program that added 69 wells, efforts continued to improve production by optimizing the performance of the field's waterflood program. Chemical EOR efforts continued in 2014 as the team assessed the results from the successful 2013 chemical injection pilot and prepared for additional pilots to further assess commercial opportunities for improved oil recovery. Planning for a commercial-scale pilot continues in 2015.

### Kutei Basin

Chevron's operated interests offshore eastern Kalimantan include four PSCs in the Kutei Basin: East Kalimantan (92.5 percent), Makassar Strait (72 percent), Rapak (62 percent) and Ganai (62 percent). Net daily production averaged 12,000 barrels of crude oil and 89 million cubic feet of natural gas in 2014. The majority of the production came from 14 fields in the shelf area within the East Kalimantan PSC, with the remainder from the deepwater West Seno Field in the Makassar Strait PSC. The PSCs for East Kalimantan, Makassar Strait, Rapak and Ganai expire in 2018, 2020, 2027 and 2028, respectively.

The company continues to implement development projects designed to sustain production, improve reliability and increase recovery from existing reservoirs in both the shelf and the deepwater areas. In the shelf area, Chevron continued to execute a development program, with 16 wells drilled in 2014. In addition, processing of ocean bottom cable 3-D seismic data over the Sepinggan Field was completed in first quarter 2015.

**Indonesia Deepwater Development** There are two natural gas deepwater development projects in the Kutei Basin progressing under a single plan of development. Collectively, these projects are referred to as the Indonesia Deepwater Development.

One of these projects, Bangka, includes a subsea tieback to the West Seno FPU, with a design capacity of 115 million cubic feet of natural gas and 4,000 barrels of condensate per day. The company's interest is 62 percent. A final investment decision was reached in 2014, following government approvals. Project execution began with the drilling of two development wells in second-half 2014, with first gas planned for 2016. The initial recognition of proved reserves occurred in 2014 for this project.

The other project, Gendalo-Gehem, 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 sold domestically and through LNG export. Liquefaction is planned to take place at the state-owned Bontang LNG plant in East Kalimantan. The project has a planned design capacity of 1.1 billion cubic feet of natural gas and 47,000 barrels of condensate per day. The company's interest is approximately 63 percent. Chevron continues to work toward a final investment decision, subject to the timing of government approvals, rebidding of the engineering and construction contracts, extension of the associated PSCs, and securing new LNG sales contracts. This project is estimated to contain total potentially recoverable natural gas resources of 3 trillion cubic feet. At the end of 2014, proved reserves had not been recognized for this project.

### South Natuna Sea Block B

Chevron holds a 25 percent nonoperated working interest in the offshore South Natuna Sea Block B. Production is from five natural gas fields and two crude oil fields. Net daily production during 2014 averaged 6,000 barrels of liquids and 86 million cubic feet of natural gas.

### West Papua

Chevron relinquished its 51 percent-owned and operated interests in West Papua I and West Papua III PSCs. Government approval for the relinquishment is anticipated in 2015.



## Geothermal

The company operates the Darajat geothermal field and holds a 95 percent interest in two power plants in West Java. The field supplies steam to a three-unit power plant with a total operating capacity of 270 megawatts.

Chevron also operates and holds a 100 percent interest in the Salak geothermal field in the Gunung Salak contract area in West Java. The field supplies steam to a six-unit power plant, three of which are company owned, with a total operating capacity of 377 megawatts.

In addition, Chevron relinquished its 95 percent interest in the Suoh-Sekincau prospect area located in South Sumatra. In 2014, Chevron secured the preliminary survey assignment for the adjacent South Sekincau prospect, and is in the early phases of geological and geophysical assessment.

## Kurdistan Region of Iraq

The company operates and holds 80 percent contractor interests in three PSCs covering the Rovi, Sarta and Qara Dagħ blocks. The three blocks cover a combined area of 355,000 net acres (1,438 sq km). The initial drilling operations in the Rovi and Sarta blocks continued to progress in 2014, and the results are under evaluation. The company also commenced 3-D and 2-D seismic acquisition programs in the Sarta and Qara Dagħ blocks, respectively. In August 2014, all activities were temporarily suspended as a result of ongoing regional instability. In first quarter 2015, the company resumed its operations and continued the testing and evaluation programs at the Rovi and Sarta wells and also restarted the seismic data acquisition program at the Qara Dagħ Block. Farm-down opportunities are being pursued for the three blocks.



## 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 2014, net daily production from four fields averaged 78,000 barrels of crude oil and 18 million cubic feet of natural gas. Development drilling, well workovers and numerous facility-enhancement programs are scheduled to continue through 2015 and are expected to partially offset field declines. As of early 2015, difficulties in securing work and equipment permits may impact the company's ability to continue production at current levels.

**Wafra** The Large-Scale Steamflood Pilot (LSP) Project at the Wafra Field involves steamflooding in the First Eocene carbonate reservoir. The company continued the steam injection pilot project in the target reservoir to better assess total recoverable volumes. Proved reserves have been recognized for this project.



Photo: Wafra steamflood facilities.

Development planning also continued on the follow-up to the LSP Project. The Wafra Steamflood Stage 1 Project, a full-field steamflood application in the Wafra Field First Eocene carbonate reservoir, has a planned design capacity of 80,000 barrels of crude oil per day and is expected to commence FEED in third quarter 2015. At the end of 2014, proved reserves had not been recognized for this project.

Work also continued to expand the LSP Project to the Second Eocene carbonate reservoir. A final investment decision is planned for 2016. At the end of 2014, proved reserves had not been recognized for this project.

The Central Gas Utilization Project is a facility construction project intended to increase natural gas utilization while eliminating natural gas flaring at the Wafra Field. As of early 2015, the development plan is being re-evaluated. At the end of 2014, proved reserves had not been recognized for the project.

**Exploration** In July 2014, the company began a 3-D seismic survey covering the entire onshore Partitioned Zone. It is one of the largest land seismic programs ever undertaken, covering 1.1 million acres (4,600 sq km).

## Australia/Oceania

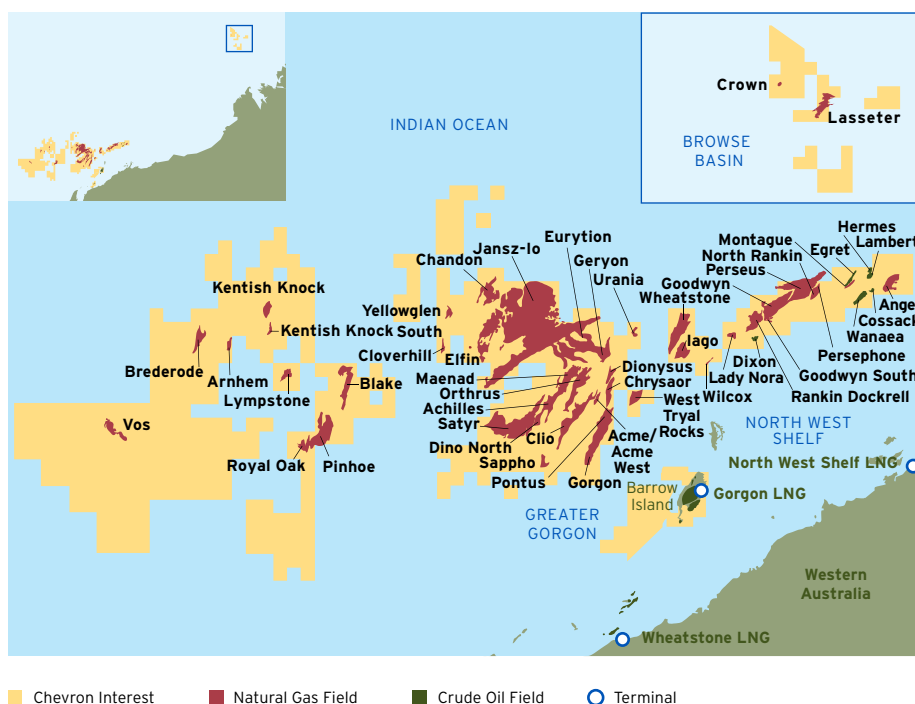
In Australia/Oceania, the company is engaged in upstream activities in Australia and New Zealand. Net daily oil-equivalent production of 97,000 barrels during 2014 in Australia represented 4 percent of the companywide total.

### 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 are planned to supply these projects is estimated at more than 50 trillion cubic feet. Chevron also has a nonoperated working interest in the North West Shelf (NWS) Venture, as well as exploration acreage in the Browse Basin, Carnarvon Basin, Nappamerri Trough and Bight Basin. Net daily production in 2014 averaged 23,000 barrels of liquids and 442 million cubic feet of natural gas.

**Gorgon** Chevron holds a 47.3 percent interest and is the operator of the Gorgon Project, which includes the development of the Gorgon and Jansz-lo fields. The project includes a three-train, 15.6 million-metric-ton-per-year LNG facility, a carbon dioxide injection facility and a domestic gas plant with capacity to supply 280 million cubic feet per day to the Western Australian market. The facilities are under construction on Barrow Island. The offshore portion of the development includes subsea infrastructure and pipelines. The total production capacity for the project is expected to be approximately 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate per day. The total estimated project cost for the first phase of development is \$54 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 more than 90 percent of the overall project complete as of early March 2015. All final Train 1 and common modules required for first LNG were delivered and installed on Barrow Island in second quarter 2014. Both of the LNG tanks and the loading jetty infrastructure have been completed. Fourteen of the 17 Train 2 modules have been installed at Barrow Island, and all remaining Train 2 and Train 3 modules are planned to be delivered by year-end 2015. LNG Train 1 start-up is planned for third quarter 2015, with first cargo anticipated in fourth quarter 2015. Start-up of Trains 2 and 3 is expected in 2016. All of the 18 gas production wells and associated offshore upstream subsea facilities have been installed and are mechanically complete at both the Gorgon and Jansz-lo fields. Additionally, the onshore portion of the pipelines from both fields was installed across Barrow Island into the LNG plant. The entire upstream feed gas system for the LNG plant is undergoing final testing prior to the introduction of gas into the system.



In January 2015, the company announced an additional binding sales agreement for delivery of LNG from the Gorgon Project for a five-year period starting in 2017. During the time of this agreement, more than 75 percent of Chevron's equity LNG offtake from the project is committed under binding sales agreements with customers in Asia. Chevron also has binding, long-term agreements for delivery of approximately 65 million cubic feet per day of natural gas to customers in Western Australia and continues to market additional pipeline natural gas quantities from the project.

The evaluation of options to increase the production capacity of Gorgon is planned to continue in 2015.



**Photo:** Aerial view of Gorgon LNG Trains 1 and 2.

**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 190 million-cubic-feet-per-day domestic gas plant, both located at Ashburton North, on the coast of Western Australia. The company plans to supply natural gas to the facilities from the Wheatstone and Iago fields. Chevron holds an 80.2 percent interest in the offshore licenses and a 64.1 percent interest in the LNG facilities. The total production capacity for the Wheatstone and Iago fields and nearby third-party fields is expected to be approximately 1.6 billion cubic feet of natural gas and 30,000 barrels of condensate per day. Start-up of the first train is expected in late 2016, with the second train start-up planned for 2017. The total estimated cost for the foundation phase of the project is \$29 billion. Proved reserves have been recognized, and the project's estimated economic life exceeds 30 years from the time of start-up.

Construction and fabrication work continue to progress with 57 percent of the overall project complete as of early March 2015. Key milestones achieved during 2014 include the completion of site construction support infrastructure, earthworks and the materials offloading facility. Foundations and product storage tanks are well advanced, and Train 1 process module deliveries have commenced. Offshore installation of the natural gas trunkline connecting the offshore fields to the LNG plant is complete. Installation of the offshore platform steel gravity-based structure was achieved in 2014, offshore dredging was completed in first quarter 2015 and development well drilling is progressing. Elsewhere, fabrication progressed on key upstream components, including the offshore platform topsides in South Korea and subsea equipment in Singapore and Malaysia. Setting of the topsides onto the steel gravity-based structure is planned to be completed by mid-2015, with the delivery of all Train 1 and common modules to the site by late 2015.

Chevron has binding, long-term sales agreements with four customers in Japan for 85 percent of the company's equity LNG offtake from this project. In addition, the company continues to market its equity share of pipeline natural gas to Western Australia customers.



