

December 2007 Issue

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The Year in Chevron

We salute a year in discovery, change and ingenuity.

Whether commencing first gas at Bibiyana, advancing leading edge technologies, enriching lives in communities around the globe or launching Yeosu Refinery commercial operations, 2007 was a landmark year.

JAN



We announce a significant oil discovery offshore Angola at the Lucapa-1 well. Lucapa was the 10th exploration discovery made in Block 14 since 1997.

Chevron contributes \$10 million to help construct a new headquarters for the U.S. Institute for Peace in Washington, D.C. The institute researches and develops programs on international conflict prevention, management and resolution.

FEB
MAR

The U.S. Federal Energy Regulatory Commission approves Chevron's proposal to build the Casotte Landing regasification facility next to the Pascagoula Refinery in Mississippi. Once processed, natural gas will be distributed to customers in Florida, Mississippi and the Northeast United States.



We sell our interests in the Netherlands manufacturing business, comprising the Nerefco Refinery, a crude oil storage facility, various proprietary pipelines and a wind farm for approximately \$900 million.

We inaugurate the Bibiyana natural gas field in northeastern Bangladesh. It is set to become the largest producing gas field in the country.

We confirm the discovery of two major new oil accumulations in the northern Congo Moho-Bilondo permit.



Chevron and the Weyerhaeuser Company sign a letter of intent to partner in assessing commercializing biofuels from cellulose sources.

With government and nongovernmental agency partners,

APR
MAY

Chevron signed a memorandum of understanding to build a vocational training facility in the Indonesian city of Banda Aceh. The initiative is part of Chevron's long-term commitment to reconstruction following the 2004 tsunami.



We contribute \$4 million to Orleans Parish public schools for state-of-the-art science lab equipment, supplies and teacher training. This donation is in addition to an \$18 million long-term investment the company made in education following hurricanes Katrina and Rita.

JUN



We receive the Business Excellence in the Workplace Award from the Global Business Coalition for our community education and workplace awareness efforts to prevent the spread of HIV/AIDS around the world. Former U.S. President Bill Clinton was a keynote speaker at the New York City award ceremony.

The company sells its interests in the fuels marketing business in Uruguay to the state-owned petroleum marketing and distribution company.

JUL

We form an alliance with the University of Texas at Austin to develop nonthermal enhanced oil recovery technologies to increase the amount of oil recovered from mature and challenging reservoirs.

In the North Sea, United Kingdom, the second Rosebank appraisal well — 205/1-1 — concludes a successful production test.

A discovery is announced at the Malange-1, Angola, offshore well in Block 14, bringing Chevron discoveries in this block to 11.

We sell our interests in the fuels marketing business in Belgium, the Netherlands and Luxembourg to Delek Benelux BV, a subsidiary of the Delek Group.

AUG



Our 110-megawatt Darajat III geothermal power plant begins commercial production. It becomes the largest energy project registered under the Clean Development Mechanism program, an instrument approved by the United Nations to encourage cost-effective greenhouse gas reduction.

Chevron announces a new organizational structure for worldwide exploration and production. The organization, effective January 1, will expand from two companies to four: Africa and Latin America; Asia Pacific; Eurasia, Europe and Middle East; and North America.

The board of directors approves a program to acquire up to \$15 billion of the company's common stock over a period of up to three years. "Our continuing

SEP

strong cash flows have enabled us to fund a significant capital program budgeted at almost \$20 billion in 2007, increase dividends to our stockholders, repurchase our shares in the market and reduce the company's debt," says Chairman Dave O'Reilly.



The "The Power of Human Energy" global advertising campaign is launched. The powerful TV ads aim to engage people in energy issues and to highlight the steps Chevron is taking to find and deliver energy solutions in the global marketplace.

OCT

We form an alliance with the Penn State Institute of Energy and the Environment to research coal conversion technologies.

Australia's federal environmental authorities approve the Gorgon development proposal on Barrow Island. This decision follows environmental approvals granted by the state in September.

