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# EDITED TRANSCRIPT

CVX - Chevron at Barclays CEO Energy Conference

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## CORPORATE PARTICIPANTS

**George Kirkland** *Chevron Corporation - Vice Chairman, EVP of Upstream*

## CONFERENCE CALL PARTICIPANTS

**Paul Cheng** *Barclays Capital - Analyst*

## PRESENTATION

**Paul Cheng** - *Barclays Capital - Analyst*

Thank you, everyone. On behalf of Barclays, I would like to welcome and thank you, everyone, joining us today, and once again make this the most successful Energy & Power Investment Conference in the country. For those who don't know me, my name is Paul Cheng. I cover the major oil and refiners at Barclays in New York.

Today, we are particularly excited to have George Kirkland of Chevron, a longtime friend and also one of my most respected industry executives, to be our keynote speaker. George is the Vice Chairman of Chevron and also Head of their Upstream operations, widely credited for the dramatic improvement of their Upstream results in the last decade. He is also one of the industry's most respected thinkers. So without further delay, let me welcome George. George?

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

Thank you, Paul. Good afternoon, everyone. It is a pleasure to be here today on a very historic day from -- not on a happy note -- of what happened in 9/11 of 2001. But I really did appreciate the earlier session I went to, where we took a moment of silence to recognize that event.

Once again, it is a pleasure for me to be here today at the Barclays Conference. I would like to say a special thank you to Paul Cheng for the invitation to speak today.

I will today speak about two main topics. One of them is more an industry topic, and it is really how market fundamentals support a view that investments in oil and gas are critical and they remain attractive. And the second one is how does Chevron fit into that, and that we are very well-positioned with investments both current and future, and those investments will continue to drive our leading sector performance.

First, I would like to highlight the photo that is up on the screen at this point in time, which shows two of our deepwater developments in the Gulf of Mexico. You can see the Jack/St. Malo project in the forefront and the Big Foot project in the background. Topside module installation and integration to the hulls is ongoing and progressing at the Ingleside in Ingleside, Texas, with onshore commissioning activities once again and getting us ready to take these vessels offshore. In the picture, you can see Big Foot having the living quarters package set on its deck. These projects are scheduled for start up in late 2014, and they will be strong contributors to our future production and our financial performance.

Now let's look at the global energy market. The world economy is growing, and that is particularly the case in developing nations, driving increased demand for all economic forms of energy. The 2013 EIA international energy outlook forecasts global energy demand to grow by about 45% in the next two decades. All forms of the energy mix will grow, with fossil fuels remaining the largest single contributor for the foreseeable future. Oil demand is forecasted to grow by about 1% per year, while natural gas demand will grow about 2% per year over the same timeframe.

Several questions immediately come to mind. Where do we find the resources to meet this demand? To meet this increased demand, significant investment will be required. Will this necessary investment be made? Which companies will have the portfolio that can generate an attractive return on that investment? These are just some of the questions and the challenges we face.



Let's first consider oil supply. This graph shows current production and its associated decline, along with an estimate of future global oil demand. To meet demand, we will need about 65 million barrels per day of new production by 2035. This production is required to offset the natural decline and the growth projection. That is over 390 billion barrels of cumulative new production in this 25-year period.

The source of that production is increasingly from more and more complex resources, complex in terms of reservoir, recovery methods, technical capability and geopolitical influences. This challenging new production takes significant investments in capital and people. Up to \$10 trillion of investment is expected, and these required investments could be even higher if we have a greater escalation in cost of goods and services.

Let's now turn to LNG, where demand is forecast to grow to over 440 million tonnes per year by 2025. With current LNG capacity and projects in construction, we expect to need an additional 150 million tonnes of LNG production by 2025. That is almost 25 Bcf a day of additional inlet gas required to meet the LNG demand. And to put that in perspective, that is over 10 projects the size of Chevron's Gorgon three-train development in Australia.

Shale and tight gas will be a part of this growing supply future. These resources require economic export options and political certainty to realize their potential. We see shale and tight gas as a viable component of meeting LNG gas demand, and for that reason, we are participating in the Kitimat LNG Project in Western Canada.

Historically, many have underestimated the time from discovery to first production for these megaprojects. Chevron's shortest LNG cycle time from exploration to discovery to first LNG will likely be our Wheatstone project, an estimated 12 years from discovery well to first LNG shipment. Developing these huge LNG projects takes large capital, strong project capabilities and significant time. There are very few companies that have all the capabilities to deliver on these sizable developments.

