Chevron

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Third quarter 2016 earnings conference call and webcast

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Cautionary statement

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FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation 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 or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "may," "could," "should," "budgets," "outlook," "on schedule," "on track," "goals," "objectives" and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 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.

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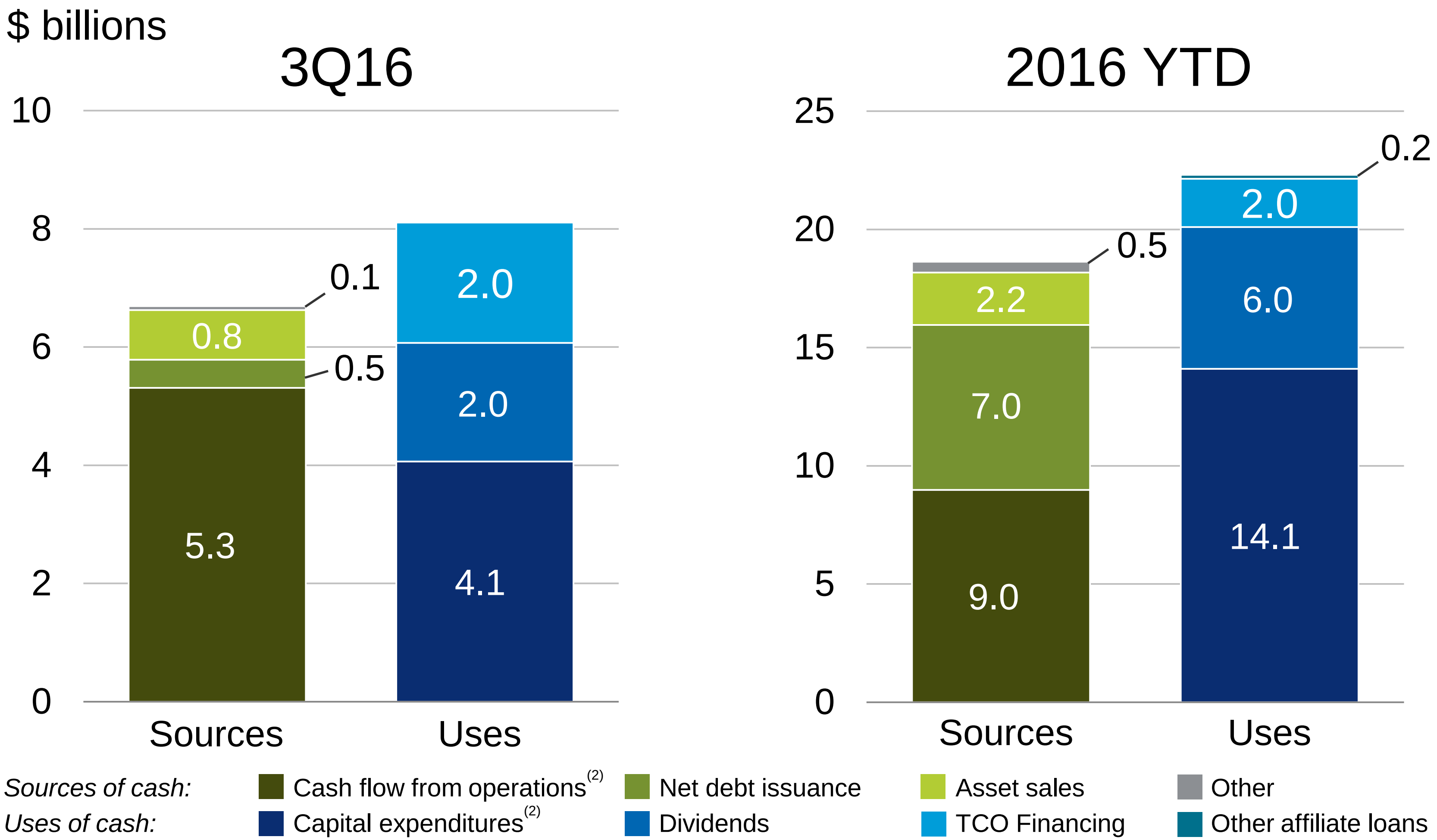
Certain terms, such as "unrisked resources," "unrisked resource base," "recoverable resources," and "oil in place," among others, may be used in this presentation to describe certain aspects of the company's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, these and other terms, see the "Glossary of Energy and Financial Terms" on pages 50 and 51 of the company's 2015 Supplement to the Annual Report and available at Chevron.com. As used in this presentation, the term "project" may describe new upstream development activity, including phases in a multiphase development, maintenance activities, certain existing assets, new investments in downstream and chemicals capacity, investment in emerging and sustainable energy activities, and certain other activities. All of these terms are used for convenience only and are not intended as a precise description of the term "project" as it relates to any specific government law or regulation.

3Q16 financial highlights

Reported earnings	$1.3 billion
Reported earnings per diluted share	$0.68
Earnings / EPS excluding special items and FX*	$0.9 billion / $0.49
Cash from operations	$5.3 billion
Debt ratio (as of 9/30/2016)	23.7%
Dividends paid	$2.0 billion

*Reconciliation of special items and FX can be found in the appendix.

3Q16 sources and uses of cash[1]