The Thai government extends a production agreement for four offshore blocks in the Gulf of Thailand. The agreement facilitates our long-range plans to boost production in this region to more than 1 billion cubic feet per day of natural gas.



Our upgrade project at the Yeosu Refinery, a South Korean joint venture, finishes ahead of schedule and on budget. A new vacuum distillation unit, hydrocracker, lubricants base oil plant and other conversion units begin commercial operations.

NOV



Don Paul, chief technology officer, announces his retirement after more than 32 years of service at Chevron. He will be succeeded in 2008 by John McDonald.

Chevron and Massachusetts Institute of Technology announce an energy research program to develop remote, ultradeepwater exploration and production technology.

DEC

Chevron sets its 2008 capital and exploratory budget at \$22.9 billion, the largest in the company's history and an increase of 15 percent over expected outlays in 2007.

We announce that we've reached an agreement with our partners to move the Angola liquefied natural gas (LNG) project forward to the construction phase.



Human Energy: The Winners

Readers select their favorite shots in our Human Energy Photo Contest.

Your votes are in and counted, and we are pleased to announce the winners of the *Line Rider* Human Energy Photo Contest.

From daring pursuits to simple fun and games, the winning pictures vividly capture Human Energy in its many forms.

Readers were invited to vote for their five favorite pictures from a selection of 35 finalists, and these were the pictures you chose:

- "Synergy" by Yew Peng Jeffrey Toh
- "Fun Soccer" by Arsyad Siregar
- "18,000 ft on the West Rib of Denali, Alaska" by David Merrick
- "Go Where There is no Road and Leave a Trace" by Steeve Sasseville
- "Splash" by Joselito Gonzales

The second of our Chevron-wide photo contests attracted a high number of entries and employees who joined in to submit their votes.

"Overall, technical standards were high, but we were also impressed with how imaginatively the photographers' interpreted the subject of Human Energy," said professional photographer Marilyn Hulbert, one of the judges who helped narrow some 2,000-plus entries to just 35.

Congratulations to our talented winners, who will each receive the latest model Apple iPod, and to the finalists on their impressive photographs, and thanks to everyone who entered!

THE WINNERS:



'Synergy'

The dragon boat race is held once a year in Singapore, where Yew Peng Jeffrey Toh works as a facility management coordinator for Chevron Business and Real Estate Services.

"I will put aside at least one day to photograph the whole race and event," he says. For his winning shot, he used a telephoto lens to take close-ups of the paddlers to show the intense energy of the participants. "Anything that is fast moving attracts me," he says.



'Fun Soccer'

The mini soccer field at Chevron's residential complex for the Minas oil field in Sumatra, Indonesia, was the setting for Arsyad Siregar's cheerful shot of a women's soccer game. It was a family event, part of the camp's celebrations for Indonesia Independence Day (August 17). Arsyad is a petroleum engineer currently on an assignment in Houston, Texas, United States, working on an enhanced oil-recovery project for Minas.

Describing his winning shot, he says: "You can see the smiles and laughs that are eventually transformed to the happiness. This is, I believe, the most basic spirit of human energy. If you are happy, then you have courage to work better and aim higher. It is the form of energy that is the most versatile, shareable, and yet difficult to break."

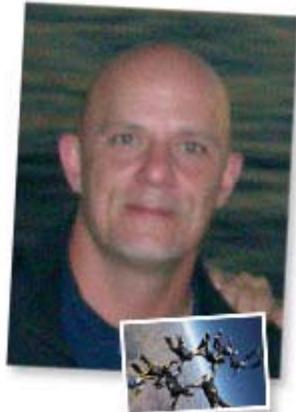
'18,000 ft on the West Rib of Denali, Alaska'



Engineer David Merrick has a good head for heights. He's been climbing rocks and mountains all his life. Blending and Shipping superintendent of Chevron's Burnaby Refinery in Vancouver, Canada, David has climbed many of the world's major peaks, but says, "we have some of the best climbing in the world here in Canada.

