



Human Energy™

2011 Supplement to the Annual Report



Table of Contents

Overview	Upstream	Downstream	Other Businesses	Reference
1 2011 at a Glance	9 Highlights	44 Highlights	56 Technology	58 Glossary of Energy and Financial Terms
2 Financial Information	13 United States	45 Refining and Marketing	57 Power Generation	60 Additional Information
	18 Other Americas	47 Lubricants	57 Mining	
	21 Africa	47 Supply & Trading	57 Chevron Energy Solutions	
	25 Asia	48 Chemicals		
	31 Australia	49 Transportation		
	33 Europe	50 Operating Data		
	36 Operating Data			

Cover and inside front photos: The 5.2 million-metric-ton-per-year Angola LNG plant at Soyo, Angola, where the first LNG shipment is expected in second quarter 2012.



2011 at a Glance

Corporate Strategies

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

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

Major business strategies – Upstream – grow profitably in core areas, build new legacy positions and commercialize the company's equity natural gas resource base while growing a high-impact global gas business. Downstream – improve returns and grow earnings across the value chain. The company also continues to utilize technology across all its businesses to differentiate performance and to invest in profitable renewable energy and energy efficiency solutions.

Accomplishments

Corporate

Safety – Achieved world-class performance in the days-away-from-work metric in both Upstream and Downstream operations.

Financial – Achieved the highest operating cash flows in the company's history at approximately \$41 billion and a total stockholder return that led the peer group for the previous five-year period.

Dividends – Paid \$6.1 billion in dividends, with 2011 marking the 24th consecutive year of higher annual dividend payouts. Since 2004, the dividend has grown at a compound annual rate of 11 percent over the period.

Capital and exploratory expenditures – Invested \$29.1 billion in the company's businesses, including \$1.7 billion (Chevron share) of spending by affiliates. Announced 2012 projected outlays of \$32.7 billion, including \$3.0 billion of affiliate expenditures. Focus continues on exploration and production activities.

Stock repurchase program – Continued the company's common stock repurchases, acquiring \$4.25 billion of the company's shares of common stock.

Upstream

Exploration – Achieved an exploration drilling success rate of 69 percent. Results included four natural gas discoveries offshore Western Australia and a crude oil discovery at the Moccasin prospect in the deepwater Gulf of Mexico. Acquired additional shale acreage in northwest Romania and commenced drilling programs in Canada and Poland.

Production – Produced 2.673 million net oil-equivalent barrels per day, with about 75 percent of the volume outside the United States in more than 20 different countries.

Acquisitions – Completed the \$4.5 billion acquisition of Atlas Energy, Inc., providing natural gas resources in the Marcellus Shale and Utica Shale, primarily located in southwestern Pennsylvania and Ohio, and in the Antrim Shale in Michigan. Additional asset acquisitions in 2011 expanded the company's holdings in the Marcellus and Utica.

Major projects – Continued progress on the company's development projects to deliver future production growth. Achieved first production and full ramp-up at the Platong II natural gas project in Thailand and start-up of the fourth liquids-stabilization train at the Karachaganak Field in Kazakhstan. Completed upgrader expansion and continued production ramp-up at the Athabasca Oil Sands Project in Canada. Continued to ramp up production at the deepwater Perdido project in the U.S. Gulf of Mexico. Commenced work on the expansion of the Caspian pipeline in Kazakhstan and Russia. Made final investment decision and began construction on the Wheatstone Project in Australia. Progressed construction of the Gorgon Project in Australia, with more than one-third complete at year-end 2011. Signed binding sales agreements with Asian customers for the delivery of liquefied natural gas from the Gorgon and Wheatstone projects. Reached final investment decisions on a number of major capital projects, including Clair Ridge in the United Kingdom and Tubular Bells in the U.S. Gulf of Mexico.

Downstream

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

Chemical – Continued with plans to construct a 1-hexene plant capable of producing in excess of 200,000 tons per year in Texas (50 percent-owned), with start-up expected in 2014.

Sale of nonstrategic assets – Continued portfolio rationalization, including the sale of the Pembroke Refinery in the United Kingdom and exits from activities in 27 countries.

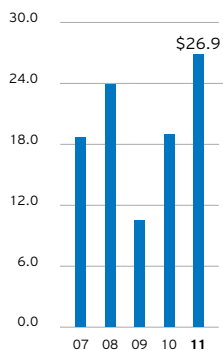
Financial Highlights:

- **Sales and other operating revenues**
\$244 billion
- **Net income attributable to Chevron Corporation**
\$27 billion
\$13.44 per share - diluted
- **Return on capital employed**
21.6%
- **Return on stockholders' equity**
23.8%
- **Cash dividends**
\$3.09 per share

Financial Information

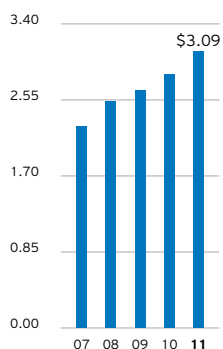
Net Income Attributable to Chevron Corporation

Billions of dollars



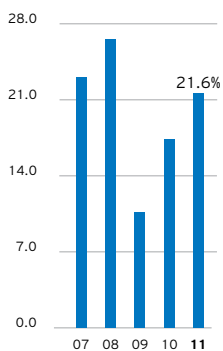
Annual Cash Dividends

Dollars per share



Return on Capital Employed

Percent



Financial Summary

	Year ended December 31				
Millions of dollars	2011	2010	2009	2008	2007
Net income attributable to Chevron Corporation	\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931	\$ 18,688
Sales and other operating revenues	244,371	198,198	167,402	264,958	214,091
Cash dividends - common stock	6,139	5,674	5,302	5,162	4,791
Capital and exploratory expenditures	29,066	21,755	22,237	22,775	20,026
Cash provided by operating activities	41,098	31,359	19,373	29,632	24,977
Working capital at December 31	19,634	19,829	11,005	4,447	5,579
Total cash and cash equivalents at December 31	15,864	14,060	8,716	9,347	7,362
Total assets at December 31	209,474	184,769	164,621	161,165	148,786
Total debt and capital lease obligations at December 31	10,152	11,476	10,514	8,901	7,232
Total liabilities at December 31	87,293	78,958	72,060	74,048	71,494
Chevron Corporation stockholders' equity at December 31	121,382	105,081	91,914	86,648	77,088
Share repurchases	4,250	750	-	8,000	7,000
Market valuation at December 31	209,289	181,890	153,484	147,205	193,778

Common Stock

	Year ended December 31				
	2011	2010	2009	2008	2007
Number of shares outstanding at December 31 (Millions)	1,967.0	1,993.3	1,993.6	1,990.1	2,076.3
Weighted-average shares outstanding for the year (Millions)	1,985.7	1,995.9	1,991.5	2,037.4	2,116.6
Number of stockholders of record at December 31 (Thousands)	179	188	197	206	216
Per-share data					
Net income attributable to Chevron Corporation					
- Basic	\$ 13.54	\$ 9.53	\$ 5.26	\$ 11.74	\$ 8.83
- Diluted	13.44	9.48	5.24	11.67	8.77
Cash dividends	3.09	2.84	2.66	2.53	2.26
Chevron Corporation stockholders' equity at December 31	61.71	52.72	46.11	43.54	37.13
Market price					
- Close at December 31	106.40	91.25	76.99	73.97	93.33
- Intraday high	110.01	92.39	79.82	104.63	95.50
- Intraday low	86.68	66.83	56.12	55.50	64.99

Financial Ratios*

	Year ended December 31				
Millions of dollars	2011	2010	2009	2008	2007
Current ratio	1.6	1.7	1.4	1.1	1.2
Interest coverage	165.4	101.7	62.3	166.9	69.2
Debt ratio	7.7 %	9.8 %	10.3 %	9.3 %	8.6 %
Net debt to capital ratio	(7.5) %	(4.8) %	1.7 %	(0.7) %	(1.0) %
Return on stockholders' equity	23.8 %	19.3 %	11.7 %	29.2 %	25.6 %
Return on capital employed	21.6 %	17.4 %	10.6 %	26.6 %	23.1 %
Return on total assets	13.6 %	10.9 %	6.4 %	15.4 %	13.3 %
Cash dividends/net income (payout ratio)	22.8 %	29.8 %	50.6 %	21.6 %	25.6 %
Cash dividends/cash from operations	14.9 %	18.1 %	27.4 %	17.4 %	19.2 %
Total stockholder return	20.3 %	22.9 %	8.1 %	(18.4) %	30.5 %

* Refer to page 59 for financial ratio definitions.

Capital Employed

	Year ended December 31				
Millions of dollars	2011	2010	2009	2008	2007
Upstream					
- United States	\$ 22,950	\$ 14,751	\$ 15,636	\$ 15,027	\$ 13,684
- International	65,597	60,621	55,080	47,793	41,329
- Goodwill	4,642	4,617	4,618	4,619	4,637
- Total	93,189	79,989	75,334	67,439	59,650
Downstream					
- United States	12,374	11,694	11,417	9,966	7,901
- International	8,987	10,309	10,211	12,086	11,666
- Total	21,361	22,003	21,628	22,052	19,567
All Other	17,783	15,294	6,113	6,527	5,307
Total Capital Employed	\$132,333	\$117,286	\$103,075	\$ 96,018	\$ 84,524

Employees

	Year ended December 31				
	2011	2010	2009	2008	2007
Employees excluding service station employees	57,376	58,267	59,963	61,604	59,162
Service station employees	3,813	3,929	4,169	5,041	5,873
Total Employed	61,189	62,196	64,132	66,645	65,035

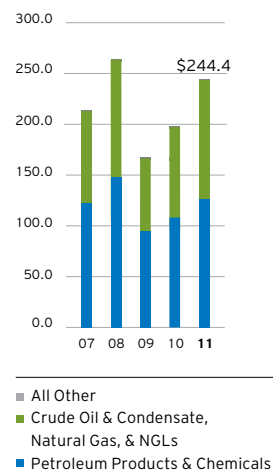
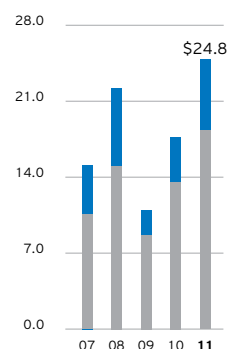
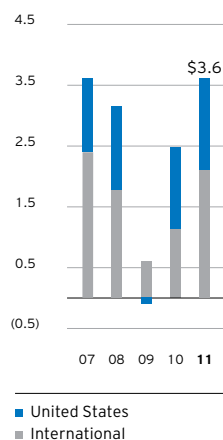
Consolidated Statement of Income

		Year ended December 31				
Millions of dollars		2011	2010	2009	2008	2007
Revenues and Other Income						
Sales and Other Operating Revenues						
Gasoline	\$ 48,037	\$ 42,553	\$ 37,336	\$ 53,254	\$ 47,074	
Jet fuel	19,030	14,337	11,912	23,056	16,333	
Gas oil and kerosene	29,495	25,863	23,311	40,940	32,170	
Residual fuel oil	9,510	6,461	5,642	9,937	7,348	
Other refined products	8,072	6,232	5,241	6,407	5,886	
Total Refined Products	114,144	95,446	83,442	133,594	108,811	
Crude oil and condensate	94,936	68,014	53,488	78,600	61,542	
Natural gas	17,299	17,290	15,007	31,814	24,437	
Natural gas liquids (NGLs)	4,618	3,868	3,130	5,517	4,483	
Other petroleum revenues	2,836	2,660	2,123	3,116	2,460	
Chemicals	2,045	1,813	1,502	1,694	1,493	
Excise taxes	8,085	8,591	8,109	9,846	10,121	
Other	(122)	(117)	(103)	(90)	(73)	
Total Upstream and Downstream	243,841	197,565	166,698	264,091	213,274	
All Other	530	633	704	867	817	
Total Sales and Other Operating Revenues	244,371	198,198	167,402	264,958	214,091	
Income from equity affiliates	7,363	5,637	3,316	5,366	4,144	
Other income	1,972	1,093	918	2,681	2,669	
Total Revenues and Other Income	253,706	204,928	171,636	273,005	220,904	
Costs and Other Deductions						
Purchased crude oil and products	149,923	116,467	99,653	171,397	133,309	
Operating expenses	21,649	19,188	17,857	20,795	16,932	
Selling, general and administrative expenses	4,745	4,767	4,527	5,756	5,926	
Exploration expenses	1,216	1,147	1,342	1,169	1,323	
Depreciation, depletion and amortization*	12,911	13,063	12,110	9,528	8,708	
Taxes other than on income	15,628	18,191	17,591	21,303	22,266	
Interest and debt expense	-	50	28	-	166	
Total Costs and Other Deductions	206,072	172,873	153,108	229,948	188,630	
Income Before Income Tax Expense	47,634	32,055	18,528	43,057	32,274	
Income tax expense	20,626	12,919	7,965	19,026	13,479	
Net Income	27,008	19,136	10,563	24,031	18,795	
Less: Net income attributable to noncontrolling interests	113	112	80	100	107	
Net Income Attributable to Chevron Corporation	\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931	\$ 18,688	
* Includes asset impairment charges:						
	\$ 135	\$ 121	\$ 542	\$ 351	\$ 415	

Income Attributable to Chevron Corporation by Major Operating Area

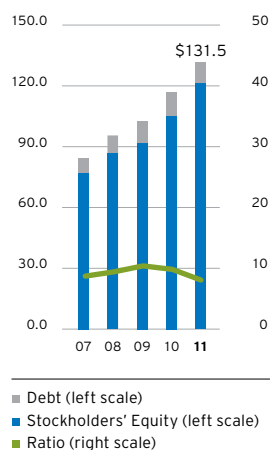
		Year ended December 31				
Millions of dollars		2011	2010	2009	2008	2007
Upstream	- United States	\$ 6,512	\$ 4,122	\$ 2,262	\$ 7,147	\$ 4,541
	- International	18,274	13,555	8,670	15,022	10,577
	- Total	24,786	17,677	10,932	22,169	15,118
Downstream	- United States	1,506	1,339	(121)	1,369	1,209
	- International	2,085	1,139	594	1,783	2,387
	- Total	3,591	2,478	473	3,152	3,596
All Other*		(1,482)	(1,131)	(922)	(1,390)	(26)
Net Income Attributable to Chevron		\$ 26,895	\$ 19,024	\$ 10,483	\$ 23,931	\$ 18,688

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

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

Financial Information

Debt/Ratio
Billions of dollars/Percent



Consolidated Balance Sheet

	At December 31				
Millions of dollars	2011	2010	2009	2008	2007
Assets					
Cash and cash equivalents	\$ 15,864	\$ 14,060	\$ 8,716	\$ 9,347	\$ 7,362
Time deposits	3,958	2,855	-	-	-
Marketable securities	249	155	106	213	732
Accounts and notes receivable, net	21,793	20,759	17,703	15,856	22,446
Inventories					
Crude oil and petroleum products	3,420	3,589	3,680	5,175	4,003
Chemicals	502	395	383	459	290
Materials, supplies and other	1,621	1,509	1,466	1,220	1,017
Total inventories	5,543	5,493	5,529	6,854	5,310
Prepaid expenses and other current assets	5,827	5,519	5,162	4,200	3,527
Total Current Assets	53,234	48,841	37,216	36,470	39,377
Long-term receivables, net	2,233	2,077	2,282	2,413	2,194
Investments and advances	22,868	21,520	21,158	20,920	20,477
Properties, plant and equipment, at cost	233,432	207,367	188,288	173,299	154,084
Less: Accumulated depreciation, depletion and amortization	110,824	102,863	91,820	81,519	75,474
Net properties, plant and equipment	122,608	104,504	96,468	91,780	78,610
Deferred charges and other assets	3,889	3,210	2,879	4,711	3,491
Goodwill	4,642	4,617	4,618	4,619	4,637
Assets held for sale	-	-	-	252	-
Total Assets	\$209,474	\$184,769	\$164,621	\$161,165	\$148,786
Liabilities and Equity					
Short-term debt	\$ 340	\$ 187	\$ 384	\$ 2,818	\$ 1,162
Accounts payable	22,147	19,259	16,437	16,580	21,756
Accrued liabilities	5,287	5,324	5,375	8,077	5,275
Federal and other taxes on income	4,584	2,776	2,624	3,079	3,972
Other taxes payable	1,242	1,466	1,391	1,469	1,633
Total Current Liabilities	33,600	29,012	26,211	32,023	33,798
Long-term debt and capital lease obligations	9,812	11,289	10,130	6,083	6,070
Deferred credits and other noncurrent obligations	19,181	19,264	17,390	17,678	15,007
Noncurrent deferred income taxes	15,544	12,697	11,521	11,539	12,170
Reserves for employee benefit plans	9,156	6,696	6,808	6,725	4,449
Total Liabilities	87,293	78,958	72,060	74,048	71,494
Common stock	1,832	1,832	1,832	1,832	1,832
Capital in excess of par value	15,156	14,796	14,631	14,448	14,289
Retained earnings	140,399	119,641	106,289	101,102	82,329
Notes receivable - key employees	-	-	-	-	(1)
Accumulated other comprehensive loss	(6,022)	(4,466)	(4,321)	(3,924)	(2,015)
Deferred compensation and benefit plan trust	(298)	(311)	(349)	(434)	(454)
Treasury stock	(29,685)	(26,411)	(26,168)	(26,376)	(18,892)
Total Chevron Corporation Stockholder's Equity	121,382	105,081	91,914	86,648	77,088
Noncontrolling interests	799	730	647	469	204
Total Equity	122,181	105,811	92,561	87,117	77,292
Total Liabilities and Equity	\$209,474	\$184,769	\$164,621	\$161,165	\$148,786

Segment Assets

	At December 31				
Millions of dollars	2011	2010	2009	2008	2007
Upstream ¹	\$140,290	\$120,242	\$111,305	\$108,440	\$ 92,907
Downstream	42,699	41,965	39,935	37,842	42,533
Total Segment Assets	\$182,989	\$162,207	\$151,240	\$146,282	\$135,440
All Other ²	26,485	22,562	13,381	14,883	13,346
Total Assets	\$209,474	\$184,769	\$164,621	\$161,165	\$148,786

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

\$ 4,642 \$ 4,617 \$ 4,618 \$ 4,619 \$ 4,637

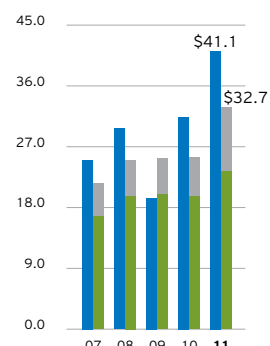
² "All Other" assets consist primarily of worldwide cash, cash equivalents, time deposits and marketable securities, real estate, energy services, information systems, the company's investment in Dynegy Inc. prior to its disposition in 2007, mining operations, power generation businesses, alternative fuels and technology companies, and assets of the corporate administrative functions.

Consolidated Statement of Cash Flows

Millions of dollars	Year ended December 31				
	2011	2010	2009	2008	2007
Operating Activities					
Net income	\$ 27,008	\$ 19,136	\$ 10,563	\$ 24,031	\$ 18,795
Adjustments					
Depreciation, depletion and amortization	12,911	13,063	12,110	9,528	8,708
Dry hole expense	377	496	552	375	507
Distributions less than income from equity affiliates	(570)	(501)	(103)	(440)	(1,439)
Net before-tax gains on asset retirements and sales	(1,495)	(1,004)	(1,255)	(1,358)	(2,315)
Net foreign currency effects	(103)	251	466	(355)	378
Deferred income tax provision	1,589	559	467	598	261
Net decrease (increase) in operating working capital composed of:					
(Increase) decrease in accounts and notes receivable	(2,156)	(2,767)	(1,476)	6,030	(3,867)
(Increase) decrease in inventories	(404)	15	1,213	(1,545)	(749)
Increase in prepaid expenses and other current assets	(853)	(542)	(264)	(621)	(370)
Increase (decrease) in accounts payable and accrued liabilities	3,839	3,049	(1,121)	(4,628)	4,930
Increase (decrease) in income and other taxes payable	1,892	321	(653)	(909)	741
Net decrease (increase) in operating working capital	2,318	76	(2,301)	(1,673)	685
Increase in long-term receivables	(150)	(12)	(258)	(161)	(82)
Decrease (increase) in other deferred charges	341	48	201	(84)	(530)
Cash contributions to employee pension plans	(1,467)	(1,450)	(1,739)	(839)	(317)
Other	339	697	670	10	326
Net Cash Provided by Operating Activities	41,098	31,359	19,373	29,632	24,977
Investing Activities					
Acquisition of Atlas Energy, Inc.	(3,009)	-	-	-	-
Advance to Atlas Energy, Inc.	(403)	-	-	-	-
Capital expenditures	(26,500)	(19,612)	(19,843)	(19,666)	(16,678)
Repayment of loans by equity affiliates	339	338	336	179	21
Proceeds from asset sales	3,517	1,995	2,564	1,491	3,338
Time deposits purchased	(6,439)	(5,060)	-	-	-
Time deposits matured	5,335	2,205	-	-	-
Net purchases of time deposits	(1,104)	(2,855)	-	-	-
Marketable securities purchased	(112)	(90)	(30)	(3,236)	(1,975)
Marketable securities sold	38	41	157	3,719	2,160
Net (purchases) sales of marketable securities	(74)	(49)	127	483	185
Net (purchases) sales of other short-term investments	(255)	(732)	244	432	(799)
Net Cash Used for Investing Activities	(27,489)	(20,915)	(16,572)	(17,081)	(13,933)
Financing Activities					
Net borrowings (payments) of short-term obligations	23	(212)	(3,192)	2,647	(345)
Proceeds from issuances of long-term debt	377	1,250	5,347	-	650
Repayments of long-term debt and other financing obligations	(2,769)	(156)	(496)	(965)	(3,343)
Net (purchases) sales of treasury shares	(3,193)	(306)	168	(6,821)	(6,389)
Cash dividends - common stock	(6,139)	(5,674)	(5,302)	(5,162)	(4,791)
Distributions to noncontrolling interests	(71)	(72)	(71)	(99)	(77)
Net Cash Used for Financing Activities	(11,772)	(5,170)	(3,546)	(10,400)	(14,295)
Effect of exchange rate changes on cash and cash equivalents	(33)	70	114	(166)	120
Net Change in Cash and Cash Equivalents	1,804	5,344	(631)	1,985	(3,131)
Cash and cash equivalents at January 1	14,060	8,716	9,347	7,362	10,493
Cash and Cash Equivalents at December 31	\$ 15,864	\$ 14,060	\$ 8,716	\$ 9,347	\$ 7,362

Cash From Operating Activities Compared With Capital Expenditures & Dividends

Billions of dollars

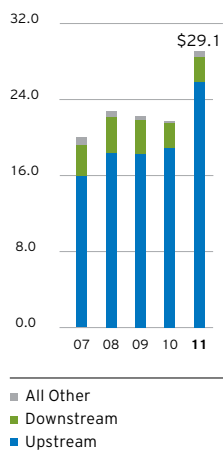


■ Dividends
■ Capital Expenditures
■ Cash From Operating Activities

Financial Information

Capital & Exploratory Expenditures*

Billions of dollars



*Includes equity share in affiliates, but excludes cost of Atlas acquisition in 2011.