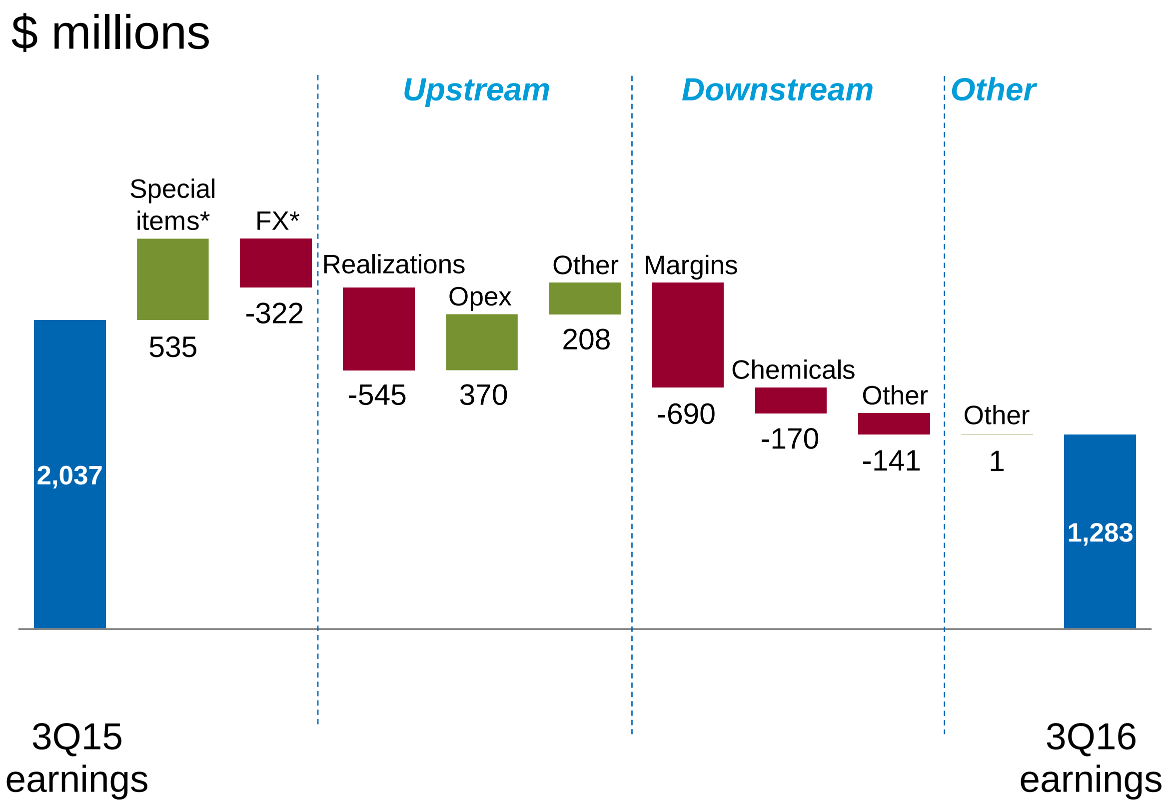


(1) Includes cash and cash equivalents and marketable securities.

(2) Per U.S. GAAP, expensed exploration expenditures and assets acquired from capital leases are part of "cash flow from operations" in our SEC reports. These two items are included in our "capital and exploratory expenditure" table in Attachment 2 to our earnings release.

Chevron earnings

3Q16 vs. 3Q15



Special items and FX

+ Absence of 3Q15 impairment charges
+ U.K. tax rate change
+ Ecuador arbitration award
− Lower FX gains

Upstream

− $5/BBL decline in Brent
+ Lower operating expenses

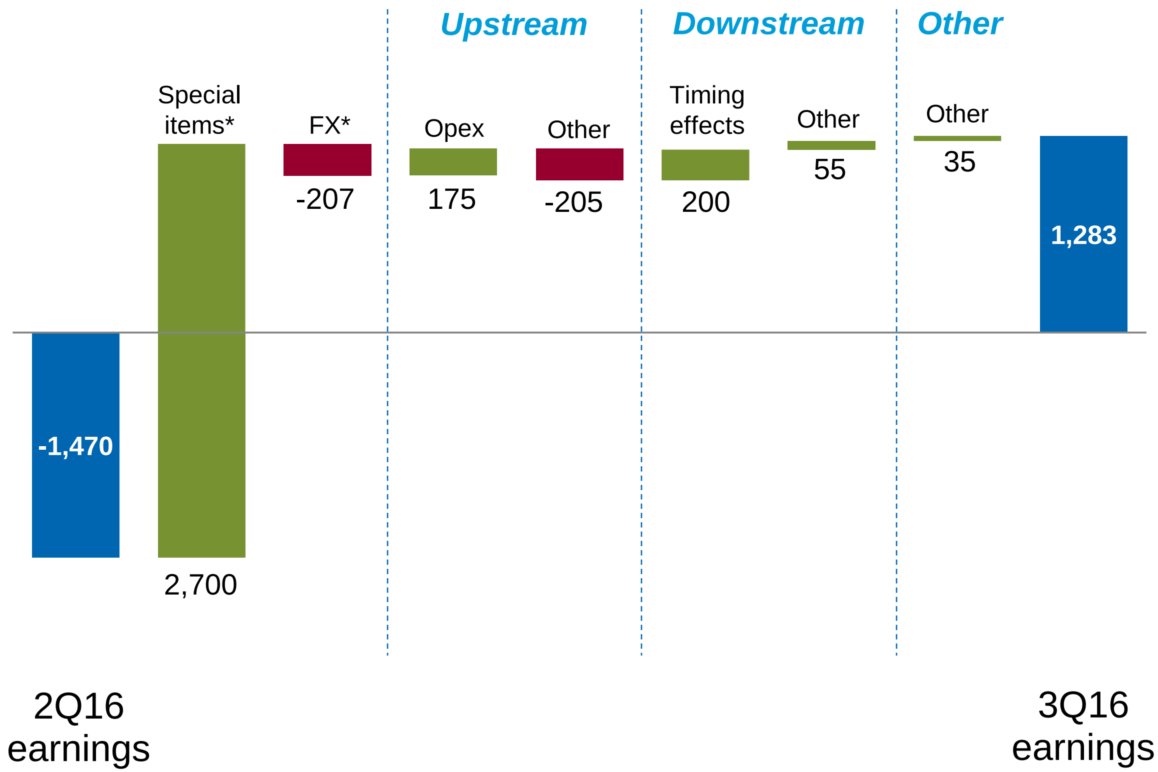
Downstream

− Lower refining margins
− Lower chemical earnings

*Special items and FX details can be found in the appendix.

Chevron earnings
3Q16 vs. 2Q16

$ millions



Special items and FX

Absence of 2Q16:

- \+ asset impairments and project suspensions
- − gain on sale of New Zealand marketing