**Photo:** Construction of Wheatstone LNG storage tanks advanced during 2014.

**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, Goodwyn, North Rankin and Perseus natural gas fields and the Cossack, Hermes and Wanaea crude oil fields. The NWS Venture concession expires in 2034.

Net daily production in 2014 averaged 17,000 barrels of crude oil and condensate, 442 million cubic feet of natural gas, and 3,000 barrels of LPG. Approximately 80 percent of the natural gas sales were 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 NWS Venture continues to progress additional natural gas supply opportunities to maintain NWS production through the addition of offshore compression facilities and the development of a number of smaller fields on the western flank of the Goodwyn Field and undeveloped satellite fields east of the North Rankin Field. The Greater Western Flank-1 Development Project began development drilling with production expected in 2016, and the Greater Western Flank-2 Development Project is planned to reach a final investment decision in late 2015. The Eastern Flank Persephone project reached a final investment decision in 2014, with production expected in 2018.



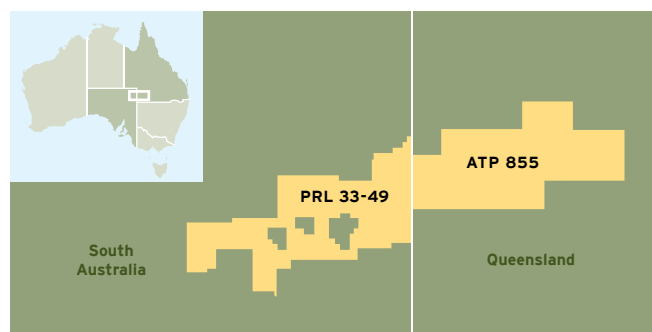
**Photo:** Aerial view of NWS Venture onshore facilities.

**Barrow Island and Thevenard Island** Chevron's interests are 57.1 percent for Barrow and 51.4 percent for Thevenard. In 2014, net daily production averaged 3,000 barrels of crude oil. In early 2014, production at Thevenard was permanently shut in.

**Browse Basin** The company holds nonoperated working interests ranging from 24.8 percent to 50 percent in three blocks in the Browse Basin. Drilling in third quarter 2014 resulted in a natural gas discovery at the Lasseter prospect in Block WA-274-P.

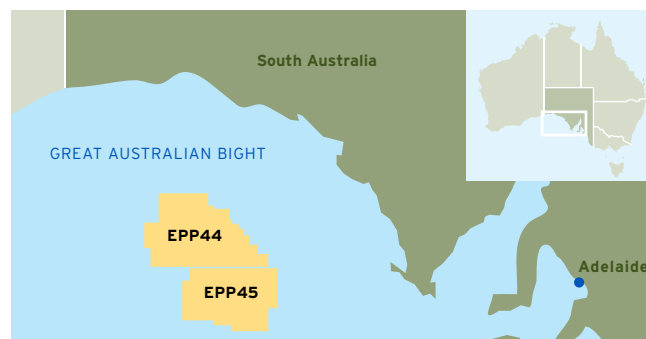
**Carnarvon Basin Exploration** During 2014, Chevron made five natural gas discoveries in the Carnarvon Basin. These discoveries contribute to the resources available to extend and expand Chevron's LNG projects in the region.

**Nappamerri Trough** The company holds a 30 percent nonoperated working interest in the Permian section of petroleum retention license (PRL) 33-49 in South Australia and an 18 percent non-operated working interest in authority to prospect (ATP) 855 in Queensland. The blocks cover 193,000 net acres (781 sq km) in the Cooper Basin region in central Australia. During 2014, exploration drilling and flow testing continued in order to evaluate the commerciality of the resource base.



■ Chevron Interest

**Great Australian Bight** The company operates and holds a 100 percent interest in offshore Blocks EPP44 and EPP45, which span 8.0 million net acres (32,375 sq km) in the Bight Basin off the South Australian coast. In 2014, the company completed the initial survey to acquire 3-D seismic data. An additional survey is planned for 2015 to complete the seismic data acquisition. Processing and interpretation of the seismic data is planned to continue through 2016. The work program commitment includes two exploration wells in each block.



■ Chevron Interest

## New Zealand

In late 2014, Chevron was granted three exploration permits, 57083, 57085 and 57087, in the offshore Pegasus and East Coast basins. The deepwater permits cover 3.1 million net acres (12,650 sq km) and are located approximately 100 miles (161 km) east of Wellington. Chevron will be the operator with a 50 percent interest. The exploration permits are granted for a term of 15 years, commencing April 2015. Acquisition of 2-D and 3-D seismic data is scheduled to commence in 2016.



■ Successful Bidder



## Europe

In Europe, the company is engaged in upstream activities in Denmark, Norway, Poland, Romania and the United Kingdom. Net daily oil-equivalent production of 80,000 barrels during 2014 in this region represented approximately 3 percent of the companywide total.



### Denmark

Chevron holds a 12 percent nonoperated working interest in the Danish Underground Consortium (DUC). The DUC has production from 13 North Sea fields, with the majority of crude oil production from the Halfdan, Dan and Valdemar fields and the majority of natural gas production from the Tyra Field. Average net daily production in 2014 from the DUC was 17,000 barrels of crude oil and 51 million cubic feet of natural gas. The concession expires in 2042.

### Lithuania

Chevron divested its 50 percent interest in an exploration and production company in mid-2014.

### Netherlands

In November 2014, Chevron divested its interests in the Dutch sector of the North Sea. Net average daily production in 2014 was 2,000 barrels of liquids and 34 million cubic feet of natural gas.

### Norway

In August 2014, the company completed the sale of its interest in the Draugen Field. Net daily average production in 2014 was 1,000 barrels of crude oil.

Chevron has a 40 percent-owned and operated interest in the PL 527 exploration license, which covers 357,000 net acres (1,444 sq km), and a 40 percent-owned and operated interest in exploration license PL 598, which covers 164,000 net acres (662 sq km). The licenses are located in the deepwater portion of the Norwegian Sea. Chevron completed processing of 3-D seismic surveys over the license areas and continues to evaluate the area.

### Poland

In first-half 2014, Chevron completed a 3-D seismic survey on the Grabowiec concession. The company also entered into a joint exploration agreement covering Chevron's Grabowiec and Zwierzyniec licenses and two adjacent licenses in early 2014.

In fourth quarter 2014, Chevron relinquished two shale concessions (Frampol and Krasnik) in south-east Poland. In early 2015, Chevron announced the discontinuation of exploration activities in Poland.

### Romania

In 2014, drilling of the first exploration well in the Barlad Shale concession in northeast Romania was completed, as was a 2-D seismic survey across two of the three concessions in southeast Romania. Chevron intends to pursue relinquishment of its interest in these concessions in 2015.

### Ukraine

In 2013, Chevron signed a PSC with the government of Ukraine for a 50 percent interest in and operatorship of the Oleska Shale block in western Ukraine. In fourth quarter 2014, Chevron terminated the agreement.

## United Kingdom

Chevron has working interests in nine offshore producing fields, including three operated fields (Alba, 23.4 percent; Captain, 85 percent; and Erskine, 50 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 2014 from the fields averaged 32,000 barrels of liquids and 88 million cubic feet of natural gas. Most of the production was from three fields: the Captain Field, with net average daily production of 18,000 barrels of liquids and 3 million cubic feet of natural gas; the Britannia Field, with net average daily production of 2,000 barrels of liquids and 51 million cubic feet of natural gas; and the Alba Field, with net average daily production of 4,000 barrels of liquids.

The company continues to implement projects designed to sustain production and increase recovery at Captain, Britannia and Alba. At Captain, continued development drilling is expected through 2028. At Britannia, work to install a low-pressure compression module to increase field recovery was completed in third quarter 2014. At Alba, development drilling is expected to continue beyond 2022.

**Alder** The 73.7 percent-owned and operated Alder high-pressure, high-temperature gas condensate discovery is located 17 miles (27 km) to the west of the Britannia Field in the North Sea. The field is planned to be developed via a single subsea well tied back to the existing Britannia Platform. Fabrication of topside and subsea equipment progressed in 2014, and first production is expected in 2016. The project has a design capacity of 14,000 barrels of condensate and 110 million cubic feet of natural gas per day. Proved reserves have been recognized for this project.

**Captain EOR** Chevron holds an 85 percent-owned and operated interest in the Captain Field. The Captain EOR Project is the next development phase and is designed to increase field recovery by injecting polymerized water into the Captain reservoir. The selected concept is a fixed platform bridge-linked to the existing Captain facilities, combined with an extensive injection well drilling campaign. The project entered FEED in fourth quarter 2014, and a final investment decision is scheduled for 2016. At the end of 2014, proved reserves had not been recognized for this project.



**Photo:** Aerial view of the Captain platforms in the North Sea.

**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 continued during 2014. The design capacity of the project is 120,000 barrels of crude oil and 100 million cubic feet of natural gas per day. Production is scheduled to begin in 2017. The project is estimated to provide incremental potentially recoverable oil-equivalent resources in excess of 600 million barrels. Proved reserves have been recognized for the Clair Ridge Project. The Clair Field has an estimated production life until 2050.

**Rosebank** The Rosebank Field is 80 miles (129 km) northwest of the Shetland Islands in 3,700 feet (1,115 m) of water. Chevron operates and holds a 40 percent interest in the project. During 2014, the company continued to assess alternatives for the Rosebank Field and significant progress was made in optimizing the Rosebank development plan. The design capacity of the project is 100,000 barrels of crude oil and 80 million cubic feet of natural gas per day. At the end of 2014, proved reserves had not been recognized for this project.

**Exploration** West of the Shetland Islands, activities included acquisition and interpretation of 3-D seismic data. In the central North Sea, an exploration well previously drilled to delineate the southern extension of the Jade Field was successfully tied back, and first production was achieved.

Oil and Gas Acreage<sup>1,2</sup>

At December 31

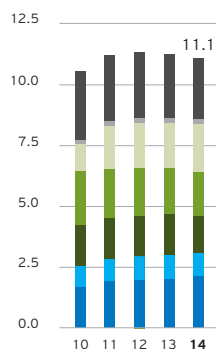
	Gross Acres	Net Acres				
Thousands of acres	2014	2014	2013	2012	2011	2010
<b>United States</b>						
Louisiana	419	370	377	419	411	386
Michigan	458	359	358	362	358	57
New Mexico	818	585	575	565	351	355
Pennsylvania	723	695	690	735	830	-
Texas	4,419	3,297	3,313	3,531	3,552	3,575
Gulf Coast - Federal Waters	3,502	2,624	2,886	2,812	2,755	2,865
Other	2,524	1,514	1,640	1,745	1,801	1,619
<b>Total United States</b>	<b>12,863</b>	<b>9,444</b>	<b>9,839</b>	<b>10,169</b>	<b>10,058</b>	<b>8,857</b>
<b>Other Americas</b>						
Argentina	388	240	216	167	167	141
Brazil	256	105	105	64	64	74
Canada	23,157	13,204	13,485	14,403	14,050	15,095
Colombia	203	87	87	87	87	87
Greenland	1,199	350	350	-	1,006	1,006
Suriname	2,793	1,396	1,396	1,400	-	-
Trinidad and Tobago	168	84	84	84	84	84
Venezuela	73	58	58	58	275	275
<b>Total Other Americas</b>	<b>28,237</b>	<b>15,524</b>	<b>15,781</b>	<b>16,263</b>	<b>15,733</b>	<b>16,762</b>
<b>Africa</b>						
Angola	2,349	802	803	807	875	821
Chad	-	-	28	28	28	29
Democratic Republic of the Congo	250	44	44	44	44	44
Liberia	1,820	819	819	903	1,661	1,661
Nigeria	4,875	2,194	2,443	2,620	2,634	2,791
Morocco	7,220	5,415	5,415	-	-	-
Republic of the Congo	235	63	43	49	49	49
Sierra Leone	1,385	762	762	762	-	-
<b>Total Africa</b>	<b>18,134</b>	<b>10,099</b>	<b>10,357</b>	<b>5,213</b>	<b>5,291</b>	<b>5,395</b>
<b>Asia</b>						
Azerbaijan	111	12	12	12	12	12
Bangladesh	186	186	184	182	182	973
Cambodia	-	-	349	349	349	349
China	1,757	1,565	2,143	921	4,396	4,766
Indonesia	9,547	5,853	6,468	6,536	6,536	6,695
Kazakhstan	67	12	14	14	16	16
Kurdistan Region of Iraq	444	355	355	185	-	-
Myanmar	6,460	1,826	1,826	1,826	1,826	1,826
Partitioned Zone	1,361	681	681	681	681	681
Philippines	206	93	93	93	93	93
Thailand	9,617	3,843	3,892	3,908	4,118	6,344
Turkey	-	-	-	-	2,781	2,781
Vietnam	791	339	339	339	339	684
<b>Total Asia</b>	<b>30,547</b>	<b>14,765</b>	<b>16,356</b>	<b>15,046</b>	<b>21,329</b>	<b>25,220</b>
<b>Australia/Oceania</b>						
Australia	20,250	13,875	13,891	5,967	6,304	7,323
<b>Total Australia/Oceania</b>	<b>20,250</b>	<b>13,875</b>	<b>13,891</b>	<b>5,967</b>	<b>6,304</b>	<b>7,323</b>
<b>Europe</b>						
Denmark	406	49	49	50	63	63
Netherlands	-	-	26	30	26	22
Norway	1,301	520	523	526	526	541
Poland	499	499	1,085	1,085	1,085	1,085
Romania	2,239	2,239	2,239	2,239	1,569	-
United Kingdom	680	210	196	349	476	831
<b>Total Europe</b>	<b>5,125</b>	<b>3,517</b>	<b>4,118</b>	<b>4,279</b>	<b>3,745</b>	<b>2,542</b>
<b>Total Consolidated Companies</b>	<b>115,156</b>	<b>67,224</b>	<b>70,342</b>	<b>56,937</b>	<b>62,460</b>	<b>66,099</b>
<b>Equity Share in Affiliates</b>						
Kazakhstan	380	190	190	190	190	304
Lithuania	-	-	197	197	-	-
Venezuela	423	145	145	145	145	145
<b>Total Equity Share in Affiliates</b>	<b>803</b>	<b>335</b>	<b>532</b>	<b>532</b>	<b>335</b>	<b>449</b>
<b>Total Worldwide</b>	<b>115,959</b>	<b>67,559</b>	<b>70,874</b>	<b>57,469</b>	<b>62,795</b>	<b>66,548</b>

