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PRESENTATION

Bill Marko - *Jefferies & Company - Analyst*

Good morning, everybody. Thank you for being here. I am Bill Marko with Jefferies on the investment banking side, and it's my distinct pleasure this morning to introduce two speakers from Chevron who will give you a discussion on Chevron.

There won't be a breakout afterwards, but these gentlemen, I think, will be available out here if you would like to talk to them informally after their presentation.

Norman Hansen is the General Manager, Strategy and Planning, with Chevron Africa and Latin America E&P, and his colleague is Jeff Gustavson, who is General Manager, Investor Relations, and it is my pleasure to introduce Norman and Jeff this morning.

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Good morning, and Bill, thank you for inviting us to share Chevron's Africa and Latin America portfolio with you at the conference this morning.

This portfolio is key to Chevron. We have been in the region for many years. We are now involved in six Latin American and 13 African countries. The photo behind me is of our Escravos gas-to-liquids project, which is scheduled to start later this year. The project points to the strong near-term growth prospects for Chevron in the region.

But to put this growth into perspective, let's take a step back and talk about the broader industry and how Chevron fits into it, and then I will provide an update on our position in Latin America and Africa.

Today's presentation contains estimates, projections, and other forward-looking statements. I would encourage you to take a few moments to review the Safe Harbor provisions. It is in the back of your book, as well as on our website.

As I take you through the presentation, I would like you to keep in mind that the undercurrent that runs through all of Chevron's operations, it's the way we differentiate ourselves through operational excellence. Operational excellence is the framework that enable us to operate with industry-leading safety performance. It reduces the risk of significant incidents and ensures efficient, reliable, and profitable operations.

At Chevron, we do it safely or not at all. And once we commit to doing something, we believe there is always time to do it right.

Our results are supported by Chevron's focus on operational excellence. Days away from work performance continues to lead the industry with the lowest incident rate, and we are seeing operational improvements. One example is well reliability. New processes and procedures have allowed our wells to have, on average, 100% increase in time between well failures over the last five years.

But I am getting a bit ahead of myself. I want to first talk about the overall energy industry, and the urgency of the challenges before us. All of you know Chevron is focused on meeting global energy demand, and the challenge is going to get more difficult as populations and economies grow. Demand for energy will grow with them. In fact, the global demand will increase more than 40% by 2035.



Demand for just oil is expected to rise about 23%. We will need about 65 million barrels per day of new production by 2035. That's over 390 billion barrels of cumulative new production in a 25-year period. That production will come from increasingly complex resources, complex in terms of reservoirs, recovery methods, technical capabilities required, and geopolitical influences.

And developing these complex resources will require significant investments in capital and people. Up to \$10 trillion of investment will be needed, more if the cost of goods and services continues to rise.

And so far, I have just focused on oil. Demand for natural gas is also expected to rise by about approximately 43% by 2035 per EIA estimates. Much of that demand will be met by accessing gas from shale rock and other tight resources.

We have seen in North America how important these resources can be to meeting energy demand, increasing jobs, growth, government revenues, and energy security. The ability to access shale and other tight resources has literally changed the energy industry landscape in North America. It is creating an energy renaissance.

In 2010, the EIA estimated North America unconventional gas accounted for 14% of global supply. Shale gas is forecasted to grow about 18% to overall supply by 2035. That growth will come from new plays and from historically conventional areas, such as the Permian Basin, where new technologies have transformed them into unconventional plays.

And yet, the renaissance won't be confined to North America. The EIA forecasts international shale and tight resources will grow to more than 13% of the world's supply in just 25 years.

This growth will not be easily achieved. International shale and tight resources are largely located in remote regions with limited infrastructure or heavily populated areas where local communities must support development. Developing these international resources will require not only the right geology, but also cooperation with governments, partners, and key stakeholders.

Here is where Chevron comes in. While we cannot do anything about a country's geology, we work hard to mitigate the above-the-ground risk with operational excellence. This has enabled us to build a strong, worldwide portfolio that includes production in 26 countries and nearly all of the world's key hydrocarbon areas.

We have four regional operating companies and 15 business units. We operate with a strong local presence, which is supported by centralized organizations to ensure consistent standards. Having strong leaders in country, supported by centers of functional excellence, gives us a competitive advantage and contributes to an industry-leading financial performance.

We continue to lead the industry in upstream earnings margins. We hold a leading position in adjusted upstream earnings per barrel by a wide margin. Based on year-to-date margins of \$23.33 per barrel, we are almost \$5.70 per barrel ahead of our closest competitor in our direct peer group. That is a position we have now held for 15 consecutive quarters.

