

Upstream

George Kirkland

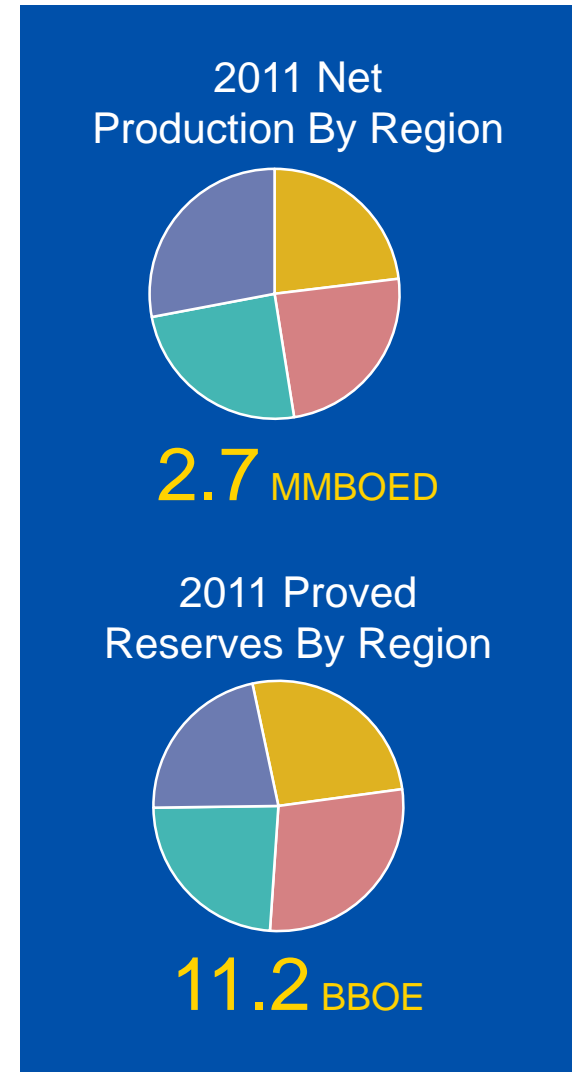
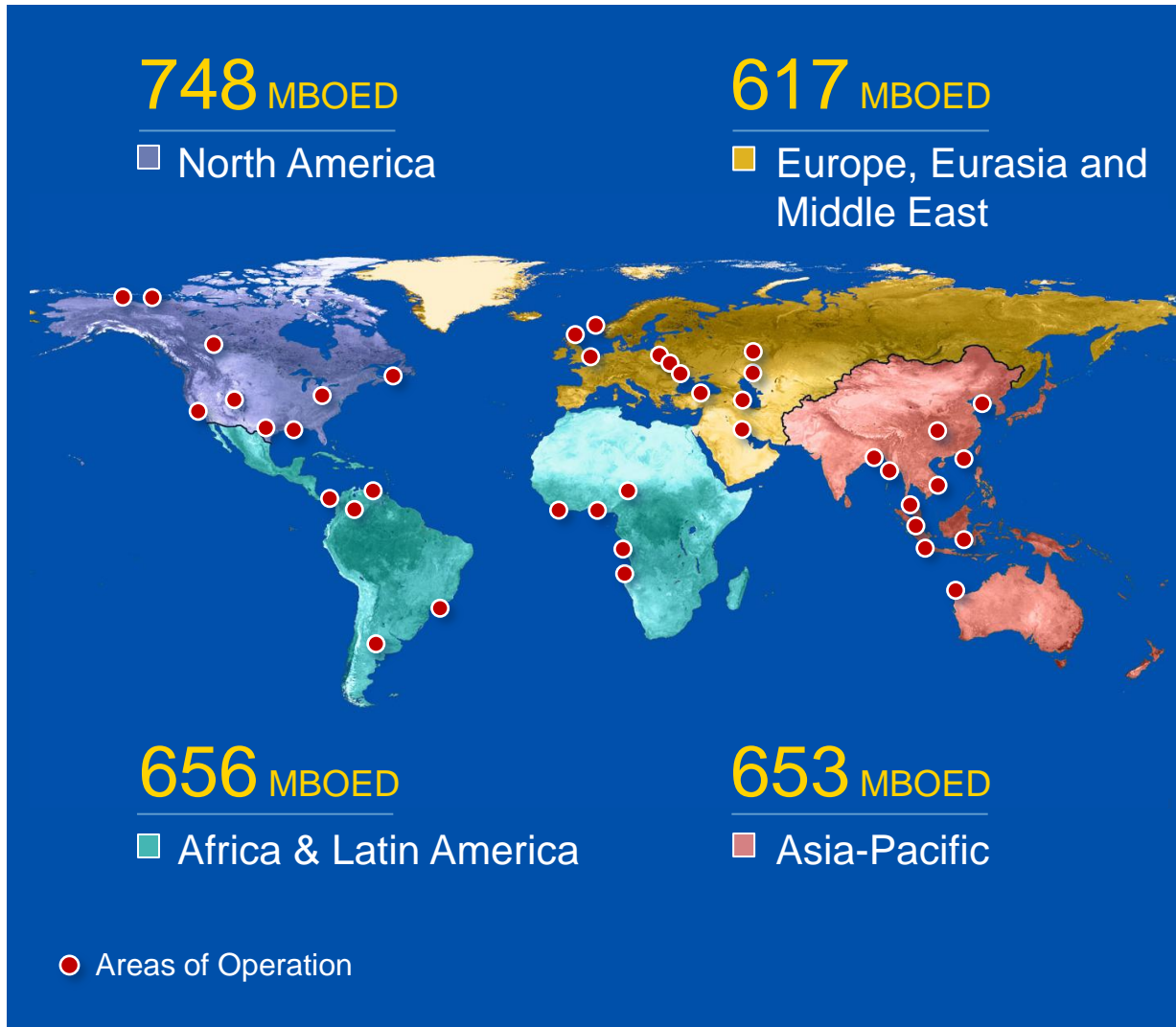
Vice Chairman and Executive Vice President

Gary Luquette

President North America Exploration and Production



A Strong Worldwide Portfolio



Upstream Themes



Strategy

Performance

Growth



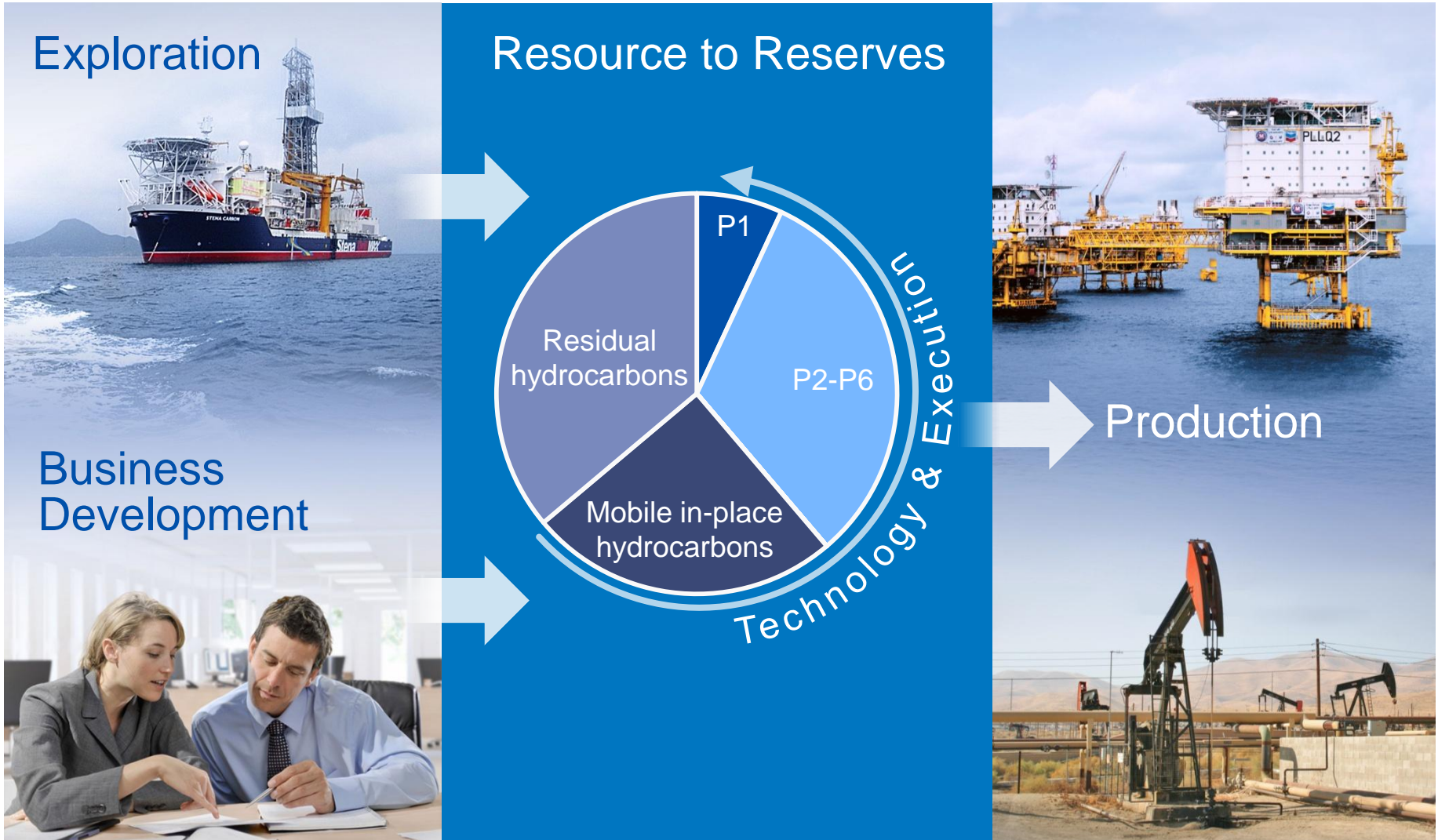
Upstream Continues to Execute the Right Strategies

Grow profitably in core areas and build new legacy positions

- Operational excellence
- Maximizing value of base business
- Selection and execution of major capital projects
- Superior exploration performance
- Commercializing large gas resources
- Capturing new core positions



