

TIDBITS

A variety of articles, excerpts and items of interest taken from Chevron's news releases and media reports compiled by the CRA Communications Committee

Chevron Reports First Quarter Net Income of \$3.6 Billion

April 27, 2018 – Chevron Corporation (NYSE: CVX) today reported earnings of \$3.6 billion (\$1.90 per share – diluted) for first quarter 2018, compared with \$2.7 billion (\$1.41 per share – diluted) in the first quarter of 2017. Foreign currency effects increased earnings in the 2018 first quarter by \$129 million, compared with a decrease of \$241 million a year earlier.

Sales and other operating revenues in first quarter 2018 were \$36 billion, compared to \$32 billion in the year-ago period.

Earnings Summary

<u>Millions of dollars</u>	<u>Three months ended March 31</u>	
	<u>2018</u>	<u>2017</u>
Earnings by business segment		
Upstream	\$3,352	\$1,517
Downstream	728	926
All Other	(442)	(239)
Total ⁽¹⁾⁽²⁾	\$3,638	\$2,682
⁽¹⁾ Includes foreign currency effects	\$129	\$(241)
⁽²⁾ Net income (loss) attributable to Chevron Corporation		

“First quarter earnings and cash flow improved significantly from a year ago,” said Chairman and CEO Michael Wirth. “We benefitted from growing production and higher prices.” “Our cash flow continues to increase with the powerful combination of expanding upstream margins and volumes,” Wirth added. “Oil and gas production is increasing, most notably in our Gorgon and Wheatstone LNG Projects in Australia, and our shale developments in the Permian Basin where production grew 65 percent from a year ago.” “Upstream volumes are expected to continue to increase in future quarters,” Wirth added. “In the downstream, we reached a significant milestone,” Wirth commented. Chevron Phillips Chemical Company LLC, the company’s 50 percent-owned affiliate, commenced operations of a new ethane cracker at its Cedar Bayou facility. At peak production, the unit is expected to produce 1.5 million metric tons per year and to be one of the largest and most energy efficient ethane crackers in the world. “In addition, we continue our asset sale program,” Wirth continued. The company sold its interest in the Elk Hills Field in California in early April and expects to complete the sale of its southern Africa refining, marketing and lubricant assets later in the year.

Chevron Announces Quarterly Dividend

April 25, 2018 – The Board of Directors of Chevron Corporation (NYSE: CVX) today declared a quarterly dividend of one dollar and twelve cents (\$1.12) per share, payable June 11, 2018, to all holders of common stock as shown on the transfer records of the Corporation at the close of business May 18, 2018.

Gibraltar Supreme Court Awards Chevron \$38 Million Against Ecuadorian Conspirators

May 25, 2018 – The Supreme Court of Gibraltar has issued a judgment against Pablo Fajardo, Luis Yanza, Ermel Chavez, Frente de Defensa de la Amazonia (the “Front”) and Servicios Fromboliere for their role in a conspiracy to procure and attempt to enforce a fraudulent Ecuadorian judgment against Chevron. The court awarded Chevron Corporation \$38 million in damages and interest and issued a permanent injunction against the defendants, preventing them from assisting or supporting the case against Chevron in any way.

Fajardo, Yanza and Chavez are Directors at Amazonia Recovery Ltd. (“Amazonia”), a Gibraltar-based company set up to receive and distribute funds that the co-conspirators hoped to obtain from the corrupt Ecuadorian judgment. The company was established in 2012 by Steven Donziger, the lead American lawyer behind the fraud, and his associates. Donziger and Fajardo, an Ecuadorian lawyer, were found by a U.S. Federal Court to have engaged in extortion, money laundering, wire fraud, Foreign Corrupt Practices Act violations, witness tampering and obstruction of justice. The Front, which has long been involved in peddling a dishonest public relations campaign against Chevron aimed at extorting a settlement from the company, and Servicios Fromboliere, an Ecuadorian law firm established by Fajardo, are shareholders in Amazonia and part of the extensive web of obscure entities established by the participants in the fraud against Chevron to attempt to hide their misconduct and profit from it. Today’s ruling is the latest in a series of setbacks for Donziger and his team, which has been unsuccessful in its attempts to enforce the Ecuadorian judgment across a variety of jurisdictions.

“In issuing this decision, the Supreme Court is holding the perpetrators of this fraudulent enterprise accountable for their actions,” said R. Hewitt Pate, Chevron’s vice president and general counsel. “In courtrooms around the world, this fraudulent scheme against Chevron Corporation continues to implode.”

This latest judgment against Donziger’s associates and their supporting organizations follows a December 2015 ruling against Amazonia itself, in which the Supreme Court of Gibraltar awarded Chevron \$28 million in damages and issued a permanent injunction against Amazonia preventing it from assisting or supporting the case against Chevron Corporation in any way. Chevron claims against Amazonia asserted that the company is a vehicle to perpetuate the ongoing fraud scheme against Chevron, with the express purposes to procure funding for the scheme, fund the plaintiffs’ conspiracy, issue shares of the company to lawyers, advisors and funders, and receive and distribute proceeds from the corrupt Ecuadorian judgment.

In 2015, Chevron filed similar claims in Gibraltar against Fajardo, Yanza and Chavez, and later, in 2017, successfully joined the Front and Servicios Fromboliere to the proceedings as additional defendants. Despite orders from the court, and their status as directors and shareholders in the Gibraltar company, the defendants failed to acknowledge service of court documents or participate in the proceedings. As a result, the court issued a default judgment against the defendants, awarding Chevron \$38 million. The award was based on legal fees and other costs incurred by Chevron to uncover and combat the conspiracy. The Gibraltar court also issued a permanent injunction prohibiting the defendants from further participation in the scheme and ordered the defendants to reimburse Chevron for any future expenses it incurs defending itself against the fraud.

