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December 2009



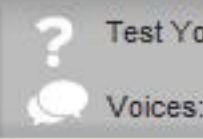
The Year in Chevron



A Dave O'Reilly Photo Album



Sky-High Stakes



Test Your Knowledge Quiz
Voices: Milestones



The Year in Chevron

It was a historic 130th anniversary year that will fuel our future.

With new discoveries, new projects and several multi-billion dollar developments delivering first production, 2009 was a milestone year in Chevron that brought optimism despite the global economic downturn.

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Left: Tahiti – on stream in May.



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January

Amid falling oil prices and fears of tough times ahead for the industry, Chevron begins the year on an upbeat note, reporting record earnings and safety results for 2008 and a capital spending program of \$22.8 billion, unchanged from the previous year.

Chairman Dave O'Reilly says: "This program will permit us to continue to invest in our key long-term strategic projects. It is made possible by the quality of our project queue, our financial strength and our confidence that despite the challenging outlook for the next few years, the world's energy demand will continue to grow as economies grow and standards of living increase around the world."

O'Reilly is pictured on his tour, in January, of the Chevron-sponsored Saudi Petroleum Services Polytechnic Institute in Dammam, Kingdom of Saudi Arabia.



February

Chevron Energy Solutions, which delivers energy efficiency programs (such as solar panels, pictured left) to a range of government and private facilities, is named one of the world's most innovative companies by *Fast Company* magazine in its annual, global list of the "Top 50 Innovative Companies."

A new oil discovery is made at the Buckskin prospect in the deepwater U.S. Gulf of Mexico. It is 44 miles (71 km) west of Chevron's successful 2004 Jack discovery, part of the Lower Tertiary.

We announce the first of several significant leadership changes of the year: the retirement of Vice Chairman Peter Robertson and the appointment of John Watson as his successor.

Employees and guests celebrate 11 billion barrels produced since oil first flowed at our Sumatra, Indonesia, operations in 1952.



March

At the Security Analysts Meeting in New York City, Chevron leaders describe how our company is "uniquely positioned for continued success despite a global economic downturn."

Nearly 500 Venezuelan teachers graduate from Chevron's Learning Center project, part of the Discovery Channel Global Education Partnership program, and are now ready to bring video to their classrooms.

April

The Milken Institute, a nonprofit Californian think tank, confirms that Chevron is a significant contributor to

our home state's economy. The research shows that our operations supported one out of every 250 jobs in California and generated approximately \$9.2 billion in economic output in 2007 (photo shows fuel marketing under the Chevron brand in the state).

We gain exploration rights in nine blocks in the Outer Vøring Basin in the deepwater Norwegian Sea.



May

Crude oil production begins at Tahiti (pictured), the deepest producing field in the Gulf of Mexico. Also one of the largest in the Gulf, Tahiti was discovered in 2002 and is estimated to contain total recoverable resources of 400 million to 500 million oil-equivalent barrels.

Chevron makes a discovery within the Moho-Bilondo license in the Republic of the Congo. The Moho Nord Marine-4 well is located approximately 46 miles (75 km) offshore of the Republic of the Congo, in 3,537 feet (1,078 m) of water.

U.S. Securities and Exchange Commission (SEC) rules permit oil and gas companies to disclose only proved reserves in their filings with the SEC. Certain terms, such as "resources," "oil in place," "recoverable resources," "oil-equivalent resources," "potentially recoverable volumes," "recoverable reserves," and "recoverable oil," among others, may be used in this press release or other public disclosures that are not permitted to be used in filings with the SEC.



June

Production from the Frade Field, Chevron's first operated deepwater development in Brazil, comes on-stream. The field is expected to achieve peak production of 90,000 barrels of crude oil and natural gas liquids

per day in 2011.

Steam injection begins at the Large Scale Pilot steamflood project at the Wafra Field in the onshore Partitioned Neutral Zone between Saudi Arabia and Kuwait. It marks the world's first steamflood in a carbonate reservoir.

The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria awards Chevron the Richard C. Holbrooke Award for Business Leadership in recognition of our longstanding commitment to fight the spread of these diseases. Throughout the year, we announce recipients of \$5 million grants, which make up our \$30 million contribution to The Global Fund to Fight AIDS, Tuberculosis and Malaria.

Pictured left, bed nets help decrease the incidence of malaria in Angola.



July

Oil starts to flow at Mafumeira Norte ahead of schedule, marking a milestone in the continued movement of resources to reserves in Angola's prolific Block 0. Mafumeira Norte is the first stage development of one of the largest remaining offshore fields in Block 0.