Capital and Exploratory Expenditures

(Includes equity share in affiliates)

Millions of dollars	Year ended December 31				
	2011*	2010	2009	2008	2007
United States					
Exploration	\$ 528	\$ 638	\$ 605	\$ 1,305	\$ 736
Production	7,767	2,800	2,656	4,211	3,822
Other Upstream	23	12	33	132	37
Refining	964	948	1,505	1,593	1,099
Marketing	80	49	133	196	160
Chemicals	278	264	210	407	218
Other Downstream	139	195	239	261	280
All Other	575	286	402	618	768
Total United States	10,354	5,192	5,783	8,723	7,120
International					
Exploration	1,690	2,077	1,385	1,173	1,266
Production	14,400	12,173	12,463	10,771	9,714
Other Upstream	1,464	1,204	1,154	769	325
Refining	611	629	959	801	863
Marketing	226	197	202	311	438
Chemicals	93	69	92	78	53
Other Downstream	220	201	196	142	241
All Other	8	13	3	7	6
Total International	18,712	16,563	16,454	14,052	12,906
Worldwide					
Exploration	2,218	2,715	1,990	2,478	2,002
Production	22,167	14,973	15,119	14,982	13,536
Other Upstream	1,487	1,216	1,187	901	362
Refining	1,575	1,577	2,464	2,394	1,962
Marketing	306	246	335	507	598
Chemicals	371	333	302	485	271
Other Downstream	359	396	435	403	521
All Other	583	299	405	625	774
Total Worldwide	\$ 29,066	\$ 21,755	\$ 22,237	\$ 22,775	\$ 20,026
Memo: Equity share of affiliates' expenditures included above	\$ 1,695	\$ 1,388	\$ 1,585	\$ 2,306	\$ 2,336

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

Exploration Expenses¹

Millions of dollars	Year ended December 31				
	2011	2010	2009	2008	2007
Geological and geophysical	\$ 391	\$ 255	\$ 328	\$ 329	\$ 367
Unproductive wells drilled	377	496	552	375	507
Other ²	448	396	462	465	449
Total Exploration Expenses	\$ 1,216	\$ 1,147	\$ 1,342	\$ 1,169	\$ 1,323
Memo: United States	\$ 198	\$ 186	\$ 451	\$ 370	\$ 511
International	1,018	961	891	799	812

¹ Consolidated companies only. Excludes amortization of undeveloped leaseholds.

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

Properties, Plant and Equipment

(Includes capital leases)

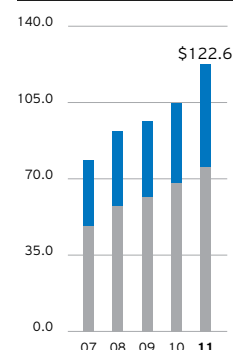
	At December 31				
Millions of dollars	2011	2010	2009	2008	2007
Net Properties, Plant and Equipment at January 1	\$104,504	\$ 96,468	\$ 91,780	\$ 78,610	\$ 68,858
Additions at Cost					
Upstream ¹	30,126	19,315	14,321	20,392	16,270
Downstream	1,669	1,560	2,330	2,598	2,093
All Other ²	596	270	357	603	685
Total Additions at Cost	32,391	21,145	17,008	23,593	19,048
Depreciation, Depletion and Amortization Expense³					
Upstream	(10,893)	(11,055)	(10,238)	(7,750)	(6,960)
Downstream	(1,119)	(1,179)	(1,106)	(1,103)	(1,151)
All Other ²	(271)	(316)	(303)	(245)	(198)
Total Depreciation, Depletion and Amortization Expense	(12,283)	(12,550)	(11,647)	(9,098)	(8,309)
Net Retirements and Sales					
Upstream	(778)	(254)	(295)	(504)	(151)
Downstream	(1,185)	(246)	(90)	(579)	(373)
All Other ²	(37)	(18)	(30)	(35)	(13)
Total Net Retirements and Sales	(2,000)	(518)	(415)	(1,118)	(537)
Net Intersegment Transfers and Other Changes⁴					
Upstream ⁵	(116)	(64)	(137)	(346)	(136)
Downstream ⁵	26	6	(122)	121	(305)
All Other ²	86	17	1	18	(9)
Total Net Intersegment Transfers and Other Changes	(4)	(41)	(258)	(207)	(450)
Net Properties, Plant and Equipment at December 31					
Upstream ⁶	106,004	87,665	79,723	76,072	64,280
Downstream	13,718	14,327	14,186	13,174	12,137
All Other ²	2,886	2,512	2,559	2,534	2,193
Total Net Properties, Plant and Equipment at December 31	\$122,608	\$104,504	\$ 96,468	\$ 91,780	\$ 78,610
Memo: Gross properties, plant and equipment	\$233,432	\$207,367	\$188,288	\$173,299	\$154,084
Accumulated depreciation, depletion and amortization	(110,824)	(102,863)	(91,820)	(81,519)	(75,474)
Net properties, plant and equipment	\$122,608	\$104,504	\$ 96,468	\$ 91,780	\$ 78,610

¹ Net of exploratory well write-offs.² Primarily mining operations, power generation businesses, real estate assets and management information systems.³ Difference between the total depreciation, depletion and amortization (DD&A) and total DD&A expense shown on the income statement relates to accretion expense. Reconciliation as follows:

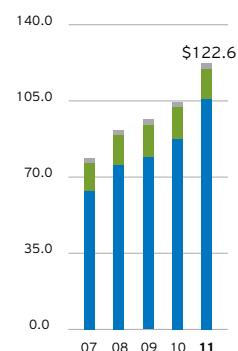
DD&A on consolidated statement of income

Less: Accretion expense

DD&A - Properties, plant and equipment

⁴ Includes reclassifications to/from other asset accounts.⁵ Includes reclassification adjustments for "Assets held for sale" in 2008.⁶ Includes net investment in unproved oil and gas properties:Net Properties, Plant & Equipment by Geographic Area
Billions of dollars

■ United States
■ International

Net Properties, Plant & Equipment by Function
Billions of dollars

■ All Other
■ Downstream
■ Upstream

Upstream

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



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

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 business has operations in most of the world's key hydrocarbon basins and a portfolio that provides a foundation for future growth.

Business Strategies

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

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

Upstream Portfolio



Industry Conditions

Average prices for crude oil were higher in 2011 than in 2010. The spot price for West Texas Intermediate (WTI) crude oil averaged \$95 per barrel for full-year 2011, compared with \$79 in 2010. The Brent price averaged \$111 per barrel for the full-year 2011, compared with \$80 in 2010. The increase in average prices from 2010 was largely associated with improved global economic conditions. The majority of the company's equity crude production is priced based on the Brent benchmark. WTI traded at a discount to Brent throughout 2011 due to excess crude supply in the U.S. Midcontinent market. The discount narrowed in fourth quarter 2011 as crude inventories held in Cushing, Oklahoma, declined.

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. During 2011, benchmark prices at Henry Hub averaged about \$4.00 per thousand cubic feet (MCF), compared with about \$4.50 per MCF in 2010. 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 2011, Chevron's international natural gas realizations averaged approximately \$5.40 per MCF, compared with about \$4.60 per MCF during 2010. These realizations reflected a strong demand for energy in certain Asian markets. Prices of liquefied natural gas (LNG) in these Asian markets are typically indexed to prices for crude oil.

Financial and Operational Highlights

In 2011, Chevron's upstream business achieved world-class safety performance in terms of the days-away-from-work metric. Financial performance was strong, with net income increasing to \$24.8 billion, primarily due to higher crude oil realizations. Production of 2.673 million oil-equivalent barrels per day was 3 percent lower than net oil-equivalent production in 2010. This decrease was primarily due to normal field declines, maintenance-related downtime and the impact of higher prices on entitlement volumes. The start-up and ramp-up of several major capital projects - the Perdido project in the U.S. Gulf of Mexico, the expansion at the Athabasca Oil Sands Project in Canada, the Frade Field in Brazil, and the Platong II natural gas project in Thailand - as well as acquisitions in the Marcellus Shale partially offset the decrease in net production from 2010. Upstream capital and exploratory expenditures rose to \$25.9 billion for 2011, which excludes the acquisition of Atlas Energy, Inc. In 2012, the upstream capital budget is \$28.5 billion: 10 percent for exploration activities, 60 percent for major capital projects and 30 percent for continued development of the base business.

Upstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions

	2011	2010
Earnings	\$ 24,786	\$ 17,677
Net liquids production ¹ (Thousands of barrels per day)	1,849	1,923
Net natural gas production ¹ (Millions of cubic feet per day)	4,941	5,040
Net oil-equivalent production ¹ (Thousands of barrels per day)	2,673	2,763
Net proved reserves ^{1,2} (Millions of barrels of oil-equivalent)	11,236	10,545
Net unrisks resource base ^{1,2} (Billions of barrels of oil-equivalent)	65	64
Capital and exploratory expenditures	\$ 25,872	\$ 18,904

¹ Net production, reserves or resources are the company's share of total production, reserves or resources after deducting royalties and government agreed-upon share of production under a production-sharing contract.

² For definitions of reserves and resources, refer to pages 58 and 59, respectively.

Exploration and Portfolio Additions

The company made several significant portfolio additions during 2011, primarily focused on shale opportunities. In February 2011, the company acquired Atlas Energy, Inc. The acquisition provides natural gas resources in the Marcellus Shale and Utica Shale, primarily in southwestern Pennsylvania and Ohio, and the Antrim Shale in Michigan. In the second and third quarters of 2011, the company acquired additional core acreage in the Marcellus Shale. Shale exploration acreage was also added in Canada and Romania, providing further opportunity to explore for shale resources in close proximity to established markets.

The company's focus areas for exploration drilling in 2011 were the deepwater regions of West Africa, the U.S. Gulf of Mexico and offshore northwest Australia. Drilling and seismic activities occurred or were in various stages of planning in several test areas, including the eastern coast of Canada, China, Liberia and offshore United Kingdom. The company's exploration activities have added 10.5 billion barrels of risked oil-equivalent resources since 2002.

2011 Accomplishments:

- Achieved an exploration drilling success rate of 69 percent.
- Angola - Drilled successful appraisal well at the Lifua Field.
- Australia - Announced four natural gas discoveries offshore Western Australia that are expected to contribute to future growth at the company-operated LNG projects.
- Bulgaria - Submitted a winning tender for an exploration permit in northeast Bulgaria.
- Canada - Commenced drilling program and acquired additional shale acreage in Alberta.
- China - Commenced three-well exploration drilling program in the South China Sea deep water.
- China - Signed a joint study agreement to explore for natural gas from shale resources in the Qiannan Basin and commenced seismic operations.
- Poland - Commenced multiwell drilling program in the Grabowiec concession.
- Romania - Completed acquisition of additional shale acreage in northeast Romania and continued negotiations on three licenses in southeast Romania.
- United States - Added to deepwater resource base:
 - Discovered crude oil at the Moccasin prospect in the deepwater Gulf of Mexico.
 - Completed a successful appraisal well on the Buckskin discovery.

2012 Outlook:

- Deliver new hydrocarbon resources through continued exploration investment; build on previous discoveries and appraisal successes.

Resources and Proved Reserves

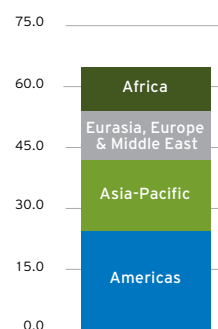
The company's net unrisked resource base at year-end 2011 increased 2 percent from year-end 2010, to 65 billion barrels of oil-equivalent. The increase was primarily due to the Marcellus Shale acquisitions, enhanced oil recovery activities in the Partitioned Zone, and exploration and appraisal activities in the Wolfcamp play in West Texas. Included in the resource base are 11.2 billion barrels of net proved oil-equivalent reserves at year-end 2011.

The resource base is well diversified across geographic regions, with about 23 percent of these resources located in the United States, 13 percent in Australia and 10 percent in Kazakhstan. The company's resource base is also diversified by product, with liquids representing about 60 percent and natural gas about 40 percent of the total. The company has more than 160 trillion cubic feet of unrisked natural gas resources globally, with about 80 trillion cubic feet located in Australia and Asia, and is well situated to supply anticipated growth in Asia-Pacific natural gas demand.

Base Business

Continued development of the base business is critical to maintaining the company's crude oil and natural gas production. Through a strong focus on its operational processes, the company has been successful in reducing the expected annual rate of production decline in the base business to about 4 percent, a significant improvement from the 5 to 6 percent decline rates in the past. These improvements are a direct result of a systematic focus on reliability, maintenance and debottlenecking. In addition, the effective use of proprietary technology, including the i-field program that applies information technology to improve production from mature fields and the Real-Time Reservoir Management tool that improves the efficiency of reservoir surveillance, has also contributed to improved long-term field performance. Major initiatives to improve operating efficiencies, to continue mitigating decline rates and to lower costs will continue in 2012.

2011 Net Unrisked Resources by Region*
Billions of oil-equivalent barrels



*Refer to page 59 for definition of resources.

Major Capital Projects

Production growth is dependent on bringing resources and proved reserves into production through the successful development of major capital projects. The company has a robust queue of major capital projects to sustain the company's production growth over the long term. Several of these projects are building legacy positions in natural gas.

2011 Accomplishments:

- Angola - Achieved mechanical completion of the Angola LNG Plant.
- Angola - Completed the Malongo Flare and Relief Modifications Project.
- Australia - Progressed construction of the Gorgon Project, with more than one-third completed at year-end. (Approximately 40 percent completed in mid-March 2012.)
- Australia - Made final investment decision and began construction on the Wheatstone Project.
- Australia - Executed agreements with Asian customers for the delivery of certain volumes of LNG from the Gorgon and Wheatstone projects.
- Canada - Completed upgrader expansion and increased production from the Athabasca Oil Sands Project.
- Canada - Commenced the Hibernia South Extension Unit drilling program.
- Kazakhstan - Achieved start-up of the fourth oil-stabilization train in the Karachaganak Field.
- Kazakhstan/Russia - Commenced work on the Caspian Pipeline Consortium Expansion Project.
- Nigeria - Reached final investment decision on the Sonam Field Development Project.
- Thailand - Achieved first production and full ramp-up from the Platong II natural gas project.
- United Kingdom - Reached final investment decision for the Clair Ridge Project.
- United States - Accomplished major milestones on Gulf of Mexico projects:
 - Ramped up production at the deepwater Perdido project.
 - Initiated fabrication of topsides and hull and commenced development drilling at the Big Foot and the Jack/St. Malo projects.
 - Reached final investment decision for the Tubular Bells deepwater project.

2012 Outlook:

- Angola - Achieve first LNG shipment from the Angola LNG Plant.
- Angola - Reach final investment decision for the Mafumeira Sul Project.
- Angola - Commence front-end engineering and design (FEED) for the Greater Vanza Longui Area development.
- Angola-Republic of the Congo Joint Development Area - Reach final investment decision for the Lianzi Project.
- Australia - Continue construction of the Gorgon and Wheatstone projects. Sign additional Sales and Purchase Agreements.
- Australia - Commence FEED for the fourth Gorgon train.
- Bangladesh - Reach final investment decision for the Bibiyana Expansion Project.
- China - Continue construction and development at the Chuandongbei natural gas project.
- Kazakhstan - Commence FEED for the Tengizchevroil Future Growth Project.
- Nigeria - Achieve first production from the Usan deepwater project. (Production commenced in first quarter 2012.)
- Nigeria - Commence production from the Agbami Phase 2 development program.
- Nigeria - Continue construction of the Escravos Gas-to-Liquids (EGTL) facility.
- Partitioned Zone - Commence FEED for the Wafra Steamflood Project.
- United Kingdom - Reach final investment decision for the Alder development project.
- United Kingdom - Commence FEED for the Rosebank development project.
- United States - Initiate water injection at the Tahiti 2 deepwater project.
- United States - Achieve first production at the Caesar/Tonga Project. (Production commenced in first quarter 2012.)
- United States - Commence FEED for the Mad Dog II Project.
- Vietnam - Reach final investment decision for the Block B Gas Development Project.

The projects in the table below are considered the more significant in the development portfolio, each with an expected maximum net daily production of 25,000 barrels of oil-equivalent or more:

Major Capital Projects				Maximum Total Production ¹	
Year of Start-Up/Project	Location	Ownership Percentage	Operator	Liquids (MBPD)	Natural Gas (MMCFPD)
2011					
Platong II	Thailand	69.9	Chevron	11	377
2012					
Angola LNG Plant	Angola	36.4	Affiliate	63	670
Usan	Nigeria	30.0	Partner	180	-
2013					
Chuangdongbei	China	49.0	Chevron	-	558
EGTL	Nigeria	75.0	Chevron	33 ²	-
Papa-Terra	Brazil	37.5	Partner	140	-
North Rankin 2	Australia	16.7	Partner	39 ³	1,980 ³
2014					
Big Foot	United States	60.0	Chevron	75	25
Gorgon LNG Trains 1-3	Australia	47.3	Chevron	20	2,580
Jack/St. Malo	United States	50.0/51.0	Chevron	170 ⁴	42 ⁴
2015-2017					
Block B Gas Development	Vietnam	42.9	Chevron	4	490
Gendalo-Gehem	Indonesia	~63.0	Chevron	31	1,071
Mafumeira Sul	Angola	39.2	Chevron	120	-
Sonam Field Development	Nigeria	40.0	Chevron	30	215
Wafra Steamflood Stage 1	Partitioned Zone	50.0	Joint Operator	80-100	-
Wheatstone LNG Trains 1-2	Australia	72.1 ⁵	Chevron	25	1,410

¹ Maximum total production refers to all volumes produced for each field or project. If the project is a new facility, an expansion of existing facilities or a phased project, the indicated production is for the incremental volumes directly attributable to the project or phase.

² Represents total plant outtake of liquids.

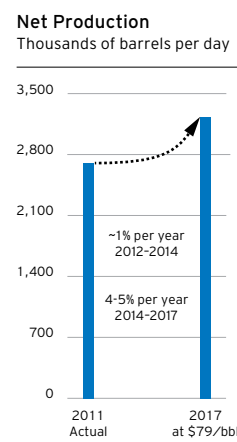
³ Volumes are not incremental. Project designed to maintain capacity.

⁴ Represents total facility processing capacity.

⁵ Represents the company's ownership in the LNG facilities.

Production Outlook

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



United States

Chevron's U.S. portfolio encompasses a diversified group of assets concentrated in California, the Gulf of Mexico, the Appalachian Basin, Colorado, Michigan, New Mexico, Ohio, Oklahoma, Texas, Wyoming and Alaska.

In February 2011, the company added new natural gas resources and shale acreage primarily in southwestern Pennsylvania, Michigan and Ohio with the acquisition of Atlas Energy, Inc. The company subsequently enlarged its regional footprint in this emerging energy trend by adding complementary resources and acreage to its Marcellus position through targeted asset acquisitions later in the year. Deepwater drilling in the Gulf of Mexico resumed in 2011, resulting in a discovery and a successful appraisal well. The company was the third-largest hydrocarbon producer in the United States during 2011, with net daily oil-equivalent production averaging 678,000 barrels, representing approximately one-fourth of the companywide total.

California

Operating primarily in the San Joaquin Valley, Chevron again ranked No. 1 in net daily oil-equivalent production in California in 2011 at 183,000 barrels, composed of 165,000 barrels of crude oil, 83 million cubic feet of natural gas and 4,000 barrels of natural gas liquids (NGLs). The majority of the production is from company-operated leases located in a portion of three major crude oil fields: Kern River, Midway Sunset and Cymric. In 2011, the total daily production from these leases was 124,000 barrels of crude oil (122,000 net) and 13 million cubic feet of natural gas (13 million net). With respect to these operated leases, Chevron's interest by field is: Kern River, 99 percent; Midway Sunset, 99 percent; and Cymric, 100 percent.

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



Yellow square: Chevron Activity Highlight
Green square: Crude Oil Field

Kern River The Kern River Field, a mature steamflood operation, had total average daily production from company-operated leases of 72,000 barrels of crude oil (71,000 net) and 2 million cubic feet of natural gas (2 million net). The company drilled 300 infill wells at Kern River in 2011 and has plans to drill more than 200 wells in 2012. New steamflood expansion projects continued in 2011, focusing on new zones at the periphery of the field. The company continues to develop steamflooding techniques to successfully increase recovery from thinner, higher-pressure, and colder sands.

Diatomite Reservoirs Chevron has crude oil resources in diatomite reservoirs at the Cymric, McKittrick, Midway Sunset and Lost Hills fields. Formed from the remains of microorganisms called diatoms, diatomite is a reservoir rock with very high porosity and low permeability, making commercial production difficult. In 2011, approximately 34,000 barrels per day, 19 percent of the company's net oil-equivalent production in California, were produced from these diatomite reservoirs.

The diatomite reservoirs at Cymric, McKittrick and Midway Sunset contain heavy oil. A recovery technique utilizing a high-pressure cyclic steaming process continues to improve recovery from these fields. The company drilled 40 wells in new, infill and replacement locations during 2011 and plans to drill an additional 96 wells in these diatomite reservoirs in 2012.

In the Lost Hills Field (a light-oil, diatomite reservoir), the company drilled 31 production wells during 2011. Waterflood technology is being used to improve recovery of the field's hydrocarbons.

Elk Hills An active development program continued at the Elk Hills Field, in which the company has an average nonoperated working interest of 23 percent in four producing zones. During 2011, 222 development wells (including producers and injectors) were drilled, including wells in shale zones, which continued to extend the producing boundaries. Total daily production was 43,000 barrels of crude oil (10,000 net), 226 million cubic feet of natural gas (52 million net) and 16,000 barrels of NGLs (4,000 net). A variety of primary and enhanced recovery techniques are used to allow production of crude oil and natural gas that would not be recovered using conventional methods.

Gulf of Mexico

During 2011, net daily oil-equivalent production for the company's combined interests in the Gulf of Mexico shelf and deepwater areas and the onshore fields in the region averaged 244,000 barrels, composed of 161,000 barrels of crude oil, 401 million cubic feet of natural gas and 16,000 barrels of NGLs. Chevron has an interest in 659 leases in the Gulf of Mexico, 383 of which are located in water depths greater than 1,000 feet (305 m). At the end of 2011, the company was one of the largest leaseholders in the Gulf of Mexico.

In late 2010, the Secretary of the Interior lifted the moratorium on deepwater drilling in the Gulf of Mexico following a reform of the requirements affecting well design and permitting of all drilling operations. The updated rules caused continued interruption in early 2011 to most drilling activities as operators worked to certify equipment and meet the newly imposed requirements. Permits to restart drilling at Moccasin and Buckskin, two operated deepwater prospects where drilling was suspended by the moratorium, were secured in March and May 2011, respectively. Permits for additional wells were secured throughout the year, allowing drillships to remain productive, including a fourth drillship under contract to Chevron that arrived in the Gulf in October 2011. Collectively, the fleet is undertaking planned exploration and development drilling and field maintenance well work.

In addition, Marine Well Containment Company LLC (MWCC), a nonprofit company sponsored by Chevron and other major energy companies, developed an interim oil-spill containment system that became available for use in February 2011. MWCC continues work on an expanded system with increased capacity and compatibility with a wider range of well designs, flow rates and weather conditions.

Shelf

Chevron is one of the largest producers of crude oil and natural gas on the Gulf of Mexico shelf. Average net daily production in 2011 was 55,000 barrels of crude oil, 339 million cubic feet of natural gas and 8,000 barrels of NGLs. The company drilled 60 development and delineation wells during 2011. In addition, as part of the Gulf of Mexico shelf drilling program, Chevron participated in the drilling of the Bear's Hump ultra-deep gas exploration well and initiated operations on a second ultra-deep gas exploration well in fourth quarter 2011. This is a natural extension of the company's Gulf of Mexico shelf deep-gas exploration focus to evaluate the potential of this emerging trend with subsurface targets below 25,000 feet (7,620 m).

Deep Water

Chevron is one of the top leaseholders in the deepwater Gulf of Mexico. Average net daily production was 106,000 barrels of crude oil, 62 million cubic feet of natural gas and 8,000 barrels of NGLs during 2011.



■ Chevron Activity Highlight

Production

Blind Faith Total daily production in 2011 averaged 37,000 barrels of crude oil (28,000 net), 23 million cubic feet of natural gas (17 million net) and 3,000 barrels of NGLs (2,000 net) at the 75 percent-owned and operated Blind Faith Field.