Shale and tight gas resources have changed our energy landscape in North America. This has been called an energy Renaissance by many in the industry. In 2010, the EIA estimated North America unconventional gas accounted for 14% of the global supply. It is forecasted that shale gas will grow to approximately 18% -- and that is US -- or North America will grow to about 18% of overall supply by 2035. That growth will come in new unconventional plays and from developments in historically conventional areas, such as the Permian Basin.

The EIA is also forecasting that international shale and tight resources are expected to grow to over 13% of the world's supply, or more than 20 Tcf annually, in just 25 years.

International shale and tight supplies bring new challenges. The supplies are located in both remote regions with limited infrastructure, as well as in heavily-populated areas where local communities need to support these developments.

The first step, though, internationally is the geology must work. Then for success, cooperation with governments, partners and key stakeholders is required to enable the developments. From our perspective, this international growth is a long way from being realized.

Oil and gas supply will continue to be sourced globally. Over 75% of the remaining recoverable resources are located outside of North America, primarily in the Middle East and Eurasia. This is true even considering unconventional resources. If you look just at liquids, two thirds of the remaining resource is located internationally, again driving global supply.

North America is estimated to have almost 2 trillion barrels of oil equivalent remaining recoverable resources, over half of which is oil sands and a third is natural gas. Unconventional resources have shifted North America's supply geography, but not everything has changed. The fundamental dynamics of oil and gas developments will continue to be global in nature.

These global developments need stability to proceed economically. Key investment considerations are, of course, contract sanctity, fiscal regimes and country risk. Operational and financial capabilities are required to economically develop the global resources. Will there be enough global players that participate in these developments?

Meeting energy demand growth comes during a time of rising cost. From megaprojects to oilfield services, the industry demands for goods and services is increasing with high activity levels around the world. The backlogs associated with major capital projects and their related goods and services has increased over 60% since 2009, with the greatest rise in the engineering, procurement and construction areas, driven by technical and project management OC constraints.

The trend of tightening capacity in the supply of equipment and services is anticipated to continue. The rising costs and contractor capacity constraints will negatively impact the economics of projects and could temper the industry's willingness to invest. The challenge then becomes will there be enough economic projects in the queue.

Meeting the global energy demand represents a great opportunity for our industry. Once again, we believe the resources are there. The key to meeting this demand is understanding that new resources, whether shale, tight or ultra-deepwater, will take time to develop. It will require capital, human capability and, importantly, economic returns.

Technology has been crucial and will remain a key enabler for continued success to meeting demand. However, this technology takes time, time to develop, time to implement, and time to reach economies of scale to make an industry-wide impact.

So once again, yes, I do believe the supply is there. And really the question then becomes, are we in a position to bring it to market. Can we deliver affordable energy while maintaining economic investments?

At Chevron, we believe that we are well-positioned for bringing economic supplies to market. We have a strong position in areas of future growth. Our leading project queue and portfolio balance will allow us to grow our production by over 25% by 2017, and to do this with strong returns.

We have been successfully adding resources through our exploration program and acquiring early-entry discovered resource opportunities. Kitimat LNG in Canada and Vaca Muerta Shale in Argentina are just two recent examples of the success of our business development efforts.

Our demonstrated ability to generate leading earnings and cash margins will allow us to grow and generate significant value. The value delivered from our current portfolio and future portfolio is industry-leading. We have some of the best-quality investments in the industry, including our upcoming deepwater, LNG and sour oil and gas projects. And we will continue to develop these opportunities while operating safely and reliably, delivering top operational excellence in our industry.

Operational excellence is at the core of our culture, driving performance in all aspects of our business. It is a framework that enables us to operate with industry-leading safety performance, reduced risk of significant incidents and ensure efficient, reliable and profitable operations.

Our tenets remain unchanged -- do it safely or not at all, and there is always time to do it right. We expect every person in our workforce, employee and contractor, to follow these principles.

Our results tell the story. Days Away From Work performance continues to lead the industry with the lowest industry incident rate. Reliability improvements in all aspects of our business are driven by our focus on operational excellence. One example is well reliability. New processes and procedures have allowed our wells to have an average 100% increase in their time between failure over the last five years. Diligent adherence to our operational excellence processes and procedures increases our ability to deliver the volumes safely and consistently.