<sup>1</sup> Table does not include mining acreage associated with synthetic oil production in Canada.<sup>2</sup> Net acreage includes wholly owned interests and the sum of the company's fractional interests in gross acreage.

## Upstream Operating Data

### Net Proved Reserves

Billions of BOE\*



■ Affiliates  
 ■ Europe  
 ■ Australia/Oceania  
 ■ 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<sup>1,2</sup>

At December 31

Millions of barrels	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
United States	1,432	1,330	1,359	1,311	1,275
Other Americas	772	780	736	636	574
Africa	1,021	1,104	1,130	1,155	1,168
Asia	752	792	837	894	1,013
Australia/Oceania	142	131	134	140	88
Europe	166	166	157	159	152
<b>Total Consolidated Companies</b>	<b>4,285</b>	<b>4,303</b>	<b>4,353</b>	<b>4,295</b>	<b>4,270</b>
<b>Equity Share in Affiliates</b>					
TCO	1,615	1,668	1,732	1,759	1,820
Other	349	374	396	401	413
<b>Total Equity Share in Affiliates</b>	<b>1,964</b>	<b>2,042</b>	<b>2,128</b>	<b>2,160</b>	<b>2,233</b>
<b>Total Worldwide</b>	<b>6,249</b>	<b>6,345</b>	<b>6,481</b>	<b>6,455</b>	<b>6,503</b>

<sup>1</sup> Refer to page 58 for a definition of net proved reserves. For additional discussion of the company's proved reserves, refer to the company's 2014 Annual Report on Form 10-K.

<sup>2</sup> Includes crude oil, condensate, NGLs and synthetic oil.

### Net Proved Reserves - Natural Gas\*

At December 31

Billions of cubic feet	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
United States	4,174	3,990	3,722	3,646	2,472
Other Americas	1,123	1,300	1,475	1,664	1,815
Africa	2,968	3,045	3,081	3,196	2,944
Asia	6,266	6,745	6,867	6,721	7,193
Australia/Oceania	10,941	10,327	10,252	9,744	6,056
Europe	235	263	257	258	275
<b>Total Consolidated Companies</b>	<b>25,707</b>	<b>25,670</b>	<b>25,654</b>	<b>25,229</b>	<b>20,755</b>
<b>Equity Share in Affiliates</b>					
TCO	2,177	2,290	2,299	2,251	2,386
Other	1,232	1,186	1,242	1,203	1,110
<b>Total Equity Share in Affiliates</b>	<b>3,409</b>	<b>3,476</b>	<b>3,541</b>	<b>3,454</b>	<b>3,496</b>
<b>Total Worldwide</b>	<b>29,116</b>	<b>29,146</b>	<b>29,195</b>	<b>28,683</b>	<b>24,251</b>

\* Refer to page 58 for a definition of net proved reserves. For additional discussion of the company's proved reserves, refer to the company's 2014 Annual Report on Form 10-K.



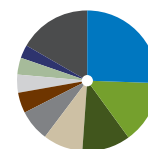
## Upstream Operating Data

### Net Oil-Equivalent Production

Thousands of barrels per day	Year ended December 31				
	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
<b>United States</b>					
Alabama	11	13	14	15	16
Alaska	10	11	11	28	31
California	177	177	178	183	199
Colorado	22	24	26	27	27
Louisiana	151	161	184	207	235
Michigan	9	10	10	9	1
New Mexico	47	43	36	34	36
Oklahoma	9	9	9	8	9
Pennsylvania	34	27	12	7	-
Texas	177	164	155	137	127
Wyoming	14	16	17	20	25
Other states	3	2	3	3	2
<b>Total United States</b>	<b>664</b>	<b>657</b>	<b>655</b>	<b>678</b>	<b>708</b>
<b>Other Americas</b>					
Argentina	25	19	22	27	32
Brazil	21	6	6	35	24
Canada	69	71	69	70	54
Colombia	31	36	36	39	41
Trinidad and Tobago	19	29	29	31	38
<b>Total Other Americas</b>	<b>165</b>	<b>161</b>	<b>162</b>	<b>202</b>	<b>189</b>
<b>Africa</b>					
Angola	121	127	137	147	161
Chad*	8	19	23	26	28
Democratic Republic of the Congo	3	3	3	3	2
Nigeria	286	268	269	260	253
Republic of the Congo	16	14	19	23	25
<b>Total Africa</b>	<b>434</b>	<b>431</b>	<b>451</b>	<b>459</b>	<b>469</b>
<b>Asia</b>					
Azerbaijan	28	28	28	28	30
Bangladesh	109	113	94	74	69
China	16	20	21	22	20
Indonesia	185	193	198	208	226
Kazakhstan	53	57	61	62	64
Myanmar	16	16	16	14	13
Partitioned Zone	81	87	90	91	98
Philippines	23	23	24	25	25
Thailand	238	229	243	209	216
<b>Total Asia</b>	<b>749</b>	<b>766</b>	<b>775</b>	<b>733</b>	<b>761</b>
<b>Australia/Oceania</b>					
Australia	97	96	99	101	111
<b>Total Australia/Oceania</b>	<b>97</b>	<b>96</b>	<b>99</b>	<b>101</b>	<b>111</b>
<b>Europe</b>					
Denmark	25	28	36	44	51
Netherlands*	7	9	9	7	8
Norway*	1	2	3	3	3
United Kingdom	47	55	66	85	97
<b>Total Europe</b>	<b>80</b>	<b>94</b>	<b>114</b>	<b>139</b>	<b>159</b>
<b>Total Consolidated Companies</b>	<b>2,189</b>	<b>2,205</b>	<b>2,256</b>	<b>2,312</b>	<b>2,397</b>
<b>Equity Share in Affiliates</b>					
TCO	314	321	286	296	308
Petropiar	34	36	37	35	30
Petroboscan	27	27	29	28	26
Petroindependiente	2	2	2	2	2
Angola LNG	5	6	-	-	-
<b>Total Equity Share in Affiliates</b>	<b>382</b>	<b>392</b>	<b>354</b>	<b>361</b>	<b>366</b>
<b>Total Worldwide</b>	<b>2,571</b>	<b>2,597</b>	<b>2,610</b>	<b>2,673</b>	<b>2,763</b>

\* The producing fields in Chad, the Netherlands and Norway were sold in June 2014, November 2014 and August 2014, respectively.

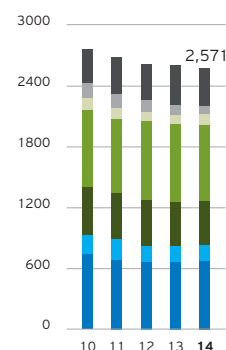
### 2014 Net Oil-Equivalent Production by Country\* Percentage



United States	25.8%
Kazakhstan	14.3%
Nigeria	11.1%
Thailand	9.3%
Indonesia	7.2%
Angola	4.7%
Bangladesh	4.2%
Australia	3.8%
Partitioned Zone	3.2%
Other	16.4%

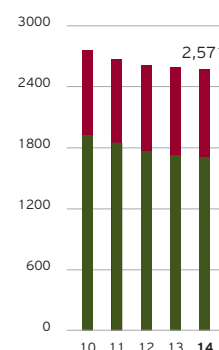
\*Includes equity share in affiliates.

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



Affiliates
Europe
Australia/Oceania
Asia
Africa
Other Americas
United States

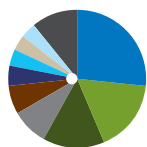
### Net Production Liquids vs. Natural Gas Thousands of barrels per day



Natural Gas
Liquids

## Upstream Operating Data

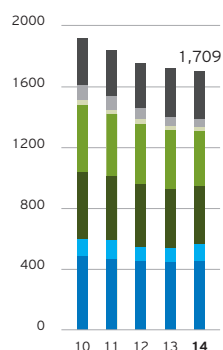
**2014 Net Liquids Production by Country\***  
Percentage



United States	26.7%
Kazakhstan	17.0%
Nigeria	14.4%
Indonesia	8.7%
Angola	6.7%
Partitioned Zone	4.6%
Canada	3.9%
Thailand	3.7%
Venezuela	3.5%
Other	10.8%

\*Includes equity share in affiliates.

**Net Liquids Production**  
Thousands of barrels per day



Affiliates
Europe
Australia/Oceania
Asia
Africa
Other Americas
United States

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

Thousands of barrels per day

Year ended December 31

	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
<b>United States</b>					
Alaska	8	9	9	14	14
California	166	166	167	169	183
Colorado	9	9	10	10	10
Louisiana	113	121	137	159	179
New Mexico	29	25	21	19	19
Texas	120	108	99	81	70
Wyoming	4	4	5	6	7
Other states	7	7	7	7	7
<b>Total United States</b>	<b>456</b>	<b>449</b>	<b>455</b>	<b>465</b>	<b>489</b>
<b>Other Americas</b>					
Argentina	21	18	21	26	31
Brazil	20	5	6	33	23
Canada	67	70	68	69	53
Trinidad and Tobago	-	-	-	-	1
<b>Total Other Americas</b>	<b>108</b>	<b>93</b>	<b>95</b>	<b>128</b>	<b>108</b>
<b>Africa</b>					
Angola	113	118	128	139	152
Chad <sup>2</sup>	8	18	22	25	27
Democratic Republic of the Congo	2	2	2	3	2
Nigeria	246	238	242	236	239
Republic of the Congo	14	13	17	21	23
<b>Total Africa</b>	<b>383</b>	<b>389</b>	<b>411</b>	<b>424</b>	<b>443</b>
<b>Asia</b>					
Azerbaijan	26	26	26	26	28
Bangladesh	2	2	2	2	2
China	16	19	20	20	18
Indonesia	149	156	158	166	187
Kazakhstan	31	34	37	38	39
Partitioned Zone	78	84	86	88	94
Philippines	3	3	4	4	4
Thailand	63	62	67	65	70
<b>Total Asia</b>	<b>368</b>	<b>386</b>	<b>400</b>	<b>409</b>	<b>442</b>
<b>Australia/Oceania</b>					
Australia	23	26	28	26	34
<b>Total Australia/Oceania</b>	<b>23</b>	<b>26</b>	<b>28</b>	<b>26</b>	<b>34</b>
<b>Europe</b>					
Denmark	17	19	24	29	32
Netherlands <sup>2</sup>	2	2	2	2	2
Norway <sup>2</sup>	1	2	3	3	3
United Kingdom	32	40	46	59	64
<b>Total Europe</b>	<b>52</b>	<b>63</b>	<b>75</b>	<b>93</b>	<b>101</b>
<b>Total Consolidated Companies</b>	<b>1,390</b>	<b>1,406</b>	<b>1,464</b>	<b>1,545</b>	<b>1,617</b>
<b>Equity Share in Affiliates</b>					
TCO	259	263	236	244	252
Petropiar	32	34	35	32	28
Petroboscan	26	26	28	27	25
Petroindependiente	1	1	1	1	1
Angola LNG	1	1	-	-	-
<b>Total Equity Share in Affiliates</b>	<b>319</b>	<b>325</b>	<b>300</b>	<b>304</b>	<b>306</b>
<b>Total Worldwide</b>	<b>1,709</b>	<b>1,731</b>	<b>1,764</b>	<b>1,849</b>	<b>1,923</b>
<sup>1</sup> Net production of NGLs:					
United States	50	48	50	47	51
International	20	20	23	20	21
<b>Total</b>	<b>70</b>	<b>68</b>	<b>73</b>	<b>67</b>	<b>72</b>

<sup>2</sup> The producing fields in Chad, the Netherlands and Norway were sold in June 2014, November 2014 and August 2014, respectively.