\+ U.K. tax rate change

\+ Ecuador arbitration award

− Lower FX gains

Upstream

\+ Lower operating expenses

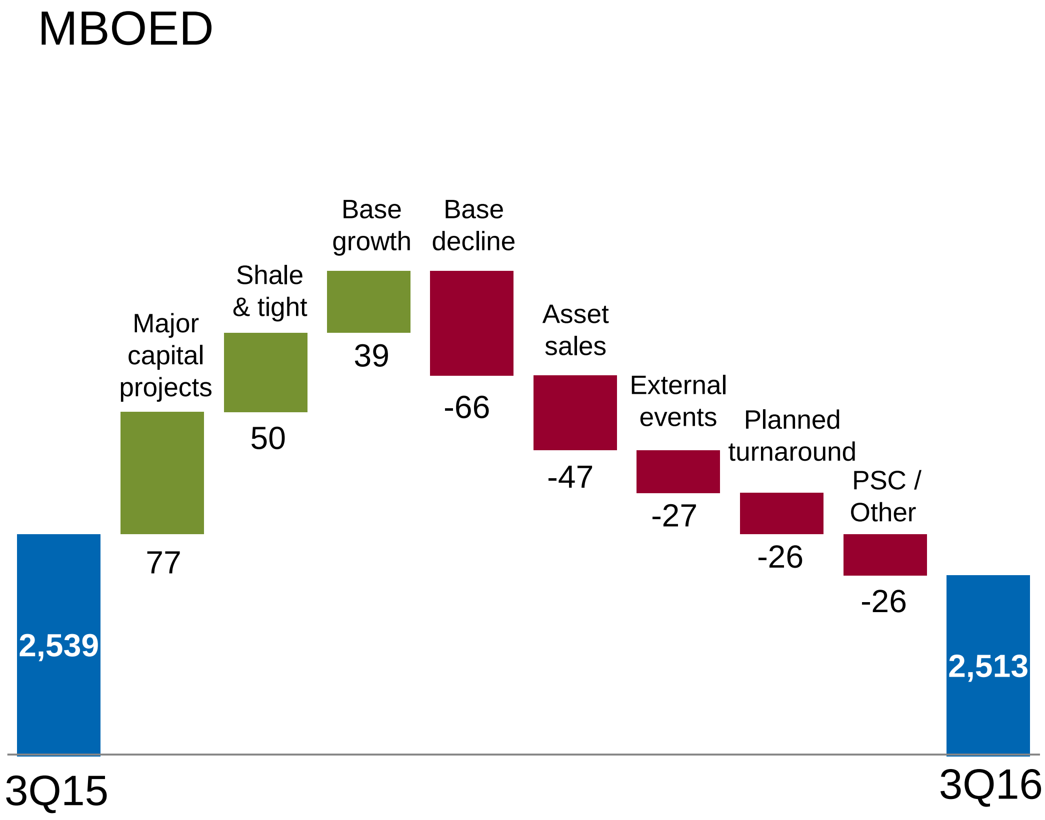
Downstream

\+ Absence of unfavorable 2Q16 inventory timing effects

*Special items and FX details can be found in the appendix.

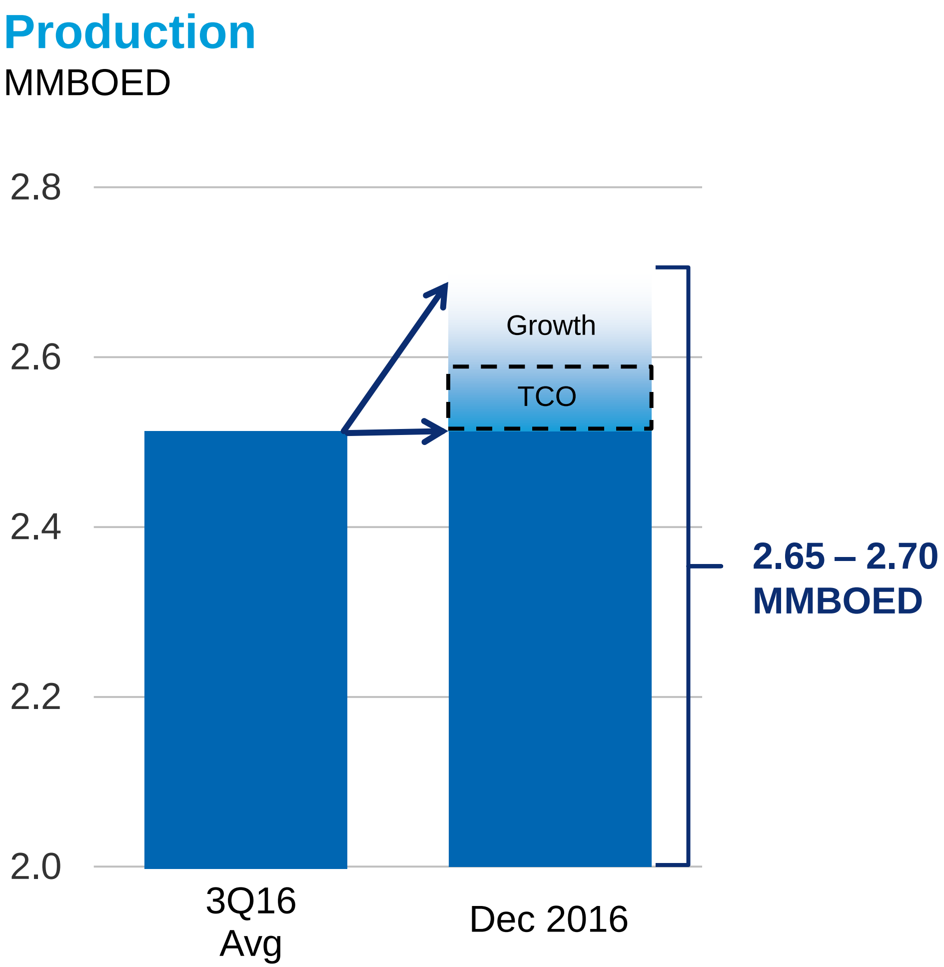
Worldwide net oil & gas production

3Q16 vs. 3Q15



+ Gorgon, Jack / St. Malo, Chuandongbei and Angola LNG ramp-ups
+ Growth across all shale and tight basins
+ Brownfield development
– Sale of GOM Shelf and Michigan assets
– Nigeria unrest
– Planned TCO turnaround

December 2016 production



MCP growth

- Gorgon Train 1 & 2
- ALNG
- Bangka (Indonesia)
- Alder (U.K.)