With respect to financial performance, we continue to lead the industry in upstream earnings margins. We have held a leading position in adjusted upstream earnings per barrel by a wide margin. Compared to the other IOCs, we are over \$6 per barrel ahead of the peer group. We have been at this top position versus the IOCs for 14 consecutive quarters. We are also leading across the upstream E&P segment as well, with greater than a \$4 per barrel margin lead over the best performer in this segment of the industry.

These financial results flow from the quality of our investment decisions, the strength of our portfolio and the strong execution performance of our base business and projects.



Our MCP queue remains one of the highest in quality in the industry. A key aspect of our portfolio is diversity. The projects span 19 countries worldwide and are well-distributed across asset classes from deepwater to sour oil and gas.

We have 50 projects of over \$250 million Chevron-share starting up by 2017, and 16 of those have Chevron-share investments exceeding \$1 billion. In total, we have over 90 projects greater than \$250 million net share, providing diverse, profitable growth over the next decade.

In 2013, we have already started up Angola LNG, and late this year, we will start up the Escravos Gas-to-Liquids project. In late 2014, our large deepwater Gulf of Mexico projects begin to come online. You saw our Jack/St. Malo and Big Foot hulls on the opening slide.

In 2015, shipments of LNG cargoes from Gorgon begin, followed by LNG shipments from Wheatstone in 2016. And our growth in unconventional shale and tight resources, predominantly in the Permian Basin and the Marcellus, will add over 100,000 barrels a day between now and 2017. As I've said before, we have a robust and growing portfolio.

Our business development and exploration teams have been busy maturing and capturing new opportunities. This map shows the areas where we anticipate growth as a part of our long-term strategy. I will highlight only two areas for you, the two projects with the largest growth impacts up to 2020 and the ones that are the most mature.

First, we are making solid progress on engineering and design of the Future Growth Project at Tengiz. This is a 250,000 to 300,000 barrel-a-day project where Chevron has a 50% working interest. We expect this project will start up in late 2018.

Second, our Kitimat LNG project in Western Canada, which will initially produce 10 to 11 million tonnes of LNG and feed to the markets in the high-demand growth area of Asia. This project is backed by huge resources, and we have a 50% working interest. Kitimat and our other LNG projects, including expansions, will add more than 30 million tonnes annually to Chevron's share of LNG production by 2025.

Our future portfolio is growing in its percent of low-decline legacy assets and we expect to be at the 60% level of production of legacy assets by 2020.

We feel very good about growing production beyond the 3.3 million barrel-a-day target of 2017. We are projecting one of the strongest five years of production growth profiles in the industry, and we plan to do this while delivering superior financial performance. We invest for value, not volume.

Our forecasted cash generation grows significantly into 2017 as these new projects come online. Our operating cash flows could exceed \$50 billion in 2017, assuming last year's average Brent price. This is nearly a 30% increase in cash flows over the next five years.

This growth in cash generation creates enhanced financial capability for future growth and provides greater returns to our shareholders. We create long-term shareholder wealth by continually finding the best resources and developing the right projects.

As I said, our expected disciplined reinvestment in our business will generate future value and meet the growing energy demand. Over the last five years, we have reinvested on average 75% of upstream cash flow back into our business. Our competitors over the same period have reinvested almost 90% on average. Our current capital intensity is near its highest, as a number of our largest MCPs and their major investment period is really at hand. And we have acquired a number of discovered resource opportunities. We expect this intensity to reduce over time. Key, of course, is that our investment delivers both production and value growth.

In 2012, Chevron's upstream cash margins were approximately \$37 per barrel and nearly \$40 when including asset sales. That is 30% higher or approximately \$8 higher than our nearest peer competitor. When we look at the projects we are bringing online over the next seven years, we forecast that they will be accretive to the current portfolio cash margin. We expect the performance of our portfolio to maintain or enhance our leading position. Leading cash margins will provide us with the financial flexibility we need to meet our stated goal of growing shareholder returns.



And now, my last slide before some questions. We see world energy providing growth opportunities for those companies with the portfolio and the capability to execute quality investment programs. Chevron has held a leading position in key financial metrics and total shareholder return. We have accomplished this through our focus on operational excellence both in our base operations and in the execution of our major capital projects.