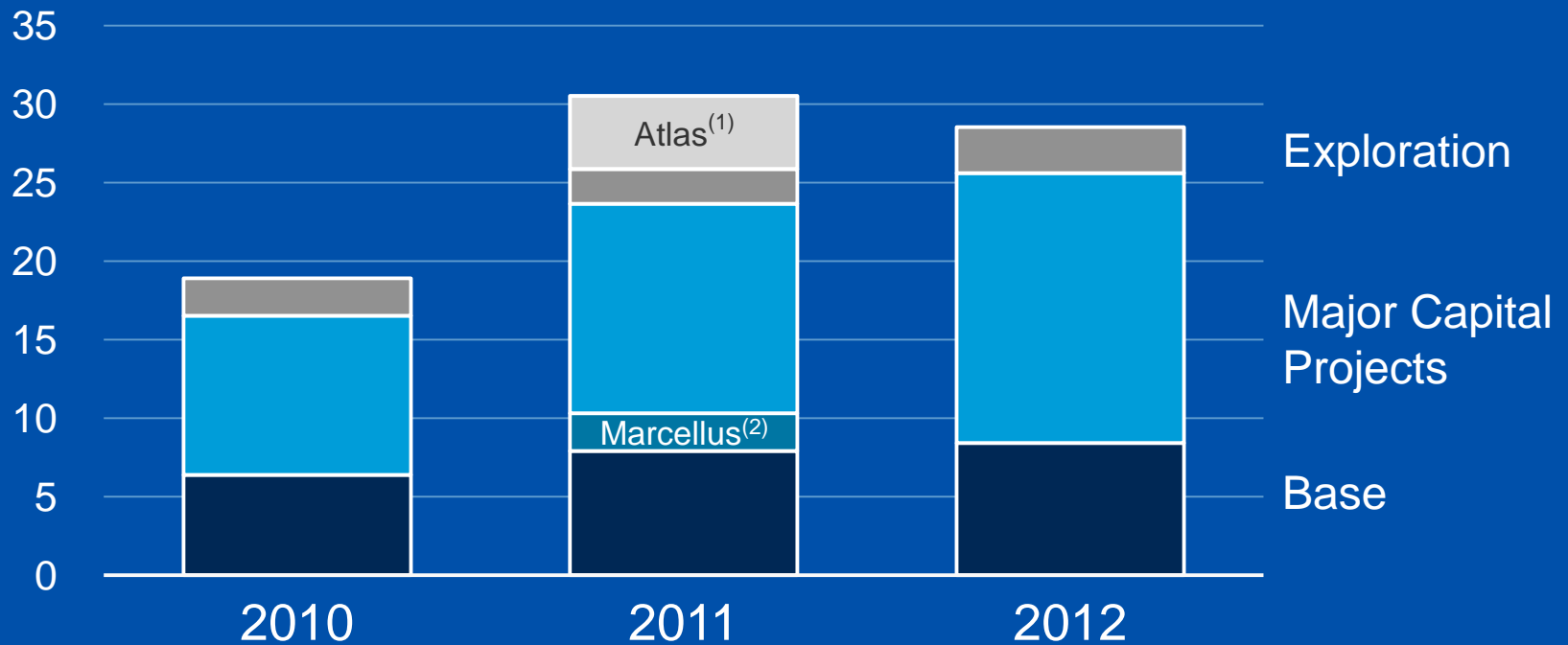
Resource to Reserves to Production Resource Factory



Upstream Capital Investments



2012 Capital & Exploratory: **\$28.5**
\$ Billions



(1) Treated as a business combination; not included in Upstream C&E

(2) Includes additional 2011 Marcellus acquisitions

Upstream Themes



Strategy

Performance

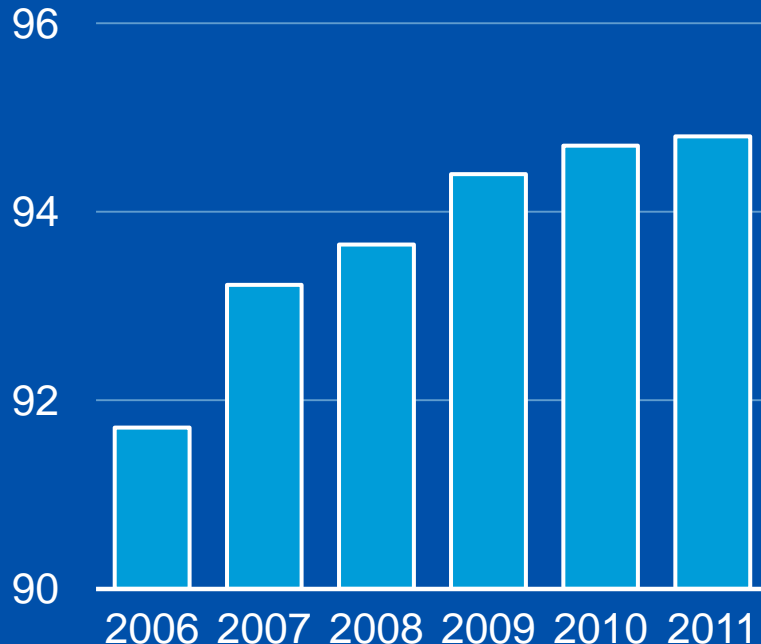
Growth



Base Business Performance Continues to Deliver Value



Production Efficiency* Percent



* Ratio of actual total operated production to assessed production capacity (%)

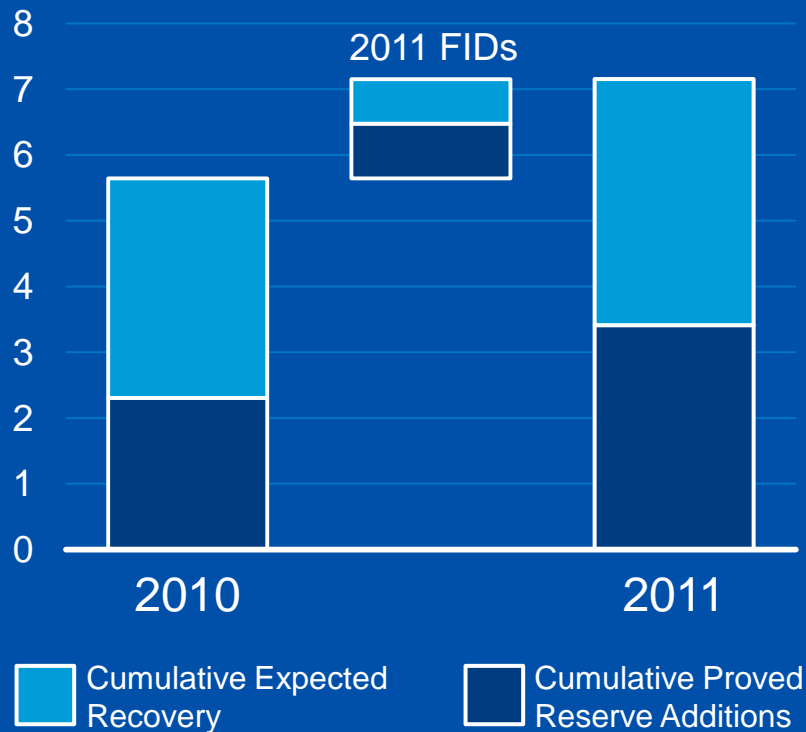
- Efficiency gains deliver cumulative 100 MBOED net production
- Optimization and process improvements generate revenue and cost savings
- Maintain outlook of ~4% base business decline





Major Capital Projects Continue to Drive Long-Term Reserve Growth

Cumulative MCP Resources* and Proved Reserves (Billion BOE)



In 2010, expected recovery of 30 sanctioned greenfield MCPs

5.6 billion BOE

Including 2011 project sanctions, expected recovery increases to

7.2 billion BOE

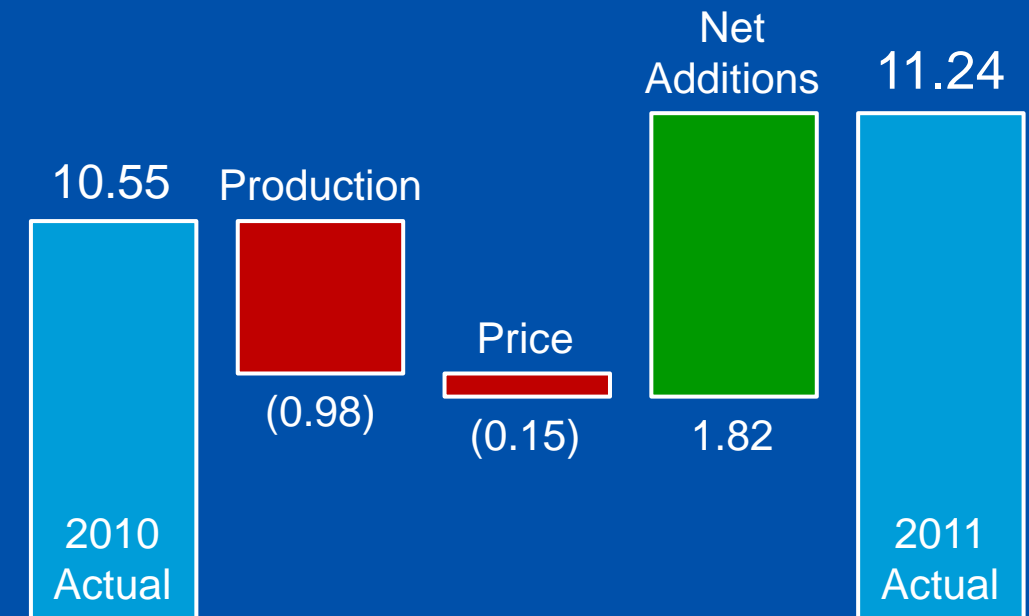
Percent proved reserves increases from

40% to 49%

Strong Reserve Performance



2011 Reserve Replacement Ratio: **171%**
Billion Barrels of Oil-Equivalent



Based on SEC proved reserves

Reserve Replacement Ratio

102%

3 Year

92%

5 Year

94%

10 Year

2011 Startups and Ramp-ups



3

● Key Project Startups

4

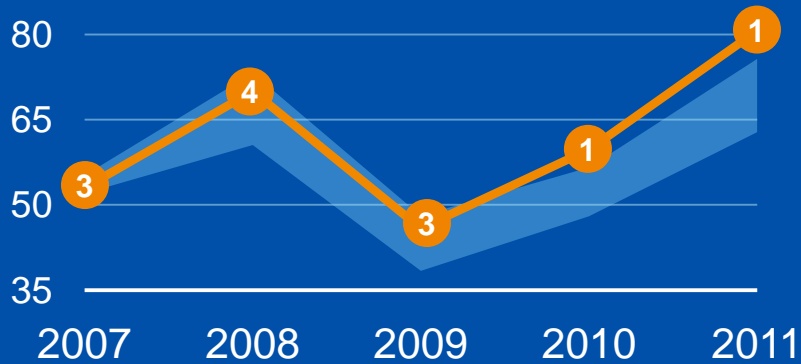
○ Key Project Ramp-ups

Portfolio Delivers Strong Realizations and Competitive Cost Structure



Realizations

\$ per BOE



Realizations lead peer group for second consecutive year

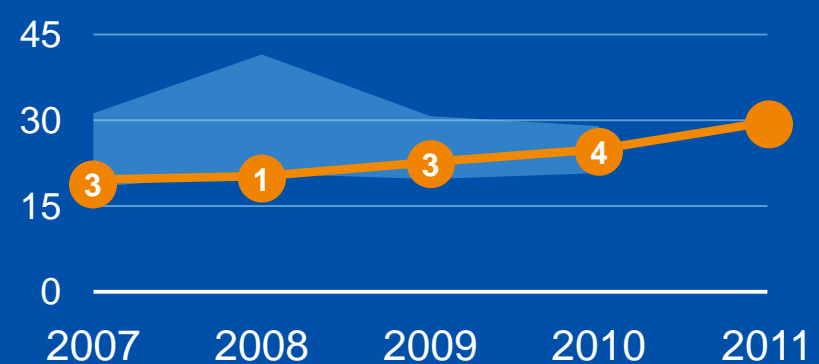
- Oil-linked portfolio
- Disciplined project selection