Permian growth

Absence of Tengiz turnaround

Gorgon / Wheatstone

Gorgon

- Train 1
  - Rate stable at ~110 MBOED*
  - 17 cargos shipped to date
- Train 2
  - Achieved first LNG October 25
- Train 3 first LNG expected 2Q17

Wheatstone

- All modules on site
- Train 1 first LNG expected mid-2017
- Train 2 first LNG expected 6-8 months after Train 1

*100% gross project

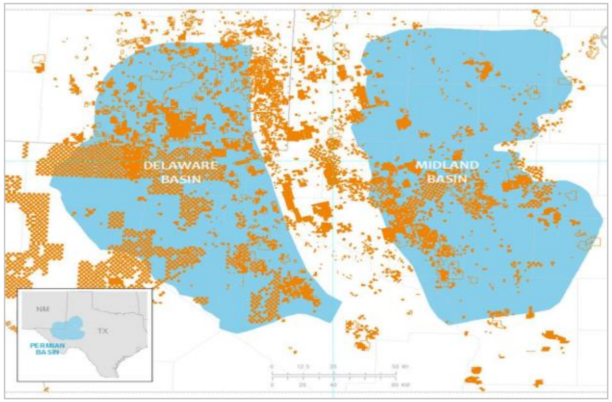
Chevron’s approach to the Permian

Advantaged Portfolio

2 million net acres

9 BBOE resource*

85% low or no royalty



Deliberate Strategy

Disciplined growth to generate attractive returns

Delivery of free cash flow

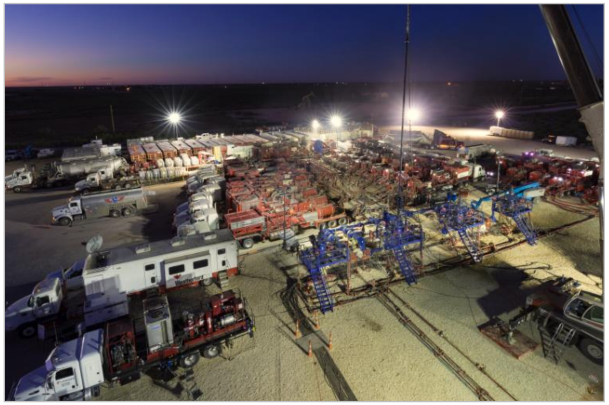
High efficiency factory

Competitive Performance

Efficient capital execution

Reliable, low cost operations

Competitive realizations



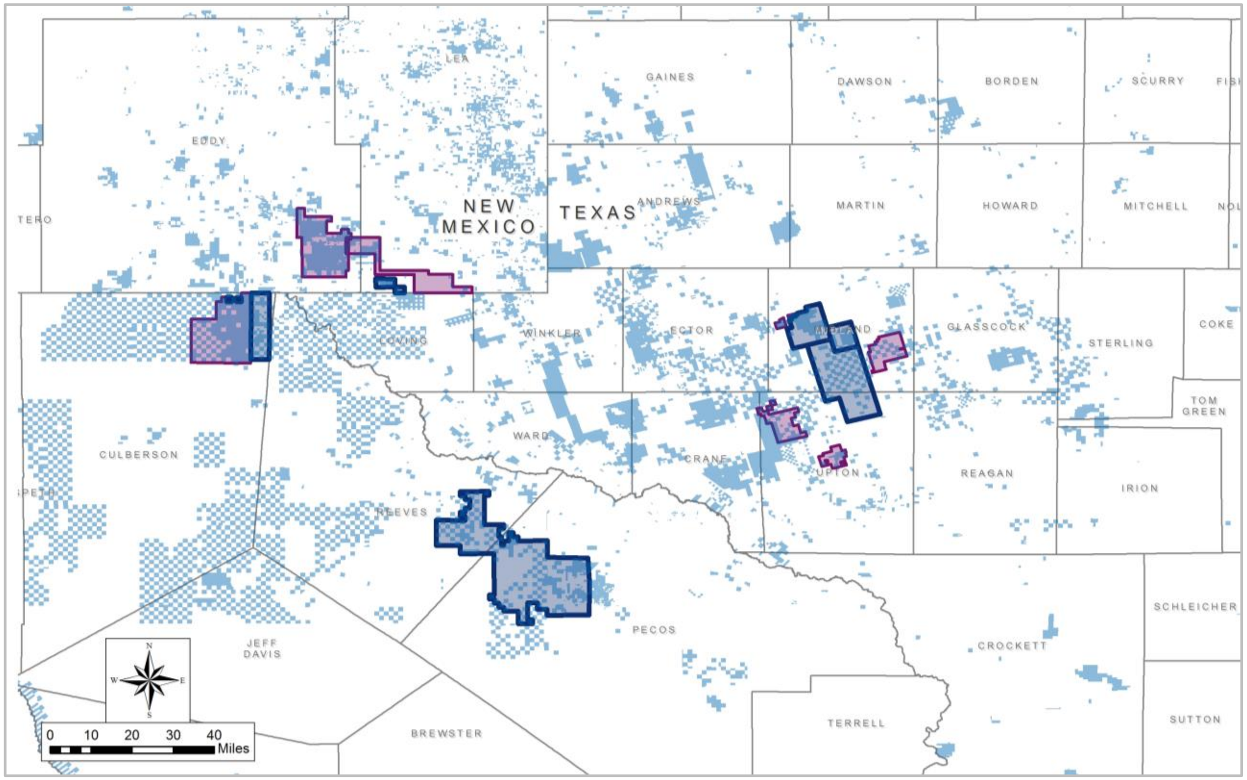
*Potentially recoverable resources as defined in the 2015 Supplement to the Annual Report

Quality Permian acreage position

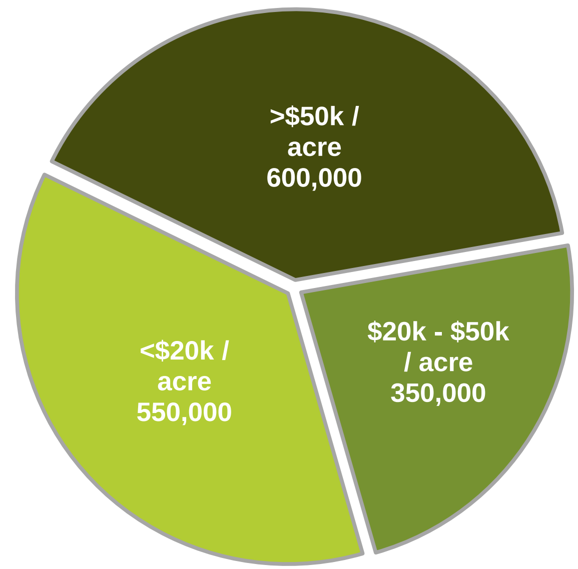
Chevron acreage

Chevron operated development

Chevron non-operated development



Acreage by NPV*



Total Midland & Delaware Acreage:1.5 MM acres

*NPV calculated assuming simultaneous development of all assessed benches (fully costed) across all acreage, using flat $50 WTI, $2.50 gas and $25 NGL prices