The company launches Accelerate Downstream. A response to sluggish demand, surplus capacity and lower earnings arising from dramatic changes in the global economy, it calls for swift, focused action to achieve more rapid progress in Downstream's 20-year strategy to improve business returns.

Prince Michael of Kent, patron of the Commission for Global Road Safety, honors Chevron with the Prince Michael International Road Safety Award.



August

The Takula Field, offshore Angola, produces its 1 billionth barrel of oil. The field, discovered in 1971, reached this milestone by averaging 105,000 barrels of oil per day for 26 years.

A significant natural gas discovery is made in Block 0 adjacent to the Cabinda coastline in Angola. The discovery extends a trend of undeveloped natural gas condensate and crude oil discoveries currently undergoing appraisal.

Two natural gas discoveries are made at the Carnarvon Basin offshore Western Australia: the Clio-2 well and Kentish Knock-1 well.

The *Discoverer Clear Leader* (pictured) begins working for Chevron in the deepwater U.S. Gulf of Mexico under a five-year contract with Transocean. The state-of-the-art vessel is capable of drilling wells in 12,000 feet (3,650 m) of water to a total depth of 40,000 feet (12,200 m).



September

The company makes its final investment decision to proceed with the development of the Gorgon natural gas project offshore Western Australia. The field has a total resource base of more than 40 trillion cubic feet of gas and an estimated economic life of at least 40 years. The illustration, left, shows the future three-train LNG plant and domestic gas processing facility on Barrow Island.

Dave O'Reilly announces his retirement after a 41-year career with the company, including 10 years as chairman and CEO. On January 1, 2010, he will be succeeded by current vice chairman John Watson. George

Kirkland will become vice chairman and retain his role as executive vice president, Global Upstream and Gas.

First oil flows at Tombua-Landana offshore Angola. It is expected to achieve peak production of 100,000 barrels of crude oil per day in 2011.

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October

We announce the California Partnership, an initiative to invest in education and economic development in Chevron's home state. Under the new initiative, we will expand and deepen our partnerships with nonprofits focused on supporting underserved communities.

The company supports relief efforts after earthquakes strike Sumatra, Indonesia, and Typhoon Ketsana (locally known as Ondoy) batters the Philippines.

After entering FEED earlier in the year, our Wheatstone LNG project in Australia brings in two new partners as natural gas suppliers and 25 percent equity owners in the project facilities.

A further natural gas discovery in the Greater Gorgon area's Carnarvon Basin is made by the Achilles-1 exploration well.

Chevron is a major sponsor of the World Gas Conference in Buenos Aires, Argentina (our booth is shown, left). George Kirkland, executive vice president of Global Upstream and Gas, speaks of the increasing importance of natural gas in the energy mix.



November

The American Australian Association honors Chevron and Chairman Dave O'Reilly for building long and enduring business ties between the United States and Australia.

The *Murwab*, pictured, delivers a cargo of liquefied natural gas (LNG) at Sabine Pass Terminal in Louisiana. It marks the completion of Chevron's first spot cargo deal, made with an affiliate of Qatar's RasGas Company, and is part of an agreement with the terminal that will help us diversify LNG marketing options for our equity-gas projects throughout the world by providing access to U.S. markets.

Chevron holds its second annual Global Road Safety Week to raise awareness about the dangers of driving and to empower the workforce to operate more safely on the road.



December

Chevron and the nonprofit Discovery Channel Global Education Partnership (see March) win the Partnership Award, a "people's choice" honor from the U.S. Chamber of Commerce Business Civic Leadership Center. We have worked with DCGEP for seven years to provide teacher training and video equipment to bring school lessons to life in developing countries. The photo shows a Learning Center in South Africa. (Courtesy of Brent Stirton/Getty Images. All rights reserved.)

Chevron completes its first wholly owned commercial wind power project on the site of a former Texaco refinery near Casper, Wyoming, United States. The 11-turbine wind farm's total energy output is expected to be 16.5 megawatts – enough to power about 4,400 homes.

The company announces a \$21.6 billion capital and exploratory spending program for 2010, five percent lower than projected 2009 expenditures. About 80 percent of the program is for upstream oil and gas exploration and production projects while 16 percent is earmarked for the downstream.



A Dave O'Reilly Photo Album

From his youthful running career through his professional years at Chevron, Dave O'Reilly was a winner.