Net Natural Gas Production<sup>1</sup>

Millions of cubic feet per day	Year ended December 31				
	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
<b>United States</b>					
Alabama	49	56	62	67	72
Alaska	12	12	12	89	100
California	66	69	70	83	96
Colorado	78	85	98	104	104
Louisiana	225	240	278	290	337
Michigan	55	56	60	55	9
New Mexico	110	109	89	89	97
Oklahoma	35	37	35	35	39
Pennsylvania	205	159	72	39	-
Texas	341	339	340	330	340
Wyoming	60	72	74	85	110
Other states	14	12	13	13	10
<b>Total United States</b>	<b>1,250</b>	<b>1,246</b>	<b>1,203</b>	<b>1,279</b>	<b>1,314</b>
<b>Other Americas</b>					
Argentina	23	6	4	4	5
Brazil	6	2	2	13	7
Canada	10	9	4	4	4
Colombia	186	216	216	234	249
Trinidad and Tobago	112	173	173	183	223
<b>Total Other Americas</b>	<b>337</b>	<b>406</b>	<b>399</b>	<b>438</b>	<b>488</b>
<b>Africa</b>					
Angola	51	52	53	50	52
Chad <sup>2</sup>	2	4	6	6	6
Democratic Republic of the Congo	1	1	1	1	1
Nigeria	236	182	165	142	86
Republic of the Congo	11	10	13	10	10
<b>Total Africa</b>	<b>301</b>	<b>249</b>	<b>238</b>	<b>209</b>	<b>155</b>
<b>Asia</b>					
Azerbaijan	12	10	10	10	11
Bangladesh	643	663	550	434	404
China	-	6	9	10	13
Indonesia	214	225	236	253	236
Kazakhstan	126	135	139	144	149
Myanmar	99	96	94	86	81
Partitioned Zone	18	19	21	20	23
Philippines	118	119	120	126	124
Thailand	1,046	1,003	1,060	867	875
<b>Total Asia</b>	<b>2,276</b>	<b>2,276</b>	<b>2,239</b>	<b>1,950</b>	<b>1,916</b>
<b>Australia/Oceania</b>					
Australia	442	421	428	448	458
<b>Total Australia/Oceania</b>	<b>442</b>	<b>421</b>	<b>428</b>	<b>448</b>	<b>458</b>
<b>Europe</b>					
Denmark	51	55	74	91	116
Netherlands <sup>2</sup>	34	41	42	31	35
Norway <sup>2</sup>	-	1	1	1	1
United Kingdom	88	94	122	155	194
<b>Total Europe</b>	<b>173</b>	<b>191</b>	<b>239</b>	<b>278</b>	<b>346</b>
<b>Total Consolidated Companies</b>	<b>4,779</b>	<b>4,789</b>	<b>4,746</b>	<b>4,602</b>	<b>4,677</b>
<b>Equity Share in Affiliates</b>					
TCO	334	347	301	312	338
Petropiar	15	13	14	13	10
Petroboscan	5	6	5	6	6
Petroindependiente	7	7	8	8	9
Angola LNG	27	30	-	-	-
<b>Total Equity Share in Affiliates</b>	<b>388</b>	<b>403</b>	<b>328</b>	<b>339</b>	<b>363</b>
<b>Total Worldwide</b>	<b>5,167</b>	<b>5,192</b>	<b>5,074</b>	<b>4,941</b>	<b>5,040</b>
<sup>1</sup> Includes natural gas consumed in operations:					
United States	71	72	65	69	62
International <sup>3</sup>	452	458	457	447	475
<b>Total</b>	<b>523</b>	<b>530</b>	<b>522</b>	<b>516</b>	<b>537</b>

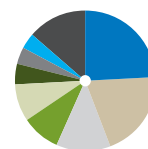
<sup>1</sup> Includes natural gas consumed in operations:

United States	71	72	65	69	62
International <sup>3</sup>	452	458	457	447	475
<b>Total</b>	<b>523</b>	<b>530</b>	<b>522</b>	<b>516</b>	<b>537</b>

<sup>2</sup> The producing fields in Chad, the Netherlands and Norway were sold in June 2014, November 2014 and August 2014, respectively.

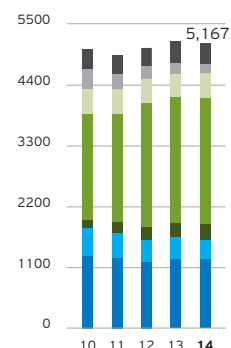
<sup>3</sup> 2013 conforms to 2014 presentation.

## 2014 Net Natural Gas Production by Country\* Percentage



United States	24.2%
Thailand	20.2%
Bangladesh	12.4%
Kazakhstan	8.9%
Australia	8.6%
Nigeria	4.6%
Indonesia	4.1%
Colombia	3.6%
Other	13.4%

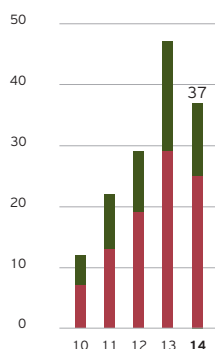
\*Includes equity share in affiliates.

Net Natural Gas Production  
Millions of cubic feet per day

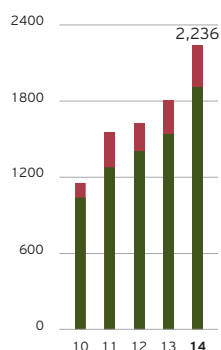
■ Affiliates
■ Europe
■ Australia/Oceania
■ Asia
■ Africa
■ Other Americas
■ United States

## Upstream Operating Data

**Net Productive Exploratory Wells Completed**  
Number of wells



**Net Productive Development Wells Completed**  
Number of wells



■ Natural Gas  
■ Crude Oil

### Net Wells Completed\*

Year ended December 31

	2014		2013		2012		2011		2010	
	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry
<b>Consolidated Companies</b>										
<b>United States</b>										
Exploratory	20	12	17	2	4	–	5	1	1	1
Development	1,085	8	1,101	4	941	6	909	9	634	7
<b>Total United States</b>	<b>1,105</b>	<b>20</b>	<b>1,118</b>	<b>6</b>	<b>945</b>	<b>6</b>	<b>914</b>	<b>10</b>	<b>635</b>	<b>8</b>
<b>Other Americas</b>										
Exploratory	3	–	12	2	8	–	1	–	–	1
Development	81	–	127	–	50	–	37	–	32	–
<b>Total Other Americas</b>	<b>84</b>	<b>–</b>	<b>139</b>	<b>2</b>	<b>58</b>	<b>–</b>	<b>38</b>	<b>–</b>	<b>32</b>	<b>1</b>
<b>Africa</b>										
Exploratory	1	2	–	–	1	2	1	–	1	–
Development	9	–	20	1	23	–	29	–	33	–
<b>Total Africa</b>	<b>10</b>	<b>2</b>	<b>20</b>	<b>1</b>	<b>24</b>	<b>2</b>	<b>30</b>	<b>–</b>	<b>34</b>	<b>–</b>
<b>Asia</b>										
Exploratory	7	2	13	4	12	3	10	1	5	5
Development	1,025	4	535	5	566	6	549	6	445	15
<b>Total Asia</b>	<b>1,032</b>	<b>6</b>	<b>548</b>	<b>9</b>	<b>578</b>	<b>9</b>	<b>559</b>	<b>7</b>	<b>450</b>	<b>20</b>
<b>Australia/Oceania</b>										
Exploratory	3	–	3	–	3	–	4	1	5	2
Development	9	–	–	–	–	–	–	–	–	–
<b>Total Australia/Oceania</b>	<b>12</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>2</b>
<b>Europe</b>										
Exploratory	3	–	2	2	1	2	–	1	–	–
Development	2	–	3	–	9	–	6	–	4	–
<b>Total Europe</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>4</b>	<b>–</b>
<b>Total Consolidated Companies</b>	<b>2,248</b>	<b>28</b>	<b>1,833</b>	<b>20</b>	<b>1,618</b>	<b>19</b>	<b>1,551</b>	<b>19</b>	<b>1,160</b>	<b>31</b>
<b>Equity Share in Affiliates</b>										
Exploratory	–	–	–	–	–	–	1	–	–	–
Development	25	1	25	–	26	–	25	–	8	–
<b>Total Equity Share in Affiliates</b>	<b>25</b>	<b>1</b>	<b>25</b>	<b>–</b>	<b>26</b>	<b>–</b>	<b>26</b>	<b>–</b>	<b>8</b>	<b>–</b>
<b>Total Worldwide</b>	<b>2,273</b>	<b>29</b>	<b>1,858</b>	<b>20</b>	<b>1,644</b>	<b>19</b>	<b>1,577</b>	<b>19</b>	<b>1,168</b>	<b>31</b>

\* 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 Wells<sup>1,2</sup>

At December 31

	2014	2013	2012	2011	2010
<b>Consolidated Companies</b>					
<b>United States</b>					
Oil	32,957	33,068	32,758	32,368	32,462
Gas	7,098	7,740	7,737	7,671	5,720
<b>Total United States</b>	<b>40,055</b>	<b>40,808</b>	<b>40,495</b>	<b>40,039</b>	<b>38,182</b>
<b>International</b>					
Oil	14,017	13,776	13,299	12,802	12,495
Gas	2,132	2,051	2,018	2,208	2,000
<b>Total International</b>	<b>16,149</b>	<b>15,827</b>	<b>15,317</b>	<b>15,010</b>	<b>14,495</b>
<b>Total Consolidated Companies</b>	<b>56,204</b>	<b>56,635</b>	<b>55,812</b>	<b>55,049</b>	<b>52,677</b>
<b>Equity Share in Affiliates</b>					
Oil	486	476	456	434	404
Gas	2	2	2	2	2
<b>Total Equity Share in Affiliates</b>	<b>488</b>	<b>478</b>	<b>458</b>	<b>436</b>	<b>406</b>
<b>Total Worldwide</b>	<b>56,692</b>	<b>57,113</b>	<b>56,270</b>	<b>55,485</b>	<b>53,083</b>

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

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



**Natural Gas Realizations\***

	Year ended December 31				
Dollars per thousand cubic feet	2014	2013	2012	2011	2010
United States	\$ 3.90	\$ 3.37	\$ 2.64	\$ 4.04	\$ 4.26
International	5.78	5.91	5.99	5.39	4.64

\* 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\***

	Year ended December 31				
Dollars per barrel	2014	2013	2012	2011	2010
United States	\$ 84.13	\$ 93.46	\$ 95.21	\$ 97.51	\$ 71.59
International	90.42	100.26	101.88	101.53	72.68

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

**Natural Gas Sales\***

	Year ended December 31				
Millions of cubic feet per day	2014	2013	2012	2011	2010
United States	3,995	5,483	5,470	5,836	5,932
International	4,304	4,251	4,315	4,361	4,493
<b>Total</b>	<b>8,299</b>	<b>9,734</b>	<b>9,785</b>	<b>10,197</b>	<b>10,425</b>

\* International sales include equity share in affiliates.