Permian unconventional performance

Development improvements

- Well performance (EUR)
- Execution efficiencies
- Supplier optimization

Operating improvements

- Centralized maintenance

G&A reduction

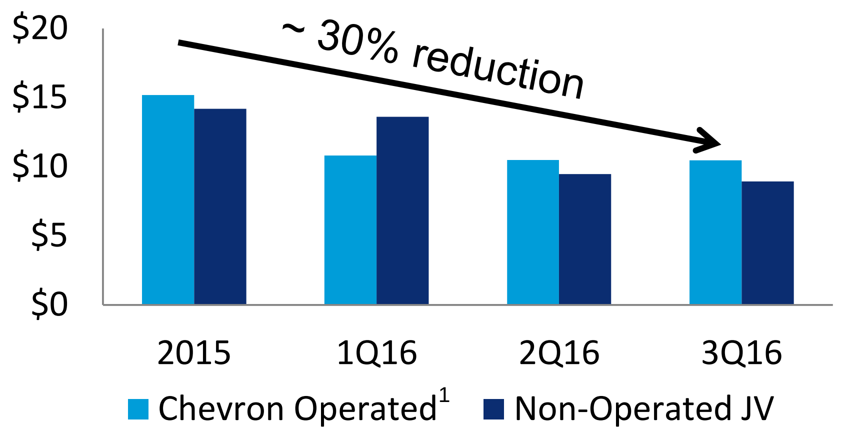
- YTD 2016 ~$3.50 / boe

Revenue recognition

- Royalty advantaged
- Integrated realization strategy
- Liquids rich

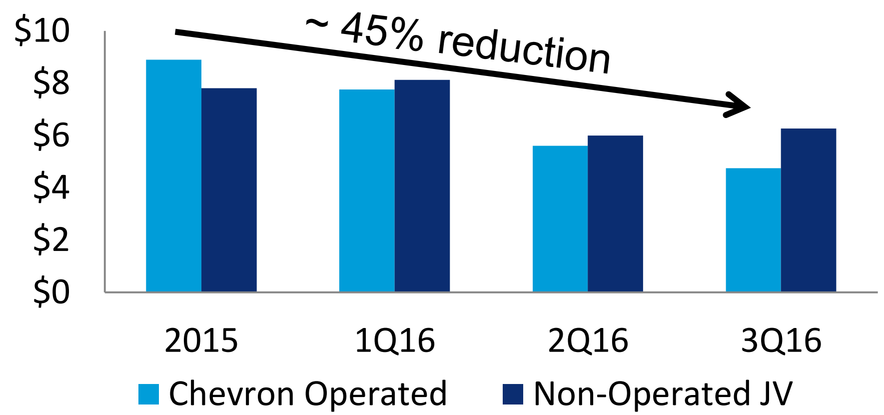
Competitive development costs

$/BOE



Competitive direct lease operating expense

$/BOE



[1] Includes drilling, completion, facilities, and G&A costs for horizontal shale & tight wells in the Permian for Chevron operated wells only

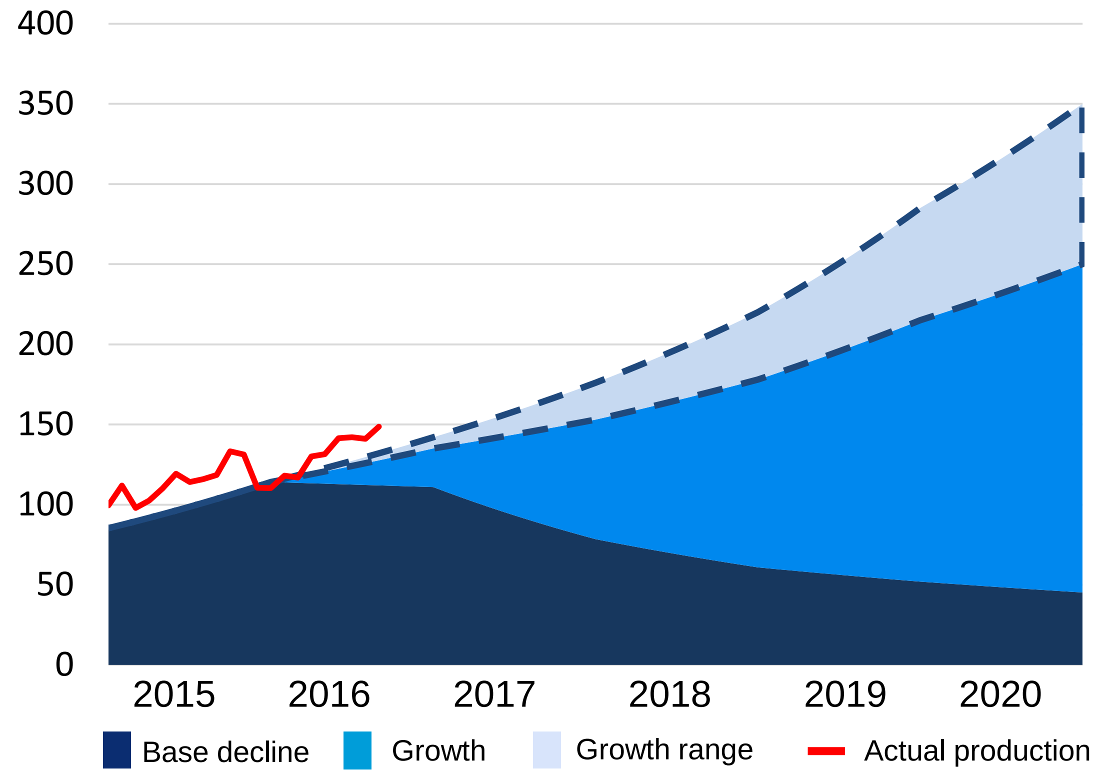
Permian unconventional growth
positioned for value accretion

Results continue ahead of expectations

Accelerating growth through end of decade

Capital efficient development for returns

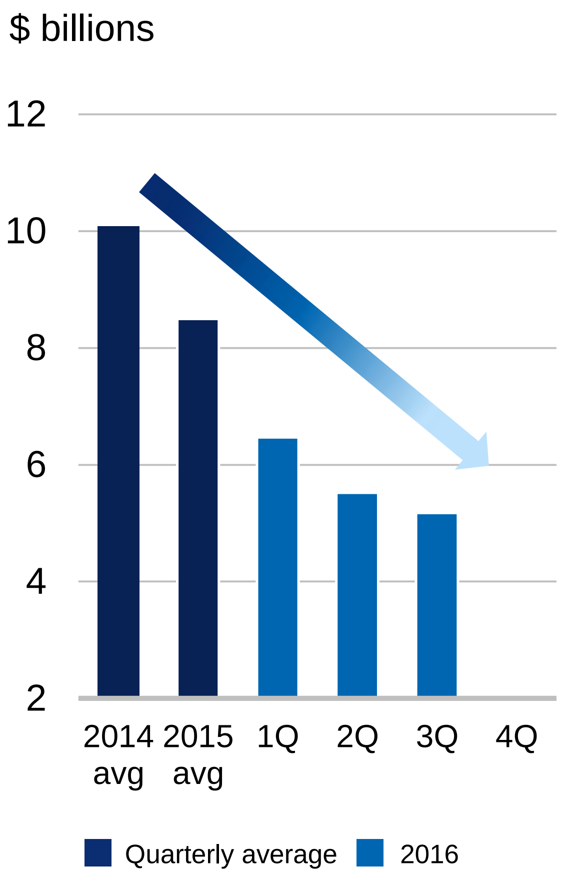
Net production[1] – Midland & Delaware
MBOED