1 Ranking Relative to Competitors
1 being the best

Competitor Range
BP, COP, RDS, TOT, XOM

Upstream Costs

\$ per BOE



Cost structure remains competitive

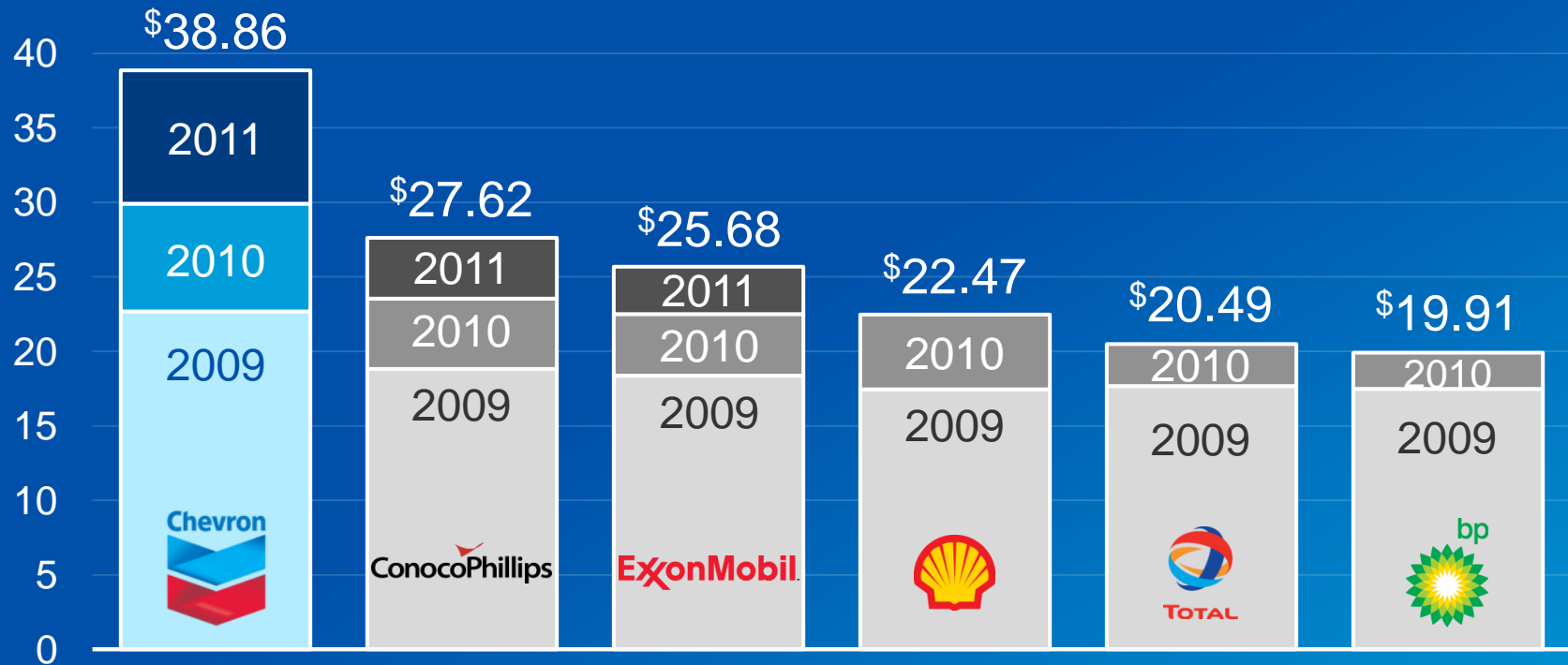
Higher oil prices increase:

- Taxes and royalties
- Fuel expense

Portfolio Delivers Superior Cash Margins



Oil and Gas Cash Margins \$ Per BOE

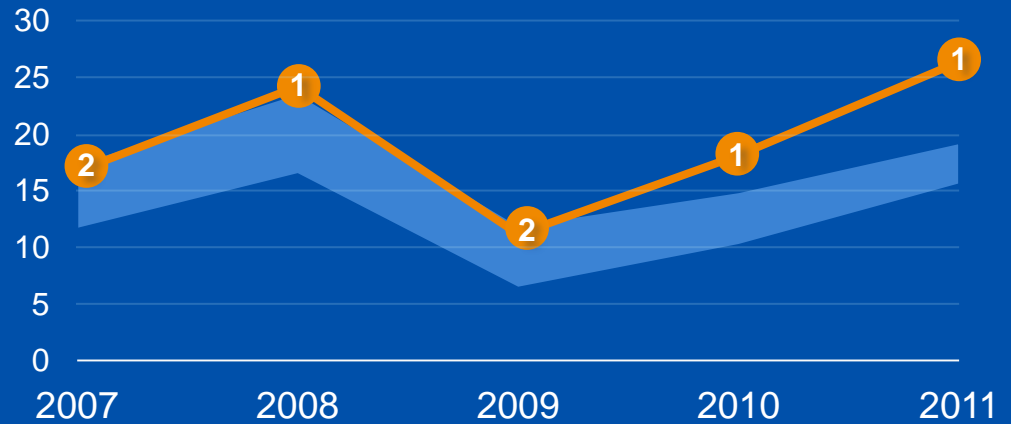


Superior Financial Performance Distancing From Competitors



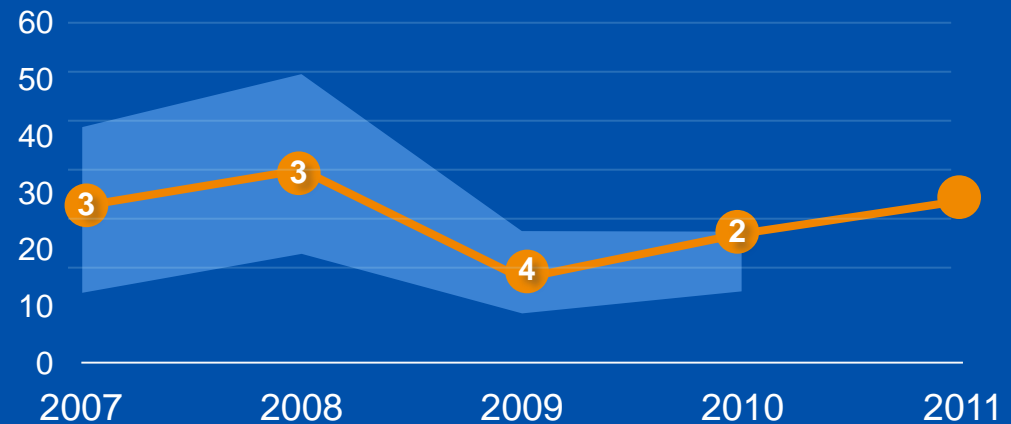
\$26.36

2011 Adjusted
Earnings Per BOE



29%

2011 Adjusted
ROCE



1 Ranking Relative to Competitors
1 being the best

Competitor Range
BP, COP, RDS, TOT, XOM

Upstream Themes



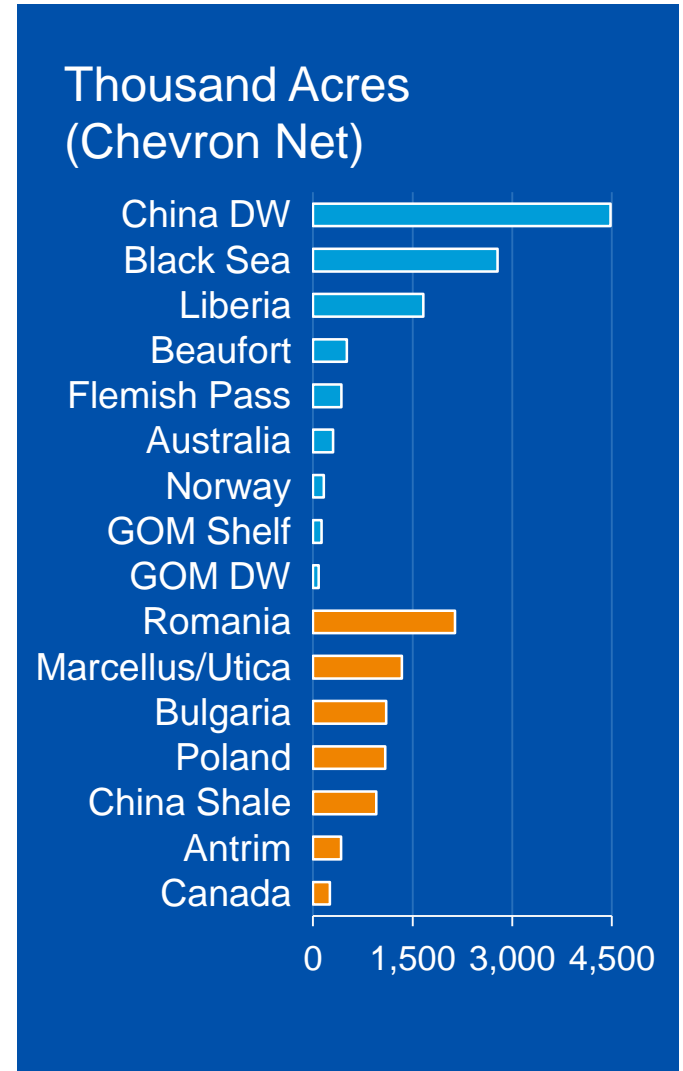
Strategy

Performance

Growth



18 Million Acres in Portfolio Additions Since 2009



Consistent Exploration Success



10.5 BBOE
Resource Adds
10 Year Total

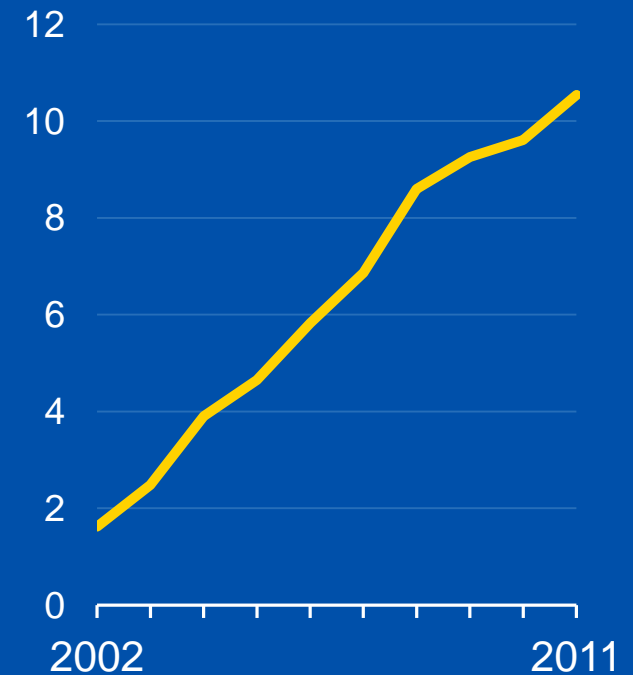
49%
Success Rate
10 Year Average



● 2011 Key Discoveries
△ 2010 Key Discoveries

Cumulative Resources* Added From Exploration

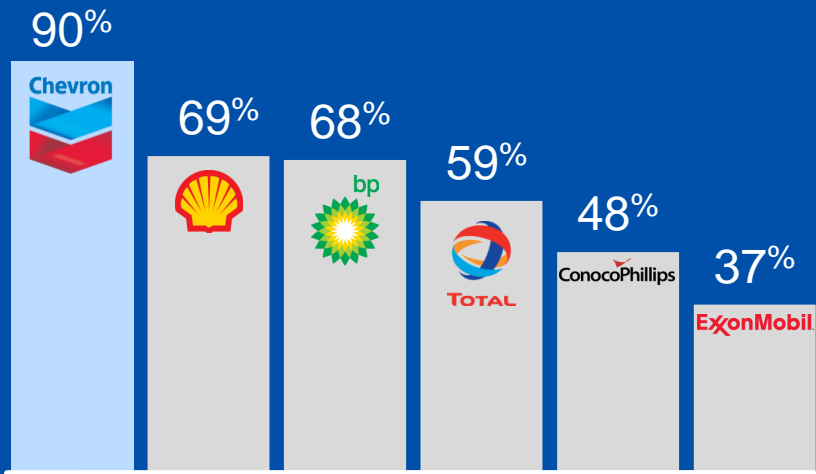
BBOE



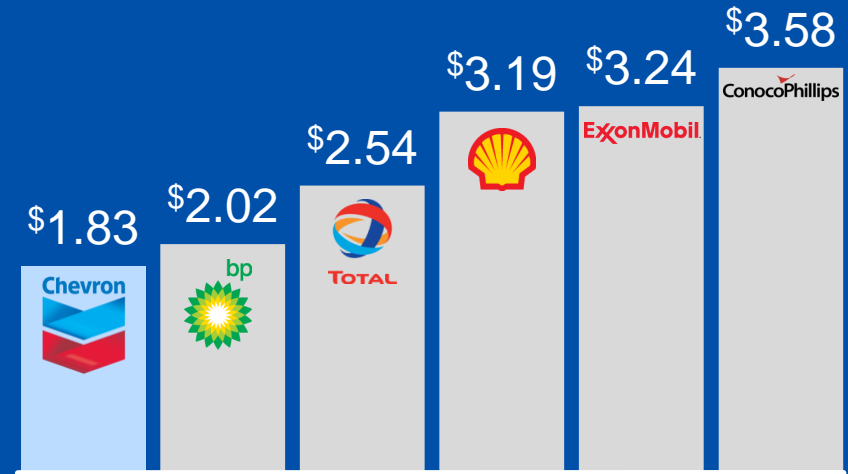
Superior Exploration Performance



Resource* Replacement 2002-2010 Percent Replacement



Average Underlying Finding Costs* 2002-2010 \$ Per BOE



59%

Higher resource replacement
than competitor group average



37%

Lower finding costs than
competitor group average

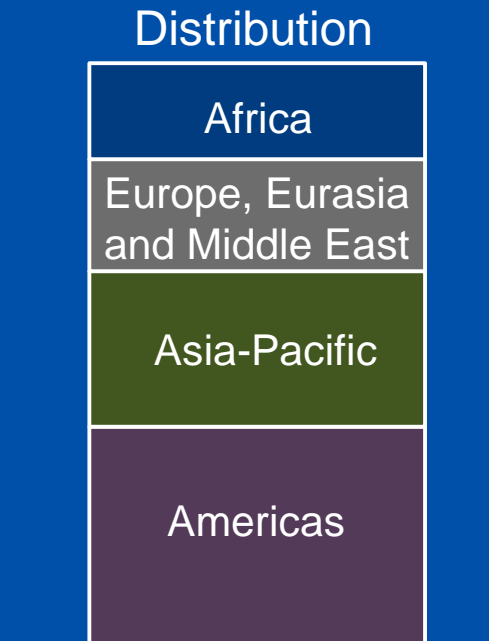
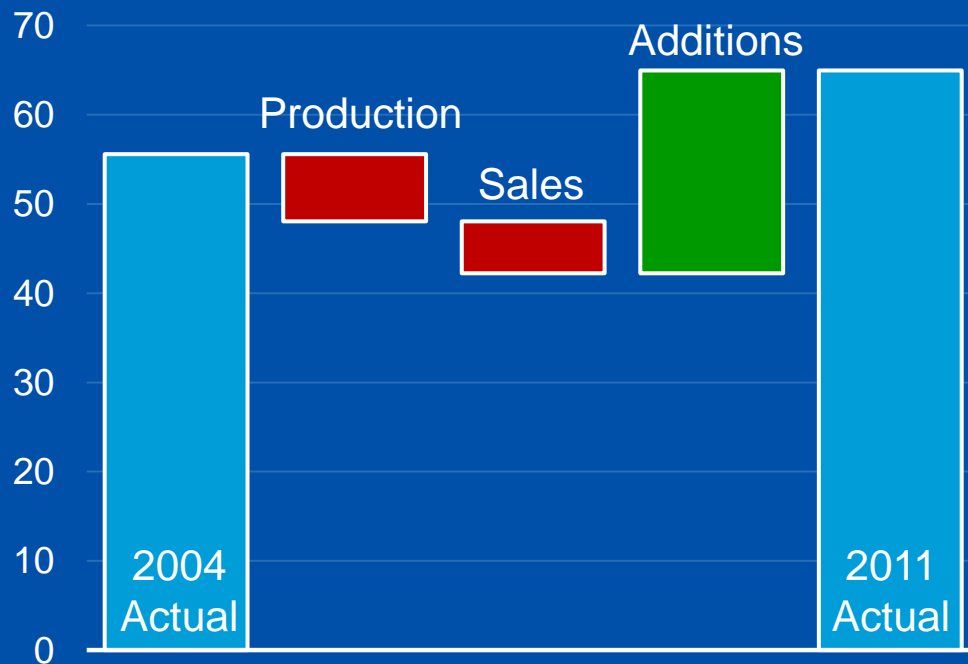
*Based on Wood Mackenzie estimates of commercial plus sub-commercial resources

Delivering Sustained Resource Growth



2004 – 2011 Resource* Growth: **17%**

Billion Barrels of Oil-Equivalent



Key 2012 Exploration Activity Conventional



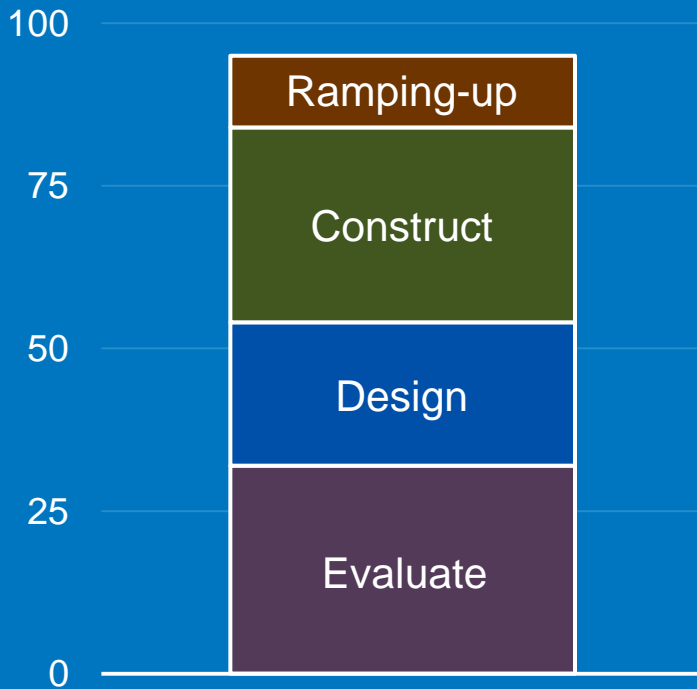
Key 2012 Exploration Activity Unconventional