**Natural Gas Liquids Sales\***

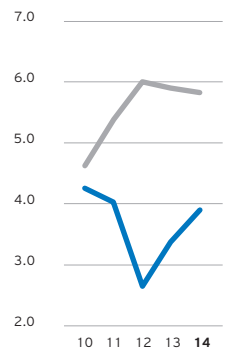
	Year ended December 31				
Thousands of barrels per day	2014	2013	2012	2011	2010
United States	20	17	16	15	22
International	28	26	24	24	27
<b>Total</b>	<b>48</b>	<b>43</b>	<b>40</b>	<b>39</b>	<b>49</b>

\* International sales include equity share in affiliates.

**Exploration and Development Costs\***

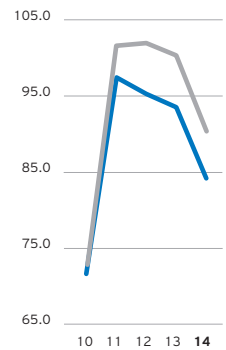
	Year ended December 31				
Millions of dollars	2014	2013	2012	2011	2010
<b>United States</b>					
Exploration	\$ 1,222	\$ 894	\$ 511	\$ 506	\$ 287
Development	8,207	7,457	6,597	5,517	4,446
<b>Other Americas</b>					
Exploration	196	627	362	175	203
Development	3,226	2,306	1,211	1,537	1,611
<b>Africa</b>					
Exploration	666	340	321	252	236
Development	3,771	3,549	3,118	2,698	2,985
<b>Asia</b>					
Exploration	543	601	558	334	320
Development	4,363	4,907	3,797	2,867	3,325
<b>Australia/Oceania</b>					
Exploration	396	415	434	336	396
Development	7,182	6,611	5,379	2,638	2,623
<b>Europe</b>					
Exploration	245	309	253	309	136
Development	887	1,046	753	633	411
<b>Total Consolidated Companies</b>					
Exploration	\$ 3,268	\$ 3,186	\$ 2,439	\$ 1,912	\$ 1,578
Development	27,636	25,876	20,855	15,890	15,401

\* Consolidated companies only. Excludes costs of property acquisitions.

**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.

# Downstream

Deliver competitive returns and grow earnings across the value chain.



**Photo:** Six new, 300-ton coke drums were installed at the El Segundo Refinery in California to improve reliability. The refinery uses the drums to generate feedstock, which is then converted into products such as gasoline, diesel and jet fuel.



## 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 a key element of Chevron's integrated portfolio.

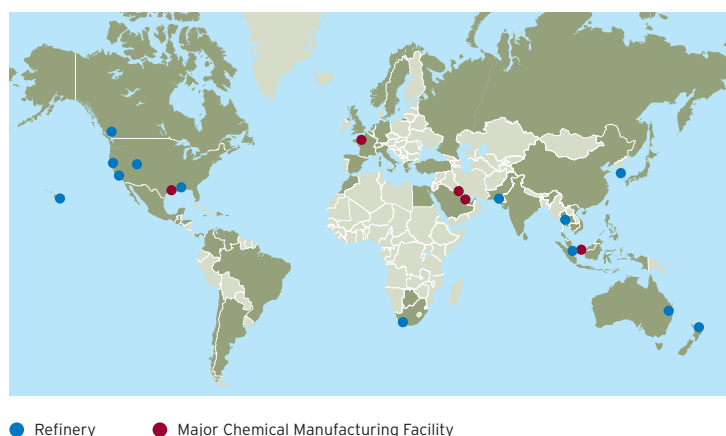
### Business Strategies

Deliver competitive returns and grow earnings across the value chain by:

- Achieving world-class operational excellence.
- Continually improving execution of base business.
- Driving earnings across the crude-to-customer value chain.
- Pursuing targeted growth opportunities.
- Adding value to the Upstream.

The focus on operational excellence drives improved reliability and enhanced safety performance, which are fundamental to the company's competitive position and success. For the base business, the company continues to seek top-tier returns and cost efficiencies and to execute capital projects with excellence. Efforts to drive earnings across the value chain include aligning the highest-return markets and sales channels with manufacturing assets and utilizing technology capability. The company is selectively pursuing targeted growth opportunities in petrochemicals, additives and lubricants. Chevron remains committed to the downstream business because of the benefits of integration in four broad areas: commercial support, processing of equity crudes, transfer of technology and organizational capability.

Downstream Overview



### 2014 Accomplishments

- Achieved strong safety results including record lows in the days-away-from-work rate, total recordable incident rate and loss of containment incidents.
- Reported net income of \$4.3 billion, including strong financial performance in the chemicals business.
- Realized proceeds of \$1.8 billion from portfolio management activities, primarily from nonstrategic pipeline and infrastructure asset sales.
- Started commercial operations of a 25,000-barrel-per-day premium base oil facility at the Pascagoula, Mississippi, refinery.
- Started commercial operations of the world's largest on-purpose 1-hexene plant with a design capacity of 250,000 metric tons per year in Baytown, Texas (50 percent-owned).
- Began commercial operations of a 90,000-metric-ton-per-year expansion of ethylene production at the Sweeny complex in Old Ocean, Texas (50 percent-owned).
- Completed expansions at the Singapore and Gonfreville, France, additives manufacturing plants.
- Replaced atmospheric distillation column and other related equipment at the Salt Lake City, Utah, refinery, and replaced six coke drums at the El Segundo, California, refinery to improve reliability.
- Progressed construction of a petrochemicals project that includes 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 construction of a 100,000-metric-ton-per-year expansion of normal alpha olefins capacity at the Cedar Bayou complex in Baytown, Texas (50 percent-owned).
- Initiated construction of a gasoline desulfurization facility and a cogeneration plant at the Singapore refinery (50 percent-owned).

### 2015 Outlook

In expectation of ongoing challenging industry conditions, the downstream business will continue to focus on delivering competitive returns and growing earnings across the value chain. Key objectives include the following:

- Continue to focus on safety and refinery reliability.
- Advance projects that further enhance refinery feedstock flexibility, high-value product yield and energy efficiency.
- Progress projects in the chemicals manufacturing business that add capacity to serve key markets.
- Continue to focus the business toward higher growth and higher-margin products.

### Downstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions	2014	2013
Earnings	\$ 4,336	\$ 2,237
Refinery crude oil inputs (Thousands of barrels per day)	1,690	1,638
Refinery capacity at year-end (Thousands of barrels per day)	1,900	1,960
U.S. gasoline and jet fuel yields (Percent of U.S. refinery production)	64%	64%
Refined product sales (Thousands of barrels per day)	2,711	2,711
Motor gasoline sales (Thousands of barrels per day)	1,018	1,011
Olefin and polyolefin sales (Thousands of metric tons per year)	3,814	3,645
Specialty, aromatic and styrenic sales (Thousands of metric tons per year)	2,792	2,767
Number of marketing retail outlets at December 31	16,377	16,634
Capital expenditures	\$ 2,590	\$ 3,175

## 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.

Chevron continues to leverage proprietary technology, incorporating its patented cleaning additive, Techron, in these markets in order to maintain a leading position in branded fuels.

### Americas Products

The business serves retail, commercial and industrial, and aviation customers in the United States, Latin America and Canada, through the world-class Chevron and Texaco brands. The company serves customers at approximately 8,800 Chevron- and Texaco-branded retail outlets and approximately 50 airports across these markets.

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 process a wide range of feedstocks into clean, high-value products. Chevron is evaluating the Hawaii Refinery and related assets for possible divestment.

The network of service stations is supported and served by approximately 50 proprietary fuel terminals. During 2014, the business sold a daily average of approximately 1.4 million barrels of gasoline and other refined products.



Photo: Chevron retail station.

### Improving Refining Flexibility, Reliability and Yield

During 2014, the company continued work on projects to improve refinery flexibility and reliability and the capability to process lower-cost feedstocks. A project to replace the atmospheric distillation column and other related equipment at the Salt Lake City, Utah, refinery was completed in mid-2014, resulting in improved plant reliability and feedstock flexibility. To increase reliability and take advantage of industry advances in coke drum design, six coke drums at the El Segundo, California, refinery that were nearing the end of their useful life were replaced during the year. At the Richmond, California, refinery, the modernization project progressed, with certification of the Environmental Impact Report and approval of a conditional use permit by the Richmond City Council in July 2014. The company is now seeking to secure the further necessary

approvals to resume construction. This investment will replace some of the refinery's processing equipment with more modern technology that is inherently safer and meets or exceeds the nation's toughest applicable environmental and safety standards.



Photo: A project to replace the atmospheric distillation column and other equipment at the Salt Lake Refinery was completed in mid-2014.

### Creating a Focused Marketing Portfolio

Through targeted and selective growth, the company continues to focus on areas of manufacturing strength and to concentrate resources on the core elements of its refining and marketing operations.

In select markets in the western and Gulf Coast regions of the United States, the company enjoys strong market positions and continues to capture opportunities to grow market share of motor gasoline and diesel fuel under the premium Chevron and Texaco brands. A loyalty program with a leading grocery chain, coupled with the company's growth strategy, has helped enable the Chevron brand to maintain a leading market position on the West Coast.

### International Products

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

The International Products business includes seven refineries anchored by three large affiliates in South Korea, Australia and Singapore. Other refinery assets are located in South Africa, Thailand, New Zealand and Pakistan. The company has refining assets that 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 885,000 barrels per day.

Through a network of approximately 60 fuel terminals, the company and its affiliates serve customers at approximately 7,500 Caltex-branded retail outlets and approximately 60 airports in the Asia-Pacific region and Africa. The business sold a daily average of 1.3 million barrels of gasoline and other refined products during 2014.

In fourth quarter 2014, Caltex Australia Ltd., a 50 percent-owned affiliate, completed the conversion of the Kurnell Refinery to an import terminal.



### Refineries Create Value

The 50 percent-owned Yeosu Refinery in South Korea remains one of the world's largest. The company's 64 percent-owned refinery in Map Ta Phut, Thailand, continues to supply high-quality petroleum products through the Caltex brand in the Thailand market.

During 2014, Singapore Refining Company, Chevron's 50 percent-owned joint venture, initiated construction of a gasoline desulfurization facility and cogeneration plant. This investment is expected to increase the refinery's capability to produce higher-value gasoline and improve energy efficiency.



**Photo:** Construction of a gasoline desulfurization facility and cogeneration plant was initiated during 2014 at the Singapore Refinery.

### Sustaining a Focused Marketing Portfolio

The company continues to expand in selected growth markets, with the addition of more than 80 retail sites across Asia-Pacific and South Africa in 2014. In addition, the company converted more than 150 company-owned, retailer-operated service stations into retailer-owned, retailer-operated sites - the model of the majority of the Caltex retail network. Rollout of partnerships with several Asian and South African convenience stores, fast-food partners and automobile repair stations continued in 2014.

## Lubricants

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

Chevron enables its base oil customers to optimize formulations worldwide by providing a consistent global product slate of premium base oils. Chevron's global supply network includes base oil manufacturing facilities at the Richmond, California, Pascagoula, Mississippi, and Yeosu, South Korea, refineries. It also includes 18 equity-blending facilities, multiple contract-blending facilities and distribution hubs. The company is well positioned to supply markets around the world and consistently meet customer needs safely and reliably. Chevron continues to develop products to meet existing and future demand through strategic partnerships with original equipment manufacturers and advanced research at technology centers in the United States, Belgium and Singapore.

### Expanding in Key Growth Markets

With the 2014 start-up of the 25,000-barrel-per-day premium base oil facility at the company's Pascagoula, Mississippi, refinery, Chevron became the worldwide leader in premium base oil production.

In 2014, the company secured new customers in key growth segments, including commercial fleet, construction, mining, power generation, and oil and gas, as well as large-scale original equipment manufacturers and motor vehicle makers.

The focus continues to be on building distribution channels and the marketer network worldwide, with an emphasis on key growth markets in the Asia-Pacific and Americas regions. For example, in 2014, Chevron completed investments in a new lubricant blend plant in Sri Lanka. Chevron also established its first South American Group II premium base oil supply hub in Rio de Janeiro, Brazil, enabling reliable supply of premium base oil to lubricant producers in Brazil and other South American markets.