[1] Reflects shale and tight production for Permian Basin only

Spend reductions

Total capital & exploratory
Quarterly



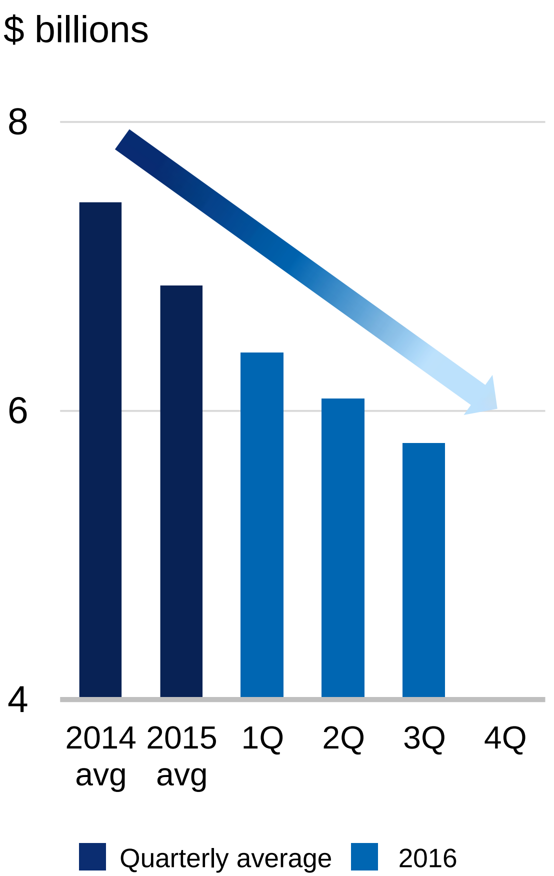
YTD 2016 C&E is trending below guidance range

YTD 2016 vs. YTD 2015: -32%

Cost structure reset

YTD 2016 vs. YTD 2015: -10%

OPEX and SG&A
Quarterly



Total C&E includes affiliate spend.

OPEX and SG&A = operating, selling, general and administrative expenses as reported on income statement (excludes affiliate spend)

Key messages

Financial priorities unchanged

Cash flow growth

Costs and spend reset

Pivot to high return, short cycle investments

questions

+

answers

Appendix: reconciliation of non-GAAP measures

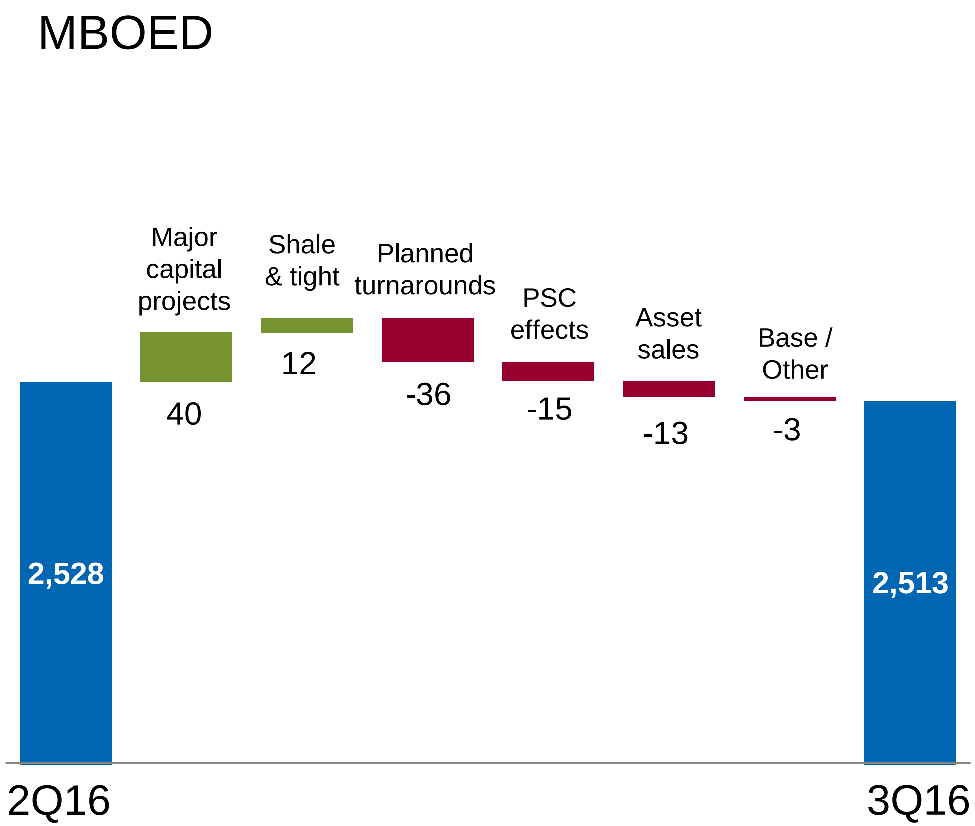
Reported earnings to earnings excluding special items and FX