A Strong Project Inventory Drives Future Growth

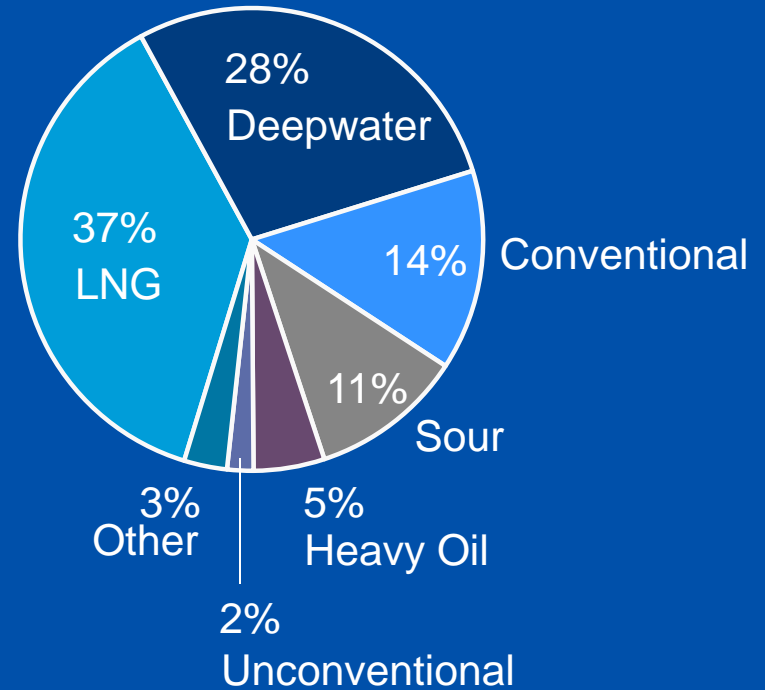
Project Phase

Number of Projects



Project Spend

Spend estimates for 2012 to 2017 as a percentage of total spend

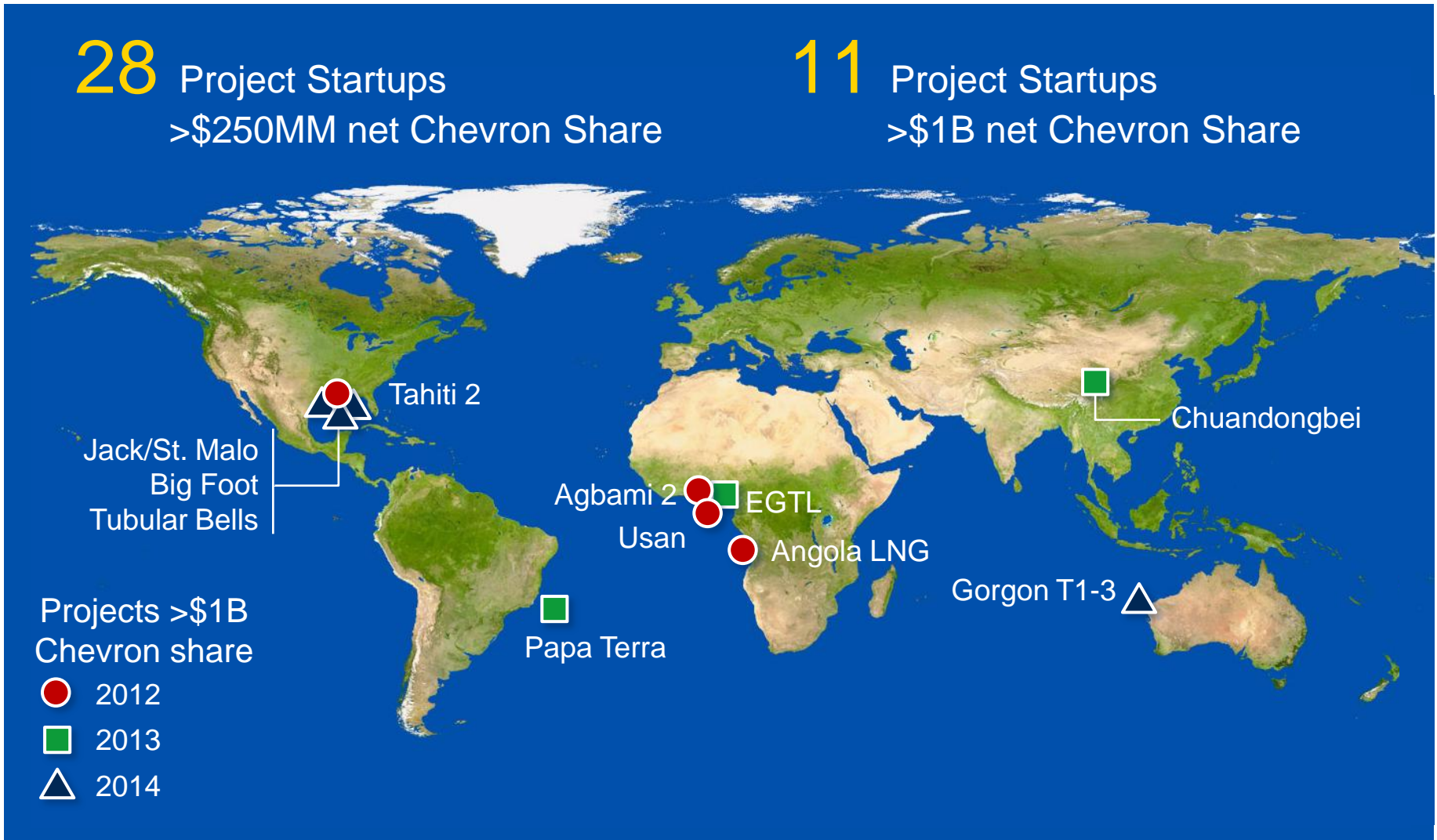


Continued Growth From Major Capital Project Startups Between 2012 and 2014



28 Project Startups
>\$250MM net Chevron Share

11 Project Startups
>\$1B net Chevron Share

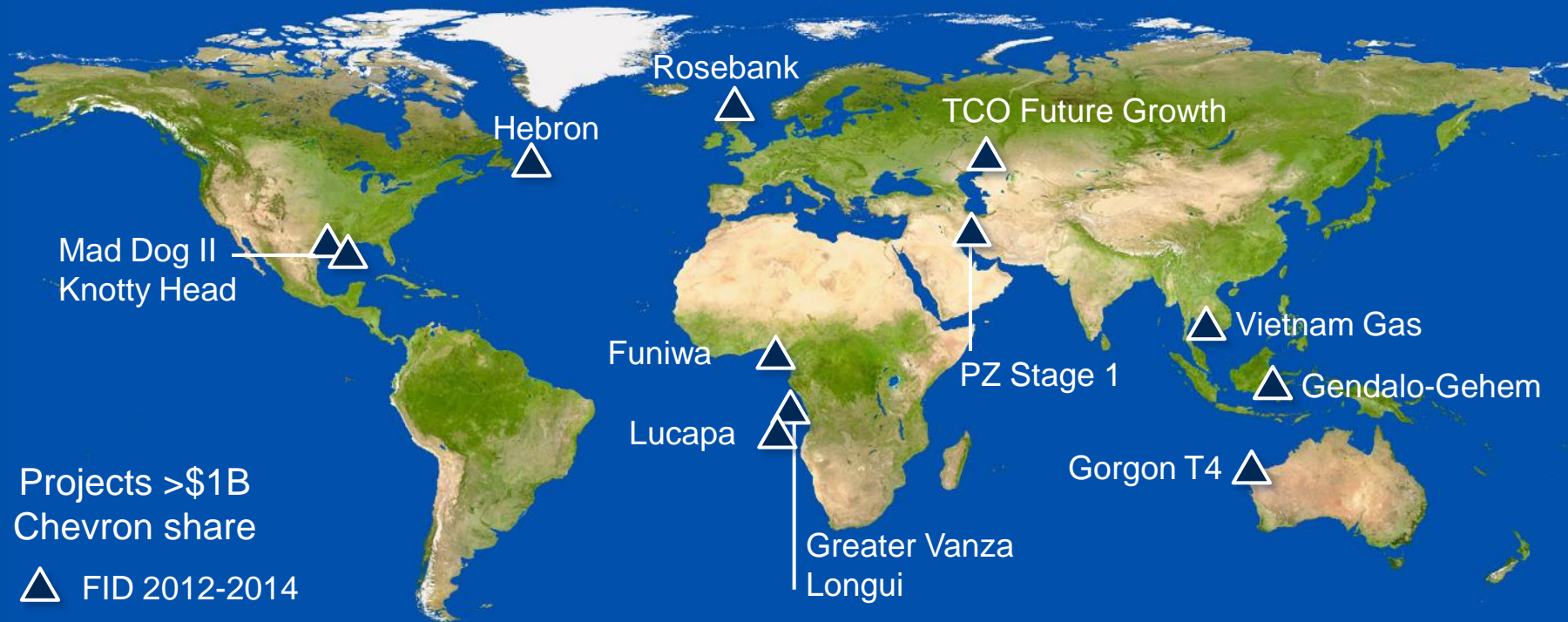


Advancing the Inventory

FID Milestones – 2012 to 2014



12 Project FIDs >\$1B net Chevron Share





Major Capital Projects Drive Future Growth

950 MBOED

in Construction and
Design

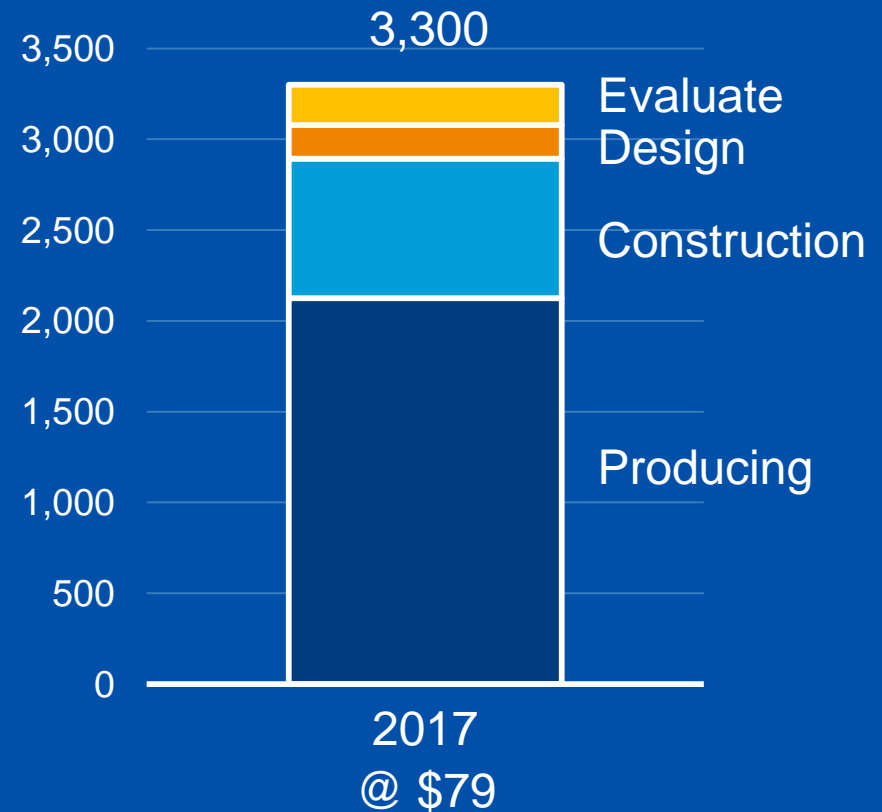
Progressing

Design/Evaluate
Projects to FID

Momentum

for Future Growth

Net Production MBOED



Exposure to Oil Pricing Remains Consistent Through 2017



Current portfolio tilted toward oil and oil-linked gas

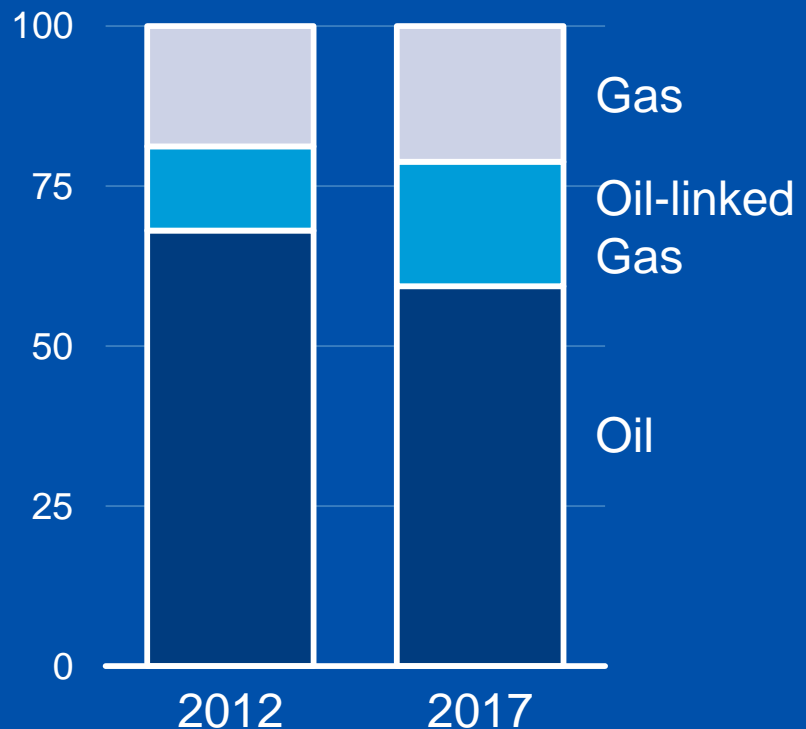
~80%

Growth in LNG maintains exposure to oil pricing in 2017

~80%

Realizations continue to benefit from strong oil weighting

Net Production Percent



Upstream Themes



Future Growth

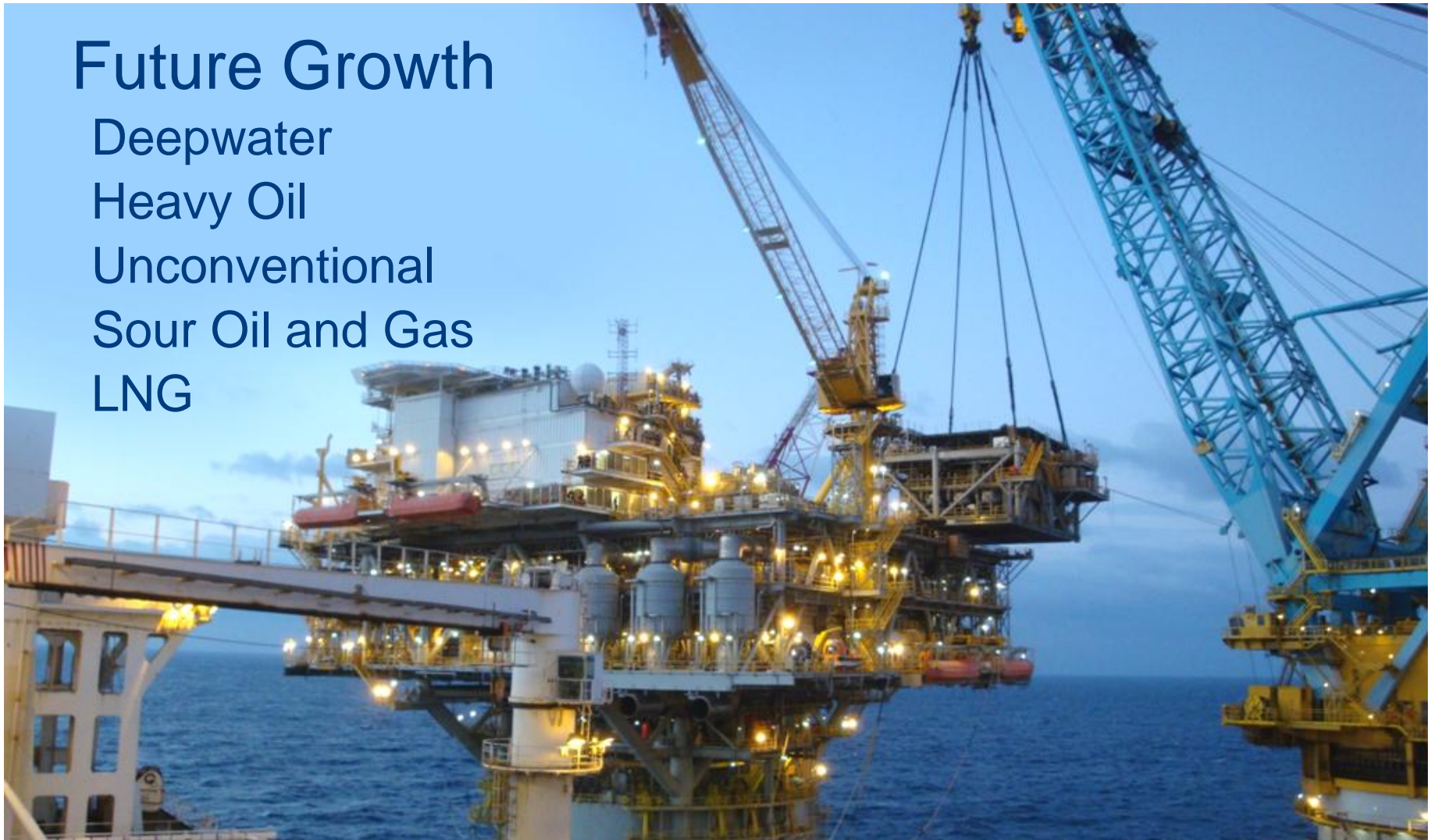
Deepwater

Heavy Oil

Unconventional

Sour Oil and Gas

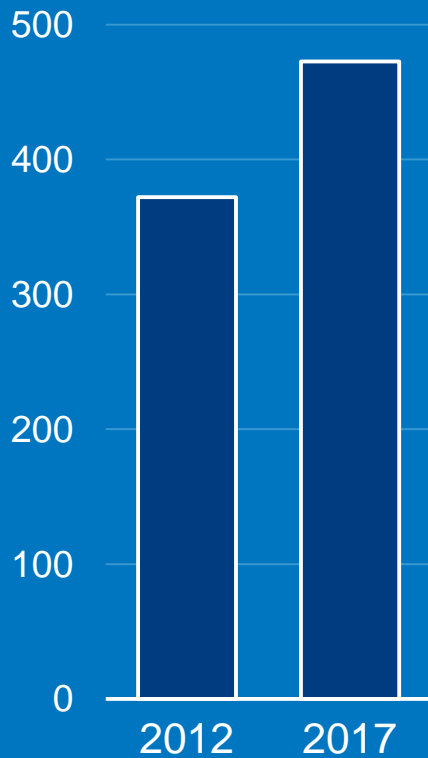
LNG



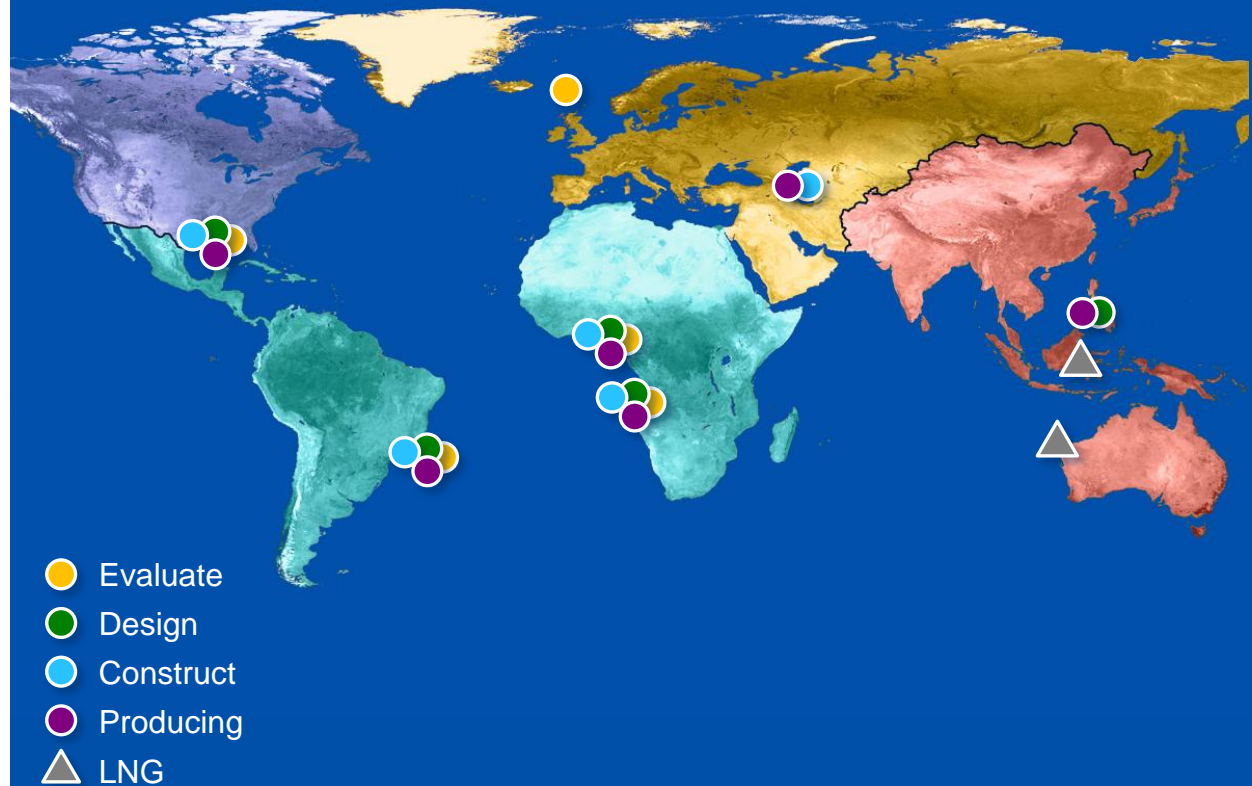
Deepwater Projects Deliver Production Growth



Net Production* MBOED



Deepwater production grows to
470 MBOED by 2017



Growth in Deepwater from 2012 Startups



Usan

- February startup
- Peak capacity of 180 MBOD