Mad Dog Total daily production averaged 12,000 barrels of crude oil (2,000 net) and 1 million cubic feet of natural gas during 2011. Chevron has a 15.6 percent nonoperated working interest in this spar floating production facility and field. Production in 2011 was adversely impacted by an eight-month platform turnaround that included preparation for the installation of a new drilling rig, piping repairs and other platform improvements. Development drilling was stopped in 2008, when the original platform drilling rig was lost during Hurricane Ike, and is expected to resume in fourth quarter 2012 once the new rig is installed and operational.

Perdido Regional Development Total daily production in 2011 averaged 31,000 barrels of crude oil (12,000 net), 37 million cubic feet of natural gas (13 million net) and 4,000 barrels of NGLs (1,000 net). The development includes a producing host facility (37.5 percent nonoperated working interest) that is designed to service multiple Alaminos Canyon fields, including Great White (33.3 percent nonoperated working interest), Silvertip (60 percent nonoperated working interest) and Tobago (57.5 percent nonoperated working interest). As of year-end 2011, nine of the 21 planned development wells had been placed in service. Three additional development wells and one additional injection well are expected to be completed in 2012 under a multiyear drilling program. A maximum daily production rate of 130,000 barrels of oil-equivalent is expected to be reached in 2013.

Tahiti In 2011, total daily production averaged 92,000 barrels of crude oil (54,000 net), 35 million cubic feet of natural gas (20 million net) and 7,000 barrels of NGLs (4,000 net) at the 58 percent-owned and operated Tahiti Field.

Other Deep Water The company's remaining deepwater production was from the Genesis, Petronius and Perseus fields. Total daily production at Genesis during 2011 averaged 6,000 barrels of crude oil (4,000 net) and 7 million cubic feet of natural gas (4 million net). Chevron is the operator with a 56.7 percent interest. Total daily production in 2011 from Petronius and the nearby Perseus Field averaged 13,000 barrels of crude oil (7,000 net) and 14 million cubic feet of natural gas (7 million net). Chevron is the operator with a 50 percent interest in both fields.

Development

Jack/St. Malo The Jack and St. Malo fields are located within 25 miles (40 km) of each other and are being jointly developed with a host floating production unit (FPU) located between the two fields in 7,000 feet (2,134 m) of water. Chevron has a 50 percent interest in Jack (Walker Ridge Blocks 714, 715, 758 and 759 and a portion of Blocks 802 and 803) and a 51 percent interest in St. Malo (Walker Ridge Blocks 633, 634, 677 and 678). Both fields are company-operated and combined have an estimated total potentially recoverable oil-equivalent resources in excess of 500 million barrels. Construction commenced in 2011 on the FPU hull and topsides modules. All major installation contracts have been awarded and development drilling operations commenced in fourth quarter 2011. Construction and well operations are planned to continue through 2012, along with planning for the subsea installation activities, which are expected to commence in 2013. The facility is planned to have a design capacity of 177,000 barrels of oil-equivalent per day to accommodate production from the Jack/St. Malo development, which is estimated at a maximum total daily rate of 94,000 barrels of oil-equivalent, plus production from third-party tiebacks. A participation agreement has been signed with the owners of a nearby third-party field that provides the option to participate in the Jack/St. Malo production facilities. Total project costs for the initial phase of the development are estimated at \$7.5 billion, and first oil is expected in 2014. The project has an estimated production life of 30 years. The initial recognition of proved reserves for the project occurred in 2011.

Big Foot The development plan for this 60 percent-owned and operated project, located in Walker Ridge Block 29, includes a 15-slot drilling and production, tension leg platform with water injection facilities and a production capacity of 79,000 barrels of oil-equivalent per day. Fabrication commenced in the first-half 2011 on the topsides, hull, mooring systems and other components, and initial development drilling commenced in December 2011. Project costs are estimated at \$4.1 billion, and first oil is expected in 2014. The field has an estimated production life of 20 years, and total potentially recoverable oil-equivalent resources are estimated to exceed 200 million barrels. The initial recognition of proved reserves for the project occurred in 2011.

Tahiti 2 Tahiti 2 is the second development phase for the producing Tahiti Field and is designed to increase recovery from the main producing interval and return well capacity to 125,000 barrels of crude oil per day. The project includes three water injection wells, two additional production wells and the water injection facilities required to deliver water to the injection wells. Total project costs are estimated at \$2.3 billion. Two water injection wells have been completed, and drilling commenced on the first production well in early 2012. The water injection facilities have been installed, and water injection began in first quarter 2012. Start-up of the first production well of the second phase is expected by 2013. The initial proved reserves for the Tahiti 2 project were recognized in 2011. The Tahiti Field has an estimated production life of 30 years, and total potentially recoverable oil-equivalent resources are estimated to be in excess of 500 million barrels.

Tubular Bells Chevron has a 42.9 percent nonoperated working interest in the Tubular Bells Field after receiving an additional 12.9 percent working interest relinquished by a partner in 2011. Located in 4,300 feet (1,311 m) of water, the area encompasses Mississippi Canyon Blocks 681, 682, 683, 724, 725 and 726 and the northwest quarter of Block 727. A final investment decision was reached in fourth quarter 2011. The development plans include three producing and two injection wells, with a subsea tieback to a third-party production facility. The development is estimated to cost \$2.3 billion, and maximum total daily production is expected to reach 40,000 to 45,000 barrels of oil-equivalent per day. Development drilling is scheduled to begin in second quarter 2012, and first oil is anticipated in 2014. At the end of 2011, proved reserves had not been recognized for this project.

Caesar/Tonga Chevron holds a 20.3 percent nonoperated working interest in the unitized Caesar/Tonga area, which consists of Green Canyon Blocks 683, 727 and 770 and a portion of Block 726. The area includes the Caesar, Tonga and West Tonga fields. Initial development plans include a total of four wells and a subsea tieback to a nearby third-party production facility. Three of the four development wells had been drilled as of year-end 2011. Drilling of the fourth well is expected to begin in mid-2012. Work on the subsea system and commissioning of the topsides was performed in 2011. First production had been delayed due to a mechanical issue with the production riser system. Alternative risers have been installed and production commenced in first quarter 2012. Maximum total daily production is expected to be 46,000 barrels of oil-equivalent. Proved reserves have been recognized for this project.

Mad Dog II The project would develop the west and south flanks of the Mad Dog Field. The project is expected to enter front-end engineering and design (FEED) by second quarter 2012. It is anticipated that this future development of Mad Dog II would require the installation of new production facilities, which are expected to support planned maximum total daily production of 120,000 barrels to 140,000 barrels of oil-equivalent. The total potentially recoverable oil-equivalent resources at Mad Dog II are estimated at 500 million barrels. At the end of 2011, proved reserves had not been recognized for this project.

Knotty Head Chevron has a 25 percent nonoperated working interest in this subsalt, Green Canyon Block 512 discovery. Development planning and unitization talks with owners of an adjacent field continued in 2011. The fields are located at a water depth of 3,600 feet (1,097 m) with a reservoir depth of 30,000 feet (9,144 m). At the end of 2011, proved reserves had not been recognized for this project.

Exploration During 2011, the company participated in four deepwater exploratory wells – two wildcats, one appraisal and one delineation. Following successful permitting under the more stringent U.S. Department of Interior guidelines, two wells resumed drilling activities after operations were halted in 2010 as a result of the deepwater drilling moratorium. Drilling operations at the 43.8 percent-owned and operated Moccasin prospect resumed in first quarter 2011 and resulted in a new discovery in the Lower Tertiary Wilcox Trend. In addition, drilling operations resumed in second quarter 2011 at the 55 percent-owned and operated Buckskin discovery, resulting in a successful appraisal well. These two discoveries, located 12 miles (19 km) apart, could facilitate future joint development upon the successful completion of additional appraisal wells planned in 2012. Drilling was terminated at the Coronado wildcat well due to adverse drilling conditions in the shallow section of the wellbore. The company plans to begin drilling a replacement well at an alternate location by mid-2012. A successful delineation well was drilled on the Mad Dog north flank in 2011.

Other U.S. Areas

The company produces crude oil and natural gas across the United States, primarily in Colorado, Michigan, New Mexico, Oklahoma, Pennsylvania, Texas, Wyoming and Alaska. In 2011, the company's U.S. net daily oil-equivalent production outside California and the Gulf of Mexico averaged 251,000 barrels, composed of 91,000 barrels of crude oil, 795 million cubic feet of natural gas and 28,000 barrels of NGLs. Capital spending is focused in the Permian Basin, East Texas, the Rockies and southwestern Pennsylvania. During the year, 522 development wells were completed.

Conventional Resources

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

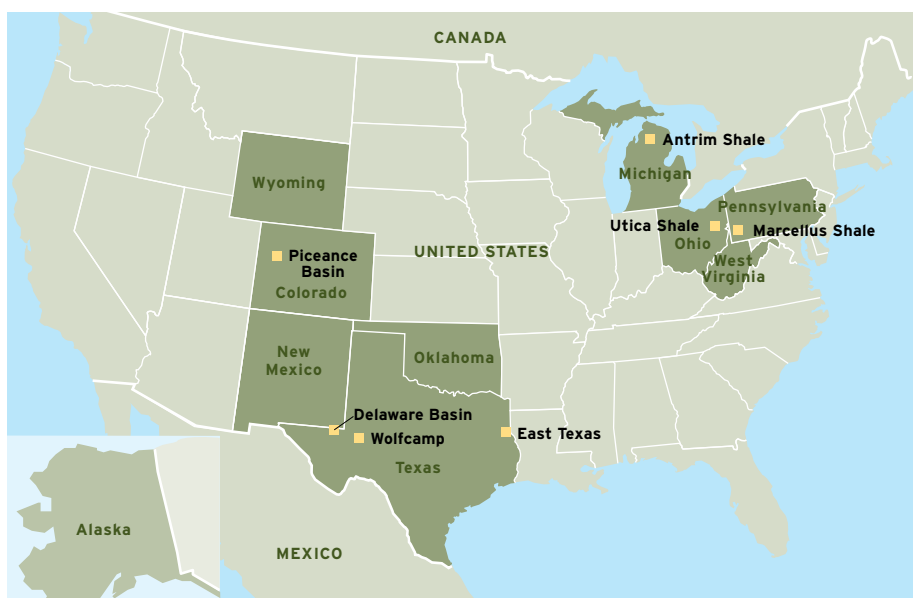
Chevron is the second-largest producer in the Permian Basin of West Texas and southeastern New Mexico, with 2011 average net daily oil-equivalent production of 114,000 barrels and substantial remaining hydrocarbons recoverable through both secondary and tertiary techniques. These secondary and tertiary projects increase ultimate recovery and reduce natural declines while better utilizing and optimizing existing facilities.

In Alaska, the company holds nonoperated working interests on the North Slope. The company divested its operated and nonoperated working interests in the Cook Inlet in December 2011.

Unconventional Resources

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

Appalachian Basin/Michigan In February 2011, Chevron acquired Atlas Energy, Inc. The acquisition provided a natural gas resource position in the Marcellus Shale and Utica Shale, primarily located in southwestern Pennsylvania and Ohio. The acquisition also provided a 49 percent interest in Laurel Mountain Midstream, LLC, an affiliate that owns more than 1,000 miles (1,609 km) of natural gas gathering lines servicing the Marcellus. In addition, the acquisition provided assets in Michigan, which include Antrim Shale producing assets and approximately 350,000 total acres (1,416 sq km) in the Antrim and Collingwood/Utica Shale formations. Additional asset acquisitions in 2011 expanded the company's holdings in the Marcellus and Utica to approximately 700,000 (2,833 sq km) and 600,000 (2,428 sq km) total acres, respectively. These midyear acquisitions provide strong synergies with the legacy-Atlas properties and expand Chevron's presence into liquids-rich West Virginia and Ohio. In the Marcellus, 61 natural gas wells were completed in 2011, and the company had 11 drilling rigs in operation in early 2012. A regional seismic program is under way in eastern Ohio to identify potential core areas in the Utica Shale, and the company is expected to commence drilling in 2012.



■ Chevron Activity Highlight

Delaware Basin With approximately 700,000 total acres (2,833 sq km), Chevron is one of the largest acreage holders in the Delaware Basin, located in West Texas and southeast New Mexico, an area with emerging shale plays and demonstrated hydrocarbon production. Drilling of four operated wells is planned to begin in mid-2012. A 3-D seismic survey is being acquired with additional surveys planned. These surveys, along with information obtained from the ongoing drilling program, will be used to identify potential core areas and refine future development strategies.

East Texas The company continued development of the Travis Peak and Cotton Valley reservoirs through multiwell horizontal drilling projects. Haynesville shale appraisal continued with three wells drilled in Panola and Nacogdoches counties in 2011. Chevron's total Haynesville Trend acreage is more than 83,000 acres (336 sq km), and total potentially recoverable oil-equivalent resources are estimated at 300 million barrels. Ongoing exploration in the potentially liquids-rich Bossier Shale, which lies above the Haynesville Shale, is expected to better characterize this newly identified resource. The company completed acquisition of a 3-D seismic survey of approximately 384,000 acres (1,554 sq km) across Panola County, Texas, to improve the company's understanding of multiple unconventional reservoirs in this resource-dense area.

Piceance Basin The company is continuing a managed development of 100 percent-owned and operated natural gas properties consisting of approximately 67,000 acres (271 sq km) located in northwestern Colorado. An estimated 3.5 trillion cubic feet of natural gas is potentially recoverable from this project. In 2011, a pilot to test liquefied petroleum gas (LPG) as an alternative fracture fluid was completed and placed online at the end of 2011. The results of this LPG completion technology are being evaluated against the standard completion technology utilized in the original wells.

Wolfcamp In the Midland Basin, the Wolfcamp tight oil play continues to be developed utilizing vertical drilling and multistage fracture stimulation. Chevron holds more than 320,000 acres (1,295 sq km) in the trend, with total potentially recoverable oil-equivalent resources of approximately 1.1 billion barrels. At the end of 2011, these holdings included

75,000 acres (304 sq km) in properties where Chevron has an average nonoperated working interest of about 70 percent in over 900 wells, with average net oil-equivalent production of more than 15,000 barrels per day. The remaining acreage, which is company-operated and approximately 97 percent-owned, continued to ramp-up during the year, and six rigs were operating at year-end 2011.

Natural Gas Marketing and Trading

Chevron ranks among the top U.S. natural gas marketers, with natural gas sales in 2011 averaging approximately 6 billion cubic feet per day. Activities include capturing profitable trading opportunities and managing the market risks associated with holding physical natural gas positions. Chevron has contracted capacity in the Sabine Pass Liquefied Natural Gas (LNG) facility and in a third-party pipeline system connecting the terminal to the natural gas pipeline grid.

Other Americas

In Other Americas, the company is engaged in exploration and production activities in Argentina, Brazil, Canada, Colombia, Greenland, Trinidad and Tobago, and Venezuela. Net daily oil-equivalent production of 267,000 barrels during 2011 in these countries represented about 10 percent of the companywide total.

Canada

Chevron has ownership interests in oil sands projects and shale acreage in the province of Alberta, exploration, development and production projects offshore in the Atlantic region, and exploration and discovered resource interests in the Northwest Territories and Beaufort Sea region of Canada's western Arctic.



Production Total daily production in 2011 from Canadian operations was 197,000 barrels of crude oil (29,000 net), 28 million cubic feet of natural gas (4 million net) and 210,000 barrels of synthetic oil from oil sands (40,000 net).

Western Canada

Production The company holds a 20 percent nonoperated working interest in the Athabasca Oil Sands Project (AOSP) near Fort McMurray, Alberta. Oil sands are mined from both the Muskeg River and Jackpine mines, and bitumen is extracted from the oil sands and upgraded into synthetic oil using hydroprocessing technology. In June 2011, the AOSP Expansion 1 Project was completed, including start-up of the expanded Scotford Upgrader, increasing daily production design capacity from oil sands to approximately 255,000 barrels. In 2011, total daily production from oil sands averaged 210,000 barrels (40,000 net) of synthetic oil.

Exploration Through year-end 2011, the company increased the number of shale exploration leases held in Alberta to include approximately 253,000 acres (1,024 sq km) in the Duvernay formation. In third quarter 2011, drilling commenced on the first well of a multi-well program on these 100 percent-owned and operated leases. A long-term well test is expected to commence in fourth quarter 2012 when the first well is expected to be tied into third-party processing facilities.

Atlantic Canada

Production Chevron holds a 26.9 percent nonoperated working interest in the Hibernia Field that comprises two key reservoirs, Hibernia and Ben Nevis Avalon. Production decline from 2010 to 2011 was mitigated through a Hibernia reservoir drilling program. Average total daily crude oil production in 2011 was 151,000 barrels (28,000 net).

Development

Hebron Chevron holds a 26.6 percent nonoperated working interest in the Hebron Field development located offshore the province of Newfoundland and Labrador. This heavy-oil field is estimated to contain total potentially recoverable oil-equivalent resources of more than 600 million barrels, and the development plan includes a concrete, gravity-base platform. FEED activities continued during 2011. The project has an expected economic life of 30 years. At the end of 2011, proved reserves had not been recognized for this project.

Hibernia Southern Extension (HSE) The HSE Unit development is expected to stem the production decline from the Hibernia Field. Chevron has a 23.6 percent nonoperated working interest in the unitized HSE areas of the Hibernia Field. The development of these unitized areas requires the drilling of producing wells from the existing Hibernia platform and subsea drilling of water injection wells. During 2011, two producing wells were successfully drilled from the platform to obtain early reservoir information. The project costs are estimated to be \$1.7 billion, with fabrication of topside and subsea equipment progressing. Further drilling is scheduled to commence in 2013 once the subsea facilities are installed. Full production start-up is planned for 2014. Proved reserves have been recognized for the initial wells drilled.

Exploration Chevron operates and holds a 65 percent interest in an Orphan Basin exploration license totaling approximately 1.5 million acres (6,040 sq km). Chevron has drilled two exploration wells in the Orphan Basin and is planning to drill a third exploration well in third quarter 2012. In the Flemish Pass Basin, Chevron was awarded a 40 percent nonoperated interest for exploration rights for two blocks totaling approximately 1.1 million acres (4,340 sq km) in fourth quarter 2011. A seismic program was deferred at the 100 percent-owned and operated Exploration License 1109 located offshore Labrador while the company assesses plans for further exploration.

Northern Canada

Exploration Chevron holds two exploration licenses in the Beaufort Sea. One of the licenses is 100 percent-owned and operated, and during 2011, through a farm-out agreement, Chevron reduced its working interest on the second operated Beaufort exploration license from 100 to 60 percent. In 2011, there were no exploration activities on these leases. Chevron holds a 35.4 percent nonoperated working interest in the offshore Amauligak discovery and is continuing to assess development concept alternatives. The company also has additional minor nonoperated working interests in other significant discoveries on licenses in the Beaufort Sea. In the Mackenzie Delta region of the Northwest Territories, the company holds a 25 percent nonoperated working interest in several discoveries on onshore licenses.

Natural Gas Marketing and Trading

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

Greenland

Exploration In October 2011, the Greenland government granted a one-year extension to the initial four-year term for License 2007/26, which covers Block 4, offshore Disko Island, West Greenland. Chevron holds a 29.2 percent nonoperated working interest in this exploration license. Interpretation of the seismic data continued in early 2012.

Argentina

Chevron holds operated interests in four concessions in the Neuquen Basin with working interests ranging from 18.8 percent to 100 percent. During 2011, the company reached an agreement to extend El Trapial concession for an additional 10 years, until 2032. Chevron also holds a 14 percent interest in Oleoductos del Valle S.A., which owns and operates a crude oil pipeline from the Neuquen producing area to the Atlantic coast.



■ Chevron Activity Highlight

Production During 2011, total daily production averaged 35,000 barrels of crude oil (26,000 net) and 6 million cubic feet of natural gas (4 million net). In 2011, the company continued the development of El Trapial Field to mitigate production declines.

Exploration The company expects to drill two exploratory wells in 2012 in the Vaca Muerta formation in El Trapial concession, targeting shale gas and tight oil resources.

Brazil

Chevron holds working interests in three deepwater fields in the Campos Basin: Frade (51.7 percent-owned and operated), Papa-Terra and Maromba (37.5 percent and 30 percent nonoperated working interests, respectively).

Production During 2011, total daily production averaged 71,000 barrels of crude oil (33,000 net) and 28 million cubic feet of natural gas (13 million net).

Frade The Frade Field lies in approximately 3,700 feet (1,128 m) of water, 230 miles (370 km) northeast of Rio de Janeiro. Frade includes subsea systems and flowlines tied back to a floating production, storage and offloading vessel (FPSO). Eleven development wells and four injection wells had been completed as of year-end 2011. Development drilling is planned to continue through 2013, with the drilling of an additional development well and a sidetrack well and the completion of several injection wells. Maximum total daily production of 80,000 barrels of crude oil and 34 million cubic feet of natural gas was realized in July 2011. The concession that includes the Frade Project expires in 2025.

Development

Papa-Terra The Papa-Terra project, in which Chevron has a 37.5 percent nonoperated working interest, lies in about 3,900 feet (1,189 m) of water. The project involves an FPSO and a tension leg well platform with a planned total daily capacity of 140,000 barrels of crude oil. Total potentially recoverable crude oil resources are estimated at 350 million barrels. During 2011, construction activities progressed, and development drilling was initiated in fourth quarter 2011. First production is expected in 2013. The initial recognition of proved reserves occurred during 2011. The concession expires in 2032.

Maromba Evaluation of the Maromba field development concept continued in early 2012. The company has a 30 percent nonoperated working interest in this concession, which expires in 2032. At the end of 2011, proved reserves had not been recognized for this project.

Exploration In December 2011, Chevron completed the sale of its interests in the Atlanta and Oliva fields.

Colombia

Chevron's activities in Colombia are focused on the production and commercialization of natural gas from properties in the Caribbean Sea and adjacent coastal areas of the Guajira Peninsula. The company operates the offshore Chuchupa and the onshore Ballena and Riohacha natural gas fields as part of the Guajira Association contract. In exchange, Chevron receives 43 percent of the production for the remaining life of each field and a variable production volume based on prior Chuchupa capital contributions. During 2011, a gas export agreement with Venezuela was extended. An onshore, multi-well drilling program commenced in late 2011.



Production Total daily production in 2011 averaged 642 million cubic feet of natural gas (234 million net).

Trinidad and Tobago

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

Production Total daily production during 2011 from the Dolphin and Dolphin Deep fields averaged 539 million cubic feet of natural gas (183 million net). These volumes were sold under four sales contracts.

Exploration The company drilled a successful exploratory well in the Manatee Area of Block 6(d) in 2005. This well extended the six shallow gas sands discovered in Venezuela's Loran Field in Block 2 into Trinidad and Tobago. During 2011, work progressed to mature a development concept called the Regional Cooperative Arrangement.

Venezuela

Chevron's production activities in Venezuela are performed by two affiliates in western Venezuela and one affiliate in the Orinoco Belt. In addition, a Chevron-led consortium is participating in another heavy oil project in the Orinoco Belt. Chevron also has interests in two offshore exploratory blocks in the Plataforma Deltana region.

Production During 2011, total daily production averaged 259,000 barrels of crude oil (60,000 net) and 119 million cubic feet of natural gas (27 million net).

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 2011, Petroboscan total daily production averaged 103,000 barrels of liquids (27,000 net) and 14 million cubic feet of natural gas (6 million net). Eighteen development wells were drilled during 2011.

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 2011, Petroindependiente total daily production averaged 4,000 barrels of liquids (1,000 net) and 44 million cubic feet of natural gas (8 million net).