Our strategies are aligned with the macroeconomic environment and we are positioned for success. We remain committed to delivering value while delivering an expected 25% growth in production over the next five years. And we are focused beyond the next five years, once again focusing on value and execution, working to expand our queue of opportunities that will allow us to continue to deliver strong performance and to help meet the need for affordable energy. Looking ahead, the financial performance of our portfolio and the quality of our queue will create significant value for shareholders.

I will close by asking again, will supply be there. It is our industry's goal to deliver energy, and I assure you Chevron is well-positioned to deliver and to deliver this energy in a value-leading way. Now I will turn it back to Paul for the Q&A. Thank you.

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## QUESTIONS AND ANSWERS

**Paul Cheng** - *Barclays Capital - Analyst*

(Inaudible question - microphone inaccessible). First, do you agree with that? And secondly, longer-term -- sorry that I didn't adhere to my own rule. The second question the second part is that if you are looking at that, the industry some observers believe there is a great opportunity in the shale gas development in certain parts of the world, including China, that may ultimately change the global dynamic flow of the LNG market. And given Chevron is one of the few companies that have significant positions around the world and actually have operations -- have the boots on the ground in China, can you tell us what is geologically speaking about the resource potential, whether you believe the shale gas development in those parts of the world is actually going to make such a big difference? Thank you.

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

I will start off with -- the first question was really are we going to see the tightness in LNG relax in the near-term. And Paul was talking more, I presume, in the 2014 period. We actually see it tight longer than that. We are very pleased to have two very large LNG projects coming on in the 2015 and 2016 year period, where we don't see many other projects coming on.

On a longer-term, we are -- and I have tried to make that point quite evident in the slides -- we see a risk that there is not enough investment in LNG to meet the demand forecast that we see for the future. We do see -- we do have a big concern on that.

And there are many things working against. It is the cycle time I would start with, the cycle time for these projects is long. And for us, when we look at a new LNG project, we look at five to six years of execution. So FID to first LNG cargo to us at this point in time, with equipment deliveries, looks to be in the five to six-year range. You have to back up in front of that and talk about the FEED work, the front end engineering and design, and for us to be at FID, we take about two years of FEED.

So we see anywhere from seven to eight years minimum from going into FEED -- and FEED for these projects is not a minor decision. Going into FEED for these big LNG projects is a billion-dollar decisions; billion dollars are put at risk when you go into the FEED.

So our concern is actually that we are not seeing enough projects reaching FID to meet demand. We are pleased with the ones we have because we are kind of on the front end of that. And there was a real hiatus and very few projects coming online post-2009 and 2010, except for a few projects, frankly, that were slipped from 2008 to 2009. So we think it is a good time to be in it.

And maybe I will go on to the second question, on the shale on the international side. I made a comment in the speech that we as a Company, and me particularly as an individual, I feel the shale developments worldwide are going to take longer. I say that for a lot of reasons and I will start off with the knowledge of the rocks.

In North America there had been lots of wells drilled in every basin. We might not have known -- and you have got to give the E&P companies a lot of credit for going in there and developing technology that allows these shales to be produced at economic terms, at least on the liquids side. I think it is a separate question on the gas side. But on the liquids side there is no doubt that it is very economic.

But you don't have the same knowledge around the world, you don't have a number of wells and penetrations, you don't know the basins. If you already knew the organic content of the shales, you knew whether they were overpressured or not you. If you knew if they were brittle, you would be further down the road. But you don't have those questions answered, so it falls back to being very much an exploration play, an exploration play where you have got to go in and drill wells, you have got to get the basic geologic data, you have got to go in and do some fracs to see how it actually performs. You have got to do a geographic -- enough geographic drilling to know the scale of it. Is it big enough? Does it make economic sense? So you got all the pieces with the rocks.

Then the other piece of it, unlike the United States where you have pipelines or Canada where you have pipelines that can be tied in, you don't have the infrastructure around the world. So we believe it is going to take longer to get the international shales to contribute significantly to gas developments around the world.

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**Paul Cheng** - *Barclays Capital - Analyst*

George, can you talk more specifically in Asia, such as China, whether you believe the source rock even exists? Or that it is going to be as much potential as what some of the more optimistic views out there?