- Ramp up to peak capacity in ~1 year



Agbami 2

- Total cost \$1.9B
- Drill and complete 10 additional wells
- Extend 250 MBOD production plateau



Tahiti 2

- Total cost \$2.3B
- Commenced water injection in February
- Currently drilling and completing additional producers



Future Growth in Deepwater from Mid-Term Startups

Jack/St. Malo

- Startup in 2014
- Production capacity of 177 MBOED
- Hull and topsides fabrication underway
- Commenced batch drilling of producers



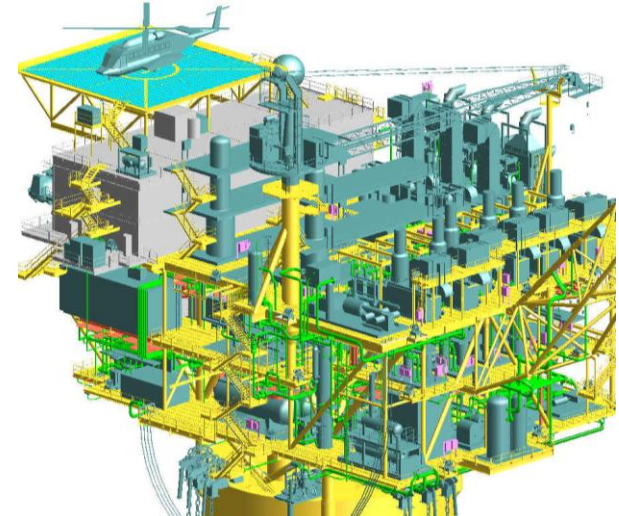
Big Foot

- Startup in 2014
- Production capacity of 79 MBOED
- Hull and topsides fabrication underway
- Commenced batch drilling of producers



Tubular Bells

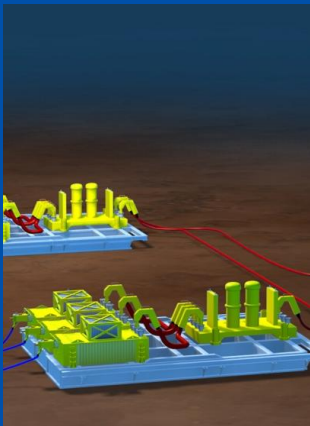
- FID in October 2011
- Startup in 2014
- Total cost \$2.3B
- Peak production of 40-45 MBOED



Technology to Increase Recovery in the Lower Tertiary



< 10%
recovery factor



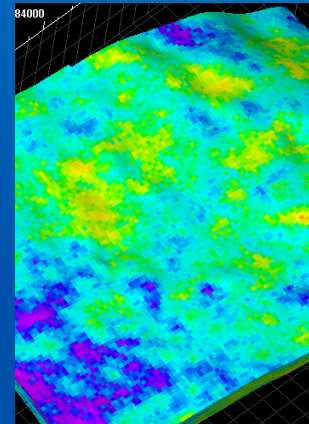
Natural Flow



Seafloor
Pumps

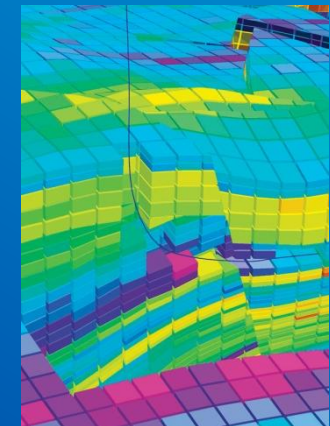


Long Life
In-Well Pumps



Optimized
Waterflood

> 20%
recovery factor

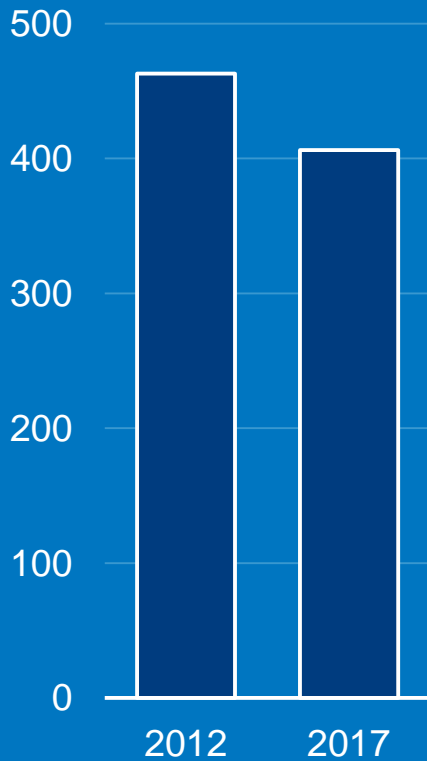


Gas Injection for
Enhanced Oil
Recovery

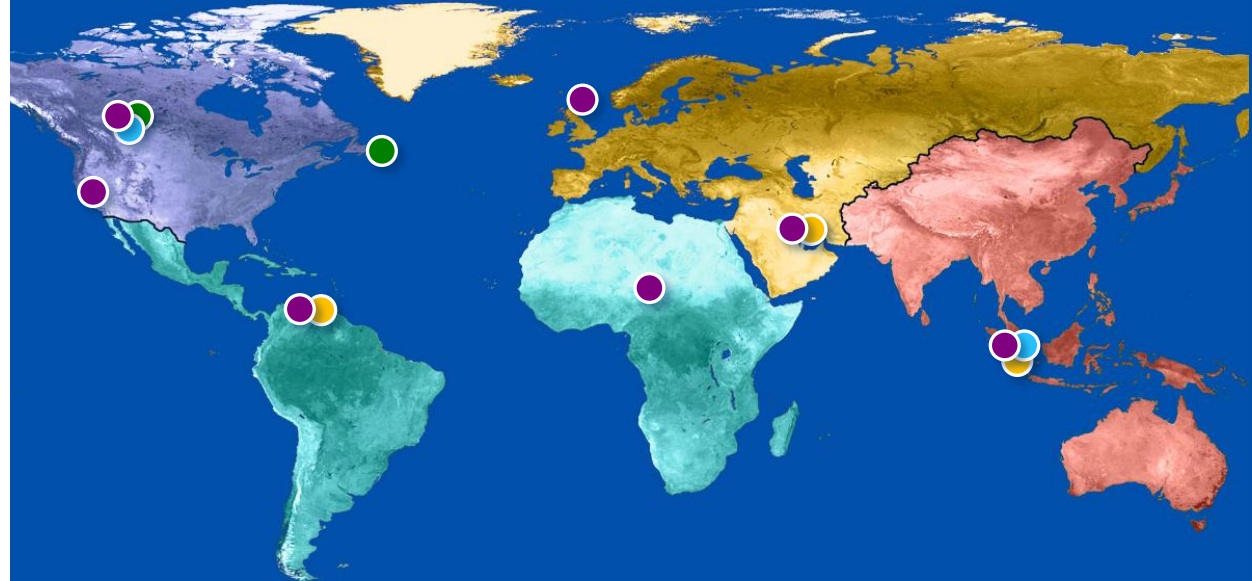
Heavy Oil Delivers Legacy Production



Net Production MBOED



Heavy oil production > 400 MBOED in 2017



- Evaluate
- Design
- Construct
- Producing

Decades of Experience Drive Future Growth Opportunities in Heavy Oil



Kern River

- Produced >2 billion barrels of oil
- Current recovery factor of ~60%
- Additional recovery potential of ~500 MMBO