	3Q15	4Q15	1Q16	2Q16	3Q16
Reported earnings ($MM)					
Upstream	59	(1,361)	(1,459)	(2,462)	454
Downstream	2,211	1,011	735	1,278	1,065
All Other	(233)	(238)	(1)	(286)	(236)
Total reported earnings	**2,037**	**(588)**	**(725)**	**(1,470)**	**1,283**
Diluted weighted avg. shares outstanding ('000)	1,872,420	1,874,313	1,869,775	1,871,995	1,883,342
Reported earnings per share	**$1.09**	**$(0.31)**	**$(0.39)**	**$(0.78)**	**$0.68**
Special items ($MM)					
UPSTREAM					
Asset dispositions	--	--	--	(70)	--
Impairments and other *	(245)	(1,125)	(85)	(2,830)	290
Subtotal	(245)	(1,125)	(85)	(2,900)	290
DOWNSTREAM					
Asset dispositions	--	--	--	490	--
Impairments and other *	--	--	(110)	--	--
Subtotal	--	--	(110)	490	--
ALL OTHER					
Other*	--	--	--	--	--
Subtotal	--	--	--	--	--
Total special items	**(245)**	**(1,125)**	**(195)**	**(2,410)**	**290**
Foreign exchange ($MM)					
Upstream	258	91	(298)	329	85
Downstream	141	(45)	(48)	(26)	(4)
All other	(5)	--	27	(24)	(9)
Total FX	**394**	**46**	**(319)**	**279**	**72**
Earnings excluding special items and FX ($MM)					
Upstream	46	(327)	(1,076)	109	79
Downstream	2,070	1,056	893	814	1,069
All Other	(228)	(238)	(28)	(262)	(227)
Total earnings excluding special items and FX ($MM)	**1,888**	**491**	**(211)**	**661**	**921**
Earnings per share excluding special items and FX	**$1.01**	**$0.26**	**$(0.11)**	**$0.35**	**$0.49**

**Includes asset impairments & revaluations, certain non-recurring tax adjustments & environmental remediation provisions, severance accruals and any other special items.*

Appendix

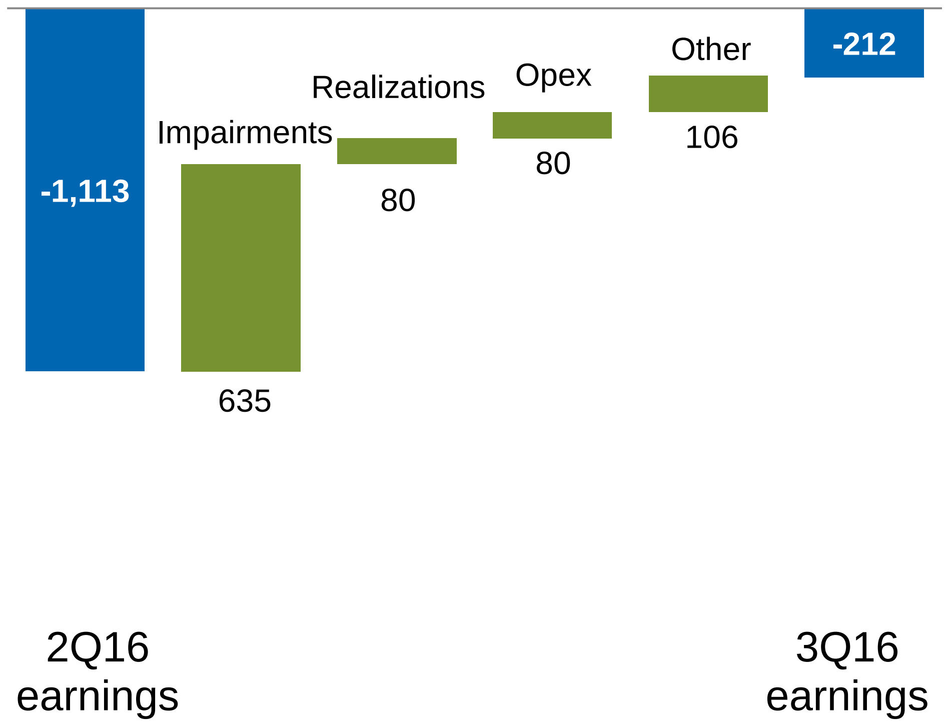
Worldwide net oil & gas production: 3Q16 vs. 2Q16



+ Gorgon ramp-up
+ Permian unconventional growth
– Tengiz planned turnaround
– Sale of GOM Shelf