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

Paul, I think we are going to be a lot closer on that early exploration assessment in the next -- frankly, in the next year to two years. We have drilled now a couple of wells and we have got a good idea in the basin that we are in how good it could be. I know several of our competitors are also drilling wells, so they are collecting that basic information on the reservoir potential. So I think we will know a lot more.

I will tell you that the original assessment that came from either the EIA or IEA has not -- which was that China had more shale gas than any place in the world. A recent trip to China, I heard different stories from the Chinese oil companies -- and it was in the press, so it is not something super secret by any means -- but a considerable reduction in the potential there.

Time will truly tell, as it always tells in our business. I always get reminded of we make -- we have views and those views get turned around somewhat later, both up and down, so I remain cognizant of that fact.

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**Paul Cheng** - *Barclays Capital - Analyst*

Thank you. There was a question here?

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## QUESTIONS AND ANSWERS

### Unidentified Audience Member

Hi, could you talk about the prognosis for the Kitimat project a little bit more, in the sense that you came in about a year ago. You just told us that it sort of takes two years to do a FEED. We know that a FEED was sort of done on that project already. But how should we look at that timeline? And maybe the economics of the project as you see it.

And then maybe just another sort of unrelated question around the US LNG, your participation in US LNG as you go forward, and sort of how you look at that market given the regulatory issues that I'm sure will crop up.

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### George Kirkland - Chevron Corporation - Vice Chairman, EVP of Upstream

Okay. Those are -- actually some of the decisions we made are somewhat interrelated into that second point.

First off on Kitimat, we actually signed our documents that brought us into the project in February of this year, and we actually took over operatorship of the pipeline and the plant in July. So it is really recent that that has happened, so let's put that first in perspective.

A lot of work had been completed already on a one-train LNG plant, and we are very aligned to going to two trains, so there is additional FEED work going to build off of the work that has already been done. And there is a lot of activity also going to be started and more activity up in Liard to further assess the resources in Liard.

We feel Horn River itself, the Horn River resources, are very well-defined. So it is really Liard, which in our view and I believe in our partner's view, Apache, that is the bigger long-term opportunity with just tremendous resource.

From a resource point of view for the first two trains and more, we have no concern. Often you have concerns about the resource. Resource is not the concern on this project. It is really back to having gas contracts in place that will underwrite the project.

We have always said, and I think we will continue to say until we get it done, that the critical thing for us to reach FID and which will drive the time, is to have gas sales at least at a HOA level done, with pricing, with pricing, 60% to 70% of the offtake. So we want to have 60% to 70% of the offtake with a pricing basis.

Preferentially, for us it is very much so tied to oil. We are not Henry Hub-related at all, because we are someplace else in the world. We are trying to have buyers enter into the project as equity owners and that will give them, we think, actually a much better protection than Henry Hub price. We will give them a mix. Why do we say better? Every index that you are marked off of, indexes go up but they also go down. So if they go up and you are a buyer, you really don't have much protection, so there is a risk there. So we actually think we can, through an equity arrangement for them entering in as equity owners, we can create actually a more attractive project for them than a Henry Hub pricing.

So we will be selling down some equity for this project for the first two trains, is our plan at this point.

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### Unidentified Audience Member

And when are you going to enter the US market?

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### George Kirkland - Chevron Corporation - Vice Chairman, EVP of Upstream

On the US market. We like Canada for a couple of reasons. And I heard that from one session I attended this morning. We like Canada because Canada has been exporting gas for a long period of time. Canada exports oil. Canada has a different focus on willingness to export resources. So we have, we believe, greater surety from the political side in Canada than you do in the US.



US has not been since -- you go back many, many decades -- has not been an exporter or a significant exporter of any of our hydrocarbons. And in the US, we are concerned about the changing -- the tidal change that you could have from a political point of view.

And in the US, we are also seeing manufacturing groups that are coming out anti-LNG export. We don't from a policy point of view believe that is right. The US needs to take advantage of this opportunity that they have in this big resource gift.

But preferentially, we like Canada better. It is also driven by the quality of the resource and the control of that resource that we can have related to Kitimat. We can really control the gas to a much greater extent and still have the ability to bring other gas into Kitimat. So from every perspective, we like that opportunity better.

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**Paul Cheng** - *Barclays Capital - Analyst*

Any other questions?

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**Unidentified Audience Member**

Actually, I have one, Paul, here.

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

Where is that? Okay. Sorry. The lights make it hard to see.