We also lead in this important metric at the six-month mark by over \$4 a barrel against a broader peer group, including a broad range of E&P companies. These peer-leading financial results are directly related to the quality of our investment decisions and the strength of our portfolio. Again, the peer-leading financial results are directly related to the quality investment decisions, strength of our portfolio, and the strong execution performance of our base business and projects.

Our major project queue is one of the best in the industry. It is diverse, with projects across 19 countries and distributed across asset classes, from deepwater to sour oil and gas. We have 50 projects of over \$250 million starting up by 2017, and 16 of these have Chevron share investments exceeding \$1 billion.

In 2013, we brought online Angola LNG, and we plan later this year to start up the Escravos gas-to-liquids project. In late 2014, our large deepwater Gulf of Mexico projects will be coming online. In 2015, LNG cargoes from Gorgon will begin, followed by LNG shipments from Wheatstone in 2016.



And our growth in unconventional, shale, and tight reservoirs will add over 100,000 barrels a day between now and 2017. In short, we have a robust and growing portfolio.

Now that I have given you an overview of Chevron, let's focus on the Company's Africa and Latin America portfolio. This portfolio is a significant contributor to Chevron's upstream and gas portfolio. We operate a diverse portfolio of projects, with production in 10 countries. We have been doing business in Africa for more than a century. During the past five years, through 2012, we have invested over \$24 billion in Africa on energy project development and producing assets.

We have been in Latin America since the 1920s where we started exploration activities in Venezuela and Colombia. During the past five years, through 2012, Chevron has invested about \$5 billion in Latin America. We don't just invest in these regions. Chevron collaborates with host governments, state companies, and industry partners to develop economies and improve the communities where we work.

Our Latin America and Africa business are still growing, decades after we entered these regions. As I said at the beginning, we have operations and significant interest in six Latin American and 13 African countries. We're a top-tier producer in Angola, Nigeria, and Venezuela. And we are nowhere near done.

Chevron plans 12 project startups in these regions through 2017, and 10 of them involve more than \$250 million net Chevron share. Five of them involve more than a \$1 billion net Chevron share of investment.

These projects will complement an already robust production from Africa and Latin America, which provided net production in 2012 of 612,000 barrels per day. That came from conventional, oil and natural gas, deepwater, heavy oil, and big gas, which speaks to the diversity of our portfolio. We plan to continue this diversified investment for the foreseeable future, with deepwater, conventional, and heavy oil key focus areas, alongside increased investment in shale oil and tight resources.

I would like to go a bit deeper into our strategic business units now. Our Latin America unit includes operations and interests in Argentina, Brazil, Trinidad and Tobago, as well as Venezuela. Our current portfolio includes heavy oil in Petroboscan and PetroPiar in Venezuela, deepwater operations in the Campos Basin, and natural gas in Colombia. We're also exploring for unconventional resources in the Vaca Muerta shale formation in Argentina, something that I will share more details about in a few minutes.

It's clear Chevron is well positioned for growth in South America.

In Africa, we have two businesses. I will start with our Nigeria mid-Africa business unit, which is primarily focused in Nigeria and Chad. Under a joint venture agreement with NNPC, Chevron Nigeria Limited operates and holds a 40% interest in 13 concessions, covering about 2.2 million acres in the Niger Delta region.

Our interest in 10 deepwater blocks offshore Nigeria include the multibillion-dollar Agbami development, which features one of the world's largest FPSOs. We are developing gas projects near our Escravos operational base in the Niger Delta for domestic and international markets. These include the Escravos gas project, the Escravos gas-to-liquids project, and the West Africa gas pipeline.

And Chevron holds a 25% interest, non-operated interest, in the working consortium in Chad, which produces from the Doba fields and ships that crude to market through a 665-mile pipeline to the coast in Cameroon.

Our southern Africa business unit is based in Luanda, Angola. The unit ranks among southern Africa's top petroleum producers, with a total daily operated production of about 550,000 barrels per day. In Angola, Chevron is involved in some of the most innovative and challenging projects anywhere. These include multibillion-dollar investments, such as the development program to significantly increase production of the offshore BBLT project, the Angola LNG project, and the development of the Tombua-Landana field.

And finally, I want to share with you our natural gas commercialization efforts in Angola. They include export sales of LNG and NGLs, with major commercialization projects, including participation in the Angola LNG Limited project.