**Photo:** Premium base oil plant in Pascagoula, Mississippi.

## Supply and Trading

The supply and trading operation provides commercial support to Chevron's global refining and marketing businesses by reducing raw material and transportation costs, optimizing product sales, and managing market risk associated with holding physical positions in crude and finished products. The supply and trading operation also provides commercial support to Chevron's global upstream operations by maximizing the company's equity crude oil and natural gas revenues. Activities include integrating equity crude from Chevron's upstream operations into the company's refining network.

## Chemicals

The company's chemical activities are divided into two businesses, Chevron Phillips Chemical Company LLC (CPChem) and Chevron Oronite Company (Oronite). These businesses are integrated with Chevron's global manufacturing portfolio, which also includes its GS Caltex affiliate, a global leader in the production of aromatics.

### CPChem

CPChem is a 50 percent-owned affiliate. It is one of the world's leading producers of olefins, polyolefins and alpha olefins and is a leading supplier of aromatics and polyethylene pipe, in addition to participating in the specialty chemical and specialty plastics markets. At year-end 2014, CPChem had 34 manufacturing facilities and two research and development centers around the world.

### Leveraging Advantaged Feedstock Position

During 2014, flexible feedstock capability in the United States allowed CPChem to capitalize on lower input costs.

In second quarter 2014, CPChem completed commissioning and started commercial operations of a 1-hexene plant with a design capacity of 250,000 metric tons per year at the Cedar Bayou facility in Baytown, Texas. The plant, utilizing CPChem's proprietary 1-hexene technology, is the largest on-purpose plant of its type in the world.



**Photo:** CPChem started commercial operations of a 1-hexene plant at its Cedar Bayou facility in 2014.

CPChem also began construction of a 100,000-metric-ton-per-year expansion of normal alpha olefins production capacity at its Cedar Bayou Plant. The project leverages the same infrastructure and workforce as the 1-hexene plant. Construction completion is expected in 2015.

In fourth quarter 2014, CPChem reached completion and began commercial operations of a 90,000-metric-ton-per-year expansion of ethylene production at its Sweeny complex located in Old Ocean, Texas.

In early 2014, construction commenced on the U.S. Gulf Coast Petrochemicals Project, which is expected to capitalize on advantaged feedstock sourced from shale gas development in North America. The project includes 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 at the Sweeny complex, with a combined annual design capacity of 1.0 million metric tons. Activities for 2014 included foundation work and installation of underground piping. In 2015, planned activities include construction of the ethylene furnaces and polyethylene reactors. Start-up is expected in 2017.

### Oronite

Oronite is a world-leading developer, manufacturer and marketer of quality additives that improve the performance of lubricants and fuels. Oronite conducts research and development for additive component and blended packages to meet the increasingly demanding needs of engine and equipment performance, as well as more stringent regulatory requirements. At year-end 2014, Oronite manufactured, blended or conducted research and development at 10 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, oxidation, corrosion and rust inhibitors, and viscosity-index improvers, are combined to meet desired performance specifications. Specialty additives are also marketed for other 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, the most recognized being the additive package branded as Techron and used exclusively in Chevron, Texaco and Caltex fuels and in Techron Concentrate Plus fuel system cleaner. Fuel performance standards vary for customers throughout the world, and specific packages are tailored for each region's markets.

### Expanding in Key Growth Markets

With its global manufacturing coverage and versatile cross-continent supply network, Oronite has a strong foundation to support long-term global growth. In particular, with the majority of global volume growth expected in Asia, Oronite is well positioned, with its Singapore plant being the largest additives manufacturing plant in the region. To further position for future growth, enhance its supply reliability and increase supply chain flexibility, Oronite completed expansion projects at world-scale plants in both Singapore and Gonfreville, France, in 2014.



**Photo:** Oronite completed expansion projects at its world-scale additives plant in Singapore in 2014.

In fourth quarter 2014, a final investment decision was reached to build a carboxylate plant in Singapore. Carboxylate is an effective, sulfur-free detergent often used in high-performance additive packages. With a similar unit already in place in Gonfreville, the addition of the new carboxylate plant will approximately double Oronite's global carboxylate capacity when the project is complete, expected in 2017.

### GS Caltex

Chevron also maintains an important role in the petrochemicals business through the operations of GS Caltex, a 50 percent-owned affiliate. GS Caltex is a leading manufacturer of petrochemicals, especially aromatics. Its production capacity stands at 2.95 million metric tons per year of aromatics, including benzene, toluene and xylene. These are base chemicals used to produce a range of products, including adhesives, plastics and textile fibers. GS Caltex also produces polypropylene, which is used to make food packaging, laboratory equipment, textiles and more.

## 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 a network of crude oil, natural gas, NGL, refined product and chemical pipelines and other infrastructure assets in the United States. In addition, Chevron operates pipelines for its 50 percent-owned CPChem affiliate. The company also has direct and indirect interests in other U.S. and international pipelines.

The company continued to optimize its portfolio of pipeline and infrastructure assets, with a reduction of 4,524 net pipeline miles (7,281 km) in 2014, primarily due to asset sales. In the U.S. Gulf of Mexico, Chevron completed the construction and commissioning of a 136-mile (219-km), 24-inch (61-cm) crude oil pipeline from the 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 interconnection to pipelines that deliver crude oil into Texas and Louisiana. Pipeline operations began with start-up of the production facility in late 2014.

Refer to pages 25, 26 and 27 in the Upstream section for information on 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 2014, the company took delivery of three bareboat charter VLCCs and two Pacific Area Lightering vessels.

The company also owns a 16.7 percent interest in each of seven liquefied natural gas (LNG) carriers, transporting cargoes for the North West Shelf Venture in Australia. In 2014, the company took delivery of two new LNG carriers in support of its developing LNG portfolio.

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 and operations support.

#### Net Pipeline Mileage<sup>1,2</sup>

(Includes equity share in affiliates)

At December 31

	2014	2013
<b>Crude Oil Lines</b>		
United States	1,721	1,883
International	435	667
<b>Total Crude Oil Lines</b>	<b>2,156</b>	<b>2,550</b>
<b>Natural Gas Lines</b>		
United States	1,057	2,638
International	193	199
<b>Total Natural Gas Lines</b>	<b>1,250</b>	<b>2,837</b>
<b>Product Lines</b>		
United States	1,856	4,395
International	286	290
<b>Total Product Lines</b>	<b>2,142</b>	<b>4,685</b>
<b>Total Net Pipeline Mileage</b>	<b>5,548</b>	<b>10,072</b>

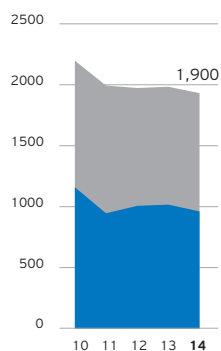
<sup>1</sup> Partially owned pipelines are included at the company's equity percentage of total pipeline mileage.

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

## Downstream Operating Data

### Refinery Capacity at December 31

Thousands of barrels per day

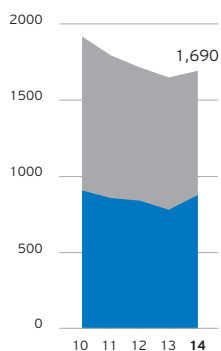


■ International\*  
■ United States

\*Includes equity share in affiliates.

### Refinery Crude Oil Inputs

Thousands of barrels per day



■ International\*  
■ United States

\*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, 2014	2014	2013	2012	2011	2010
<b>United States - Consolidated</b>						
El Segundo, California	269	221	235	265	244	250
Kapolei, Hawaii	54	47	39	46	47	46
Pascagoula, Mississippi	330	329	304	335	327	325
Richmond, California	257	229	153	142	192	228
Salt Lake City, Utah	50	45	43	45	44	41
<b>Total United States - Consolidated</b>	<b>960</b>	<b>871</b>	<b>774</b>	<b>833</b>	<b>854</b>	<b>890</b>
<b>International - Consolidated</b>						
Canada - Burnaby, British Columbia	55	49	42	49	43	40
South Africa - Cape Town <sup>1</sup>	110	72	78	79	77	70
Thailand - Map Ta Phut <sup>2</sup>	165	141	161	95	-	-
United Kingdom - Pembroke <sup>3</sup>	-	-	-	-	122	211
<b>Total International - Consolidated</b>	<b>330</b>	<b>262</b>	<b>281</b>	<b>223</b>	<b>242</b>	<b>321</b>
<b>International - Equity Shares in Affiliates</b>						
Australia - Lytton (50%)	54	50	44	46	43	40
Australia - Kurnell (50%) <sup>4</sup>	-	39	56	54	48	53
Martinique - Fort-de-France (11.5%) <sup>5</sup>	-	-	-	-	1	2
New Zealand - Whangarei (11.4%)	14	13	14	13	14	13
Pakistan - Karachi (7.5%)	4	4	4	4	4	4
Singapore - Pulau Merlimau (50%)	145	109	114	128	128	119
South Korea - Yeosu (50%)	393	342	351	359	355	351
Thailand - Map Ta Phut (64% interest) <sup>2</sup>	-	-	-	42	98	101
<b>Total International - Equity Shares in Affiliates</b>	<b>610</b>	<b>557</b>	<b>583</b>	<b>646</b>	<b>691</b>	<b>683</b>
<b>Total International</b>	<b>940</b>	<b>819</b>	<b>864</b>	<b>869</b>	<b>933</b>	<b>1,004</b>
<b>Total Worldwide</b>	<b>1,900</b>	<b>1,690</b>	<b>1,638</b>	<b>1,702</b>	<b>1,787</b>	<b>1,894</b>

<sup>1</sup> Chevron holds a controlling interest in the shares issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners along with the employees of Chevron South Africa (Pty) Limited own preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited.

<sup>2</sup> 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.

<sup>3</sup> Chevron sold this refinery in August 2011.

<sup>4</sup> This refinery was converted to a terminal in October 2014.

<sup>5</sup> Chevron sold its interest in this refinery in August 2011.



## Refining Capacity at Year-End 2014

Thousands of barrels per day	Chevron Share of Capacity <sup>1</sup>				
	Atmospheric Distillation <sup>2</sup>	Catalytic Cracking <sup>3</sup>	Hydro-cracking <sup>4</sup>	Residuum Conversion <sup>5</sup>	Lubricants <sup>6</sup>
<b>United States - Consolidated</b>					
El Segundo, California	269	65	46	68	-
Kapolei, Hawaii	54	21	-	-	-
Pascagoula, Mississippi	330	86	97	98	25
Richmond, California	257	80	151	-	20
Salt Lake City, Utah	50	13	-	8	-
<b>Total United States - Consolidated</b>	<b>960</b>	<b>265</b>	<b>294</b>	<b>174</b>	<b>45</b>
<b>International - Consolidated</b>					
Canada - Burnaby, British Columbia	55	18	-	-	-
South Africa - Cape Town <sup>7</sup>	110	22	-	11	-
Thailand - Map Ta Phut	165	41	-	-	-
<b>Total International - Consolidated</b>	<b>330</b>	<b>81</b>	<b>-</b>	<b>11</b>	<b>-</b>
<b>International - Equity Shares in Affiliates</b>					
Australia - Lytton (50%)	54	18	-	-	-
New Zealand - Whangarei (11.4%) <sup>8</sup>	14	-	4	-	-
Pakistan - Karachi (7.5%)	4	-	-	-	-
Singapore - Pulau Merlimau (50%)	145	23	17	16	-
South Korea - Yeosu (50%)	393	74	77	-	12
<b>Total International - Equity Shares in Affiliates</b>	<b>610</b>	<b>115</b>	<b>98</b>	<b>16</b>	<b>12</b>
<b>Total International</b>	<b>940</b>	<b>196</b>	<b>98</b>	<b>27</b>	<b>12</b>
<b>Total Worldwide</b>	<b>1,900</b>	<b>461</b>	<b>392</b>	<b>201</b>	<b>57</b>

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

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

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

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

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

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

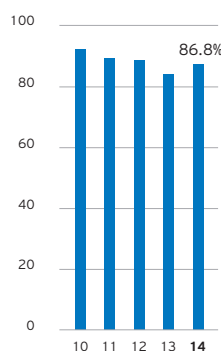
<sup>7</sup> Chevron holds a controlling interest in the shares issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners, along with the employees of Chevron South Africa (Pty) Limited, own preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited.