Appendix
U.S. upstream earnings: 3Q16 vs. 2Q16

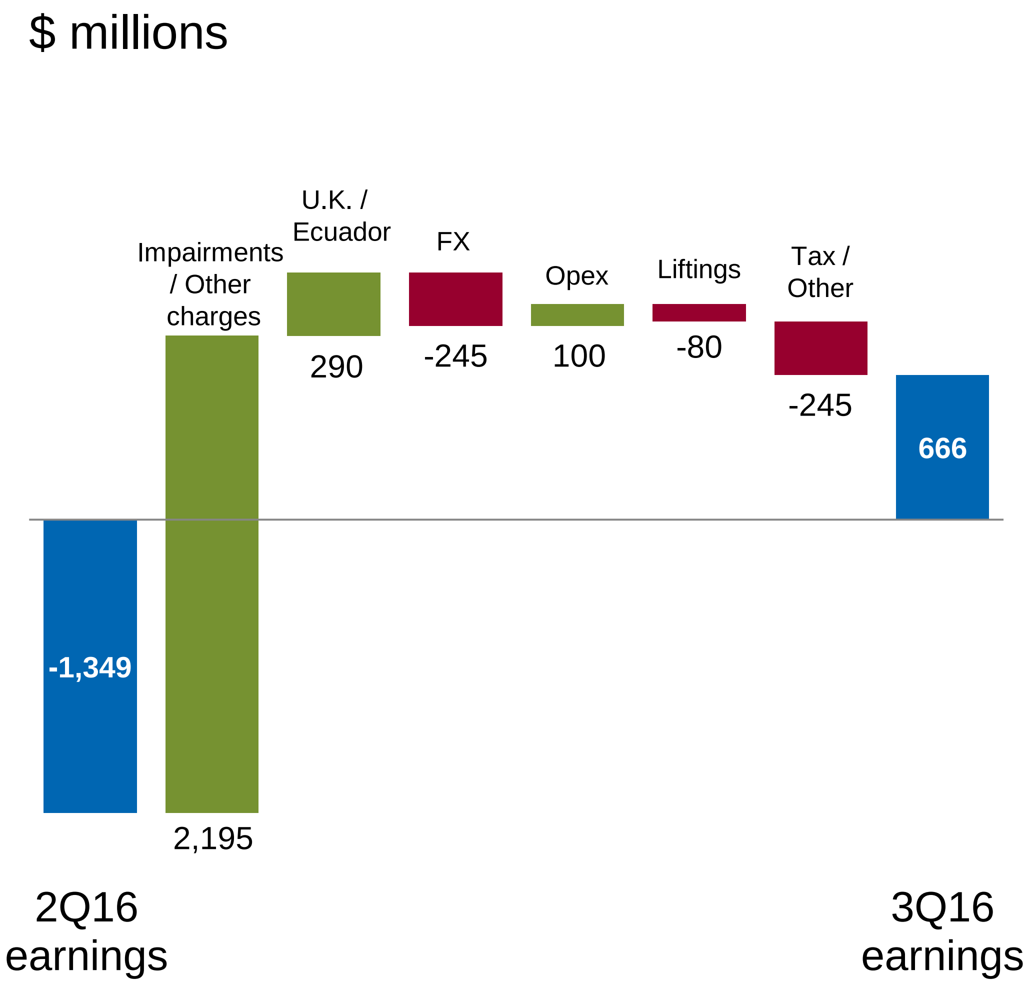
$ millions



- Absence of 2Q16 asset impairments

Appendix

International upstream earnings: 3Q16 vs. 2Q16

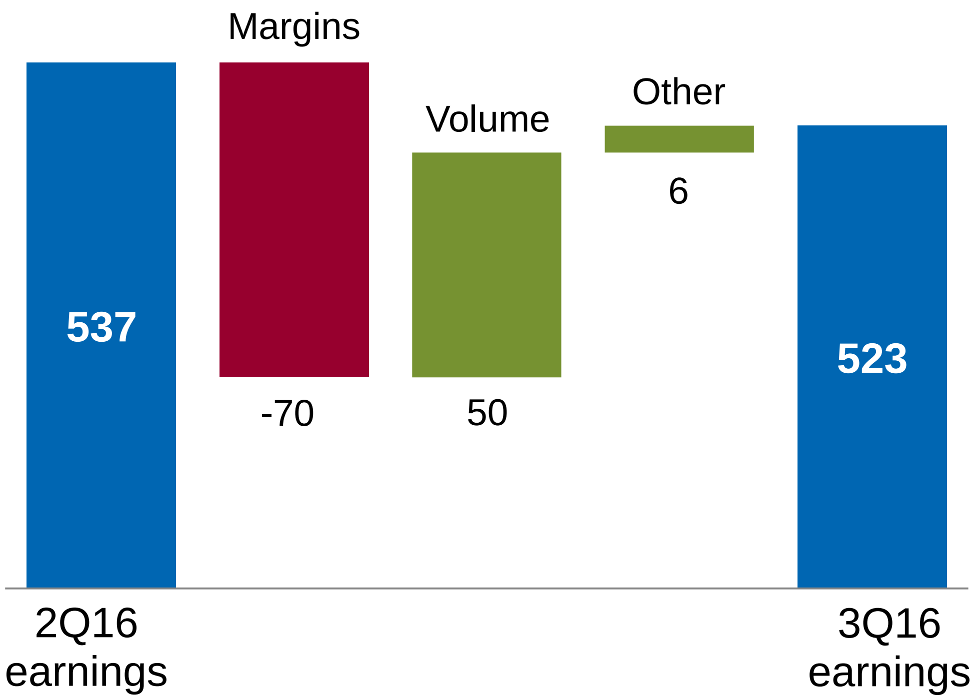


- Absence of 2Q16 asset impairments and project suspensions
- U.K. tax rate change
- Ecuador arbitration award
- Lower FX gains

Appendix

U.S. downstream earnings: 3Q16 vs. 2Q16

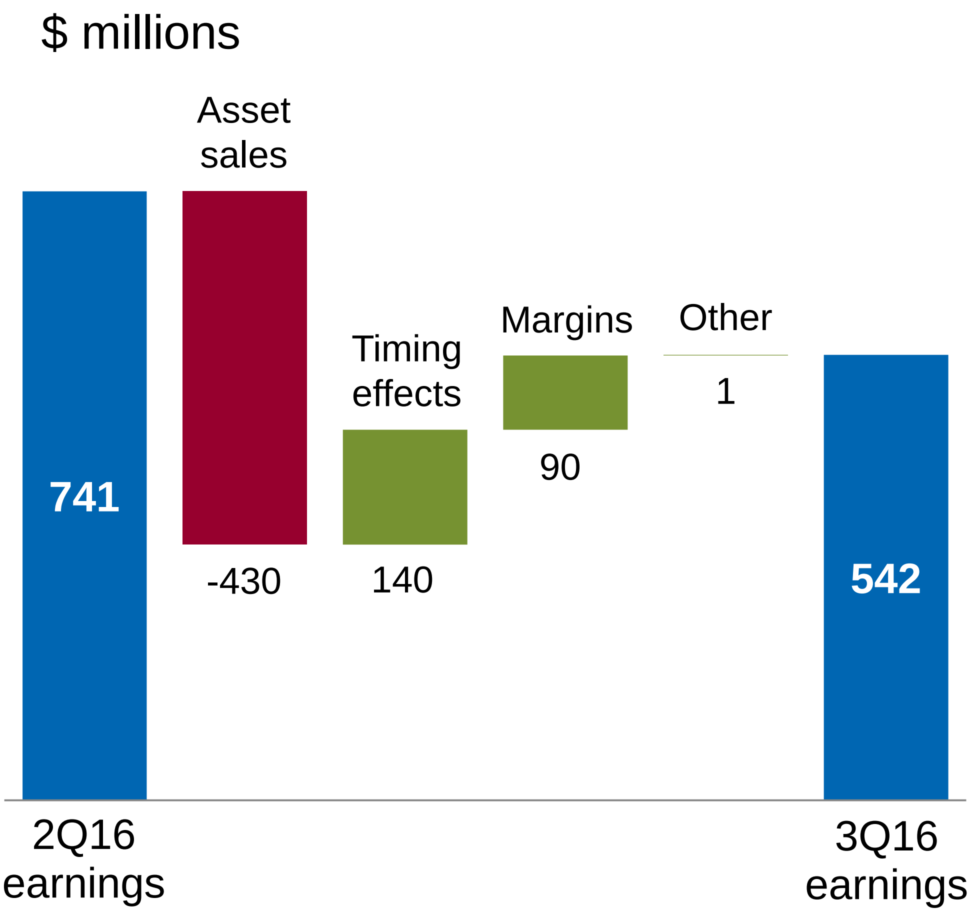
$ millions



- Lower refining margins
- Higher refinery production due to reduced turnaround activity in 3Q16

Appendix

International downstream earnings: 3Q16 vs. 2Q16



- Absence of 2Q16 gain on sale of New Zealand marketing
- Absence of unfavorable 2Q16 inventory timing effects
- Higher marketing margins