Just a few details of some of our major capital projects. Let's start with Angola LNG. It started up earlier this year and shipped its first LNG cargo in June. That was an important milestone, representing the first LNG from Angola and one of the largest energy projects in the continent of Africa. The \$10 billion project will continue ramping up and be a large contributor to our production growth in the region and the development of Angola's natural gas industry.

The project has the capacity to produce 5 million metric tons per year of LNG, 63,000 barrels of natural gas liquids, and 125 million cubic feet per day of gas for the local markets. We hold about a 36.5% interest in Angola LNG.

In Brazil, very pleased to let you know that we started production now from the Petrobras-operated Papa Terra deepwater facility. First production was announced today.

It's Chevron's second deepwater development offshore Brazil. The FPSO arrived at the field August 25 and the TLP is awaiting installation. The project will be the first tension-leg well platform in Brazil, which will be connected to the floating production and offloading vessel. The completed facility will be capable of producing up to 140,000 barrels per day of crude oil.

We hold a 37.5% interest in this Petrobras-operated project, and Papa Terra is estimated to recover approximately 350 million barrels of oil.

In Nigeria, the Escravos gas-to-liquids plant is near completion. We partnered with NNPC to develop the plant to convert 325 million cubic feet per day of gas to about 33,000 barrels of liquids, principally synthetic diesel. The EGTL project utilizes technologies from Sasol Chevron and, once completed, is expected to supply clean-burning, low sulfur diesel fuel for automobiles.

This project will help further unlock the value of Nigeria's vast natural gas resources and reduce flaring.

Now let's turn to our mid-term major capital projects. We have five major capital project startups through 2017 that are greater than \$1 billion net Chevron share, and we have more than 10 major capital project startups through 2017 that are greater than \$250 million net Chevron share. I will highlight just a few of them.

In the Republic of Congo, we are part of the \$10 billion investment in the Moho Nord joint development, the largest oil and gas project in that country. We are expecting to achieve first oil from Moho-Bilondo "Phase 1 bis" in 2015 and first oil from the Moho Nord project in 2016.

The Moho Nord project involves a TLP, a floating production unit with processing capacity of 100,000 barrels of oil per day, and the "Phase 1 bis" includes wells tied back to an existing floating production unit with a processing capacity of 40,000 barrels per day. We held a 31.5% interest in this joint development.

In Angola, Mafumeira Sul is expected to reach first oil in 2015, and achieve peak oil production of 110,000 barrels per day of crude oil and 10,000 barrels per day of liquefied petroleum gas. We plan to commercialize the associated natural gas from Mafumeira Sul through Angola LNG and Soyo Angola.

This project highlights our emphasis on people and sustained performance in Angola. We hold about a 39% interest in Ma Sul.

Let me spend a bit of time on Argentina, an exciting, long-term growth project. A Chevron subsidiary has entered into an agreement with YPF to spend \$1.24 billion for the first phase to develop shale oil and gas resources from the Vaca Muerta formation.

As most of you know, the entire Vaca Muerta formation alone is expected to be big enough to make Argentina energy independent. According to EIA estimates, the entire Vaca Muerta formation is believed to hold about 16.2 billion barrels of shale oil and 308 trillion cubic feet of shale gas resources.

Chevron's first step will be to support our partner and operator, YPF, in drilling 100 wells in a 5,000-acre tract, which is part of a 96,000-acre concession.

Our Company has a long history of doing business in Argentina, and we are committed to the country, its economic development, and helping the country achieve its goal of energy self-sufficiency. This project is truly a win-win for Argentina and Chevron.

Long term, Chevron expects strong growth from Africa and Latin America. Over the past three years, Chevron has added more than 13 million acres to the portfolio. We see growth opportunities in deepwater Liberia, Surinam, Sierra Leone, and Morocco. We see growth opportunities in shale and tight resources in Argentina's Vaca Muerta and South Africa's Karoo Basin. And we see growth opportunities in heavy oil in Venezuela's Faja and Boscan growth projects.

I have given you a broad overview today of growing energy demand, what Chevron is doing to meet that demand, and how Africa and Latin America will play a role. All of this boils down to a few key messages I hope you will take away from the presentation. These messages are that the potential growth of world energy demand is providing Chevron with challenges and opportunities.

Chevron is well positioned to take on these challenges. We have industry-leading financial results, strategies well aligned with the macro environment, and a strong focus on value and execution. And our focus in Africa and Latin America means that these regions are set to be a major contributor to our global energy supplies for decades to come.