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**Unidentified Audience Member**

My question is on your outlook for global demand. And sort of wanted to get your sense on handicap and maybe two of the [risks a bit], one being slower non-OPEC demand growth, specifically in China and India and Brazil; and two, potentially for the use of renewable energy -- will that start to push out on some of the petroleum?

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

I will start off by saying, if you look at demand in the developed world, we consider it to be very flat. We see most of the demand growth is going to be in the developing world. China has got a great influence on that. But the growth rate in energy demand particularly on oil is pretty small; 1% is not a huge growth perspective. In the last 10 years, we got surprised a couple of times on growth.

That feeds in really to your second point about renewables. We do not see renewables competing without being subsidized. So the question really starts becoming more a political question, is how much are governments around the world willing to subsidize renewables. When I look into US and I look at CO2 emissions over this period -- this last ten-year period of time, we actually saw CO2 emissions drop, one of the goals by the renewables. When you really look back and peel back and see why they dropped, well, it was really dropped because we had a bad economic period. And the second thing, which is very important for us in the industry, is the growth of use of natural gas, frankly, in lieu of coal.

Governments in the world have to make a decision how -- if they want to reduce CO2 emissions, they want to -- do they want to subsidize or are there other ways to get to that point, if that is their issue. They have to understand both politically and economically the impact of those decisions on their economy.

We continue to believe you must have affordable energy to grow your economies. We are not anti- -- and I want to make sure everybody -- we are not anti-renewables at all. I mean, we see every part of the energy mix will be necessary to provide the energy that the world needs to grow at an economic rate, to take the developing world particularly to a higher level of development, and for more opportunities for the people in those areas



to live there. So we see that is what is going to drive the demand. If you have too high a prices for the energy itself, you are not going to get the economic growth that allows you to lift more people out of the poverty of the area.

So we think the two a very tied together, and that is how much subsidy. And we are starting to see -- and hopefully you are seeing some of this -- there has been views starting to change in Europe on their subsidies, particularly in the power and solar areas. So those are political decisions, and we will have to respond to those political decisions as an industry and as companies.

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**Paul Cheng** - *Barclays Capital - Analyst*

Thank you, George. I think we have time for one more question. Yes, please.

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**Unidentified Audience Member**

George, you paint a picture where supply may not be sufficient to meet the demand that you see for the next 20 years. But at the same time, the cost outlook for you and your peers is significant to the point where you are now deferring projects, reevaluating projects in a meaningful way.

So do you see this playing out in typical cycle fashion, where we get demand destruction? Or do you and your peers just stretch out the number of projects over a much longer time frame than previously thought?

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**George Kirkland** - *Chevron Corporation - Vice Chairman, EVP of Upstream*

Well, in some ways, if prices and economics -- price as cost of doing business continues to go up, prices don't follow to some extent, margins get squeezed, there will -- the product of that will be less investment. And then it becomes somewhat self-reinforcing that the supply is not going to be there. And then it's the interaction with -- well, the costs have gone up; can I afford that, can the economy afford that. And that is why, once again, I keep saying, affordable energy is so important.

Technology is important to help mitigate some of that. Activity levels, if they come down, the best projects you would expect then would move forward. I am very much a believer in economics, that supply and demand will be -- they will become one and price will determine that and it will be a function once again of what people can afford. It comes into that.

We have not seen that -- just to give you an idea -- in the US, we have not seen demand influenced typically as long as we -- much -- as long as we stay below \$4 gas. There seems to be something at either -- I don't know if it is emotional or financial -- but there does seem to be levels where we do see an impact -- prices do have an impact on the demand. And there is no doubt there is a point where there is a tipping point on that.

We used to have a belief that it was a lot sooner than we have seen with \$100 oil prices. It doesn't seem to be the \$100. But there is getting to be -- once again, you are totally right, there is more and more pressure on cost squeezing margins. And at some point, at least for us, we always make our decisions on value. It is a value decision, a return on our investment that drives our willingness to invest. Now, we have no guarantees, but we do try to forecast that. Thank you for that question.

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**Paul Cheng** - *Barclays Capital - Analyst*

Thank you, George. We really appreciate it. Thank you.

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**Editor**

Company Note - Chevron notes that this presentation contains forward-looking statements. Please refer to slide 2 of the presentation slides for detailed cautionary language.



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