Petropiar Chevron holds a 30 percent interest in Petropiar, which operates the Hamaca Project under an agreement expiring in 2033. The project is located in the Orinoco Belt and has a total design capacity for processing and upgrading 190,000 barrels per day of extra heavy crude oil (8.5 degrees API gravity) into 180,000 barrels of lighter, higher-value synthetic oil (26 degrees API gravity). Total daily production averaged 152,000 barrels of synthetic crude oil (33,000 net) and 61 million cubic feet of natural gas (13 million net) during 2011. Enhanced oil recovery studies continued through 2011.

Development

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

Exploration Chevron operates and holds a 60 percent interest in Block 2 and a 100 percent interest in Block 3 in the offshore Plataforma Deltana region. During 2011, work progressed to mature a development concept called the Regional Cooperative Arrangement.

The minimum exploratory program for the Cardon III Block, located north of Lake Maracaibo, was completed in 2011.

Africa

In Africa, the company is engaged in exploration and production activities in Angola, Chad, Democratic Republic of the Congo, Liberia, Nigeria and Republic of the Congo. Net daily oil-equivalent production of 459,000 barrels during 2011 in these countries represented about 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 20 percent nonoperated working interest in Block 2, which is adjacent to the northwestern part of Angola's coast, south of the Congo River, and a 16.3 percent nonoperated working interest in the onshore Fina Sonangol Texaco (FST) concession area.



Production During 2011, total daily liquids production averaged 543,000 barrels (139,000 net).

Block O

Production Block O is divided into areas A and B and contains 21 fields that produced a total daily average of 340,000 barrels of liquids (108,000 net) in 2011. Area A comprises 15 producing fields and averaged total daily production of 214,000 barrels of crude oil (68,000 net) and 3,000 barrels of LPG (1,000 net). Area B has six producing fields and averaged total daily production of 108,000 barrels of crude oil and condensate (34,000 net) and 15,000 barrels of LPG (5,000 net). The Block O concession extends through 2030.

Gas Management Projects The Area A Gas Management Projects were designed to eliminate routine flaring of natural gas. With completion of the Malongo Flare and Relief Modifications Project in November 2011, all projects have been completed, and as of year-end 2011, flaring had been reduced by approximately 70 million cubic feet of natural gas per day.

Development

Greater Vanza/Longui Area (GVLA) The GVLA project development is located approximately 37 miles (60 km) off the western coast of Angola in Area B. The natural gas and natural gas liquids project is anticipated to be a key supplier of gas to Angola LNG. Development concept selection studies continued through 2011. The project is expected to enter FEED in the second-half 2012. At the end of 2011, proved reserves had not been recognized for this project.

Lifua Development An appraisal well was completed in the western part of the Lifua Field in mid-2011 with successful flow tests from the post-salt Likouala and Vermelha zones. Development opportunities are being evaluated, with FEED targeted for 2013. At the end of 2011, proved reserves had not been recognized for this project.

Mafumeira Sul The second stage of the Mafumeira field development, Mafumeira Sul, is located in the Southern Malongo Area. The development plans include a central processing facility, two well-head platforms, approximately 75 miles (121 km) of subsea pipelines and 50 wells. The maximum total daily production is expected to reach 110,000 barrels of crude oil and 10,000 barrels of LPG. FEED activities continued during 2011, and a final investment decision is expected in second quarter 2012. At the end of 2011, proved reserves had not been recognized for this project.

Nemba Enhanced Secondary Recovery & Flare Reduction Work continued on the Nemba Enhanced Secondary Recovery & Flare Reduction Project in 2011. The first stage of the project was completed in June 2011 with the start-up of natural gas injection on the existing South Nemba platform. The final stage of the development project is planned to eliminate routine flaring at the North and South Nemba platforms. The project is estimated to cost \$1.0 billion and includes additional compression facilities on a new platform that will be bridge-connected to the existing South Nemba platform. Detailed engineering and design of the new platform is complete, and fabrication activities started in September 2011. Installation of the platform is scheduled for 2013, with gas injection anticipated to begin in 2014.

South N'Dola FEED activities continued during 2011 on the south extension of the N'Dola field development. The development plans include a wellhead platform with production from 12 wells tied back to existing infrastructure. A final investment decision is anticipated in late 2012. At the end of 2011, no proved reserves were recognized for this project.

Exploration One pre-salt exploration well was drilled in Area B during 2011 and was unsuccessful. Two additional exploration wells are planned to be drilled in Area A during the second-half 2012.

Block 14

Production In 2011, total daily production was 187,000 barrels of liquids (29,000 net) from Benguela Belize-Lobito Tomboco, Kuito, Tombua and Landana fields. Development and production rights for the various producing fields in Block 14 expire between 2023 and 2028.

Development

Lucapa Studies to evaluate development alternatives for the Lucapa Field continued throughout 2011. The project is expected to enter FEED in second quarter 2012. The development concept includes an FPSO and subsea wells that will be located in approximately 4,000 feet (1,219 m) of water. At the end of 2011, proved reserves had not been recognized for this project.

Malange Development concept selection studies continued during 2011, with FEED planned to start in mid-2012. At the end of 2011, proved reserves had not been recognized for this project.

Negage In 2009, a portion of the Negage Development Area located in the southwest corner of Block 14 was designated to be in the Zone of Common Interest, a cooperative arrangement between Angola and Democratic Republic of the Congo. Development activities remain suspended pending final agreements between the two countries. At the end of 2011, proved reserves had not been recognized for this project.

Exploration Activity during 2011 concentrated on well planning at key prospects, which are expected to be drilled in 2012. Additional 2011 exploration activities included reprocessing of 3-D seismic in the Congo Canyon area in preparation for future exploration drilling.

Block 2 and FST Area

Production Total daily production averaged 16,000 barrels of liquids (2,000 net) in 2011.

Natural Gas Commercialization

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

Angola LNG Chevron has a 36.4 percent interest in Angola LNG Limited, which will operate the 5.2 million-metric-ton-per-year LNG plant. The plant at Soyo, Angola, is designed with a capacity to process 1.1 billion cubic feet of natural gas per day, with expected average total daily sales of 670 million cubic feet of natural gas and up to 63,000 barrels of NGLs. Plant construction continued throughout 2011, and commissioning started in July 2011. The plant reached mechanical completion in December 2011. The first LNG shipment from the plant is expected in second quarter 2012. The estimated total cost of the plant is \$10.0 billion, and the anticipated life is in excess of 20 years. Proved reserves have been recognized for producing operations associated with this project.

Congo River Canyon Crossing Pipeline Chevron holds a 38.1 percent interest in the proposed pipeline designed to transport up to 250 million cubic feet per day of natural gas from Blocks 0 and 14 to the Angola LNG plant in Soyo, Angola. The development plans include 87 miles (140 km) of offshore pipeline routed under the Congo River subsea canyon. Project construction commenced in May 2011. The pipeline and related operations platform are scheduled for completion in late 2013.

Angola-Republic of the Congo Joint Development Area

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

Development The Lianzi Project continued FEED through the end of 2011. The project scope includes four producing wells and three water injection wells with a subsea tieback to an existing platform in Block 14. The project is expected to reach a final investment decision in mid-2012. First production is anticipated in late 2014. At the end of 2011, proved reserves had not been recognized for the project.

Democratic Republic of the Congo

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

Production Total daily production in 2011 from seven fields averaged 14,000 barrels of crude oil (3,000 net).

Republic of the Congo

Chevron has a 31.5 percent nonoperated working interest in the Nkossa, Nsoko and Moho-Bilondo permit areas and a 29.3 percent nonoperated working interest in the Kitina permit area, all of which are offshore. The licenses for Kitina, Nsoko, Nkossa and Moho-Bilondo expire in 2014, 2018, 2027 and 2030, respectively.

Production Average total daily production in 2011 from Republic of the Congo fields was 128,000 barrels of liquids (21,000 net).

Development

Moho Nord Development concept studies for the Moho Nord Project, located in the Moho-Bilondo development area, were completed in 2011. The project entered FEED in November 2011. The project development includes Miocene and Albian reservoirs producing to a new facilities hub in the Moho-Bilondo development area. A final investment decision is planned for 2013. At the end of 2011, proved reserves had not been recognized for the project.

Exploration Activity during 2011 was focused on the evaluation of the offshore pre-salt play. One prospect underlying the Nkossa Field is being evaluated for drilling in 2012.

Chad/Cameroon

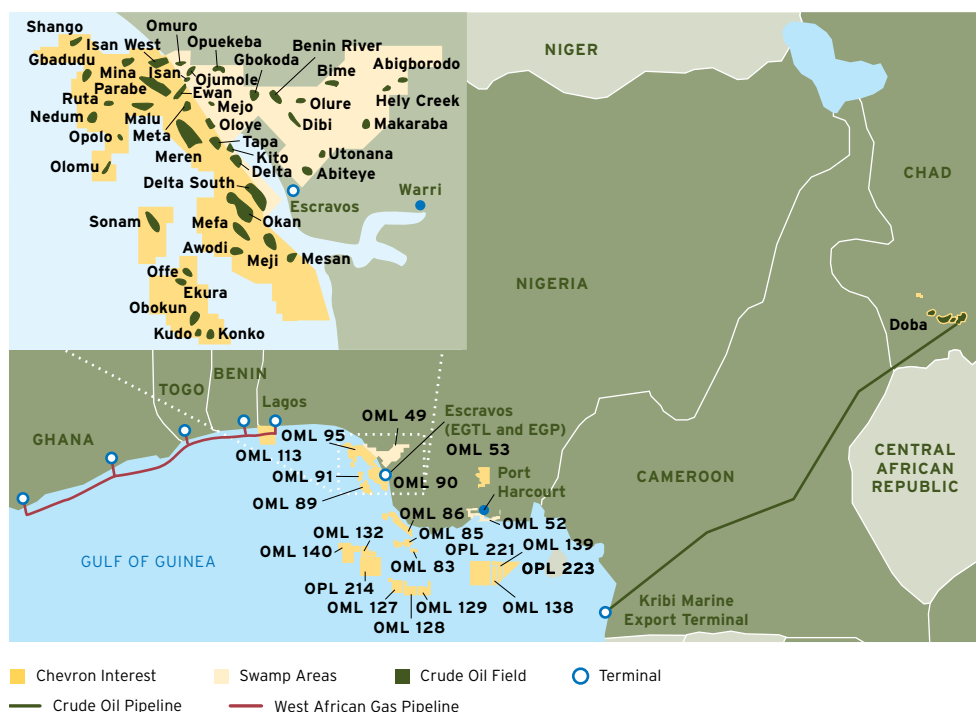
Chevron holds a nonoperated working interest in crude oil fields in southern Chad. The produced volumes are transported about 665 miles (1,070 km) by underground pipeline to the coast of Cameroon for export to world markets. Chevron holds a 25 percent interest in the producing operations and an approximate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

Production Total daily crude oil production in 2011 from seven fields in the Doba Basin averaged 115,000 barrels (25,000 net).

Nigeria

Chevron operates and holds a 40 percent interest in 13 concessions, predominantly in the onshore and near-offshore regions of the Niger Delta. The concessions cover approximately 2.2 million acres (8,900 sq km) and are operated under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC), which owns a 60 percent interest. The company also holds acreage positions in four operated and six nonoperated deepwater blocks with working interests ranging from 18 percent to 100 percent.

Production In 2011, total daily production averaged 516,000 barrels of crude oil (232,000 net), 343 million cubic feet of natural gas (142 million net) and 11,000 barrels of LPG (4,000 net).



Niger Delta

Production In 2011, total daily production from 32 fields in the Niger Delta averaged 274,000 barrels of crude oil (91,000 net), 324 million cubic feet of natural gas (129 million net) and 11,000 barrels of LPG (4,000 net). Five development wells were drilled in 2011.

Development

Western Niger Delta Construction to rebuild the Olero Creek production facilities continued in 2011, with project completion anticipated in 2013. Work to lay a new pipeline to transport natural gas from Abiteye to the processing facilities at Escravos continued in 2011, with completion planned for fourth quarter 2012.

The Dibi Long-Term Project is designed to rebuild the Dibi facilities that were vandalized in 2003 and replace the existing Early Production System (EPS) facility, placed in service in 2007. A final investment decision is anticipated in mid-2012.

Exploration Shallow-water exploration activities to identify potential deep gas targets are ongoing. In 2011, 3-D seismic data over Oil Mining Lease (OML) 86 and OML 88 was reprocessed.

Deep Water

Production

Agbami In 2011, total daily production from the Agbami Field averaged 242,000 barrels of crude oil (141,000 net) and 19 million cubic feet of natural gas (13 million net). The 67.3 percent-owned and operated field spans OML 127 and OML 128 and is estimated to contain total potentially recoverable crude oil resources of 1 billion barrels.

Usan Chevron holds a 30 percent nonoperated working interest in this project in OML 138, which lies in 2,461 feet (750 m) of water, 62 miles (100 km) off the coast of the eastern Niger Delta region. The development plan involves subsea wells producing to an FPSO. During 2011, development drilling and offshore installation activities continued. Construction of the FPSO, which has a maximum daily production capacity of 180,000 barrels of crude oil, was completed in April 2011 and the vessel was moored on location in October 2011. The field commenced production in first quarter 2012 and is estimated to contain total potentially recoverable crude oil resources in excess of 500 million barrels. The PSC expires in 2023. Proved reserves have been recognized for this project.

Development

Agbami 2 The 10-well Phase 2 development program for the Agbami Field is expected to offset field decline and to maintain a maximum total daily liquids production rate

of 250,000 barrels. Drilling began in 2010 and is expected to continue through 2014. The first Phase 2 development well is scheduled to commence production in the second-half 2012. Total costs for the drilling program are estimated at \$1.9 billion. The leases that contain the Agbami Field expire in 2023 and 2024.

Bonga SW/Aparo The Aparo Field in OML 132 and OML 140 and the third-party-owned Bonga SW Field in OML 118 share a common geologic structure and are planned to be developed jointly. The geologic structure lies 70 miles (113 km) off the coast of the western Niger Delta region in 4,300 feet (1,311 m) of water. The proposed development plan involves subsea wells tied back to an FPSO. The project is expected to enter FEED in late 2012. At the end of 2011, no proved reserves were recognized for this project.

Exploration The company has nonoperated working interests of 20 percent and 27 percent in Oil Prospecting License (OPL) 214 and OPL 223, respectively. In OPL 214, drilling of the Nza and the Uge North obligation wells commenced in fourth quarter 2011. Drilling of the Uge North well was completed in early 2012 and the results are under evaluation. In OPL 223, an exploration well in Owowo West is planned for the second-half 2012. Chevron operates and holds a 95 percent interest in the Nsiko discovery in OML 140. This discovery lies in approximately 5,800 feet (1,768 m) of water, 90 miles (145 km) off the coast of the western Niger Delta region. Additional exploration activities are planned.

Natural Gas Commercialization

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

EGP Phase 3B Chevron operates and holds a 40 percent interest in the EGP development. EGP Phase 3B is a continuation of the company's Western Delta Gas Development Program, focused on eliminating routine flaring of natural gas that is associated with the production of crude oil. The project includes installation of a 120 million-cubic-foot-per-day natural gas gathering and compression platform near the existing Meren 1 complex, installation of approximately 74 miles (119 km) of subsea pipelines, and modifications to nine existing production platforms. The project includes facilities to produce and transport natural gas from the Meren, Parabe, Malu, Isan, Opolo, Ewan, Tapa and Delta fields to the Escravos Gas Plant for processing and sale. Construction of the pipelines and modifications to the production platforms continued through 2011. The engineering, procurement, construction and installation contract for the gas gathering and compression platform was signed in fourth quarter 2011. Total capital costs for the project are estimated to be \$2.4 billion, and the project is expected to be completed in 2016. Proved reserves have been recognized for the project.

EGTL Chevron and the NNPC are developing a 33,000-barrel-per-day gas-to-liquids facility at Escravos that is designed to process 325 million cubic feet per day of natural gas from the EGP Phase 3A expansion. Engineering, procurement and offsite fabrication are complete. Work on the project was more than 80 percent complete at end of 2011. Chevron is the operator and has a 75 percent interest in the plant, which is scheduled for start-up in 2013. The estimated cost of the project is \$8.4 billion.

Sonam Field Development In late 2011, a final investment decision was reached for the development of the Sonam Field. The 40 percent-owned and operated project is designed to utilize the Escravos Gas Plant facilities and to deliver a total of 215 million cubic feet of natural gas per day to the domestic gas market and produce a total of 30,000 barrels of liquids per day. The estimated cost of this project is \$1.7 billion. First production is expected in 2016. The initial recognition of proved reserves occurred during 2011 for this project.

Onshore Asset Gas Management (OAGM) Chevron operates and holds a 40 percent interest in six fields collectively referred to as the Onshore Area. In 2003, civil unrest in the area resulted in vandalism of the compression infrastructure. The OAGM project is designed to restore these facilities and supply 125 million cubic feet of natural gas per day to the Nigerian domestic gas market. Construction activities continued through 2011, and start-up is scheduled for late 2012.

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

Assa-North/Ohaji South Development Chevron holds a 20 percent nonoperated working interest in this development project, located in OML 53, which would supply natural gas to the domestic market. Development alternatives are being evaluated.

Liberia

Exploration Chevron operates and holds a 70 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 2.4 million acres (9,600 sq km). Exploration drilling prospects were identified during 2011 based on 3-D seismic data. Two exploration wells are planned for 2012.



Asia

In Asia, Upstream activities are located in Azerbaijan, Bangladesh, Cambodia, China, Indonesia, Kazakhstan, Myanmar, the Partitioned Zone between Saudi Arabia and Kuwait, the Philippines, Russia, Thailand, Turkey, and Vietnam. Net daily oil-equivalent production of 1,029,000 barrels during 2011 in these countries represented about 38 percent of the companywide total.

Azerbaijan

Chevron holds an 11.3 percent nonoperated working interest in Azerbaijan International Operating Company (AIOC) and the crude oil production from the Azeri-Chirag-Gunashli (ACG) Project. 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.

Production In 2011, average total daily production was 718,000 barrels of crude oil (26,000 net) and 91 million cubic feet of natural gas (10 million net). AIOC production is exported primarily via the BTC pipeline and the Western Route Export Pipeline (WREP), which is wholly owned by AIOC. The 1,094-mile (1,762-km) BTC pipeline has a capacity of 1.2 million barrels per day. The WREP runs 515 miles (829 km) from Baku, Azerbaijan, to the terminal at Supsa, Georgia, on the Black Sea and has a capacity of 100,000 barrels per day.

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

Development During 2011, work continued on the ACG Chirag Oil Project. The project is designed to further develop the deepwater Gunashli Field and includes a new 48-slot platform. The total estimated cost of the project is \$6 billion, with a targeted maximum total daily production of 140,000 barrels of oil-equivalent. Proved reserves have been recognized, and production is scheduled to begin in 2013.

Kazakhstan

Chevron has a 50 percent interest in the Tengizchevroil (TCO) affiliate, which operates the Tengiz and Korolev fields, and a 20 percent nonoperated working interest in the Karachaganak Field. In late 2011, an agreement with the government was reached that would reduce the company's interest in Karachaganak to 18 percent. The transfer of equity to the government is anticipated to occur in June 2012.

Production Total daily production in 2011 from TCO and Karachaganak was 841,000 barrels of crude oil and NGLs (282,000 net) and 1.7 billion cubic feet of natural gas (456 million net).



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

Production Total daily production in 2011 averaged 565,000 barrels of crude oil (227,000 net), 801 million cubic feet of natural gas (312 million net) and 42,000 barrels of NGLs (17,000 net). In 2011, TCO continued to increase production from the Sour Gas Injection (SGI) and Second Generation Plant (SGP) facilities.

During 2011, the majority of TCO's crude oil production was exported through the Caspian Pipeline Consortium (CPC) pipeline. The balance of production was exported via rail to Black Sea ports.

Development TCO continues to evaluate options for an expansion project to increase total daily production by 250,000 to 300,000 barrels. The Future Growth Project will utilize sour gas injection technology used in existing operations. FEED is expected to begin in 2012. At the end of 2011, proved reserves had not been recognized for this expansion project.

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

Karachaganak The Karachaganak Field is located in northwest Kazakhstan, and operations are conducted under a PSC that expires in 2038. The development of the field is being conducted in phases.

Production Total daily production during 2011 averaged 234,000 barrels of liquids (38,000 net) and 857 million cubic feet of natural gas (144 million net). Approximately 204,000 barrels per day of processed liquids (34,000 net) were exported and sold at prices available in world markets. Most of the exported volumes were transported through the CPC pipeline. A portion was also exported via the Atyrau-Samara (Russia) pipeline. Liquids not exported by these pipelines were sold as condensate into the local and Russian markets.

Development A fourth liquids-stabilization train commenced operations in May 2011. The new train increased total liquids-stabilization capacity by 56,000 barrels per day and enabled export of the condensate to world markets.

Work continued on identifying the optimal scope for the next phase of expansion for the field. The timing of a final investment decision on a preferred development alternative for a Phase III expansion is uncertain. At the end of 2011, proved reserves had not been recognized for any further expansion.

Kazakhstan/Russia

CPC CPC operates a 935-mile (1,505-km) crude oil export pipeline from the Tengiz Field in Kazakhstan to tanker-loading facilities at Novorossiysk on the Russian coast of the Black Sea, providing the critical export route for crude oil production from both TCO and Karachaganak. Chevron holds a 15 percent interest in CPC. During 2011, the CPC pipeline transported an average of 684,000 barrels of crude oil per day to Novorossiysk, composed of 608,000 barrels per day originating from Kazakhstan and 76,000 barrels per day from Russia. In addition, approximately 53,000 barrels per day of Tengiz crude oil was discharged from the CPC pipeline in Atyrau, Kazakhstan, for loading onto rail cars.

Development In 2011, CPC partners began work on expanding the pipeline capacity by 670,000 barrels per day, at a total estimated project cost of \$5.4 billion. The project is planned to be implemented in three phases, with capacity increasing progressively until reaching maximum capacity of 1.4 million barrels per day in 2016. The expansion is expected to provide additional transportation capacity that accommodates a portion of the future growth in TCO production.

Russia

In 2010, Chevron signed a Heads of Agreement (HOA) covering the exploration, development, production and marketing of hydrocarbons from the Shatsky Ridge Block in the Black Sea. Technical and commercial evaluation of the opportunity concluded in early 2011. The technical evaluation did not support continued pursuit of this opportunity, and the HOA expired at the end of March 2011.

Turkey

Exploration Chevron holds a 50 percent working interest in the western part of License 3921 in the Black Sea, covering 5.6 million acres (22,505 sq km) and located 220 miles (350 km) northwest of the capital city of Ankara. The exploration phase is nonoperated, and Chevron would become operator during any future development of the project. The initial exploratory well, completed in 2010, was unsuccessful. Future plans are under evaluation.

Bangladesh

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



Production In 2011, total daily production averaged 915 million cubic feet of natural gas (434 million net) and 4,000 barrels of condensate (2,000 net).

Development In 2011, the Muchai compression project achieved mechanical completion, and start-up is expected in second quarter 2012. The project supports additional production from the Bibiyana, Jalalabad and Moulavi Bazar natural gas fields.