<sup>8</sup> Source: 2014 Oil & Gas Journal Refining Survey.

## Downstream Operating Data

### Worldwide Refinery Utilization\*

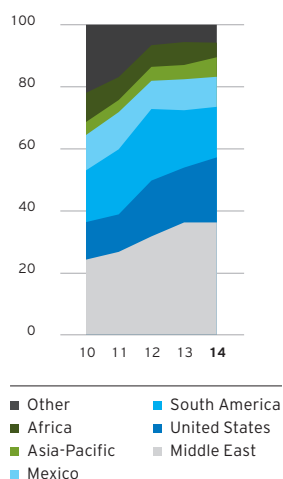
Percent of average capacity



\*Includes equity share in affiliates.

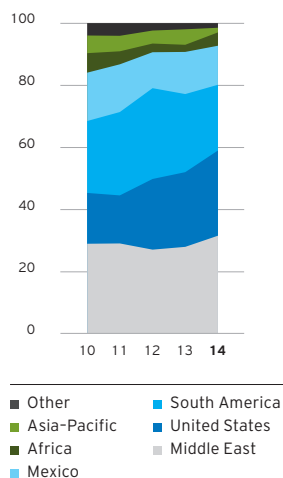
### Sources of Crude Oil Input for Worldwide Refineries (Consolidated)

Percentage of total input



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

Percentage of total input



### Refinery Crude Distillation Utilization

(Includes equity share in affiliates)

	Year ended December 31				
Percentage of average capacity	2014	2013	2012	2011	2010
United States	90.9	81.1	87.2	89.3	94.6
Asia-Pacific	84.9	88.6	91.8	90.3	92.0
Africa-Pakistan	65.6	71.0	71.5	69.9	63.6
Europe*	-	-	-	99.9	100.5
Other	89.9	76.3	89.3	77.4	72.8
Worldwide	86.8	83.5	88.2	88.9	91.9

\* Chevron sold the Pembroke, United Kingdom, refinery in August 2011.

### Sources of Crude Oil Input for Worldwide Refineries

(Consolidated)

	Year ended December 31				
Percentage of total input	2014	2013	2012	2011	2010
Middle East	36.2	36.2	31.7	26.7	24.2
United States	21.0	17.7	18.0	12.1	12.1
South America	16.3	18.5	23.1	21.0	16.7
Mexico	9.7	10.0	9.1	12.0	11.4
Asia-Pacific	6.3	4.6	4.5	3.9	4.2
Africa	4.7	7.4	7.0	7.4	9.4
Other	5.8	5.6	6.6	16.9	22.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Worldwide Refinery Production of Finished Products

(Consolidated)

	Year ended December 31				
Thousands of barrels per day	2014	2013	2012	2011	2010
Gasoline	500	477	479	508	579
Gas oil	281	273	260	259	293
Jet fuel	221	201	216	226	232
Fuel oil	69	75	51	52	81
Other	145	129	127	123	133
<b>Total</b>	<b>1,216</b>	<b>1,155</b>	<b>1,133</b>	<b>1,168</b>	<b>1,318</b>

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

(Consolidated)

	Year ended December 31				
Percentage of total input	2014	2013	2012	2011	2010
Middle East	31.4	27.8	26.9	28.9	28.8
United States - excluding Alaska North Slope	22.5	18.1	17.4	10.1	8.7
United States - Alaska North Slope	5.0	6.0	5.4	5.4	7.7
South America	21.2	25.2	29.3	26.9	23.2
Mexico	12.6	13.6	11.6	15.4	15.6
Africa	4.3	2.3	2.8	4.2	6.3
Asia-Pacific	1.5	5.0	4.2	5.0	5.7
Other	1.5	2.0	2.4	4.1	4.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

(Consolidated)

	Year ended December 31				
Thousands of barrels per day	2014	2013	2012	2011	2010
Gasoline	413	387	403	399	417
Gas oil	184	166	178	180	187
Jet fuel	196	172	192	197	194
Fuel oil	43	46	30	28	43
Other	115	97	103	113	115
<b>Total</b>	<b>951</b>	<b>868</b>	<b>906</b>	<b>917</b>	<b>956</b>

## Downstream Operating Data

### Refined Product Sales

Thousands of barrels per day	Year ended December 31				
	2014	2013	2012	2011	2010
<b>United States</b>					
Gasoline	615	613	624	649	700
Gas oil and kerosene	217	195	213	213	232
Jet fuel	222	215	212	209	223
Residual fuel oil	63	69	68	87	99
Other petroleum products <sup>1</sup>	93	90	94	99	95
<b>Total United States</b>	<b>1,210</b>	<b>1,182</b>	<b>1,211</b>	<b>1,257</b>	<b>1,349</b>
<b>International<sup>2</sup></b>					
Gasoline	403	398	412	447	521
Gas oil and kerosene	498	510	496	543	583
Jet fuel	249	245	243	269	271
Residual fuel oil	162	179	210	233	197
Other petroleum products <sup>1</sup>	189	197	193	200	192
<b>Total International</b>	<b>1,501</b>	<b>1,529</b>	<b>1,554</b>	<b>1,692</b>	<b>1,764</b>
<b>Worldwide<sup>2</sup></b>					
Gasoline	1,018	1,011	1,036	1,096	1,221
Gas oil and kerosene	715	705	709	756	815
Jet fuel	471	460	455	478	494
Residual fuel oil	225	248	278	320	296
Other petroleum products <sup>1</sup>	282	287	287	299	287
<b>Total Worldwide</b>	<b>2,711</b>	<b>2,711</b>	<b>2,765</b>	<b>2,949</b>	<b>3,113</b>
<sup>1</sup> Other petroleum products primarily include naphtha, lubricants, asphalt and coke.	475	471	522	556	562
<sup>2</sup> Includes share of equity affiliates' sales:					

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

	Year ended December 31				
	2014	2013	2012	2011	2010
<b>Sales Revenues (Millions of dollars)</b>					
United States	\$ 44,629	\$ 46,274	\$ 49,473	\$ 48,871	\$ 39,501
International	38,329	41,308	41,358	47,691	43,252
<b>Total Sales Revenues</b>	<b>\$ 82,958</b>	<b>\$ 87,582</b>	<b>\$ 90,831</b>	<b>\$ 96,562</b>	<b>\$ 82,753</b>
<b>Sales Volumes (Thousands of barrels per day)</b>					
United States	1,054	1,023	1,049	1,071	1,155
International	824	842	812	900	1,005
<b>Total Sales Volumes</b>	<b>1,878</b>	<b>1,865</b>	<b>1,861</b>	<b>1,971</b>	<b>2,160</b>

<sup>1</sup> Consolidated companies only.

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

### Natural Gas Liquids Sales

(Includes equity share in affiliates)

Thousands of barrels per day	Year ended December 31				
	2014	2013	2012	2011	2010
United States	121	125	141	146	139
International	58	62	64	63	78
<b>Total</b>	<b>179</b>	<b>187</b>	<b>205</b>	<b>209</b>	<b>217</b>

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

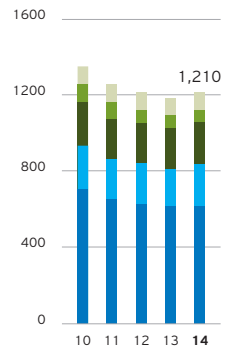
	At December 31									
	2014		2013		2012		2011		2010	
	Company	Other	Company	Other	Company	Other	Company	Other	Company	Other
United States	380	7,550	405	7,648	473	7,589	491	7,681	495	7,756
Canada	150	20	161	5	161	-	160	2	159	2
Europe	-	-	-	-	-	-	28	35	56	1,064
Latin America	62	679	76	627	97	587	336	835	496	863
Asia-Pacific	204	1,530	343	1,439	495	1,315	672	1,311	865	1,264
Africa-Pakistan	343	1,023	418	1,003	460	971	589	857	790	828
<b>Total</b>	<b>1,139</b>	<b>10,802</b>	<b>1,403</b>	<b>10,722</b>	<b>1,686</b>	<b>10,462</b>	<b>2,276</b>	<b>10,721</b>	<b>2,861</b>	<b>11,777</b>

<sup>1</sup> Excludes outlets of equity affiliates totaling 4,436, 4,509, 4,621, 4,834 and 4,909 for 2014, 2013, 2012, 2011 and 2010, respectively.

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

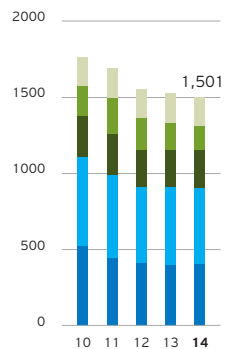
### U.S. Refined Product Sales

Thousands of barrels per day



### International Refined Product Sales\*

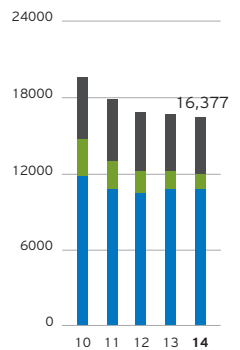
Thousands of barrels per day



\*Includes equity share in affiliates.

### Marketing Retail Outlets

Number of outlets



## Downstream Operating Data

### CPChem Plant Capacities and Products at Year-End 2014<sup>1</sup>

Thousands of metric tons per year	CPChem Share of Capacity by Product <sup>2</sup>							
	Benzene	Cyclohexane	Ethylene	Normal Alpha Olefins	Polyethylene	Propylene	Styrene	Other <sup>3</sup>
<b>United States - Wholly Owned</b>								
Baytown, Texas (Cedar Bayou)	-	-	835	960	980	465	-	✓
Borger, Texas	-	-	-	-	-	-	-	✓
Conroe, Texas	-	-	-	-	-	-	-	✓
La Porte, Texas	-	-	-	-	-	-	-	✓
Old Ocean, Texas (Sweeny)	-	-	1,955	-	-	395	-	-
Orange, Texas	-	-	-	-	440	-	-	-
Pasadena, Texas	-	-	-	-	985	-	-	-
Pascagoula, Mississippi	725	-	-	-	-	-	-	✓
Port Arthur, Texas	-	480	855	-	-	350	-	-
Nine other locations	-	-	-	-	-	-	-	✓
<b>Total United States - Wholly Owned</b>	<b>725</b>	<b>480</b>	<b>3,645</b>	<b>960</b>	<b>2,405</b>	<b>1,210</b>	<b>-</b>	<b>✓</b>
<b>United States - Affiliates</b>								
Allyn's Point, Connecticut (50%)	-	-	-	-	-	-	-	✓
Hanging Rock, Ohio (50%)	-	-	-	-	-	-	-	✓
Joliet, Illinois (50%)	-	-	-	-	-	-	-	✓
Marietta, Ohio (50%)	-	-	-	-	-	-	-	✓
St. James, Louisiana (50%)	-	-	-	-	-	-	475	-
Torrance, California (50%)	-	-	-	-	-	-	-	✓
<b>Total United States - Affiliates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>✓</b>
<b>Total United States</b>	<b>725</b>	<b>480</b>	<b>3,645</b>	<b>960</b>	<b>2,405</b>	<b>1,210</b>	<b>475</b>	<b>✓</b>
<b>International - Wholly Owned</b>								
Belgium, Beringen	-	-	-	-	-	-	-	✓
Belgium, Kallo-Beveren	-	-	-	-	-	-	-	✓
Belgium, Tessenderlo	-	-	-	-	-	-	-	✓
<b>Total International - Wholly Owned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>✓</b>
<b>International - Affiliates</b>								
China, Jinshanwei (40%)	-	-	-	-	60	-	-	-
Colombia, Cartagena (50%)	-	-	-	-	-	-	-	✓
Qatar, Mesaieed (49%)	-	-	255	200	395	-	-	-
Qatar, Ras Laffan (49%)	-	-	340	-	-	-	-	-
Saudi Arabia, Al Jubail (50%)	425	180	105	-	-	75	375	-
Saudi Arabia, Al Jubail (35%)	-	-	425	35	385	155	-	✓
Singapore (50%)	-	-	-	-	200	-	-	-
South Korea, Yeosu (60%)	-	-	-	-	-	-	-	✓
<b>Total International - Affiliates</b>	<b>425</b>	<b>180</b>	<b>1,125</b>	<b>235</b>	<b>1,040</b>	<b>230</b>	<b>375</b>	<b>✓</b>
<b>Total International</b>	<b>425</b>	<b>180</b>	<b>1,125</b>	<b>235</b>	<b>1,040</b>	<b>230</b>	<b>375</b>	<b>✓</b>
<b>Total Worldwide</b>	<b>1,150</b>	<b>660</b>	<b>4,770</b>	<b>1,195</b>	<b>3,445</b>	<b>1,440</b>	<b>850</b>	<b>✓</b>

<sup>1</sup> Includes CPChem's share of equity affiliates.