"This picture was taken on a trip I did with my friends Lee and Adrian back in 1998. We went to Denali in May that year and spent 17 days on the mountain — six of those in one storm at 14,000 feet [4,267 m]. The day I took the picture was our summit day. We climbed up, breaking trail for 12 hours (6,000 feet [1,829 m] vertical), and down for 6 hours. We were completely wasted by the time we got back to 14k camp and had very little 'human energy' left!"

'Go Where There is no Road and Leave a Trace'



With this quote from Ralph Waldo Emerson, Steeve Sasseville found an apt title for his breathtaking shot of a group of skydivers joining hands in mid-air.

"I had to take multi-shots to get a decent photo," says Steeve, an account manager for Global Lubricants, based in Longueuil, Quebec, Canada.

Using his favorite camera, a Nikon Coolpix, Steeve was dropping fast at near zero temperatures when he ran off these shots. "It was quite a challenge to take a picture at this high speed," he says.

'Splash'

Joselito Gonzales captured this child's leap, frozen in time, at Boracay Island, a popular beach area in the Philippines.

JonG, as he is fondly called by many, is an applications environment manager in Project Olympic, based in Manila,



Philippines. He enjoys photography as a hobby and has always used a Canon EOS Rebel 300D.

"I saw a group of local children having a great time diving," he says. "So, I tried to capture one of them and, as a result, I have a picture that shows how energetic, happy and adventurous the children are from this country."



The Art of Communication

Looking back at the paintings that helped a Line Rider predecessor cover the big stories.

With its photo contest today, *Line Rider* is continuing a tradition of encouraging artistic achievement that began with the company's earliest employee magazine, *Standard Oil Bulletin*.

From its inception in 1913, the *Bulletin* captured the pioneering spirit of our predecessor company Standard Oil (California), or SOCAL, through its bold, striking cover illustrations. The vivid, exuberant covers by mainly Californian artists depicted subjects varying from SOCAL's operations to the scenic beauty of California and the Pacific Northwest.

Over time, as the company expanded into areas such as Latin America and the Middle East, the subject areas broadened, but the artists themselves continued to be drawn from the same impressive talent pool that had distinguished the *Bulletin* since its earliest days.

The publication was the brainchild of vice president Kenneth Kingsbury, who was eager to reinforce the company's California heritage, which dated to its original discoveries in Pico Canyon and founding in 1879 as Pacific Coast Oil Co., Chevron's earliest predecessor.

The timing of the new publication was ideal as a communication medium. Just two years earlier, a U.S. Supreme Court decision had separated Standard Oil Company (California) from its parent, a giant New York-based corporation. One of the hallmarks of the young company was its tradition of enlightened human relations. Speaking directly to the employees came naturally to the company. The *Bulletin* also provided a medium for communicating to select members of the public.

The publication's origins also coincided with the growth of California, fueled by the automobile's increased popularity and the mobile society that it created. Appropriately, the *Bulletin's* cover artists were water colorists who drew directly from nature and were adept at replicating California's golden light and wide, airy landscapes. The same artists illustrated many of the billboards that sprung up on the state's growing network of roads.

“The publication's origins also coincided with the growth of California, fueled by the automobile's increased popularity.”

The cover assignments were commissioned by Harrison King McCann, the one-time

director of advertising for Standard Oil Co. of New Jersey who became the founder and head of the H.K. McCann Co., which served as ad agency for SOCAL and publisher of the *Bulletin*. Harrison and his staff were fortunate in having access to a rich talent pool of illustrators, many of whom had been drawn to the Bay Area for its flourishing artistic life and commercial opportunities.

With their unique convergence of social philosophies, artistic ideals, progressive attitudes and the ferment of the times, the artists were in the vanguard of what became known as the "California Style." Many narrowed traditional distinctions between fine and commercial art and managed to achieve recognition for both. Most of the illustrators represented one or more distinctive schools of art — such as Fauvism, "plein air" (literally, "open air" or *alfresco*) and Modernism — that gave an intellectual underpinning to their work.