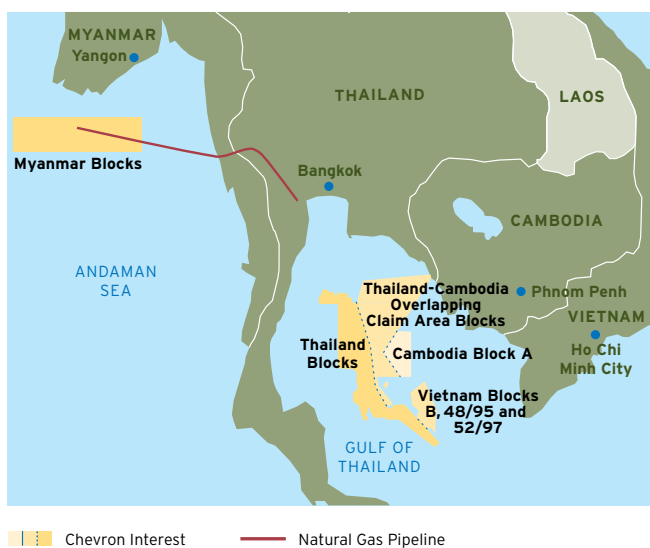
The Bibiyana Expansion Project entered FEED in July 2011 and is expected to include a gas plant expansion, additional development wells and an enhanced liquids recovery unit, with an estimated total maximum daily production of 57,000 barrels of oil-equivalent. A final investment decision is expected in mid-2012. At the end of 2011, proved reserves had not been recognized for this project.

Exploration In 2011, Chevron relinquished its interest in Block 7 subsequent to the completion of an unsuccessful exploratory well.

Cambodia

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

Development In 2011, the company progressed discussions on the production permit for development of Block A. Government approval and a final investment decision for the development, which consists of a wellhead platform and a floating storage and offloading vessel (FSO), are expected by the end of 2012. At the end of 2011, proved reserves had not been recognized for the project.



Myanmar

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

Most of the natural gas production is purchased by Thailand's PTT Public Company Limited (PTT) for power plants in Thailand. The remaining volumes are dedicated to the Myanmar market.

Production Total daily natural gas production during 2011 averaged 778 million cubic feet (86 million net).

Development In 2012, planned development activities to maintain plateau production include drilling of two infill wells and start-up of the second compression train of the Medium Compression Project.

Thailand

In the Gulf of Thailand, Chevron has operated and nonoperated working interests in multiple offshore blocks. Operated interests are in the Pattani Basin, with ownership interests ranging from 35 percent to 80 percent. Concessions for the producing areas in the Pattani Basin expire between 2020 and 2035. In the Malay Basin, Chevron holds a 16 percent nonoperated working interest in the Arthit Field, and in late 2011, the company acquired a 16 percent nonoperated working interest in the North Arthit Field. Concessions for the producing areas in the Malay Basin expire between 2036 and 2040.

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

Production Total average daily production in 2011 was 131,000 barrels of crude oil and condensate (65,000 net) and 1.8 billion cubic feet of natural gas (867 million net).

In 2011, construction was completed on the 69.9 percent-owned and operated Platong II natural gas project. The project achieved first gas in October 2011, with full ramp-up to total daily production of 377 million cubic feet of natural gas (232 million net) and 11,000 barrels of condensate (7,000 net) in December 2011.

Development Development activities included evaluation of the Ubon Project, which is expected to include facilities and wells to develop resources in Block 12/27.

During 2011, 11 wellhead platforms were installed and 295 development wells were drilled in the Pattani Basin, and three wellhead platforms were installed and 41 development wells were drilled at the Arthit Field.

Exploration In 2011, the company drilled nine exploration wells in the operated areas of the Pattani Basin. All of the wells were successful, and development alternatives are under evaluation. In addition, at the Arthit Field, three exploration wells were drilled. Two wells were successful and one well is under evaluation.

Chevron also holds operated and nonoperated working interests in the Thailand-Cambodia overlapping-claims area that range from 30 percent to 80 percent. As of early 2012, these areas were inactive pending resolution of border issues between Thailand and Cambodia.

Vietnam

The company is the operator of two PSCs in Vietnam. In the northern part of the Malay Basin offshore southwest Vietnam, Chevron has a 42.4 percent interest in a PSC that includes Blocks B and 48/95, and a 43.4 percent interest in another PSC that covers Block 52/97. The company also has a 28.7 percent nonoperated interest in a pipeline project that would deliver natural gas from the Block B Gas Development to utility companies in southern Vietnam.

Blocks B, 48/95 and 52/97

Development In 2011, FEED continued for the Block B Gas Development Project, and an environmental impact assessment was approved by the government in April. The project includes installation of wellhead and hub platforms, an FSO, field pipelines, a living quarters platform, a central processing platform, and a pipeline to shore. Targeted maximum total daily production is 490 million cubic feet of natural gas and 4,000 barrels of condensate. The expected total cost for the field development and pipeline projects is \$4.3 billion, and the final investment decisions are expected in 2012. At the end of 2011, proved reserves had not been recognized for the development project.

Exploration In 2011, work continued in preparation for a 2012 drilling program to further evaluate the potential of these blocks.

Block 122 Evaluation of Block 122, offshore eastern Vietnam, was completed, and the company exited the block.

China

Chevron has four operated PSCs in China. The Chuandongbei Project is composed of several natural gas fields located in the onshore Sichuan Basin. The PSC for the 49 percent-owned and operated project expires in 2037. The company also has operated interests in three deepwater blocks in the South China Sea, which cover exploratory acreage of approximately 4.8 million acres (19,000 sq km). The company is operator during the exploration phase and has a 100 percent interest in Blocks 53/30 and 64/18 and a 59.2 percent interest in Block 42/05.



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

Production In 2011, total average daily production was 95,000 barrels of crude oil and condensate (20,000 net) and 36 million cubic feet of natural gas (10 million net). Production from Blocks 16/08 and 16/19 was fully restored following earlier storm damage after installation of a permanent FPSO in October 2011. In Bohai Bay, an FPSO replacement project progressed during 2011 and is expected to be completed in 2013.

Development

Chuandongbei The full development includes two new sour gas processing plants with an aggregate design capacity of 740 million cubic feet per day, connected by a gas gathering system to five natural gas fields. In 2011, the company continued construction of the first natural gas processing plant and development of the Luojiashai and Gunziping natural gas fields. In 2012, site preparation at the second natural gas processing plant, well pads and gathering system locations is planned to commence. This project is estimated to contain total potentially recoverable natural gas resources of 3 trillion cubic feet. Planned maximum total daily natural gas production is 558 million cubic feet. Total project cost is estimated at \$4.7 billion, and start-up of the initial phase is expected in 2013. Proved reserves have been recognized for the project.

QHD 32-6 Stage 2 In January 2012, the company reached a final investment decision for the QHD 32-6 Stage 2 project, which includes additional facilities and wells to further develop resources in the field.

Exploration

South China Sea During 2011, in the deepwater exploration blocks in the South China Sea, a 3-D seismic acquisition program was completed for Blocks 64/18 and 53/30, and a three-well drilling program was initiated. The first well in the program was unsuccessful. The second and third wells are expected to be completed by mid-2012.

Qiannan Basin The company signed a joint study agreement to explore for natural gas from shale resources in the Qiannan Basin in April 2011 and commenced seismic operations in July 2011. Drilling on the initial well commenced in first quarter 2012.

Indonesia

Chevron's operated interests in Indonesia include two onshore PSCs on the island of Sumatra, four PSCs offshore East Kalimantan and two PSCs onshore in West Papua. In addition, the company operates two geothermal fields in West Java and a cogeneration plant and geothermal prospect area in Sumatra. Chevron holds a nonoperated working interest in the offshore South Natuna Sea Block B, located northeast of the island of Sumatra.

Production Total daily production in 2011 from all producing areas in Indonesia averaged 442,000 barrels of liquids (166,000 net) and 636 million cubic feet of natural gas (253 million net).

Sumatra

Chevron's interests in Sumatra include the 100 percent-owned and operated Rokan and Siak PSCs, which will expire in 2021 and 2013, respectively.

Production Total daily production averaged 357,000 barrels of crude oil (146,000 net) and 47 million cubic feet of natural gas (47 million net) in 2011.

During 2011, 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 2011, 80 percent of the field was under steam injection, with total daily production averaging 175,000 barrels of crude oil (79,000 net).

The remaining production from the Rokan PSC is in the Sumatra light oil area, consisting of nearly 90 active fields with total daily production that averaged 182,000 barrels of liquids (67,000 net) and 47 million cubic feet of natural gas (47 million net) in 2011. During 2011, 144 wells were drilled in this area.



Development The company continues to implement projects designed to sustain production, increase recovery and improve reliability from existing reservoirs. In Area 1 through Area 12 of the Duri Field, 212 production and 58 steam injection and observation wells were drilled during 2011. Development also continued in the northern region of the field. Construction contract bid award approvals from the government of Indonesia for the North Duri Development Area 13 expansion project are expected in mid-2012, with start-up scheduled in 2013. In the Minas Field, 50 production wells were drilled during 2011, and efforts continued to optimize the waterflood program to sustain field production. The pilot project for a chemical injection process that could further improve recoverability of light oil in Minas and surrounding fields was progressed during 2011.

Exploration Exploration activities continued in 2011 with six successful appraisal wells drilled in the Kulin, Duri and Bekasap fields. In addition, two exploration wells were drilled, one at the Sangsam East prospect, which was unsuccessful, and the other at the Jorang Field, which was still under evaluation in early 2012. Appraisal drilling is planned in the Kulin and Bekasap fields for 2012.

East Kalimantan

Chevron's operated interests in Kalimantan include four offshore PSC areas that cover approximately 2.8 million acres (11,100 sq km). The PSC areas are located offshore East Kalimantan in the Kutei Basin, including an operated interest in the East Kalimantan PSC (92.5 percent). In September 2011, Chevron farmed out an 18 percent working interest in the three other PSCs reducing the company's working interest to: Makassar Strait (72 percent), Rapak (62 percent) and Ganai (62 percent).

Production Total daily production averaged 32,000 barrels of crude oil (15,000 net) and 165 million cubic feet of natural gas (117 million net) in 2011. During 2011, the majority of Kalimantan production came from 14 producing fields in the shelf area within the East Kalimantan PSC. The shelf area averaged 28,000 barrels of liquids (13,000 net) and 143 million cubic feet of natural gas (99 million net). The East Kalimantan PSC expires in 2018.

The remaining production came from the deepwater West Seno Field in the Makassar Strait PSC, with total daily production averaging 4,000 barrels of liquids (2,000 net) and 22 million cubic feet of natural gas (18 million net) in 2011. The Makassar Strait PSC expires in 2020.

Development The company continues to implement projects designed to sustain production, increase recovery and improve reliability from existing reservoirs in both the shelf and deepwater areas. In the shelf area, Chevron continued to execute a development program, with 14 wells drilled in 2011. Based on the positive results of the drilling program, additional seismic acquisition and processing is planned for 2012.

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

Gendalo-Gehem The natural gas project includes two separate hub developments, each with its own FPU, subsea drill centers, natural gas and condensate pipelines, and onshore receiving facility. This project is estimated to contain total potentially recoverable natural gas resources of 3 trillion cubic feet. During 2011, the company advanced FEED for the project. Maximum daily production from the project is expected to be about 1.1 billion cubic feet of natural gas and 31,000 barrels of condensate. Gas from the project is expected to be used domestically and for LNG export. The company's working interest is approximately 63 percent. At the end of 2011, proved reserves had not been recognized for this project.

Bangka The natural gas project completed FEED in December 2011 and began the contracting approval process with the government of Indonesia. The project scope includes a subsea tieback to an FPU. The company's working interest is 62 percent. At the end of 2011, 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 Block B production is from seven natural gas fields and four crude oil fields. Total daily production during 2011 averaged 53,000 barrels of liquids (5,000 net) and 423 million cubic feet of natural gas (89 million net).

West Papua

Chevron's interests in West Papua include the 51 percent-owned and operated West Papua I and West Papua III PSCs. The two onshore blocks cover approximately 2 million acres (8,000 sq km).

Exploration In 2011, 2-D seismic data acquisition was completed for West Papua I and was under way for West Papua III. Processing of the seismic data is planned for 2012.

Geothermal/Cogeneration

The company operates and holds a 95 percent interest in the Darajat geothermal field located in West Java, Indonesia. The field supplies steam to a three-unit power plant with a total operating capacity of 259 megawatts.

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

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

Partitioned Zone

Chevron holds a concession from the kingdom of Saudi Arabia to operate the kingdom'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.



Production During 2011, total daily production from four fields averaged 220,000 barrels of crude oil (88,000 net) and 41 million cubic feet of natural gas (20 million net). During 2011, 76 wells were drilled. Development drilling, well workovers and numerous facility-enhancement programs scheduled for 2012 and 2013 are expected to partially offset overall field declines.

Development The Large-Scale Steamflood Pilot Project (LSP) at the Wafra Field was commissioned in 2009. It entailed drilling 16 injection wells and 25 producing wells and installing water-treatment and steam-generation facilities before commencing steam injection in the First Eocene carbonate reservoir. Through 2011, the LSP continued injecting steam, with production increasing 600 percent over the initial baseline.

In 2011, expanded application of the LSP into the Second Eocene carbonate reservoir progressed. A decision to enter into FEED is expected in the second-half 2012. Development planning also continued on the full-field steamflood application in the Wafra Field. The Wafra Steamflood Stage 1 Project is expected to commence FEED in the second-half 2012. Stage 1 is expected to reach maximum total daily production of 80,000 to 100,000 barrels of crude oil, with start-up projected for 2017. At the end of 2011, proved reserves had not been recognized for any of these developments.

During 2011, the Central Gas Utilization Project entered the FEED phase. The project is intended to improve natural gas utilization and eliminate natural gas flaring at the Wafra Field. A final investment decision is expected in 2013. At the end of 2011, proved reserves had not been recognized for the project.

Philippines

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



Malampaya

Production Total daily production during 2011 averaged 383 million cubic feet of natural gas (126 million net) and 14,000 barrels of condensate (4,000 net).

Development During 2011, studies were progressed to maintain capacity.

Geothermal Under an agreement with the Philippine government, Chevron develops and produces steam resources for the third-party Tiwi and Mak-Ban geothermal power plants, which have a combined generating capacity of 637 megawatts. During 2011, efforts continued to seek a 25-year renewable-energy contract with the government for the continued operation of the steam fields and to supply steam to the two geothermal power plants.

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

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 resources from the fields that will supply these projects are estimated at 50 trillion cubic feet.

Production During 2011, the company's net daily oil-equivalent production averaged 101,000 barrels.

Greater Gorgon Area

Chevron holds equity interests in the natural gas resources of the Greater Gorgon Area off the northwest coast of Australia. The company holds a 47.3 percent interest across most of the area and is the operator of the Gorgon Project, which combines the development of the Gorgon Field and the nearby Ito/Jansz Field as one large-scale project.

Development The development includes a three-train, 15.0 million-metric-ton-per-year LNG facility, a carbon sequestration project and a domestic natural gas plant with a capacity of 280 million cubic feet per day. The facilities are being constructed on Barrow Island. Maximum total daily production from the project is expected to reach about 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate. Start-up of the first train is expected in late 2014, and the total estimated project cost for the first phase of development is \$37 billion.

Work on the project progressed on schedule, with approximately 40 percent of construction completed as of mid-March 2012 across numerous fronts on Barrow Island and in fabrication yards in various countries. A major milestone was achieved in July 2011 when the materials offloading facility was connected to the Barrow Island causeway and vessels were able to access the facility directly. Construction of the LNG jetty is under way, and dredging of the LNG shipping channel, the jetty berth pocket and the material offloading facility area has been completed.

The construction village on Barrow Island is expected to be completed in the second-half 2012. A total of 12 clusters, in addition to existing accommodation facilities, will house a peak, on-island workforce of approximately 5,000. The first concrete for the LNG tanks was poured in 2011. The development drilling program commenced in July 2011, and the horizontal directional drilling program for the natural gas pipelines shore-crossing was completed in January 2012.

Gorgon is on track to spend more than \$20 billion with Australian industries. Outside Australia, fabrication of modules in yards in South Korea, China and Indonesia is progressing as planned.

Chevron has signed binding LNG Sales and Purchase Agreements (SPAs) with six Asian customers for delivery of about 4.7 million metric tons of LNG per year, which brings delivery commitments to about 70 percent of Chevron's share of LNG from this project. Discussions continue with potential customers to increase long-term sales to 85 to 90 percent of Chevron's net LNG off-take. Chevron also signed binding gas SPAs for delivery of about 55 million cubic feet per day of natural gas to two Western Australian state-owned utilities starting in 2015. Proved reserves have been recognized for this project. The project's estimated economic life exceeds 40 years from the time of start-up.

A project for development of a fourth train is expected to enter FEED in late 2012. At the end of 2011, proved reserves had not been recognized for the fields associated with the expansion.

In 2011, Chevron signed commercial agreements that decreased Chevron's interest in the offshore licenses to 90.2 percent and in the LNG facilities to 72.1 percent.

Chevron signed SPAs in 2011 with two Asian customers for 3.0 million metric tons per year of LNG, for up to 20 years. About 60 percent of Chevron's net LNG off-take is presently covered under binding agreements. Discussions are continuing with potential customers to increase long-term sales to 85 to 90 percent of Chevron's net LNG off-take and to sell down equity in the project.

Gorgon and Wheatstone Exploration During 2011, Chevron announced four natural gas discoveries offshore Western Australia. These included two natural gas discoveries at the 67 percent-owned and operated Acme West prospect in Block WA-205-P, one at the

50 percent-owned and operated Vos prospect in Block WA-439-P, and one at the 50 percent-owned and operated Orthrus Deep prospect in Block WA-24-R. In addition, in January 2012, the company announced a natural gas discovery at the 50 percent-owned and operated Satyr prospect in Block WA-374-P. These discoveries are expected to contribute to potential expansion at company-operated LNG projects.

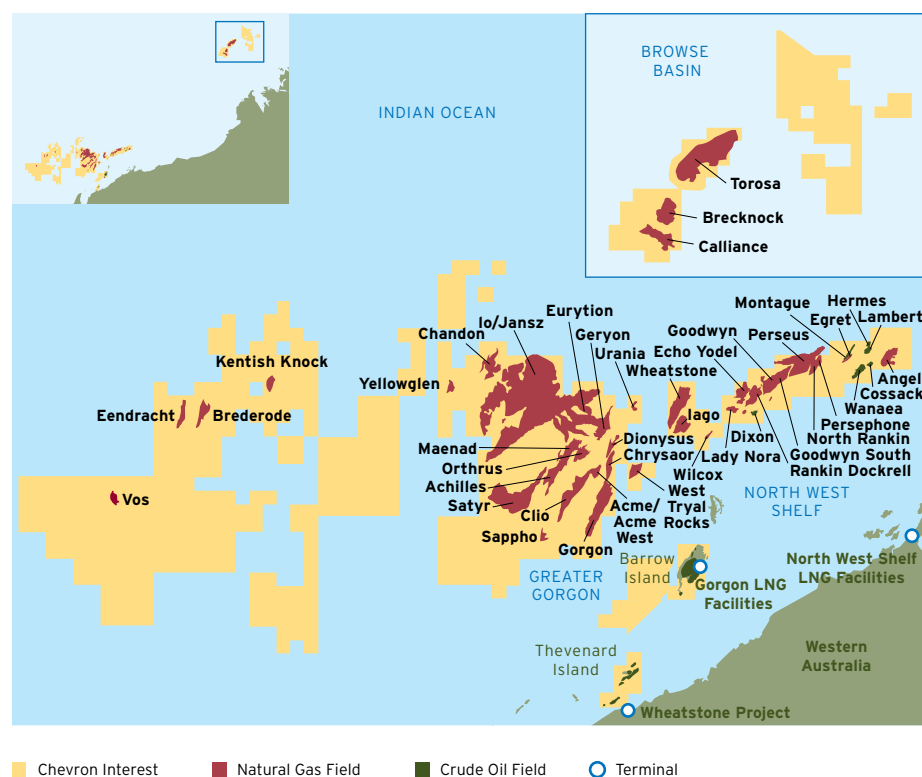
North West Shelf (NWS) Venture

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

Production Total daily production during 2011 averaged 110,000 barrels of crude oil and condensate (18,000 net), 27,000 barrels of LPG (4,000 net), and 2.7 billion cubic feet of natural gas (445 million net).

Approximately 70 percent of the natural gas was sold in the form of LNG to major utilities in Asia, primarily under long-term contracts. A total of 254 LNG cargoes were sold in 2011. The remaining 770 million cubic feet of natural gas per day (128 million net) was sold to the domestic market in Western Australia.

Development Progress continues on several NWS Venture projects. The North Rankin 2 Project (NR2) advanced, with completion and installation of the North Rankin B jacket in September 2011. NR2 is designed to recover remaining low-pressure natural gas from the North Rankin and Perseus fields to meet gas supply needs and maintain production capacity of the NWS. The maximum total daily production is expected to be about 2 billion cubic feet of natural gas and 39,000 barrels of condensate. The total estimated project cost is \$5.4 billion, and start-up is expected in 2013. Proved reserves have been recognized for this project.



Wheatstone

Development The company announced a final investment decision in September 2011 for the foundation phase of the company-operated project, which is estimated to cost \$29 billion. In late 2011, construction started on the project, which includes a two-train, 8.9 million-metric-ton-per-year LNG facility and a separate domestic gas plant, both located at Ashburton North, on the West Pilbara coast. The company plans to supply natural gas to the facilities from two company-operated licenses, containing the Wheatstone Field and the nearby Iago Field. The maximum total daily production is expected to be about 1.4 billion cubic feet of natural gas and 25,000 barrels of condensate. Start-up of the first train is expected in 2016. The initial recognition of proved reserves occurred in 2011 for this project.

The NWS Oil Redevelopment Project restarted production from the Cossack, Hermes, Lambert and Wanaea fields in September 2011. The project included the replacement of an FPSO and a portion of existing subsea infrastructure and is expected to extend production from these fields beyond 2020.

The NWS Venture continues to progress additional natural gas supply opportunities through development of a number of smaller fields on the western flank of the Goodwyn reservoirs. A final investment decision on the first phase of these developments was reached in fourth quarter 2011.

Browse Basin In 2011, the Browse LNG development entered FEED, undertaking environmental, geophysical, geotechnical, and engineering and design studies for the Brecknock, Calliance and Torosa fields. The company's nonoperated working interests range from 16.7 percent to 20 percent in the blocks that contain these three fields. The fields are expected to be unitized prior to development. In addition, the company holds other nonoperated working interests ranging from 24.8 percent to 50 percent in other blocks in the Browse Basin. At the end of 2011, proved reserves had not been recognized for any of the Browse Basin fields.

Barrow Island and Thevenard Island On these two islands off the northwest coast of Australia, Chevron-operated total daily production in 2011 averaged 7,000 barrels of crude oil (4,000 net). Chevron's interests are 57.1 percent for Barrow and 51.4 percent for Thevenard.

Europe

In Europe, the company is engaged in exploration and production activities in Bulgaria, Denmark, the Netherlands, Norway, Poland, Romania and the United Kingdom. Net daily oil-equivalent production of 139,000 barrels during 2011 in these countries represented about 5 percent of the companywide total.

Denmark

Chevron holds a 15 percent nonoperated working interest in the Danish Underground Consortium (DUC). The DUC has interests in 15 Danish North Sea fields, of which 13 are producing.



Production Average total daily production in 2011 from the DUC was 190,000 barrels of crude oil (29,000 net) and 607 million cubic feet of natural gas (91 million net).

Development During 2011, five development wells were drilled and completed in the Halfdan, Dan, Kraka and Valdemar fields.

Netherlands

Chevron operates and holds interests in 10 blocks in the Dutch sector of the North Sea. Five blocks, with a unitized interest of 34.1 percent, make up the A/B Gas Project. The company also has interests ranging from 46.7 percent to 80 percent in three blocks that contain other producing fields. In the P/1 and P/2 exploration blocks, Chevron reduced its interest to 48 percent, effective June 2011.

Production In 2011, average total daily production was 2,000 barrels of crude oil (2,000 net) and 91 million cubic feet of natural gas (31 million net).

Development The second stage of the A/B Gas Project, the B13 satellite development, achieved first gas in December 2011. This stage included a gathering pipeline, installation of an unmanned platform in 2011 and drilling of four development wells.