Thanks. That's the end of the prepared remarks I had. Mr. Moshiri, my supervisor, was not able to make it today, so I hope that I can pass along his regrets for that and that I can do okay. My colleague, Mr. Jeff Gustavson, will help me respond to any questions there might be.

QUESTIONS AND ANSWERS

Bill Marko - *Jefferies & Company - Analyst*

As we said, he will take (multiple speakers) afterwards. So if anyone has any questions in the next couple of minutes, we'll do that.

Unidentified Audience Member

Do you guys stress test the valuation or the price deck needed to have good returns on most of those projects?

When you stress test the price deck you need for good returns, how far down do you go on both crude oil and natural gas prices and you're still comfortable with good returns?

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Jeff, I think this is probably one for you.

Jeff Gustavson - *Chevron Corporation - General Manager, Investor Relations*

Yes, we don't disclose, obviously, the specific prices that we use, but we stress-test -- we look at a number of different scenarios. I would say we start with a marginal cost of supply, add to that, a risk premium -- geopolitical risk premium, to end up with a view of where prices are headed; and then, of course, there is a high case to all of this as well, which we have seen recently in several last years. So we do stress-test it, I think like everyone else does, both oil, gas, and other commodities.



Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

As we bring forward projects from the Africa and Latin America organization to the upstream for review of the entire portfolio, there is a strong queue of projects that we have out there, and we have to make certain we can compete with those, and we are fortunate to be able to find those under our price regimes that we're looking at, as well.

Unidentified Audience Member

Can you give me an update on Chevron's development of their Marcellus assets, specifically the Atlas acquisition? Where is production today? How much capital are you putting into the asset, et cetera?

Jeff Gustavson - *Chevron Corporation - General Manager, Investor Relations*

So let's take questions in the room here while we've got Norm, want to keep them Africa, Latin America focus. That was the intent of providing the presentation, but I will happily take that afterwards on the sidelines.

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

I know Marcellus is not in Africa or Latin America.

Unidentified Audience Member

Can you give us an update on the GVLA project in Angola?

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Yes, the question was about an update on the GVLA project in Angola. That is currently being reviewed with our partners and looking at various alternatives for the best development scheme as we go forward.

Unidentified Audience Member

Can you talk about Morocco in a little more detail and what you, in particular, why you like that as a prospect?

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Morocco, we have moved in there. We have, I think, three blocks, if I recall correctly, and we are doing some early exploration work, some seismic. I'm a simple structural engineer, above the ground, so I don't know a lot about the rocks, but I do know that our exploration people that have looked at this are optimistic that they will find good opportunity in that area.

Jeff, do you have any additional comments.

Jeff Gustavson - *Chevron Corporation - General Manager, Investor Relations*

No, I think that's fair. You have seen us add acreage around the world in some more high-risk frontier areas. Morocco certainly fits into that camp. I think Surinam, Liberia, Sierra Leone would also fit that definition, and that is how you should see Morocco. So that is much longer term for us. No wells currently planned, just seismic at this point.



Unidentified Audience Member

Can you explain or tell me a bit more about how the geopolitical situation is in Argentina and where you see it going?

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

I will do my best. I am certain there are views on that.

When I think about Argentina, the first thing I think about our opportunity there are the rocks. There's a tremendous opportunity there we see in the Vaca Muerta.

Chevron has operated in Argentina for decades. Our partner, YPF, has a strong workforce and good management. We are confident that we continue -- can continue to operate there. The agreements that we have in place for the Vaca Muerta, for example, give us a confidence that we will be able to successfully operate and get our cash out of the country, as well.

Look around the world. I have had a chance to work in Nigeria, in Kazakhstan, in the US, California, Texas, a few places. One of the talents or one of the competitive advantages I think Chevron brings is our ability to manage those above-ground risks across many governments for a long period of time. And I think our record has demonstrated that. Argentina does have some challenges and I think we will successfully be able to meet those. I'm optimistic about it. Jeff, anything? Okay.

Bill Marko - *Jefferies & Company - Analyst*

Let's end it here, so that there is some time for the next group. So thank you, guys, very much.

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Thank you.

Bill Marko - *Jefferies & Company - Analyst*

They will be outside if you want to ask them the Marcellus questions.

Norman Hansen - *Chevron Corporation - General Manager, Strategy and Planning, Chevron Africa and Latin America E&P Company*

Thank you.



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