Duri

- Produced >2 billion barrels of oil
- Current recovery factor of ~40%
- Continue to pursue additional expansions



Wafra

- Produced >400 million barrels of oil
- Current recovery factor of ~5%
- Pursuing full-field steamflood of 1st Eocene



Technology Enables Improved Recovery



Best-in-Class

Reservoir and Heat Management

Dedicated

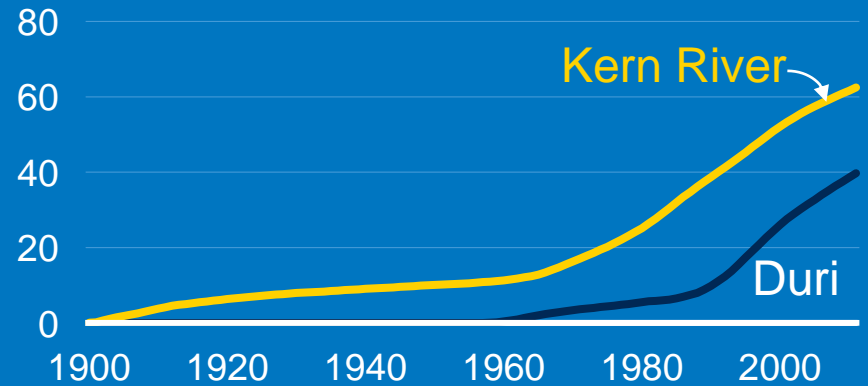
Heavy Oil Center of Excellence

Worldwide

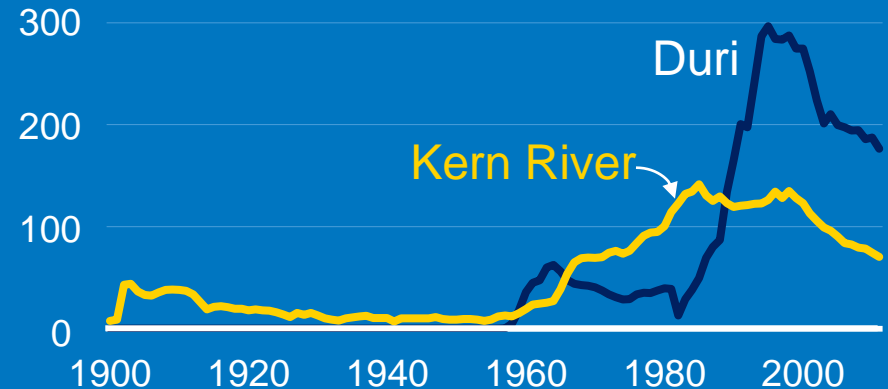
Technology transfer



Recovery (% Original Oil in Place)



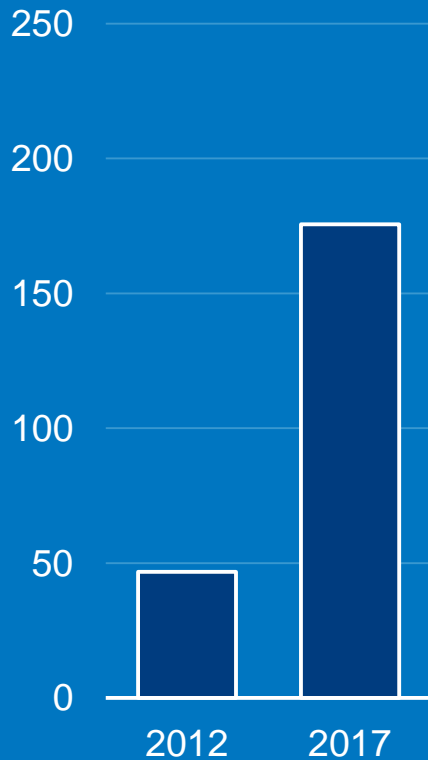
Production MBOD



Unconventional Oil and Gas Supports Growth Beyond 2017



Net Production MBOED



Unconventional production grows to **175** MBOED by 2017



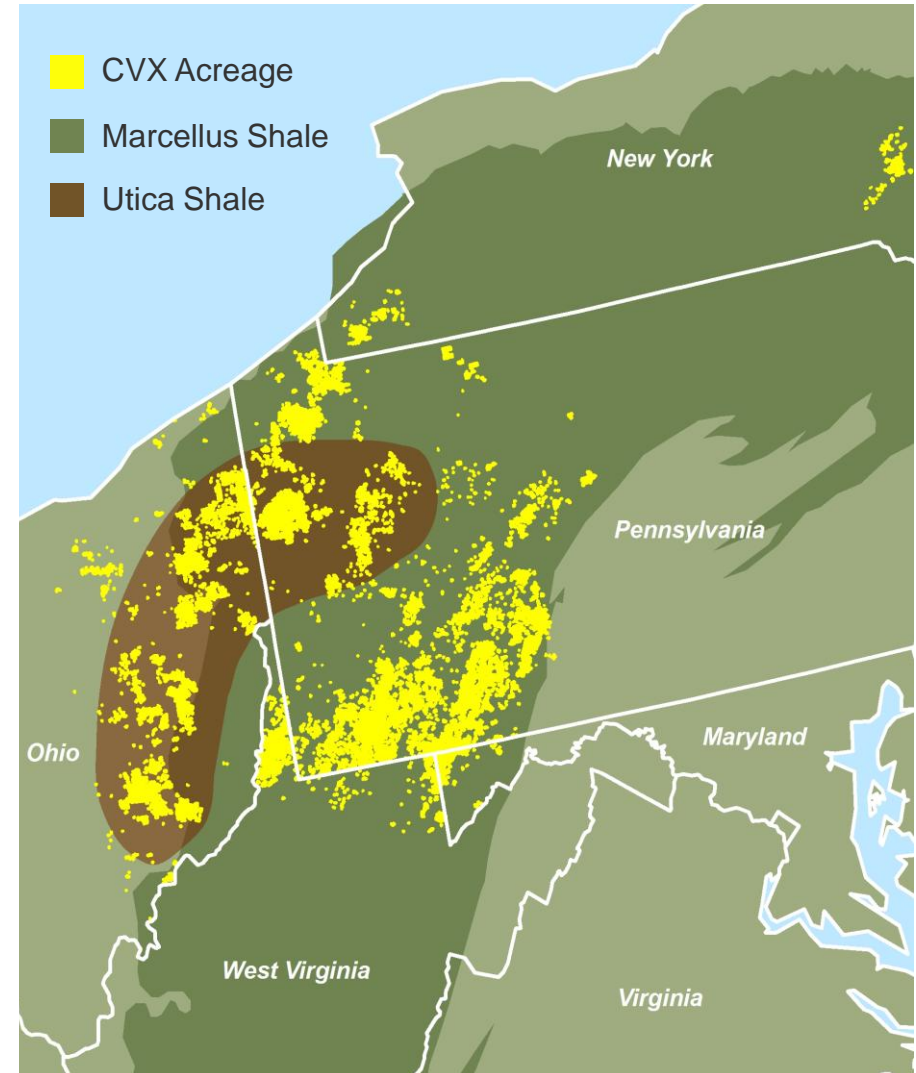
Strong Position in the Marcellus and Utica Shales

Marcellus: 700,000+ acres

- Early well results exceeding expectations
- Measured pace at current prices
- Building execution capability to intersect more robust gas market
- Using remaining \$1.3 billion carry

Utica: 600,000 acres

- Begin evaluating Utica position in 2012



Diverse Portfolio of Unconventional Resources in the U.S. Lower 48



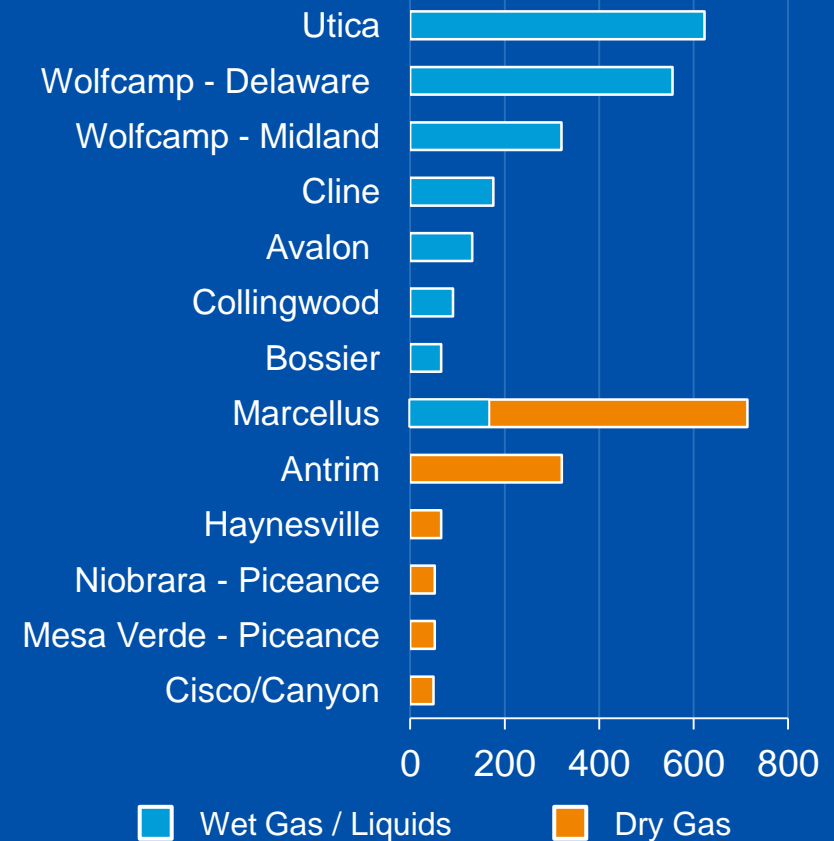
>3 million net acres in 13 unconventional plays

Significant acreage with wet gas and/or liquids potential

Expect to drill >200 wells Midland Basin Wolfcamp in 2012

Continue to benefit from legacy positions in key basins

Thousand Acres (Chevron Net)



Future Growth Unconventional – Focus on Europe

Poland

- Completed seismic in 2011
- Started 2nd well 1Q 2012

Romania

- Complete seismic in 2012
- Exploration drilling to commence late 2012

Bulgaria

- 100% interest in one block
- 1.1 million acres



Future Growth

Global Unconventional Opportunities

Canada

- Increased Duvernay position to ~250,000 acres
- Initial drilling program underway
- Significant liquids potential
- 100% working interest



Argentina

- 110,000 acres through El Trapial position
- Extended concession to 2032
- Initial exploratory drilling in 2012
- 85% working interest



China

- Joint Study Agreement with Sinopec covering 940,000 acres
- Commenced drilling initial well 1Q 2012
- 49% working interest



Upstream Themes



Future Growth

Deepwater

Heavy Oil

Unconventional

Sour Oil & Gas

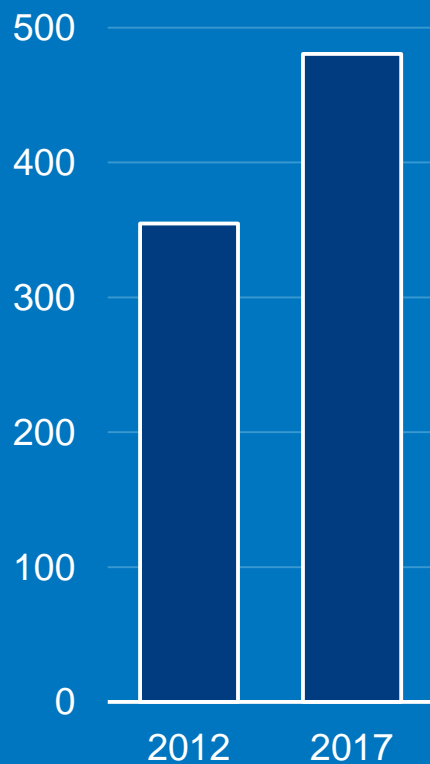
LNG



Sour Oil and Gas Major Capital Projects Unlock Additional Value



Net Production MBOED



Future Growth Sour Oil and Gas



CPC Expansion

- Phased increase in capacity to 1.4 MMBOD by 2016
- Total cost \$5.4B
- Enabler to Tengiz FGP