<sup>2</sup> Capacities represent typical calendar-day processing rates for feedstocks to process units, determined over extended periods of time. Actual rates may vary depending on feedstock qualities, maintenance schedules and external factors.

<sup>3</sup> Other includes K-Resin SBC, paraxylene, polyalphaolefins, polypropylene, polystyrene, Ryton PPS, performance pipe and specialty chemicals.

### Olefin, Polyolefin, Specialty, Aromatic and Styrenic Sales

(Represents equity share in CPChem and GS Caltex)

Thousands of metric tons per year	Year ended December 31				
	2014	2013	2012	2011	2010
Olefin and polyolefin sales	3,814	3,645	3,394	3,244	2,855
Specialty, aromatic and styrenic sales	2,792	2,767	2,877	2,822	2,772



## Other Businesses



**Photo:** Jack/St. Malo's three subsea pumps are built to withstand 13,000 pounds per square inch (psi) of pressure, are installed in 7,000 feet (2,134 m) of water and consume 3 megawatts of power – a new industry record representing a significant improvement over previous models.

## Technology

Chevron's technology activities support the company's worldwide operations and major capital projects 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 integrated, open-innovation sourcing and deployment approach builds on the company's strengths in upstream and downstream technologies, information technology, and emerging energy.

**Upstream** Chevron continues advancing capabilities in subsurface imaging and modeling to support exploration, field development and reservoir management. The company integrates rapid advances in commercial seismic data acquisition techniques with proprietary imaging capability, well information, reservoir models and regional knowledge to provide a competitive advantage in geologically complex basins worldwide.

Chevron is among the leaders in the application of ocean bottom node and cable sensing technology for deepwater fields, including projects in West Africa, Brazil, Indonesia, the United Kingdom and the U.S. Gulf of Mexico. In 2014, the company expanded abilities in interpretive and interactive modeling to validate plausible interpretation scenarios of complex structures. Applied to ocean bottom node data as well as other full azimuth tomography, this technology improves imaging of subsalt objectives, enables tracking of fluid migration during field production and aids in imaging of faults. These insights result in resource identification in complex geologic structures, reduced exploration risk and optimized production plans throughout the life of the field.

In the deep water, Chevron continues to make advances that 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 using remote autonomous vehicles. In 2014, the largest single-phase seabed pump system in the industry was successfully installed to boost well production at the Jack and St. Malo fields in the Gulf of Mexico.

The company continues to develop technology innovations in heavy oil recovery. In 2014, Chevron started operations at the company's first horizontal steam injection well pilot in the San Joaquin Valley, California. This pilot has established key learnings in mechanical integrity, operability and steam control. Leveraged worldwide, these findings will reduce the number and cost of injectors, reduce environmental impact and help capture previously undevelopable reserves.

Real-time reservoir management, with production and reservoir optimization capabilities, is integral to the company's base business and major capital projects. A next generation multiphase flow meter that provides real-time, accurate estimates of oil production is being developed under the Chevron GE Technology Alliance and the Chevron Los Alamos National Laboratory R&D Alliance. These alliances are a key part of Chevron's strategy to access and develop technology to benefit its business. Field testing confirmed repeatable and reliable measurements of oil and water in pipelines with up to 20 percent gas volume using Swept Frequency Acoustic

Interferometry (SFAI) developed by Los Alamos. The application of this technology is expected to enhance operations by providing uninterrupted data to enable timely well interventions and improved reservoirwide decision making. Capital and operating costs are estimated to be reduced by half while decreasing the environmental footprint, by eliminating tanks and valves associated with traditional well testing facilities. In 2014, the SFAI-based flow meter received a R&D 100 Award from *R&D Magazine*.



**Photo:** Next generation multiphase flow meter.

Chevron continues efforts to recover more oil from existing fields by piloting and deploying advanced chemical enhanced oil recovery (EOR) processes. EOR deployments span the globe and by leveraging the company's expertise in chemical formulation, reservoir characterization and production technologies, the best fields are targeted for EOR, and the optimal chemical formulations are applied. In 2014, the company advanced the technical limits of high-salinity EOR chemicals and developed a high-performing polymer emulsion.

Advances in digital oil field technologies continue to deliver high-quality data that influence decision making. For example, the company's European upstream business commissioned an integrated operations center that enables greater integration of offshore and onshore operations in the North Sea. This real-time collaboration, monitoring and analysis optimizes field management and safely maximizes production from the Captain and Alba assets.

Chevron meets many unique challenges with technology as operating facilities are retired and decommissioned and sites remediated. In 2014, a cutting tool that enables removal of an entire platform from the seafloor in a single lift was deployed. After the successful proof of concept, work to refine and further automate the technology for removal of several platforms in 2015 is progressing.

**Downstream** Chevron continues to build on more than four decades of research and development in improved refining catalysts. Chevron's ICR 1000 hydrotreating catalyst continues to improve refinery profitability by extending catalyst life, allowing processing of more difficult feedstocks, and increasing the yield of higher-value products. In 2014, commercialization of three new catalysts at four Chevron refineries increased Chevron's ability to process a variety of feedstocks and to maintain the company's strong leadership position in hydroprocessing technology and catalysis.

The company launched a unique viscosity-grade product designed for fuel economy performance that allows customers to move to a high-performance heavy-duty motor oil product when encountering stop-and-go operation. This new viscosity grade provides fuel economy performance, oxidation stability and excellent deposit control, improving diesel engine reliability.

**Transportation** New technology continues to be applied to improve the monitoring, reliability and fuel efficiency of the company's existing vessels. Chevron is an early adopter of ballast water treatment systems, which have been installed on two existing vessels and are standard for the company's new vessels. A project to install additional systems on existing vessels is scheduled to begin in late 2015. In 2014, Chevron expanded the use of online vibration monitoring, which enhances the reliability of rotating equipment, pumps and motors, commissioning the system on the *Pegasus Voyager* and installing the information technology infrastructure on seven additional vessels.

Chevron commissioned a predictive maintenance system on two vessels in 2014. This system enables a risk-based maintenance strategy to be employed with a condition-monitoring system that provides early detection of component or system failure by identifying deviations from normal operating parameters or conditions.

In 2014, Chevron began testing of a predictive tool intended to reduce the risk of cargo tank damage due to LNG sloshing, which takes into account vessel characteristics, speed and weather conditions.

**Renewable Energy and Energy Efficiency** Chevron's approach to renewable energy continues to be to pursue technologies that leverage the company's strengths and can be deployed with competitive economic returns.

In 2014, Chevron completed upgrades to the photovoltaic demonstration project at Questa, New Mexico. The project continues to test and evaluate solar technologies and has produced 5.4 million kilowatt-hours of renewable energy from inception in April 2011 through year-end 2014. The company also completed the Coalinga solar to steam demonstration project. After more than three years of continuous operation, the project successfully demonstrated deployment and use of solar thermal technology in an oil field environment. Chevron will continue to look for opportunities within its global portfolio to deploy the technology where it is cost effective.

The company also conducted internal research and collaborated with governments, businesses and academia in researching and developing alternative and renewable energy sources. Through these partnerships, Chevron shared information and helped to advance technology that can enable renewables to contribute to meeting the world's growing demand for energy.

Chevron continues to believe that efficiency is an important part of the overall energy mix and is committed to improving its own energy efficiency. Beginning in 2013, Chevron adopted five segment-specific energy metrics for tracking energy performance. The company's manufacturing energy index has shown a 15 percent improvement in energy performance since 1992. Upstream energy performance has remained stable over the last five years.

**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 a networked, high-performance computing infrastructure that provides new levels of processing capability.

During 2014, construction was completed on a new data center in San Antonio, Texas, which is designed to accommodate Chevron's growth in data and in computing power needs, driven by technology advances. This state-of-the-art facility provides increased capacity and scalability while reducing operating costs and improving reliability.

**Health Environment and Safety** Chevron continues to improve process safety and asset integrity through deployment of advanced technology.

Chevron uses technology to monitor the effects of the company's operations on the environment and the community. For example, Chevron has developed and deployed advanced airborne sensors and algorithms to measure methane in the atmosphere and has deployed wave gliders during dredging operations at the Wheatstone Field in Australia to monitor real-time water data and impact on ocean water quality.

Challenging environments for data acquisition also exist on land. Chevron takes care to conduct seismic surveys in socially and environmentally responsible ways, as the company is doing in the Partitioned Zone where 3-D seismic surveys in support of exploration and field development activities are under way.

**Venture Capital** Chevron's technology ventures company supports Chevron's upstream and downstream businesses by sourcing and demonstrating emerging technologies and championing their integration into Chevron's operations. As of the end of 2014, the company continued to source technologies in emerging materials, power systems, production enhancements, renewables, water management, information technologies and advanced biofuels and to develop options for efficient management of Chevron's carbon footprint. In addition, in 2014, the company made investments in start-up companies with technologies for pipeline integrity, efficient carbon dioxide capture from flue gas and big data management.

## Power and Energy Management

The company's power and energy management operation delivers comprehensive commercial, engineering and operational support services to improve power reliability and energy efficiency for Chevron operations worldwide. The business operates a variety of power assets, including gas-fired cogeneration facilities within Chevron's San Joaquin Valley operations in California and renewable power facilities in California, New Mexico and Wyoming. The business also manages Chevron's investments in six renewable power projects in California, Arizona and Texas.

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.



## 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 reservoirs.

**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 liquid 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*), *NGLs* 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, *NGLs* 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, 2014.



**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 include 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 rock formations where the gas was sourced from within the shale itself. Shale is very fine-grained rock, characterized by low porosity and extremely low permeability. Production of shale gas normally requires formation stimulation such as 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*.

**Tight Oil** Liquid hydrocarbons produced from shale (also referred to as shale oil) and other rock formations with extremely low permeability. As with shale gas, production from tight oil reservoirs normally requires formation stimulation such as hydraulic fracturing.

**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 fund capital programs and stockholder distributions. 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 2014 *Annual Report* to stockholders and its *Annual Report on Form 10-K* for the fiscal year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission. Copies of these reports are available on the company's website, [www.chevron.com](http://www.chevron.com), or may be requested by writing to:

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

The 2014 *Corporate Responsibility Report* is scheduled to be available in May on the company's website, [www.chevron.com](http://www.chevron.com), or may be requested by writing to:

Chevron Corporation  
Policy, Government and Public Affairs  
6101 Bollinger Canyon Road, BR1X3208  
San Ramon, CA 94583-5177

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

### Investor Information

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

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

### 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.

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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 2014 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," "may," "could," "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, other natural or human factors, 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 22 through 24 of the company's 2014 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, investments 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 2015 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 2014 Annual Report* to stockholders and should be read in conjunction with it. The financial information contained in this 2014 Supplement to the Annual Report is expressly qualified by reference to the 2014 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

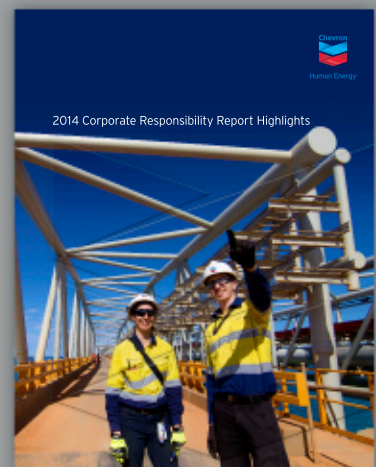
Acquired Atlas Energy, Inc., an independent U.S. developer and producer of shale gas resources. The acquired assets provide a targeted, high-quality core acreage position primarily in the Marcellus Shale.



2014 Annual Report



2014 Supplement to the Annual Report



2014 Corporate Responsibility Report



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