Norway

Production Chevron holds a 7.6 percent nonoperated working interest in the Draugen Field. Total daily average production in 2011 was 40,000 barrels of crude oil (3,000 net).

Exploration Chevron has a 40 percent-owned and operated interest in the PL 527 exploration license, which covers 891,423 acres (3,609 sq km) within the deepwater portion of the Norwegian Sea. In 2011, Chevron acquired two 3-D seismic surveys within the block covering 692,835 acres (2,805 sq km) and 20,748 acres (84 sq km).

In 2011, Chevron was awarded a 40 percent-owned and operated interest in exploration license PL 598. The license covers 408,538 acres (1,654 sq km) within the deepwater portion of the Norwegian Sea and is 25 miles (40 km) southwest of the PL 527 license. A 3-D seismic survey program is expected to commence in 2012.

United Kingdom

Chevron has interests in 10 offshore producing fields, including four operated fields (Alba, 23.4 percent; Captain, 85 percent; Erskine, 50 percent; and Strathspey, 67 percent), one jointly operated field (Britannia, 32.4 percent) and five nonoperated fields (Brodgar, 25 percent; Callanish, 16.5 percent; Clair, 19.4 percent; Elgin/Franklin, 3.9 percent; and Jade, 19.9 percent).

Production Total daily production in 2011 from the 10 fields averaged 207,000 barrels of liquids (59,000 net) and 858 billion cubic feet of natural gas (155 million net). Most of the production was from the Captain Field, with total average daily production of 38,000 barrels of liquids (33,000 net) and 5 million cubic feet of natural gas (4 million net); the Britannia Field, with total average daily production of 10,000 barrels of liquids (3,000 net) and 240 million cubic feet of natural gas (78 million net); and the Alba Field, with total average daily production of 25,000 barrels of liquids (6,000 net).

Alba A 4-D seismic survey over Alba was used to plan and execute four additional development wells during 2011. Development drilling is expected to continue beyond 2014.

Captain At Captain, six new development wells, from platform and subsea locations, added total daily production of 8,000 barrels of crude oil (7,000 net) in 2011. Continued development drilling is expected through 2013. In 2011, testing of enhanced oil recovery continued through a pilot study utilizing polymer injection with the objective of increasing recovery rates. Injection into the pilot test area is forecast to continue through August 2012. In early 2012, it was decided to expand polymer injection into a second pilot area.

Britannia In 2011, a final investment decision was made on the Britannia long-term compression project to install a low-pressure compression module on the Britannia Platform to increase field recovery.

Development

Alder The 70 percent-owned and operated Alder high-temperature, high-pressure gas condensate discovery, located approximately 17 miles (27 km) to the west of the Britannia Field, is being evaluated as a potential subsea development. The maximum total daily production is expected to be 30,000 barrels of oil-equivalent (21,000 net). A final investment decision is planned for late 2012. At the end of 2011, proved reserves had not been recognized for this discovery.

Clair Ridge A final investment decision was reached on the Clair Ridge project in October 2011. The total estimated cost of the project is \$7 billion with a design capacity of 120,000 barrels of crude oil. Chevron holds a 19.4 percent nonoperated working interest in the project. Production is scheduled to begin in 2016. The project is estimated to provide an incremental 680 million barrels of potentially recoverable oil-equivalent resources. Initial proved reserves for this phase were recognized in 2011.

Rosebank The Rosebank Field is 81 miles (130 km) northwest of the Shetland Islands in 3,658 feet (1,115 m) of water. Chevron operates and holds a 40 percent interest in the project. FEED is expected to begin in the second-half 2012. The field is estimated to contain total potentially recoverable oil-equivalent resources of 240 million barrels. At the end of 2011, proved reserves had not been recognized for this discovery.

Exploration West of the Shetland Islands, a three-well exploration and appraisal drilling program continued through 2011 and was completed in early 2012. The program included exploration wells on the Lagavulin prospect in the 60 percent-owned and operated License P1196 and the Aberlour prospect in the 40 percent-owned and operated License P1194. An appraisal well was drilled on the Cambo discovery in the 32.5 percent nonoperated License P1028 where Chevron acted as the substitute operator. The Lagavulin well was unsuccessful, and the results from the Aberlour and Cambo wells are under evaluation. Licenses P1196 (Lagavulin) and P1165 (Talisker) were relinquished in late 2011 at the end of the license periods.

An exploration well in the nonoperated Clair Field Unit Area was completed in 2011 to assess the potential extension of the field to the southwest. The results of the well are under evaluation.

Bulgaria

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



■ Chevron Interest ■ Successful Bidder

Poland

Exploration Chevron holds four shale concessions in southeast Poland (Grabowiec, Zwierzyniec, Krasnik and Frampol), a total of 1.1 million acres (4,433 sq km). All four exploration licenses are 100 percent-owned and operated. The acquisition of 2-D seismic data across the four licenses over 963 miles (1,550 km) was completed at the end of 2011. The data is being used to plan a multiwell drilling program. Drilling of the first well of this program in the Grabowiec concession was completed in first quarter 2012 and the results are under evaluation. Drilling commenced on the first well in the Frampol concession in first quarter 2012.

Romania

Exploration In 2011, Chevron acquired a 100 percent interest in the EV-2 Barlad shale concession. This 1.6 million-acre (6,350-sq-km) license is located in northeast Romania. In 2011, the company acquired 248 miles (400 km) of 2-D seismic data across the EV-2 Barlad concession. The data will be used to plan a multiwell drilling program expected to commence in late 2012.

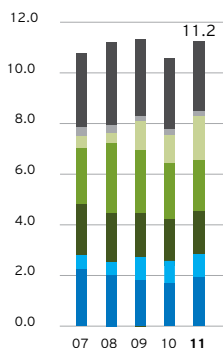
Negotiations continued throughout 2011 on the three exploration licenses, Blocks 17, 18 and 19, in southeast Romania, approximately 670,000 acres (2,700 sq km). The licenses were awarded during the 10th Romanian Exploration Licensing Round in 2010.

Natural Gas Marketing and Trading

The company continues to build a natural gas trading presence in Europe, including marketing a portion of the equity production and production from a growing third-party supply base. During 2011, the company entered into a master regasification agreement for access to available capacity at the South Hook LNG terminal in the United Kingdom in support of the company's global strategy to advance growth and development in equity LNG.

Upstream Operating Data

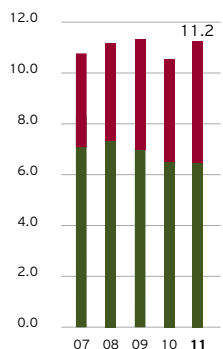
Net Proved Reserves
Billions of BOE*



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

*BOE (barrels of oil-equivalent)

**Net Proved Reserves
Liquids vs. Natural Gas**
Billions of BOE



■ Natural Gas
■ Liquids

Net Proved Reserves - Liquids^{1,2}

	At December 31				
Millions of barrels	2011	2010	2009	2008	2007
Consolidated Companies					
United States	1,311	1,275	1,361	1,470	1,624
Other Americas	636	574	564	149	165
Africa	1,155	1,168	1,246	1,385	1,500
Asia	894	1,013	1,171	1,456	1,023
Australia	140	88	98	73	84
Europe	159	152	170	202	269
Total Consolidated Companies	4,295	4,270	4,610	4,735	4,665
Equity Share in Affiliates					
TCO	1,759	1,820	1,946	2,176	1,989
Other	401	413	417	439	433
Total Equity Share in Affiliates	2,160	2,233	2,363	2,615	2,422
Total Worldwide	6,455	6,503	6,973	7,350	7,087

¹ Proved reserves are estimated by the company's asset teams, composed of earth scientists and reservoir engineers. These proved-reserve estimates are reviewed annually by the company's Reserves Advisory Committee to ensure that rigorous professional standards and the reserves definitions prescribed by the Securities and Exchange Commission are consistently applied throughout the company. Refer to the Glossary for a definition of proved reserves. Net reserves exclude royalties and interests owned by others and reflect contractual arrangements and royalty obligations in effect at the time of the estimate.

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

Net Proved Reserves - Natural Gas*

	At December 31				
Billions of cubic feet	2011	2010	2009	2008	2007
Consolidated Companies					
United States	3,646	2,472	2,698	3,150	3,677
Other Americas	1,664	1,815	1,985	2,368	2,378
Africa	3,196	2,944	3,021	3,056	3,049
Asia	6,721	7,193	7,860	7,997	7,207
Australia	9,744	6,056	6,245	1,961	2,105
Europe	258	275	344	490	721
Total Consolidated Companies	25,229	20,755	22,153	19,022	19,137
Equity Share in Affiliates					
TCO	2,251	2,386	2,833	3,175	2,748
Other	1,203	1,110	1,063	878	255
Total Equity Share in Affiliates	3,454	3,496	3,896	4,053	3,003
Total Worldwide	28,683	24,251	26,049	23,075	22,140

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

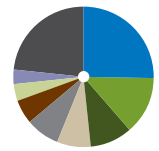
Upstream Operating Data

Net Oil-Equivalent Production*

Thousands of barrels per day	Year ended December 31				
	2011	2010	2009	2008	2007
Consolidated Companies					
United States					
Alabama - Onshore	7	8	10	9	10
- Offshore	8	8	9	10	10
Alaska - Onshore	20	22	23	24	27
- Offshore	8	9	7	10	10
California	183	199	211	215	221
Colorado	27	27	26	25	27
Louisiana - Onshore	2	2	2	3	4
- Offshore	205	233	214	127	174
Michigan	9	1	2	2	2
New Mexico	34	36	37	38	38
Oklahoma	8	9	10	11	12
Texas - Onshore	114	117	132	149	153
- Offshore	23	10	9	11	16
Wyoming	20	25	23	28	29
Other states	10	2	2	9	10
Total United States	678	708	717	671	743
Other Americas					
Argentina	27	32	38	44	47
Brazil	35	24	2	-	-
Canada	70	54	28	37	36
Colombia	39	41	41	35	30
Trinidad and Tobago	31	38	34	32	29
Total Other Americas	202	189	143	148	142
Africa					
Angola	147	161	150	154	179
Chad	26	28	27	29	32
Democratic Republic of the Congo	3	2	3	2	3
Nigeria	260	253	232	154	129
Republic of the Congo	23	25	21	13	8
Total Africa	459	469	433	352	351
Asia					
Azerbaijan	28	30	30	29	61
Bangladesh	74	69	66	71	47
China	22	20	19	22	26
Indonesia	208	226	243	235	241
Kazakhstan	62	64	69	66	66
Myanmar	14	13	13	15	17
Partitioned Zone	91	98	105	106	112
Philippines	25	25	27	26	26
Thailand	209	216	198	217	224
Total Asia	733	761	770	787	820
Total Australia	101	111	108	96	100
Europe					
Denmark	44	51	55	61	63
Netherlands	7	8	9	9	4
Norway	3	3	5	6	6
United Kingdom	85	97	110	106	115
Total Europe	139	159	179	182	188
Total Consolidated Companies	2,312	2,397	2,350	2,236	2,344
Equity Share in Affiliates					
TCO	296	308	274	201	176
Petropiar (Hamaca prior to 2008)	35	30	28	35	41
Petroboscan	28	26	24	28	28
Petroindependiente	2	2	2	3	3
Total Equity Share in Affiliates	361	366	328	267	248
Total Consolidated Companies and Affiliates	2,673	2,763	2,678	2,503	2,592
Other Produced Volumes					
Athabasca Oil Sands Project in Canada	-	-	26	27	27
Total Other Produced Volumes	-	-	26	27	27
Total Worldwide	2,673	2,763	2,704	2,530	2,619

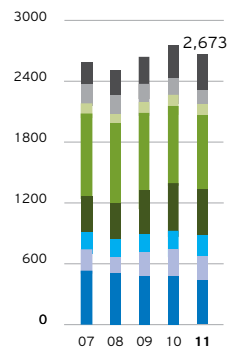
* Net oil-equivalent production excludes royalty interests and a government's agreed-upon share of production under a production-sharing contract (PSC).

2011 Net Oil-Equivalent Production by Country* Percentage



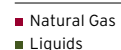
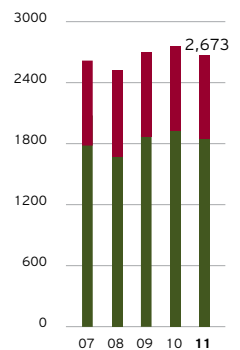
*Includes equity share in affiliates.

Net Oil-Equivalent Production* Thousands of barrels per day



*Includes other produced volumes in 2007 through 2009.

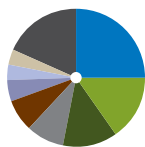
Net Production Liquids vs. Natural Gas* Thousands of barrels per day



*Includes other produced volumes in 2007 through 2009.

Upstream Operating Data

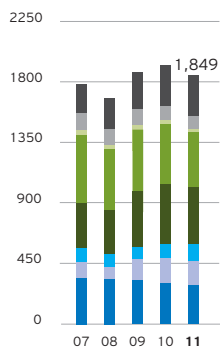
2011 Net Liquids Production by Country*
Percentage



United States	25.1%
Kazakhstan	15.3%
Nigeria	12.8%
Indonesia	9.0%
Angola	7.5%
Partitioned Zone	4.8%
Canada	3.7%
Thailand	3.5%
Others	18.3%

*Includes equity share in affiliates.

Net Liquids Production*
Thousands of barrels per day



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

*Includes other produced volumes in 2007 through 2009.

Net Liquids Production^{1,2}

Thousands of barrels per day		Year ended December 31				
		2011	2010	2009	2008	2007
Consolidated Companies						
United States						
Alaska	- Onshore	11	11	12	12	14
	- Offshore	3	3	2	5	5
California		169	183	196	201	205
Colorado		10	10	9	10	10
Louisiana	- Onshore	1	1	1	1	2
	- Offshore	158	178	154	77	106
New Mexico		19	19	21	21	21
Texas	- Onshore	66	66	71	76	77
	- Offshore	15	4	3	4	5
Wyoming		6	7	7	7	7
Other states		7	7	8	7	8
Total United States		465	489	484	421	460
Other Americas						
Argentina		26	31	33	37	39
Brazil		33	23	2	-	-
Canada		69	53	27	36	35
Trinidad and Tobago		-	1	1	-	-
Total Other Americas		128	108	63	73	74
Africa						
Angola		139	152	141	145	171
Chad		25	27	26	28	31
Democratic Republic of the Congo		3	2	3	2	3
Nigeria		236	239	225	142	126
Republic of the Congo		21	23	19	11	7
Total Africa		424	443	414	328	338
Asia						
Azerbaijan		26	28	28	28	60
Bangladesh		2	2	2	2	2
China		20	18	17	19	22
Indonesia		166	187	199	182	195
Kazakhstan		38	39	42	41	41
Partitioned Zone		88	94	101	103	109
Philippines		4	4	4	5	5
Thailand		65	70	65	67	71
Total Asia		409	442	458	447	505
Total Australia		26	34	35	34	39
Europe						
Denmark		29	32	35	37	41
Netherlands		2	2	2	2	3
Norway		3	3	5	6	6
United Kingdom		59	64	73	71	78
Total Europe		93	101	115	116	128
Total Consolidated Companies		1,545	1,617	1,569	1,419	1,544
Equity Share in Affiliates						
TCO		244	252	226	168	144
Petropiar (Hamaca prior to 2008)		32	28	26	34	39
Petroboscan		27	25	24	27	28
Petroindependiente		1	1	1	1	1
Total Equity Share in Affiliates		304	306	277	230	212
Total Consolidated Companies and Affiliates		1,849	1,923	1,846	1,649	1,756
Other Produced Volumes						
Athabasca Oil Sands Project in Canada		-	-	26	27	27
Total Other Produced Volumes		-	-	26	27	27
Total Worldwide		1,849	1,923	1,872	1,676	1,783

¹ Net liquids production excludes royalty interests and a government's agreed-upon share of production under a PSC.

² Net production of natural gas liquids:

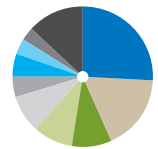
United States	47	51	50	47	51
International	20	21	20	19	18
Total	67	72	70	66	69

Upstream Operating Data

Net Natural Gas Production*

Millions of cubic feet per day	Year ended December 31				
	2011	2010	2009	2008	2007
Consolidated Companies					
United States					
Alabama - Onshore	22	24	29	30	31
- Offshore	45	48	54	56	62
Alaska - Onshore	60	68	69	73	80
- Offshore	29	32	27	30	30
California	83	96	90	88	97
Colorado	104	104	102	90	98
Louisiana - Onshore	3	5	8	10	16
- Offshore	287	332	358	300	405
Michigan	55	9	9	9	11
New Mexico	89	97	99	103	101
Oklahoma	35	39	42	45	52
Pennsylvania	39	-	-	-	-
Texas - Onshore	282	302	364	441	457
- Offshore	48	38	39	46	64
Wyoming	85	110	99	129	135
Other states	13	10	10	51	60
Total United States	1,279	1,314	1,399	1,501	1,699
Other Americas					
Argentina	4	5	27	45	50
Brazil	13	7	-	-	-
Canada	4	4	4	4	5
Colombia	234	249	245	209	178
Trinidad and Tobago	183	223	199	189	174
Total Other Americas	438	488	475	447	407
Africa					
Angola	50	52	49	52	48
Chad	6	6	5	5	4
Democratic Republic of the Congo	1	1	1	1	2
Nigeria	142	86	48	72	15
Republic of the Congo	10	10	13	12	7
Total Africa	209	155	116	142	76
Asia					
Azerbaijan	10	11	10	7	5
Bangladesh	434	404	387	414	275
China	10	13	16	22	22
Indonesia	253	236	268	319	277
Kazakhstan	144	149	161	153	149
Myanmar	86	81	76	89	100
Partitioned Zone	20	23	21	20	17
Philippines	126	124	137	128	126
Thailand	867	875	794	894	916
Total Asia	1,950	1,916	1,870	2,046	1,887
Total Australia	448	458	434	376	372
Europe					
Denmark	91	116	119	142	132
Netherlands	31	35	41	40	5
Norway	1	1	1	1	1
United Kingdom	155	194	222	208	220
Total Europe	278	346	383	391	358
Total Consolidated Companies	4,602	4,677	4,677	4,903	4,799
Equity Share in Affiliates					
TCO	312	338	289	195	193
Petropiar (Hamaca prior to 2008)	13	10	8	9	10
Petroboscan	6	6	6	7	6
Petroindependiente	8	9	9	11	11
Total Equity Share in Affiliates	339	363	312	222	220
Total Worldwide	4,941	5,040	4,989	5,125	5,019
* Net natural gas production excludes royalty interests and a government's agreed-upon share of production under a PSC; includes natural gas consumed in operations:					
United States	69	62	58	70	65
International	513	475	463	450	433
Total	582	537	521	520	498

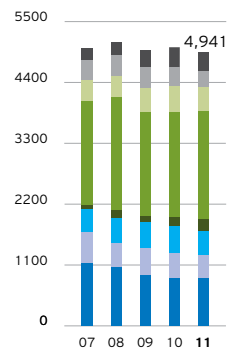
2011 Net Natural Gas Production by Country* Percentage



United States	25.9%
Thailand	17.5%
Kazakhstan	9.2%
Australia	9.1%
Bangladesh	8.8%
Indonesia	5.1%
Colombia	4.7%
Trinidad and Tobago	3.7%
United Kingdom	3.1%
Others	12.9%

*Includes equity share in affiliates.

Net Natural Gas Production Millions of cubic feet per day



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

Upstream Operating Data

Oil and Gas Acreage ^{1,2}		At December 31				
	Gross Acres	Net Acres				
Thousands of acres	2011	2011	2010	2009	2008	2007
United States						
Onshore						
Alaska	1,139	438	464	461	761	850
Louisiana	471	411	386	275	272	274
Michigan	444	358	57	56	59	59
New Mexico	524	351	355	335	343	354
Pennsylvania	864	830	-	-	-	-
Texas	4,888	3,552	3,575	3,265	3,280	3,405
Other states	1,915	1,520	1,148	1,102	1,126	1,222
Total Onshore	10,245	7,460	5,985	5,494	5,841	6,164
Offshore						
Alaska and Pacific Coast	39	7	7	9	10	10
Gulf Coast	3,758	2,755	2,865	1,974	2,369	2,732
Total Offshore	3,797	2,762	2,872	1,983	2,379	2,742
Total United States	14,042	10,222	8,857	7,477	8,220	8,906
Other Americas						
Argentina	242	167	141	275	1,402	1,548
Brazil	176	64	74	74	74	74
Canada	23,665	14,050	15,095	14,525	15,244	14,900
Colombia	203	87	87	87	87	87
Greenland	3,449	1,006	1,006	1,028	1,029	1,029
Trinidad and Tobago	168	84	84	84	84	84
Venezuela	292	275	275	275	1,239	1,239
Total Other Americas	28,195	15,733	16,762	16,348	19,159	18,961
Africa						
Angola	2,561	875	821	823	828	737
Chad	114	28	29	39	2,043	2,043
Democratic Republic of the Congo	250	44	44	44	44	44
Liberia	2,372	1,661	1,661	-	-	-
Libya	-	-	-	2,796	2,796	2,796
Nigeria	5,937	2,634	2,791	2,871	2,871	2,871
Republic of the Congo	158	49	49	49	49	50
Total Africa	11,392	5,291	5,395	6,622	8,631	8,541
Asia						
Azerbaijan	108	12	12	11	11	11
Bangladesh	186	182	973	1,828	1,828	1,258
Cambodia	1,163	349	349	640	640	640
China	5,143	4,396	4,766	294	1,081	1,079
Georgia	-	-	-	-	-	206
Indonesia	10,300	6,536	6,695	6,695	6,695	6,234
Kazakhstan	80	16	16	16	16	16
Myanmar	6,460	1,826	1,826	1,832	1,832	1,832
Partitioned Zone	1,576	788	788	788	788	788
Philippines	206	93	93	93	93	93
Thailand	14,977	7,055	9,281	9,233	9,531	9,531
Turkey	5,561	2,781	2,781	125	125	251
Vietnam	791	339	684	684	1,201	1,479
Total Asia	46,551	24,373	28,264	22,239	23,841	23,418
Total Australia	13,721	6,304	7,323	8,660	7,950	9,106
Europe						
Denmark	420	63	63	63	63	81
Faroe Islands	-	-	-	-	68	68
Germany	-	-	-	-	26	26
Netherlands	63	26	22	21	22	22
Norway	1,370	526	541	609	252	549
Poland	1,085	1,085	1,085	790	-	-
Romania	1,569	1,569	-	-	-	-
United Kingdom	1,231	476	831	962	980	979
Total Europe	5,738	3,745	2,542	2,445	1,411	1,725
Total Consolidated Companies	119,639	65,668	69,143	63,791	69,212	70,657
Equity Share in Affiliates						
Kazakhstan	380	190	304	304	304	304
Venezuela	291	101	101	100	100	101
Total Equity Share in Affiliates	671	291	405	404	404	405
Total Worldwide	120,310	65,959	69,548	64,195	69,616	71,062

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

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

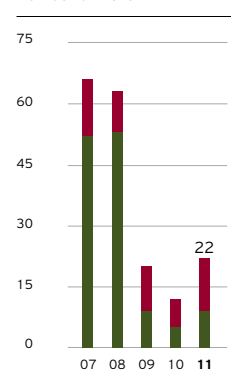
Upstream Operating Data

Net Wells Completed*

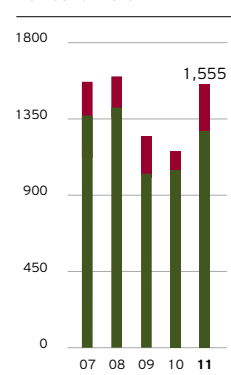
	Year ended December 31									
	2011		2010		2009		2008		2007	
	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry
Consolidated Companies										
United States										
Exploratory	5	1	1	1	4	5	8	2	4	8
Development	909	9	634	7	582	3	846	4	875	5
Total United States	914	10	635	8	586	8	854	6	879	13
Other Americas										
Exploratory	1	-	-	1	1	2	39	2	39	6
Development	37	-	32	-	36	-	35	-	44	-
Total Other Americas	38	-	32	1	37	2	74	2	83	6
Africa										
Exploratory	1	-	1	-	2	1	2	1	6	2
Development	29	-	33	-	40	-	33	-	43	-
Total Africa	30	-	34	-	42	1	35	1	49	2
Asia										
Exploratory	10	1	5	5	9	1	9	2	13	9
Development	549	15	445	15	580	10	665	1	597	-
Total Asia	559	16	450	20	589	11	674	3	610	9
Australia										
Exploratory	4	1	5	2	4	2	4	-	2	-
Development	-	-	-	-	-	-	-	-	-	-
Total Australia	4	1	5	2	4	2	4	-	2	-
Europe										
Exploratory	-	1	-	-	-	-	1	-	2	-
Development	6	-	4	-	7	-	6	-	8	-
Total Europe	6	1	4	-	7	-	7	-	10	-
Total Consolidated Companies	1,551	28	1,160	31	1,265	24	1,648	12	1,633	30
Equity Share in Affiliates										
Exploratory	1	-	-	-	-	-	-	-	-	-
Development	25	-	8	-	6	-	16	-	3	-
Total Equity Share in Affiliates	26	-	8	-	6	-	16	-	3	-
Total Worldwide	1,577	28	1,168	31	1,271	24	1,664	12	1,636	30

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

Net Productive Exploratory Wells Completed



Net Productive Development Wells Completed



Net Productive Wells^{1,2}

	At December 31				
	2011	2010	2009	2008	2007
Consolidated Companies					
United States					
Oil	32,368	32,462	32,720	33,595	33,217
Gas	7,671	5,720	5,671	5,569	6,043
Total United States	40,039	38,182	38,391	39,164	39,260
International					
Oil	12,802	12,495	10,873	10,261	10,538
Gas	2,208	2,000	2,061	1,837	1,730
Total International	15,010	14,495	12,934	12,098	12,268
Total Consolidated Companies	55,049	52,677	51,325	51,262	51,528
Equity Share in Affiliates					
Oil	434	404	403	413	375
Gas	2	2	2	2	-
Total Equity Share in Affiliates	436	406	405	415	375
Total Worldwide	55,485	53,083	51,730	51,677	51,903

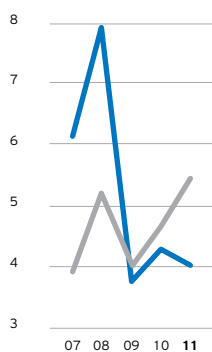
¹ Net Productive Wells includes wholly owned wells and the sum of the company's fractional interests in wells completed in jointly owned operations.