Tengiz FGP

- Expect to enter FEED mid-2012
- Peak capacity of 250-300 MBOD
- Similar to SGI/SGP without sulfur trains



Chuandongbei

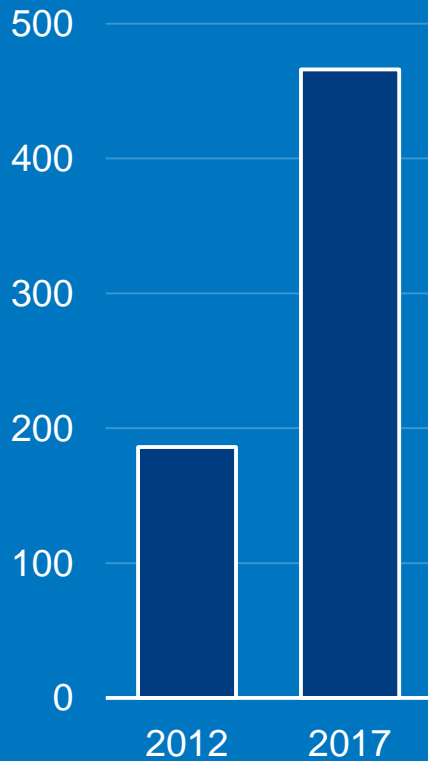
- Startup in 2013
- Total cost \$4.7B
- 560 mmscf/d production capacity
- Estimated recovery of 3 TCF



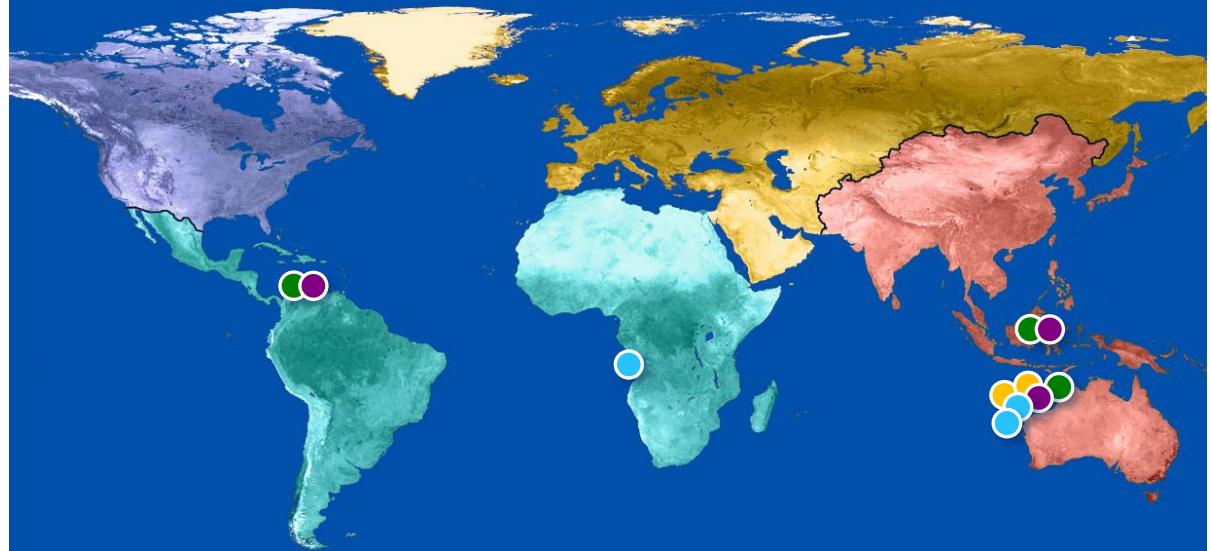
LNG Drives Future Production Growth



Net Production* MBOED



LNG production grows to **460** MBOED
by 2017



- Evaluate
- Design
- Construct
- Producing

Angola LNG 2012 Startup



Greenfield 1 x 5.2
MMTPA LNG plant

First cargo in 2Q

175 MBOED peak
production

Flexibility to market
globally



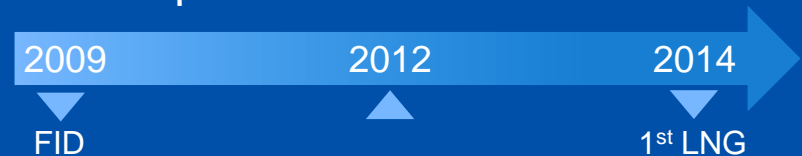
Gorgon: Achieving Milestones and Advancing Toward First LNG

Progress

- Construction 40% complete
- Dredging complete
- Development drilling continues
- Construction proceeding globally
- 70% LNG committed under long-term contracts

2012 Milestones

- First module on Barrow Island
- Start construction of domestic gas pipeline
- Begin completing Gorgon development wells



Barrow Island, Australia



Pennsylvania



South Korea



Indonesia



Wheatstone: Awarding Contracts and Ramping Up Construction Activity

Progress

- FID in September 2011
- Project cost \$29 billion
- Awarded >\$13 billion in contracts
- Construction of roads and infrastructure underway
- 60% LNG committed under long-term contracts

2012 Key Milestones

- Completion of pioneer camp
- Cut first steel on platform topsides
- Increase LNG volumes under long-term contract





Continued Exploration Success Builds Momentum for Australia LNG Expansions

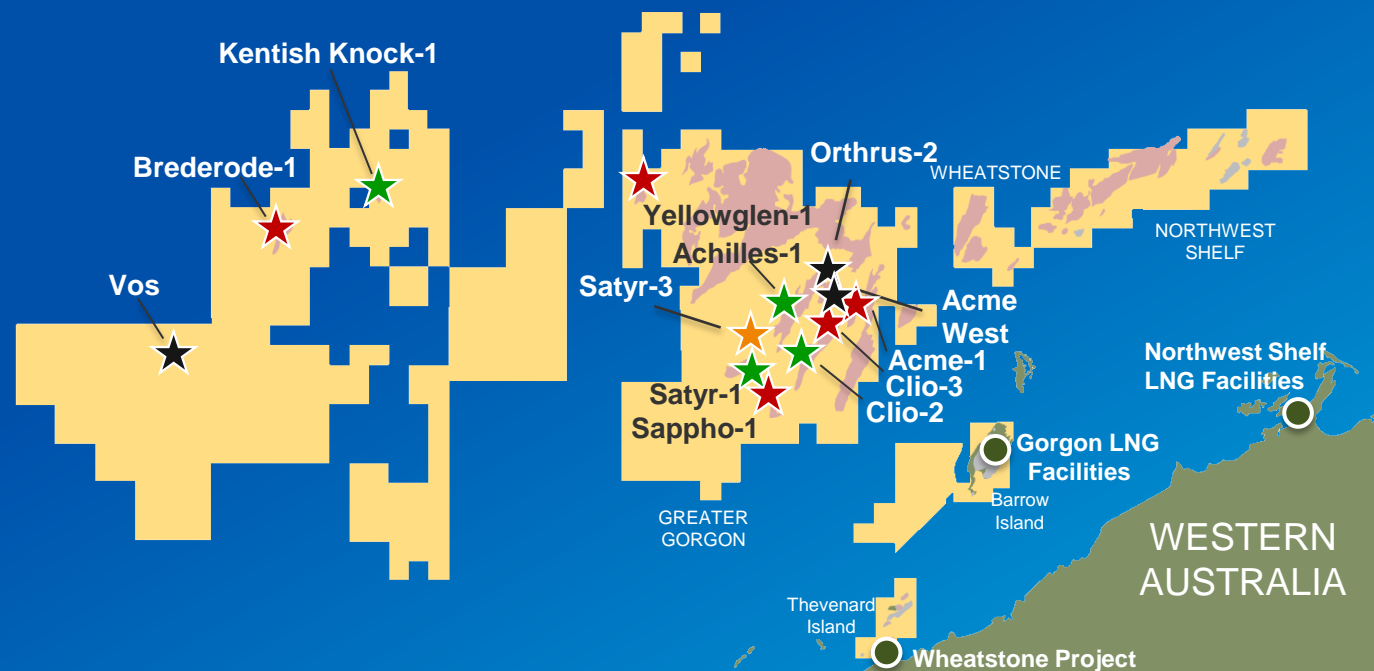
13 Discoveries
2009-2011

Added **7** TCF
of Resources*

Plan to Drill **4** Impact
Wells in 2012

Discoveries

- ★ 2009
- ★ 2010
- ★ 2011
- ★ 2012



On Track to Deliver in 2017



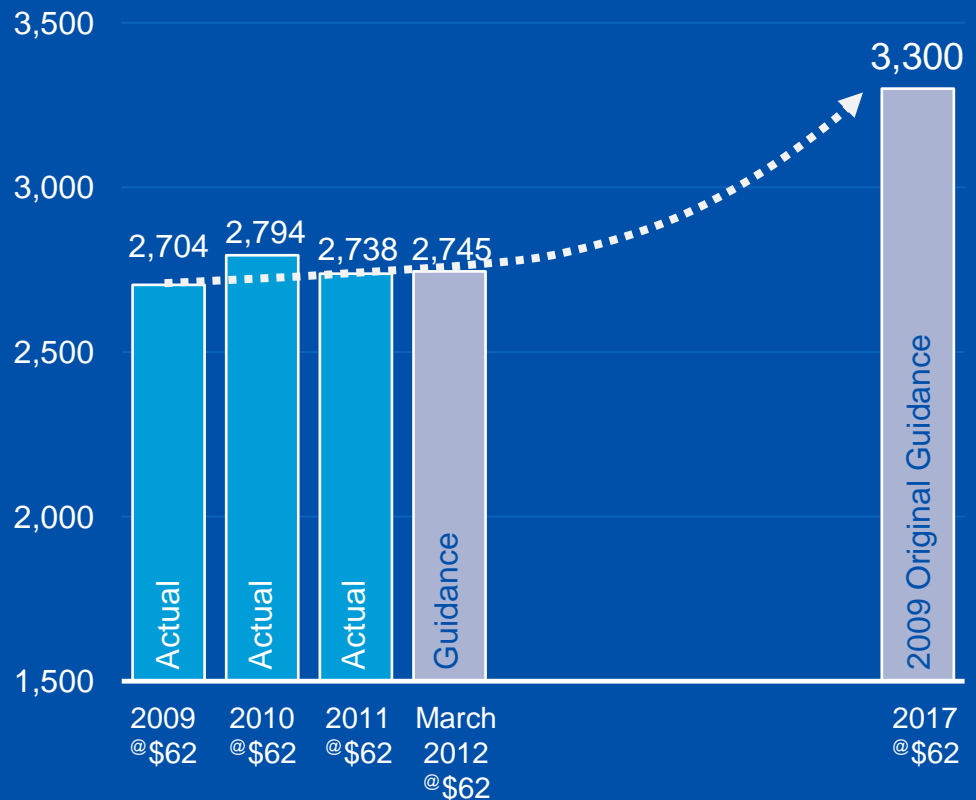
Superior portfolio of producing assets with a ...

Strong queue of major capital projects ...

That grow production to **3,300** MBOED ...

With **leading** financial performance

Price Normalized Net Production MBOED



On Track to Deliver in 2017



Superior portfolio of producing assets with a ...

Strong queue of major capital projects ...

That grow production to **3,300** MBOED ...

With **leading** financial performance

Net Production MBOED