The first Chevron Chairman and Chief Executive Officer born outside the United States, O'Reilly, retiring this month, leaves an indelible mark on the company's culture and dynamic growth. These images capture some of his personal milestones.

This is an interactive feature and therefore unavailable in PDF format. The interactivity is available on the Chevron intranet (<http://linerider.chevron.com>) or you may email for more information (linerider@chevron.com).



Sky-High Stakes

Aviation fuel has to be no less than perfect: We trust our lives with it.

Chevron is passionate about product integrity – and perhaps nowhere more so than our aviation fuels operations. The reason is obvious: “Fuel is the only system on an airplane with no backup, so protecting its purity is of paramount importance,” says Edson Gould, Chevron Global Aviation Audit and Inspections lead.

Every batch of the aviation fuels we manufacture is carefully, even obsessively, monitored, tested and retested from the refinery to the airplane. Only by continually meeting the most rigorous quality standards can that fuel make its way into the planes we all fly in.

“Off-specification fuel can impact engine performance and could even lead to a catastrophic failure,” adds Gould. “With so much at stake, Chevron is absolutely adamant about responsible stewardship.”

The job is large and complex. Chevron Global Aviation supplies 11 percent of the world’s aircraft fuels, or approximately 500,000 barrels per day, ranking it among the top-four suppliers. Operations span 70 countries and include 350 commercial airports and over 600 general aviation airports where Chevron refuels approximately 13,000 planes daily.

Fuels supplied by Global Aviation can be divided into two broad categories: aviation gasoline (also known as avgas) for propeller-driven, piston-engine planes and jet fuel for commercial airlines or the military.

Avgas primarily consists of hydrocarbons spanning the gasoline range with a lead additive to boost performance. Like many other transportation fuels, avgas is generally categorized by its octane rating. It’s the fuel used by Chevron-sponsored aerobatic pilot Julie Clark in her T-34 Mentor (see photo, page 1, and video, page 4).

Jet fuel, on the other hand, is primarily a kerosene product obtained from refining crude oil. Essentially, that makes it the same product our ancestors used in their lamps – but with a lot more attention to detail.

“As it travels down the supply chain, product quality is managed under the Aviation Fuels Product Quality (AFPQ) program,” says A. Sudharsan, Center for Operational Excellence general manager.

“The AFPQ program is a portfolio of solutions focused on improving our aviation fuels supply chain and minimizing the risk of product-quality incidents. We ensure that integrated quality systems are in place along the entire chain. The program also provides an opportunity to streamline existing processes, share best practices and optimize handoffs between functions.”

While avgas and jet fuel are very different, both have extremely stringent quality standards. In the case of jet fuel, the product must pass 19 certification tests before it leaves the refinery, putting it among the world’s most exhaustively inspected products.

Fuel is tested for properties related to combustion, materials compatibility, cleanliness, handling, lubricity, aircraft range, storage stability, fluidity and volatility. Only when the fuel has passed all these tests and conforms to the relevant specification is it ready for sale and transportation to the end user via marine vessels, pipelines or trucks.

Because fuel is transported in such a variety of ways, the risk of contamination is always present. Those risks

are even greater if that pipeline, truck or marine vessel also carries other products. In such a case, Chevron tests the product at every transfer point, requiring it to be recertified using nine key tests. Fuel traveling in pipelines or vessels that only carry jet fuel requires fewer quality tests but must still be rechecked whenever it is transferred.

As a further assurance of product quality, Global Aviation carries out approximately 800 safety and quality inspections each year. These inspections cover all facilities that handle our fuel, including third parties as well as joint ventures where Chevron is not the operator. Outside facilities with high-risk action items will not be allowed to receive and handle fuel from Chevron until those issues have been successfully addressed.

"It's a hard, clear line with no room for compromise," says Linda Gallaher, Aviation's Global Product Quality manager. "Serious deficiencies that remain unresolved will lead us to exit the location until they meet our requirements."

Ultimately jet fuel is more than a product. It also is a promise that the right fuel will be delivered to an airplane whenever it is needed regardless of where in the world that plane happens to be.

"An airplane only generates revenue when it is flying," says Clive Dennis, Strategy and Business Development general manager. "A delay of even 30 to 40 minutes can be significant, creating a ripple effect throughout the day that seriously impacts airline profitability and produces disgruntled customers.

"The stakes are high, and our reputation travels with every barrel we ship," added Dennis. "What Chevron offers customers is a supply chain completely focused around delivering fuel that is on specification and on time. We are committed to excellence, and we are passionate about achieving results that exceed expectations."