The cover artists included colorful individuals such as Harold Von Schmidt, the son of a clipper ship captain and an Australian dancer. Harold was a one-time lumberjack and cowpuncher who played on the gold-medal winning rugby team at the 1920 Olympics and went on to become a prolific illustrator and founder of the Famous Artists School. Perhaps the quintessential member of the *Bulletin* community of artists was Maurice Logan whose unique amalgam of creativity, bohemian sensibilities and business acumen was reflected in his attire — a three-piece suit under a painter's smock.

Popular among readers, the illustrated covers continued for 35 years — from 1913 to 1948 — though photographs were also interspersed beginning in 1938.



The special focus of the November issue of Line Rider, on the recruitment, retention and development of employees, attracted several comments and questions to which we have obtained some expert responses.

Help “Regular Employees” Bloom

I appreciate Chevron’s interest in developing its young leaders and existing management through structured leadership development programs as described in the November 2007 issue of *Line Rider*. However, as an experienced hire that is neither in management nor on a specifically designated high-potential career path, there are not many opportunities for “regular employees” to participate in such events.

If these programs were extended to all employees, I am confident that Chevron would discover that a specific faction of its “regular” workforce is very interested in participating and engaging in corporate philosophy, management strategies and opportunities to enhance our own leadership skills.

Effective leaders exist throughout all layers of Chevron’s workforce, not only within management. Providing these opportunities throughout Chevron will further communicate the corporate message within specific job functions and spheres of influence, thereby expanding the scope of employee contributions and the eventual achievement of corporate objectives. Please consider occasional open invitations to the leadership development programs and watch us bloom.

Tina Lapene, New Orleans, Louisiana, United States

***Editor’s comment:** We asked our colleagues in Corporate Human Resources to help us respond to concerns raised in this letter and others.*

HR response: “Thanks for your thoughtful and candid comment. We have a strong commitment to training and developing our employees so they can be successful in their careers. The programs mentioned in the articles were just a sampling of our learning opportunities; there are many other opportunities available, depending on your local business unit. We suggest taking advantage of any local programs that exist in your area. The employee networks often conduct workshops that help build leadership skills and provide general career advice.

“We also suggest you discuss with your supervisor your career path and your desire to learn and advance. He or she can work with you to build a development plan that’s right for you and incorporate it within your performance plan. Communicating with your supervisor that you’re actively engaged is key to advancing your own career.”

Don't Let Candidates Slip Away

We hear a lot about how important it is for Chevron to attract highly skilled, experienced resources. Your special edition of *Line Rider* is a testament to this. However, Chevron does not seem to have the structures in place to allow it to react appropriately when opportunities do come our way. There is a lot of red tape, and it takes a long time to get anything going. By the time Chevron is ready, the potential candidate is long gone. What are we doing to address this? If nothing, then all our efforts as described in this edition would be for nothing. At the very least, Chevron's global Careers Web site should send an email to applicants thanking them for their interest in Chevron and for their job application.

Debbie Parker, San Ramon, California, United States

HR response: "You have identified an area of great importance to us. Human Resources continues to implement improvements to the hiring and staffing process. Specifically, HR is leveraging technology to reduce and streamline steps in the process. These actions should save employees and managers time and effort."

"In regards to your question about sending an email to applicants, our global Careers Web site already sends an automatic thank-you email to applicants. Besides this, we continue to look at ways to improve the user experience on our Careers site."

Talent Will Boost Company Resources

Line Rider helps one to gain insights into Chevron. If Chevron continues to discover employees' talent, I believe it will boost the company's resources in the next 50 years to come.

Eno Asikagbon, Warri, Nigeria

It's The Chevron Way

I am contracted by Chevron and have only been here for three months, and already the hospitality I have received from management and general employees is marvelous. Safety, diversity, growth and stability (judging by number of years some people have worked in the company) are what makes Chevron the best. True Human Energy!

Siyabulela Magadlela, Cape Town, South Africa