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

Upstream Operating Data

Natural Gas Realizations

Dollars per thousand cubic feet

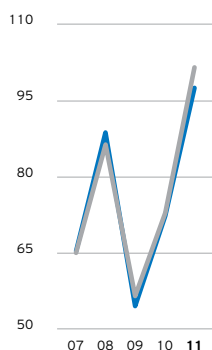


■ International*
■ United States

*Includes equity share in affiliates.

Liquids Realizations

Dollars per barrel



■ International*
■ United States

*Includes equity share in affiliates.

Natural Gas Realizations*

	Year ended December 31				
Dollars per thousand cubic feet	2011	2010	2009	2008	2007
United States	\$ 4.04	\$ 4.26	\$ 3.73	\$ 7.90	\$ 6.12
International	5.39	4.64	4.01	5.19	3.90

* 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	2011	2010	2009	2008	2007
United States	\$ 97.51	\$ 71.59	\$ 54.36	\$ 88.43	\$ 63.16
International	101.53	72.68	55.97	86.51	65.01

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

Natural Gas Sales*

	Year ended December 31				
Millions of cubic feet per day	2011	2010	2009	2008	2007
United States	5,836	5,932	5,901	7,226	7,624
International	4,361	4,493	4,062	4,215	3,792
Total	10,197	10,425	9,963	11,441	11,416

* International sales include equity share in affiliates.

Natural Gas Liquids Sales*

	Year ended December 31				
Thousands of barrels per day	2011	2010	2009	2008	2007
United States	15	22	17	15	25
International	24	27	23	17	22
Total	39	49	40	32	47

* International sales include equity share in affiliates.

Exploration and Development Costs*

	Year ended December 31				
Millions of dollars	2011	2010	2009	2008	2007
United States					
Exploration	\$ 506	\$ 287	\$ 576	\$ 728	\$ 658
Development	5,517	4,446	3,338	4,348	5,210
Other Americas					
Exploration	175	203	286	257	191
Development	1,537	1,611	1,515	1,334	758
Africa					
Exploration	252	236	346	347	408
Development	2,698	2,985	3,426	3,723	4,176
Asia					
Exploration	334	320	154	197	187
Development	2,867	3,325	2,698	4,697	2,190
Australia					
Exploration	336	396	419	322	201
Development	2,638	2,623	565	540	327
Europe					
Exploration	309	136	143	78	181
Development	633	411	285	545	746
Total Consolidated Companies					
Exploration	\$ 1,912	\$ 1,578	\$ 1,924	\$ 1,929	\$ 1,826
Development	15,890	15,401	11,827	15,187	13,407

* Consolidated companies only. Excludes costs of property acquisitions.

Downstream

Improve returns and grow earnings
across the value chain.



Photo: The No. 2 crude unit at El Segundo Refinery in California, which separates crude oil into its key components, including gasoline, jet fuel and diesel, for further processing. The refinery celebrated 100 years of operation in 2011.

Highlights

The company has a strong presence in all aspects of the downstream industry – refining, marketing, lubricants, trading, chemicals and transportation.

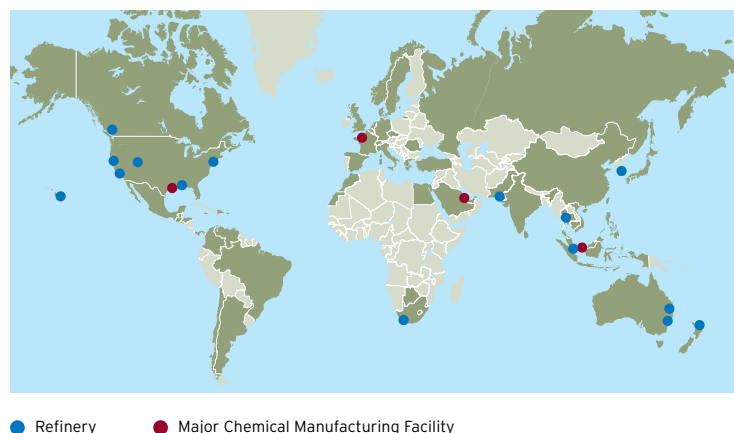
Business Strategies

Improve returns and grow earnings across the value chain by:

- Achieving world-class operational excellence.
- Continuing to improve execution of the base business.
- Driving earnings across the crude-to-customer value chain.
- Adding value to upstream operations through integration.

The focus on operational excellence drives improved reliability and enhanced safety performance, which are fundamental to the company's competitive position and success. Base business execution continues to seek cost efficiencies, yield and margin improvements, and enhanced performance across the crude-to-customer value chain. The company is optimizing its portfolio to improve its geographic focus and balance across segments in order to meet fuel demand in key markets and grow in higher-margin segments, such as base oils, lubricants and petrochemicals. Chevron is committed to the downstream business because of the benefits of integration in five broad areas: commercial support, new market development, processing of equity crudes, transfer of technology and organizational capability.

Downstream Overview



2011 Accomplishments

- Achieved world-class safety performance for the downstream business in the days-away-from-work metric.
- Reported net income of \$3.6 billion, including strong financial performance in the lubricants and chemicals businesses.
- Maintained the No. 1 ranking in refinery utilization among the nine major international oil refiners reporting to Solomon Associates for the third consecutive biennial reporting period (reporting year 2010).
- Reached final investment decisions on a \$1.4 billion, 25,000-barrel-per-day base-oil plant at the Pascagoula Refinery in the United States and a 53,000-barrel-per-day vacuum gas oil fluid catalytic cracking unit at the 50 percent-owned Yeosu Refinery in South Korea.
- Continued portfolio rationalization, including the sale of the Pembroke Refinery in the United Kingdom and exits from activities in 27 countries.
- Continued with plans to construct a 1-hexene plant capable of producing in excess of 200,000 tons per year in Texas (50 percent-owned), with start-up expected in 2014.

2012 Outlook

In expectation of ongoing challenging industry conditions, the downstream business will continue to focus on improving efficiency and financial returns through reduced operating costs and targeted capital spending. Key objectives include the following:

- Continue to improve safety and refinery reliability.
- Continue to streamline the marketing asset portfolio.
- Advance projects that improve refinery feedstock flexibility, high-value product yield and energy efficiency.
- Advance projects in the chemicals and base-oil manufacturing businesses that add capacity to serve key markets.

Downstream Financial and Operating Highlights

(Includes equity share in affiliates)

Dollars in millions	2011	2010
Earnings	\$ 3,591	\$ 2,478
Refinery crude oil inputs (Thousands of barrels per day)	1,787	1,894
Refinery capacity at year-end (Thousands of barrels per day)	1,967	2,160
U.S. gasoline and jet fuel yields (Percent of U.S. refinery production)	65%	64%
Refined product sales (Thousands of barrels per day)	2,949	3,113
Motor gasoline sales (Thousands of barrels per day)	1,096	1,221
Natural gas liquids (NGLs) sales (Thousands of barrels per day)	209	217
Number of marketing retail outlets at December 31	17,831	19,547
Capital expenditures	\$ 2,611	\$ 2,552

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.

Americas Products

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

Serving the Crude-to-Customer Value Chain

The Americas Products portfolio includes seven wholly owned refineries in North America with a crude capacity of approximately 1 million barrels per day. Many of these refineries are capable of processing a wide variety of crudes and have hydroprocessing units that provide the flexibility to produce a range of high-value products.

The company serves customers at approximately 9,500 Chevron- and Texaco-branded retail outlets in Canada, Latin America and the United States. This network of service stations is supported and served by more than 60 fuel terminals. During 2011, the business sold a daily average of approximately 1.5 million barrels of gasoline and other refined products. Chevron continues to leverage its proprietary Techron technology in these markets in order to maintain a leading position in branded fuels. In addition, Chevron is a major supplier of commercial aviation fuel in the United States.

Selectively Improving Refining Flexibility and Yield

In 2011, the company continued work on projects to improve refinery flexibility and enhance the capability to process lower-cost feedstocks. Construction continued on a new processing unit designed to further improve El Segundo, California, refinery's reliability, high-value product yield and flexibility to process a range of crude oils. Project completion is expected in third quarter 2012.

In addition, in 2011, the Pascagoula, Mississippi, refinery began construction on a lubricant base-oil facility. For additional details about this project, refer to the Lubricants section on page 47. Also in Pascagoula, engineering and procurement activities continued on projects to further improve crude flexibility. These projects are scheduled for completion in 2013.

Aligning the Marketing Portfolio

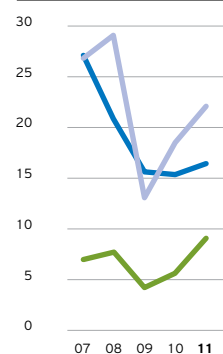
Through targeted market exits and divestitures, the company continues to align its portfolio and focus its operations on its areas of manufacturing strength and to concentrate resources on the core elements of its refining and marketing operations.

Part of this asset rationalization has been focused on terminal operations. In 2011, the company completed seven U.S. terminal divestitures to strengthen the cost-competitiveness of its terminal network while maintaining the necessary scale to meet the needs of its customers. In February 2012, the company signed an agreement to sell its idled 80,000-barrel-per-day refinery, which is operating as a terminal, at Perth Amboy, New Jersey. The sale is expected to close in second quarter 2012. In the first-half 2012, the company plans to enhance the value of the Panama terminal by transferring operations of the terminal to the joint venture partner, thereby reducing costs while maintaining a strategic presence in the region.

In 2011, the company completed the sale of its fuels marketing and aviation businesses in 16 countries in the Caribbean and Latin America. Similarly, the company signed agreements in fourth quarter 2011 to sell certain fuels marketing and aviation businesses in the central Caribbean. The company expects to complete all of these transactions in 2012, following receipt of required local regulatory and government approvals.

In select markets in the western, southeastern and Gulf Coast regions of the United States, where the company enjoys leading market positions, the company intends to grow sales of motor gasoline and diesel fuel under the premium Chevron and Texaco brands.

Industry Refining Margins
Dollars per barrel



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

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

International Products

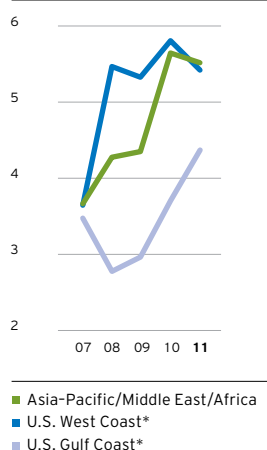
The business provides premium quality Caltex- and Texaco-branded fuel products to commercial and industrial, wholesale, aviation, and retail customers in Africa, the Middle East, Europe and the Asia-Pacific region.

Serving the Crude-to-Customer Value Chain

The International Products portfolio includes eight refineries and is anchored by its four large affiliates – in South Korea, Australia, Singapore and Thailand – which are well positioned to supply expected growth in the Asia-Pacific region. The refinery network, including the company's share of affiliates, has a crude capacity of approximately 875,000 barrels per day.

Through a network of more than 60 fuel terminals, the company and its affiliates serve customers at approximately 8,300 Caltex- and Texaco-branded retail outlets in Africa, the Middle East, Europe and the Asia-Pacific region. The business sold a daily average of 1.4 million barrels of gasoline and other refined products during 2011. Chevron continues to leverage its proprietary Techron technology in these markets in order to maintain a leading position in branded fuels. In addition, commercial aviation fuel is marketed at approximately 80 airports across these markets.

Industry/Chevron Marketing Fuel Margins
Dollars per barrel



*Industry margins.

Selectively Improving Refining Flexibility and Yield

In 2011, the 50 percent-owned Yeosu Refinery started construction of a 53,000-barrel-per-day gas oil fluid catalytic cracking unit. The unit is designed to further reduce feedstock costs and improve high-value product yield. This enhancement, which is expected to start up in 2013, follows the 2010 completion of a 60,000-barrel-per-day heavy-oil hydrocracker and will further strengthen the competitiveness and world-class performance of the Yeosu Refinery.

Also in 2011, construction work to meet regional specifications for cleaner fuels continued at the 64 percent-owned refinery in Map Ta Phut, Thailand. The project is expected to be completed in 2012. The refinery continues to be a performance leader in the Thailand market.

Efforts to further improve competitiveness and yield are also under way at other affiliate refineries in the Asia-Pacific region, including at the 50 percent-owned Pualau Merlimau Refinery in Singapore. In Australia, Chevron's 50 percent-owned affiliate initiated a review of its refining operations, which is ongoing.

Aligning the Marketing Portfolio

Through market exits and divestitures, the company continues to align its marketing portfolio more closely with its refining system. During 2011, the company completed the sale of its Pembroke, United Kingdom, refinery as well as its marketing businesses in Ireland, the United Kingdom and five countries in Africa. In addition, the company sold its interests in 31 terminals and converted 220 company-owned, company-operated service stations into retailer-owned, retailer-operated sites operating under the Caltex brand. The company plans to complete the previously announced sale of its fuels marketing and aviation businesses in Spain in 2012.

Lubricants

Chevron is among the leading global marketers of finished lubricants and is a top U.S. supplier of premium lubricant base oil. The company provides differentiated products to meet the specific needs of commercial and industrial, retail, and marine customers. The line of lubrication and coolant products includes well-known brands such as Delo, Havoline, Ursa, Meropa and Taro.

Through its global network of 18 blending facilities, the company is well positioned to supply markets around the world and consistently meet customer needs at world-class levels of reliability. Through strategic partnerships with original equipment manufacturers, Chevron is also a leader in developing products to meet future engine and machinery needs at its lubricant technology centers in Belgium and the United States.

Leveraging Success

In 2011, the lubricants business achieved strong financial performance and world-class reliability performance. In addition, the complexity of operations was reduced during 2011 as production facilities were optimized, product lines were streamlined and multiple markets outside the United States were exited. In February 2011, the company announced an agreement to sell its finished lubricants business in Spain.

The focus continues to be on key growth markets, such as China and Brazil, as well as on building distribution channels, with an emphasis on the marketing network. In 2011, the company expanded its sales capacity in Brazil through a network of authorized distributors. This leveraged two Brazilian lubricants manufacturing plants, which together produce 1 million barrels of lubricating oils, 15,000 tons of industrial greases and 60,000 barrels of coolants annually. The company continues to pursue further growth initiatives in 2012, focusing on strategic markets in China and the Americas.

Building a Premium Base-Oil Leader

Work commenced first quarter 2011 on the 25,000-barrel-per-day premium base-oil facility at the company's Pascagoula, Mississippi, refinery. The \$1.4 billion project is scheduled to be completed by year-end 2013. This addition to Chevron's base-oil production capacity is expected to position the company as the worldwide industry leader in premium base-oil production.

Supply & Trading

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

Chemicals

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

CPChem

CPChem is a 50 percent-owned affiliate. It is one of the world's leading producers of olefins and polyolefins and is a leading supplier of aromatics, alpha olefins, styrenics, specialty chemicals and plastic pipe. At year-end 2011, CPChem had 38 manufacturing facilities and four research and technical centers around the world.

Executing Strategy and Expanding the Portfolio

During 2011, flexible feedstock capability in the United States allowed CPChem to capitalize on low input costs, which contributed to improved profit margins. CPChem's 35 percent-owned Saudi Polymers Company expects to commence commercial operations on a new petrochemical project in Al-Jubail, Saudi Arabia, in 2012. The Saudi Polymers project, which utilizes CPChem proprietary technology, is designed to be one of the world's largest operations for the production of high-density polyethylene (HDPE), polypropylene, metathesis-based propylene, 1-hexene and polystyrene. The Q-Chem II project in Qatar, which includes an ethylene cracker at Ras Laffan as well as HDPE and normal alpha olefins (NAO) plants at Mesaieed, reached design rates in 2011 with the HDPE and NAO products achieving full market acceptance.

CPChem completed the acquisition of a 60,000-ton-per-year polyalphaolefins (PAO) plant based in Beringen, Belgium, in late 2011. The Beringen plant acquisition more than doubled the size of CPChem's PAO business. The plant is located in close proximity to existing specialty chemicals operations in Tessenderlo, Belgium.

In the United States, CPChem continued with plans to construct a 1-hexene plant at the company's Cedar Bayou facility in Baytown, Texas, capable of producing in excess of 200,000 tons per year. Start-up is expected in 2014. The plant will utilize CPChem's proprietary 1-hexene technology and is expected to be the largest plant of its kind in the world. CPChem is also conducting a feasibility study to evaluate a potential U.S. Gulf Coast ethylene cracker and derivatives complex to capitalize on advantaged feedstock sourced from emerging shale gas development in North America.

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

Oronite

Oronite is a world-leading developer, manufacturer and marketer of quality additives, which improve the performance of lubricants and fuels. As an industry leader, Oronite conducts research and development for additive component and blending packages to meet the needs of increasingly demanding engine and equipment performance requirements. At year-end 2011, Oronite manufactured, blended or conducted research 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, inhibitors and viscosity-index improvers, are combined to meet desired performance specifications. Specialty additives are also marketed for other oil applications, including power transmission fluids and hydraulic oils.

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

Expanding in Key Growth Markets

In February 2012, the company reached a final investment decision to significantly increase the capacity of its existing additives plant on Jurong Island in Singapore. Project plans include growth in component manufacturing, blending, shipping capacity and overall infrastructure to increase total supply capability for the Asia-Pacific region. Upon completion, the planned expansion would double the supply capacity of the Singapore plant.

Transportation

The company's transportation businesses, including pipeline and shipping operations, are responsible for transporting a variety of products to customers worldwide.

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

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



In addition to the vessels described above, the company owns a one-sixth interest in each of seven liquefied natural gas (LNG) carriers, transporting cargoes for the North West Shelf Venture in Australia.

Aligning the Transportation Portfolio

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

Work to return the Cal-Ky Pipeline to crude oil service as a supply line for the Pascagoula Refinery was completed and the pipeline returned to operational service in early 2012. This pipeline, which spans 103 miles (166 km) and begins in Plaquemines Parish, Louisiana, and ends at the refinery, is also expected to provide additional outlets for the company's equity crude oil production.

Refer to pages 23, 24, 25 and 26 in the Upstream section for information on the Chad/Cameroon pipeline, the West African Gas Pipeline, the Baku-Tbilisi-Ceyhan Pipeline, the Western Route Export Pipeline and the Caspian Pipeline Consortium.

Shipping During 2011, the company managed approximately 2,200 deep-sea tanker voyages, using a combination of single-voyage, short- and medium-term charters, and company-owned or bareboat-chartered vessels on behalf of Chevron and its affiliates. The company retired one U.S.-flagged product tanker in 2011 and has contracts in place to build LNG carriers and a dynamic-positioning shuttle tanker to support future upstream projects. In addition to providing marine transportation services, the company is staffed with a team of marine technical and operational professionals who are responsible for managing marine risk across the company, assisting with marine project conceptual and feasibility studies and providing marine project construction support.

Net Pipeline Mileage ^{1,2}		At December 31
(Includes equity share in affiliates)		2011
Crude Oil Lines		
United States	2,115	
International	700	
Total Crude Oil Lines	2,815	
Natural Gas Lines		
United States	2,282	
International	699	
Total Natural Gas Lines	2,981	
Product Lines		
United States	6,125	
International	311	
Total Product Lines	6,436	
Total Net Pipeline Mileage	12,232	

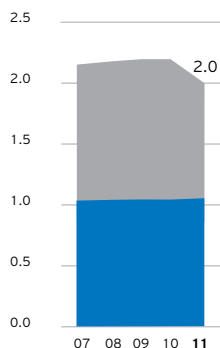
¹ Partially owned pipelines are included at the company's equity percentage of total pipeline mileage.

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

Downstream Operating Data

Refinery Capacity at December 31

Millions of barrels per day

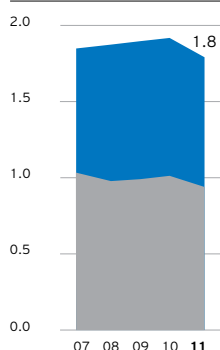


■ International*
■ United States

*Includes equity share in affiliates.

Refinery Crude Oil Inputs

Millions of barrels per day



■ United States
■ International*

*Includes equity share in affiliates.

Refining Capacities and Crude Oil Inputs

(Includes equity share in affiliates)

Year ended December 31

Thousands of barrels per day	Chevron Share of Capacity	Chevron Share of Refinery Inputs				
	At December 31, 2011	2011	2010	2009	2008	2007
United States - Wholly Owned						
El Segundo, California	269	244	250	247	263	222
Kapolei, Hawaii	54	47	46	49	46	51
Pascagoula, Mississippi	330	327	325	345	299	285
Perth Amboy, New Jersey ¹	80	-	-	-	8	20
Richmond, California	257	192	228	218	237	192
Salt Lake City, Utah	45	44	41	40	38	42
Total United States - Wholly Owned	1,035	854	890	899	891	812
International - Wholly Owned						
Canada - Burnaby, British Columbia	55	43	40	49	36	49
South Africa - Cape Town ²	110	77	70	72	75	72
United Kingdom - Pembroke ³	-	122	211	205	203	212
Total International - Wholly Owned	165	242	321	326	314	333
International - Affiliates						
Australia - Brisbane (50%)	54	43	40	40	40	44
Australia - Sydney (50%)	68	48	53	56	53	58
Cameroon - Limbe (8%) ⁴	-	-	-	-	1	3
Côte d'Ivoire - Abidjan (3.7%) ⁵	-	-	-	-	-	2
Kenya - Mombasa (16%) ⁶	-	-	-	3	5	6
Martinique - Fort-de-France (11.5%) ⁷	-	1	2	1	2	1
Netherlands - Europoort (31%) ⁸	-	-	-	-	-	24
New Zealand - Whangarei (12.7%)	14	14	13	12	12	12
Pakistan - Karachi (12%)	6	4	4	5	5	5
Singapore - Pualau Merlimau (50%)	145	128	119	113	128	132
South Korea - Yeosu (50%)	380	355	351	327	327	307
Thailand - Map Ta Phut (64%)	100	98	101	96	80	94
Total International - Affiliates	767	691	683	653	653	688
Total International	932	933	1,004	979	967	1,021
Total Worldwide	1,967	1,787	1,894	1,878	1,858	1,833

¹ The Perth Amboy plant has been idled since early 2008 and is operated as a terminal. The company signed an agreement to sell this refinery in February 2012.

² Chevron holds 100 percent of the common stock issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners owns preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited. None of the preferred shares had been converted as of March 2012.

³ Chevron completed the sale of this refinery in August 2011.

⁴ Chevron sold its ownership interest in Société Nationale de Raffinage in June 2008.

⁵ Chevron sold its ownership interest in Société Ivoirienne de Raffinage in January 2008.

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

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

⁸ Chevron sold its interest in this refinery (Nerefco) in March 2007.

Refining Capacity at Year-End 2011

(Includes equity share in affiliates)

Thousands of barrels per day	Chevron Share of Capacity ¹				
	Atmospheric Distillation ²	Catalytic Cracking ³	Hydro-cracking ⁴	Residuum Conversion ⁵	Lubricants ⁶
United States - Wholly Owned					
El Segundo, California	269	65	46	68	-
Kapolei, Hawaii	54	21	-	-	-
Pascagoula, Mississippi	330	86	58	98	-
Perth Amboy, New Jersey ⁷	80	-	-	-	-
Richmond, California	257	80	151	-	20
Salt Lake City, Utah	45	13	-	7	-
Total United States - Wholly Owned	1,035	265	255	173	20
International - Wholly Owned					
Canada - Burnaby, British Columbia	55	17	-	-	-
South Africa - Cape Town ⁸	110	22	-	11	-
Total International - Wholly Owned	165	39	-	11	-
International - Affiliates					
Australia - Brisbane (50%) ⁹	54	18	-	-	-
Australia - Sydney (50%)	68	22	-	-	-
New Zealand - Whangarei (12.7%) ⁹	14	-	4	-	-
Pakistan - Karachi (12%) ⁹	6	-	-	-	-
Singapore - Pualau Merlimau (50%) ⁹	145	23	17	16	-
South Korea - Yeosu (50%)	380	47	73	-	4
Thailand - Map Ta Phut (64%) ⁹	100	26	-	-	-
Total International - Affiliates	767	136	94	16	4
Total International	932	175	94	27	4
Total Worldwide	1,967	440	349	200	24

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

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

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

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

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

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

⁷ The Perth Amboy plant has been idled since early 2008 and is operated as a terminal. The company signed an agreement to sell this refinery in February 2012.

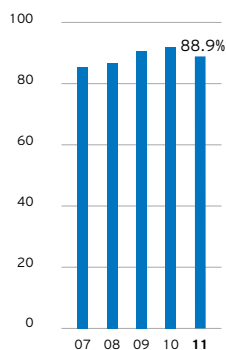
⁸ Chevron holds 100 percent of the common stock issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners owns preferred shares ultimately convertible to a 25 percent equity interest in Chevron South Africa (Pty) Limited. None of the preferred shares had been converted as of March 2012.

⁹ Source: 2011 Oil & Gas Journal Refining Survey.

Downstream Operating Data

Worldwide Refinery Utilization*

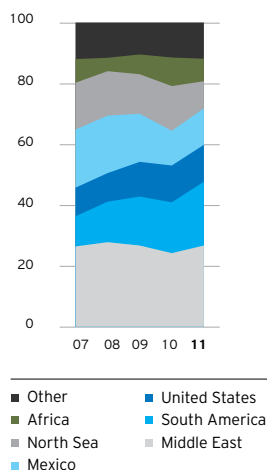
Percent of capacity



*Includes equity share in affiliates.

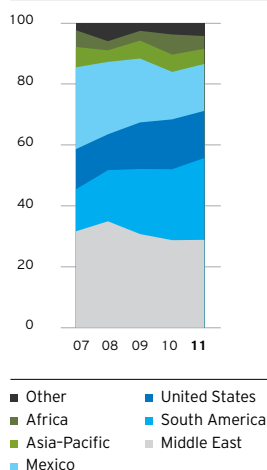
Sources of Crude Oil Input for Worldwide Refineries (Wholly Owned)

Percentage



Sources of Crude Oil Input for U.S. Refineries

Percentage



Refinery Crude Distillation Utilization*

(Includes equity share in affiliates)

Percentage of average capacity	Year ended December 31				
	2011	2010	2009	2008	2007
United States	89.3	94.6	95.5	94.8	85.0
Africa-Pakistan	69.9	63.6	63.9	63.6	65.0
Asia-Pacific	90.3	92.0	87.5	88.3	92.4
Europe	99.9	100.5	97.4	96.8	97.8
Other	77.4	72.8	88.6	66.6	87.7
Worldwide	88.9	91.9	90.8	86.9	85.4

* Utilization for fuel refineries only.

Sources of Crude Oil Input for Worldwide Refineries

(Wholly owned)

Percentage of total input	Year ended December 31				
	2011	2010	2009	2008	2007
Middle East	26.7	24.2	26.7	27.8	26.4
South America	21.0	16.7	16.1	13.3	9.9
United States	12.1	12.1	11.4	9.4	9.4
Mexico	12.0	11.4	15.8	18.9	19.1
North Sea	8.9	14.7	13.0	14.6	15.4
Africa	7.4	9.4	6.5	4.4	7.8
Other	11.9	11.5	10.5	11.6	12.0
Total	100.0	100.0	100.0	100.0	100.0

Worldwide Refinery Production of Finished Products

(Wholly owned)

Thousands of barrels per day	Year ended December 31				
	2011	2010	2009	2008	2007
Gasoline	508	579	614	565	598
Gas oil	259	293	290	278	266
Jet fuel	226	232	238	252	217
Fuel oil	52	81	86	99	99
Other	123	133	135	152	146
Total	1,168	1,318	1,363	1,346	1,326

Sources of Crude Oil Input for U.S. Refineries

Percentage of total input	Year ended December 31				
	2011	2010	2009	2008	2007
Middle East	28.9	28.8	30.8	35.0	31.7
South America	26.9	23.2	21.4	16.8	13.8
United States - excluding Alaska North Slope	10.1	8.7	8.6	6.3	7.6
United States - Alaska North Slope	5.4	7.7	6.7	5.5	5.6
Mexico	15.4	15.6	21.0	23.8	26.9
Asia-Pacific	5.0	5.7	5.9	3.8	6.7
Africa	4.2	6.3	3.2	3.0	5.5
Other	4.1	4.0	2.4	5.8	2.2
Total	100.0	100.0	100.0	100.0	100.0

U.S. Refinery Production of Finished Products

Thousands of barrels per day	Year ended December 31				
	2011	2010	2009	2008	2007
Gasoline	399	417	446	426	431
Gas oil	180	187	185	170	157
Jet fuel	197	194	195	211	174
Fuel oil	28	43	46	56	58
Other	113	115	118	128	128
Total	917	956	990	991	948

Downstream Operating Data

Refined Product Sales

Thousands of barrels per day	Year ended December 31				
	2011	2010	2009	2008	2007
United States					
Gasoline	649	700	720	692	728
Gas oil and kerosene	213	232	226	229	221
Jet fuel	209	223	254	274	271
Residual fuel oil	87	99	110	127	138
Other petroleum products	99	95	93	91	99
Total United States	1,257	1,349	1,403	1,413	1,457
International*					
Gasoline	447	521	555	589	581
Gas oil and kerosene	543	583	647	710	730
Jet fuel	269	271	264	278	274
Residual fuel oil	233	197	209	257	271
Other petroleum products	200	192	176	182	171
Total International	1,692	1,764	1,851	2,016	2,027
Worldwide					
Gasoline	1,096	1,221	1,275	1,281	1,309
Gas oil and kerosene	756	815	873	939	951
Jet fuel	478	494	518	552	545
Residual fuel oil	320	296	319	384	409
Other petroleum products	299	287	269	273	270
Total Worldwide	2,949	3,113	3,254	3,429	3,484
* Includes share of equity affiliates' sales:	556	562	516	512	492

Light Product Sales^{1,2}

	Year ended December 31				
	2011	2010	2009	2008	2007
Sales Revenues (Millions of dollars)					
United States	\$ 48,871	\$ 39,501	\$ 32,885	\$ 51,279	\$ 41,561
International	47,691	43,252	39,674	65,686	53,904
Total Sales Revenues	\$ 96,562	\$ 82,753	\$ 72,559	\$116,965	\$ 95,465
Sales Volumes (Thousands of barrels per day)					
United States	1,071	1,155	1,200	1,195	1,220
International	900	1,005	1,129	1,256	1,278
Total Sales Volumes	1,971	2,160	2,329	2,451	2,498

¹ Consolidated companies only.

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

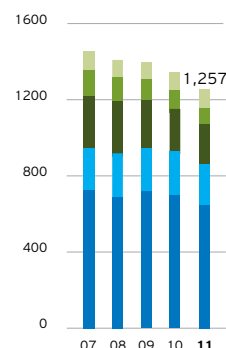
Natural Gas Liquids Sales

(Includes equity share in affiliates)

Thousands of barrels per day	Year ended December 31				
	2011	2010	2009	2008	2007
United States	146	139	144	144	135
International	63	78	88	97	96
Total	209	217	232	241	231

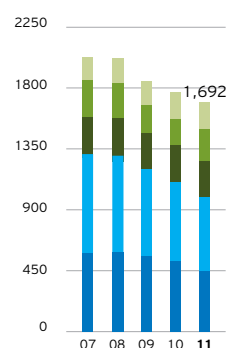
U.S. Refined Product Sales

Thousands of barrels per day



International Refined Product Sales*

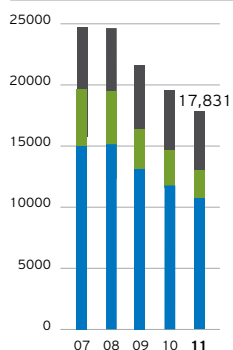
Thousands of barrels per day



*Includes equity in affiliates.

Downstream Operating Data

Marketing Retail Outlets
Number of outlets



■ Affiliate
■ Company
■ Retailer

Marketing Retail Outlets^{1,2}

At December 31

	2011		2010		2009		2008		2007	
	Company	Other	Company	Other	Company	Other	Company	Other	Company	Other
United States	491	7,681	495	7,756	502	9,089	507	9,178	548	9,183
Canada	160	2	159	2	161	–	160	1	162	2
Europe	28	35	56	1,064	74	1,169	84	1,293	101	1,227
Latin America	336	835	496	863	541	841	977	2,442	1,040	2,510
Asia-Pacific	672	1,311	865	1,264	1,031	1,188	1,091	1,136	1,272	955
Africa-Pakistan	589	857	790	828	930	824	1,488	1,100	1,509	1,148
Total	2,276	10,721	2,861	11,777	3,239	13,111	4,307	15,150	4,632	15,025

¹ Excludes outlets of equity affiliates totaling 4,834, 4,909, 5,224, 5,198 and 5,095 for 2011, 2010, 2009, 2008 and 2007, respectively.

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

Vessels - Crude Oil and Refined Product Tankers by Type, Dead-Weight Tonnage¹

At December 31

	2011		2010		2009		2008		2007	
	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.
Company-Owned and Bareboat-Chartered										
25,000-65,000	4	–	5	–	5	–	5	–	4	–
65,000-120,000	–	6	–	6	–	6	–	6	–	6
120,000-160,000	–	4	–	4	–	4	–	4	–	5
160,000-320,000	–	5	–	5	–	6	–	6	–	6
Above 320,000	–	3	–	3	–	3	–	3	–	3
Total Company-Owned and Bareboat-Chartered	4	18	5	18	5	19	5	19	4	20
Time-Chartered²										
25,000-65,000	–	5	–	6	–	7	–	10	–	16
65,000-120,000	–	5	–	6	–	8	–	7	–	8
120,000-160,000	–	1	–	–	–	–	–	–	–	–
160,000-320,000	–	2	–	2	–	2	–	–	–	–
Total Time-Chartered	–	13	–	14	–	17	–	17	–	24
Total Crude Oil and Refined Product Tankers	4	31	5	32	5	36	5	36	4	44

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

² Includes tankers chartered for more than one year.

Cargo Transported - Crude Oil and Refined Products*

Year ended December 31

	2011		2010		2009		2008		2007	
	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.	U.S.	Int'l.
Millions of barrels	27	275	29	301	42	307	32	255	36	278
Billions of ton-miles	5	340	8	332	7	358	5	328	6	333

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

Other Businesses



Photo: The solar-to-steam demonstration project at the Coalinga Field in California, which provides a test of the viability of using solar energy to produce the steam required for enhanced-oil-recovery operations.

Technology

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

2011 Accomplishments

Seismic Rapid advances in commercial seismic acquisition and proprietary imaging are having a positive impact on exploration, field development and reservoir management. Chevron is leveraging industry advancements in acquisition, imaging and high-performance computing to provide a step change in the quality of seismic images. In addition, the company continues to expand proprietary seismic imaging capabilities, particularly in complex velocity modeling, Gaussian Beam Imaging and Reverse Time Migration. Integrating these technologies with proprietary interpretation, well information and regional knowledge provides Chevron with a competitive advantage in the deepwater Gulf of Mexico and other geologically complex basins worldwide.

Deepwater Chevron validated several technologies important to development of deepwater fields. Critical component testing was completed for subsea, adjustable-speed, electric drive qualification, which allows increased subsea power demand to be met with fewer power umbilicals and less topsides equipment.

Drilling and Completions Advancements were made in drilling and completions technologies that can be applied broadly through the company's upstream operations, including the shale assets. For example, several Piceance Basin wells were completed with multiple-staged, liquefied petroleum gas fracture treatments. This proprietary technology, recognized by the World Shale Gas Conference for its economic and environmental performance potential, significantly increases production while minimizing water usage. The company also advanced well design by applying computational fluid dynamics to accurately model complex wells. This enabled testing of several completion configurations to identify those that will deliver optimum production. In addition, a real-time drilling optimization center was opened in 2011 that enables collaboration between remote operations and centralized subject matter experts.

Reservoir Management Chevron continued to enhance reliability through innovative production technologies. In 2011, the company evaluated the delivery of scale inhibitors in order to optimize their application. A next-generation reservoir simulator was broadly deployed throughout Chevron to assist with major business decisions and help maximize field production. In the company's San Joaquin Valley operations in California, wireless downhole systems were installed to provide dynamic information on the fluid level in each well. This technology, which helps optimize production, was developed as part of a Chevron alliance with Los Alamos National Laboratory.

Operations In 2011, the company expanded the scope of the Houston machinery support center, which actively monitors equipment worldwide to prevent unscheduled downtime. In addition, real-time production optimization solutions, originally deployed at the Tengiz Field in Kazakhstan, are now operational at several key offshore assets. These solutions integrate real-time reservoir data with engineering technologies to help asset teams optimize production and efficiently manage reservoirs and are part of the ongoing efforts to deploy technology solutions that enable efficient and reliable remote monitoring of upstream operations.

Partnerships Expanding partnerships with U.S. national laboratories, the company established an Advanced Energy Development alliance with the Jet Propulsion Laboratory (JPL), a federally funded research and development center managed by the California Institute of Technology for the National Aeronautics and Space Administration. This strategic partnership enables Chevron to leverage JPL-developed technologies to access future energy resources, focusing initially on advanced well performance solutions. In addition, the alliance with Los Alamos National Laboratory and other partners was recognized by *R&D* magazine for developing an additive that helps manage well pressure in extreme environments.

Information Technology and Sensing Chevron is making advances in acquiring and utilizing new information from sensing technology. The company successfully tested emerging distributed acoustic sensing technology, which uses fiber optics as a sensor, for gas production in the Gulf of Thailand. Aspects of this technology are being developed in partnership with various third parties. These technologies have broad applicability within Chevron's businesses.

In 2011, the company's Mobile Data Capture Handheld team earned a Progressive Manufacturing Award (PM100) for Operational Excellence from *Manufacturing Automation* magazine. The PM100 Awards recognize manufacturing companies from around the world that have achieved significant breakthroughs in innovation, the use of advanced technologies and the effective management of their businesses.

Catalysis Chevron continues to build on more than four decades of corporate research and development in new and unique catalysts. In 2011, the company commercialized the next-generation Isodewaxing catalyst platform at its Richmond Base Oil Plant. Chevron developed four new and improved hydroprocessing catalysts: a higher-yield maximum naphtha hydrocracking catalyst, ICR 214; a higher-yield maximum mid-distillate catalyst, ICR 188; a hydrotreating catalyst for heavy feeds, ICR 512; and a higher-activity resid hydrodesulfurization catalyst, ICR 173. These additions to the catalyst portfolio facilitate more selective processing of a broader range of feedstocks into value-added products. The company also commercialized and licensed ZeolitePlus, a breakthrough technology that enables manufacturing of high-performance zeolite catalysts at much faster throughput with fewer processing steps.

Environmental Technology plays a key role in the company's efforts to reduce pollution and waste, conserve natural resources, and minimize the environmental impact of operations. In collaboration with Colorado State University, Chevron developed, patented and deployed a technique to measure the mobility of petroleum liquids in the soil beneath facilities such as petroleum production, manufacturing, distribution and storage sites. This novel approach uses tracer monitoring in a single well to directly measure potential movement of any petroleum product. In 2011, the technology was tested at seven field sites and proven for broad deployment to protect soil and groundwater.

Biofuels Chevron continues to evaluate advanced biofuel technologies, moving the most promising production pathways from the laboratory to commercial demonstrations. Catchlight Energy LLC, a 50 percent-owned joint venture, signed agreements to supply forest-based feedstock to a third-party conversion plant and to purchase biofuel blendstocks from that plant that will be blended with finished fuels at Chevron's Pascagoula, Mississippi, refinery. First delivery is expected in late 2012.

Other Emerging Energy Chevron completed construction of and commissioned the world's largest solar-to-steam generation project for use in enhanced-oil-recovery operations in Coalinga, California. The project will test the viability of using solar thermal energy to produce a portion of the steam required for crude oil production. The project uses more than 7,600 mirrors that track the sun and focus the rays onto a solar boiler that produces steam, which is injected into reservoirs to increase crude oil production. The project produces about the same amount of steam as one gas-fired steam generator.

The company continued testing and evaluating emerging solar technologies at the 1-megawatt concentrating photovoltaic project in Questa, New Mexico, and the 740-kilowatt Brightfield photovoltaic project in San Joaquin Valley, California. Together the two projects have produced more than 3.6 million kilowatt-hours of renewable energy since inception.

Venture Capital Chevron's venture capital investments facilitated the transfer of eight new technology applications - including production well monitoring equipment, enhanced coatings for tubulars and improved data search tools - into Chevron's core operations. The company also added four new start-up investments in companies involved in high-powered lasers for downhole well work, high-efficiency compressors, bacterial control via bacteriophages, and technology for secure connections between enterprise information technology networks and smart-phones and tablets.

Power Generation

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

The global power business also provides comprehensive technical services, utilizing state-of-the-art tools and technology, benefiting the company's power-generation assets embedded within production and refining facilities, including a number of facilities that provide steam for enhanced recovery in heavy oil operations. As the company's center of excellence for power generation, these assets deliver industry-leading reliability results.

In addition, Chevron is the world's largest producer of geothermal energy, with major operations in Indonesia and the Philippines. For additional information on the company's geothermal activities, see pages 29, 30 and 31.

Mining

Chevron's U.S.-based mining company continues its efforts to divest its remaining coal mining operations. The company completed the sale of the North River Mine and other coal-related assets in Alabama in second quarter 2011 and the sale of its Kemmerer, Wyoming, surface coal mine in early 2012. The company is pursuing the sale of its 50 percent interest in Youngs Creek Mining Company, LLC, which was formed to develop a coal mine in northern Wyoming. Activities related to final reclamation continued in 2011 at the company-operated surface coal mine in McKinley, New Mexico. At year-end 2011, the company had net proven and probable coal reserves of 153 million tons.

Underground development and production at the Questa molybdenum mine continues at reduced levels consistent with weak prices for molybdenum. At year-end 2011, the company had proven molybdenum reserves of 53 million pounds.

Chevron Energy Solutions (CES)

CES is a wholly owned subsidiary that develops and builds sustainable energy projects that increase energy efficiency and production of renewable power, reduce energy costs, and ensure reliable, high-quality energy for government, education and business facilities in the United States. Since 2000, CES has developed hundreds of projects that have helped customers reduce their energy costs and environmental impact. New projects announced in 2011 include the City of Dinuba solar project in California, the Houston Independent School District renewable and energy efficiency project in Texas, the Eglin Air Force Base energy management systems upgrade project in Florida, and the Oceanic Time Warner solar project in Hawaii.

Reference

Glossary of Energy and Financial Terms

Energy Terms

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

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

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

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

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

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

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

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

Gas-to-Liquids A process that converts natural gas into high-quality transportation fuels and other products.

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

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

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

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

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

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

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

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

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

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

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

Reserves Crude oil 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, 2011.

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

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

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

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

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

Financial Terms

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

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

Current Ratio Current assets divided by current liabilities.

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

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

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

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

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

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

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

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

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

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

Reference

Additional Information

Stock Exchange Listing

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

Stockholder Information

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

Computershare Shareowner Services LLC
P.O. Box 358015
Pittsburgh, PA 15252-8015
800 368 8357
www.computershare.com/us/Pages/sos.aspx?rocc=1

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

Publications and Other News Sources

Additional information relating to Chevron is contained in its *2011 Annual Report* to stockholders and its *Annual Report on Form 10-K* for the fiscal year ended December 31, 2011, filed with the U.S. Securities and Exchange Commission. Copies of these reports are available on the company's website, www.chevron.com, or may be requested in writing to:

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

The *2011 Corporate Responsibility Report* is available in May on the company's website, www.chevron.com, or may be requested in writing to:

Chevron Corporation
Policy, Government and Public Affairs
6101 Bollinger Canyon Road, BR1X3170
San Ramon, CA 94583-5177

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

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

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 *2011 Supplement to the Annual Report* of Chevron Corporation contains forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words such as "anticipates," "expects," "intends," "plans," "targets," "projects," "believes," "seeks," "schedules," "estimates," "budgets" and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemical margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's net production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading "Risk Factors" on pages 29 through 31 of the company's *2011 Annual Report on Form 10-K*. In addition, such statements 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 presentation 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.

This publication was issued in March 2012 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 or solicitation of any offer to buy any securities. This report supplements the *Chevron Corporation 2011 Annual Report* to stockholders and should be read in conjunction with it. The financial information contained in this *2011 Supplement to the Annual Report* is expressly qualified by reference to the *2011 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.



2011 Annual Report



2011 Supplement to the Annual Report



2011 Corporate Responsibility Report



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