In addition to these developments in Gibraltar, efforts to enforce the fraudulent Ecuadorian judgment have now been rejected in Argentina, Brazil, Canada and the United States. In the United States, in March 2014 Judge Lewis Kaplan of the U.S. District Court for the Southern District of New York ruled that the Ecuadorian judgment was the product of fraud and racketeering activity, finding it unenforceable in the United States and holding Donziger liable for RICO violations. In his opinion, Judge Kaplan described Amazonia as a "Gibraltar company...through which the property collected on the judgment is to be funneled." In Brazil, in 2015 the Federal Prosecutor's Office issued a recommendation to the country's Superior Court of Justice that the judgment not be recognized for enforcement, finding that it was "issued irregularly, especially under uncontested acts of corruption" and that recognizing it would violate Brazilian and "international public order." The Brazilian Superior Court of Justice subsequently unanimously rejected attempts to enforce the judgment in November 2017. On May 16, 2018 the Brazilian Superior Court of Justice rejected attempts by the plaintiffs to limit the scope of its decision through a motion to clarify. Similarly, in 2016 Argentina's public prosecutor's office recommended that its National Court reject the effort to recognize the Ecuadorian judgment in that country. The National Court No. 61 in Buenos Aires dismissed the recognition action on October 31, 2017. An appeal is now pending.

In Canada, in January 2017 a court ruled that the Ecuadorian judgment could not be enforced against Chevron Canada Limited, an indirect subsidiary of Chevron. That decision was upheld on appeal in on May 23, 2018 by the Ontario Court of Appeals.

Since the extent of Donziger and his team's fraud scheme was revealed, more than a dozen former insiders and allies have abandoned the effort, including Donziger's former co-counsel, environmental consultants, funders, investors, employees and Ecuadorian collaborators.

Canadian Appeal Court Affirms Dismissal of Suit Against Chevron Subsidiary

May 23, 2018 -- The Ontario Court of Appeal has upheld a lower Canadian court's determination that an Ecuadorian judgment against Chevron Corporation, already found by U.S. courts to have been obtained through fraud and corruption, cannot be enforced against Chevron Canada Limited, an indirect subsidiary. The Court of Appeal affirmed the judgment dismissing all claims against Chevron Canada Limited holding that it is a separate entity from Chevron Corporation and its assets are protected from seizure by those seeking to enforce the

corrupt Ecuadorian judgment. The court rejected the Ecuadorian plaintiffs' arguments as contrary to fundamental principles of Canadian corporate law.

The Court of Appeal stated: "What is really driving the appellants' appearance in our courts is their inability to enforce their judgment in the United States," where it is has already been found to be the product of "a massive fraud" that involved both corruption and coercion of judges. The Court of Appeal continued: "What we are really being invited to do is to assist the appellants in doing an end-run around the United States court order by breaking with well-established jurisprudence and creating an exception to the principle of corporate separateness."

"The Canadian court's decision follows rulings by courts in the United States, Brazil, and Argentina that confirm the fraudulent Ecuadorian judgment should be unenforceable in any court that respects the rule of law," said R. Hewitt Pate, vice president and general counsel, Chevron Corporation. "We are pleased that the Ontario Court of Appeal has affirmed the trial court's clear application of legal principles that show that Chevron Canada Limited is a separate legal entity that cannot be dragged into this fraudulent litigation."

Because Chevron Corporation has no assets in Ecuador, the plaintiffs, led by American lawyer Steven Donziger, are attempting to enforce the Ecuadorian judgment in other jurisdictions. Donziger and his associates are seeking to enforce the judgment against both Chevron Corporation, which has no assets in Canada, and Chevron Canada Limited, which is not a party to the Ecuadorian lawsuit. Today's decision confirms that they cannot pursue Chevron Canada Limited's assets.

In its decision, the Ontario Court of Appeal quoted from the 2014 U.S. federal court decision that found that a judgment issued against Chevron Corporation by a court in Ecuador was the product of fraud and racketeering activity including extortion, money laundering, wire fraud, witness tampering and obstruction of justice. The U.S. court also prohibited enforcement of the Ecuadorian judgment in the United States. The U.S. federal court judgment is now final after having been unanimously affirmed by the U.S. court of appeals and denied review by the Supreme Court.

Since the extent of the fraud scheme was revealed, more than a dozen former insiders and allies have abandoned Donziger and his scheme, including his former co-counsel, environmental consultants, funders, investors, employees and Ecuadorian collaborators.

"Chevron will resist any enforcement effort and seek to hold anyone who would attempt to profit from the fraudulent judgment accountable to the full extent of the law," Pate said. Any current environmental conditions in the former concession area in Ecuador are the exclusive responsibility of the Republic of Ecuador and its national oil company. Chevron Corporation has never operated in Ecuador. An indirect subsidiary of Texaco Inc. properly carried out a government-approved and supervised environmental remediation program in Ecuador after the government took over its minority interest in 1990. Ecuador's national oil company has been the exclusive owner and operator for the past 26 years, significantly expanding operations during that period.

Humor section – Husbands and Wives, communication skills

1. AVOCADOS

A wife asks her husband, "Could you please go shopping for me and buy one carton of milk and if they have avocados, get 6."

A short time later the husband comes back with 6 cartons of milk. The wife asks him, "Why did you buy 6 cartons of milk?"

He replied, "They had avocados."

If you're a woman, I'm sure you're going back to read it again! Men will get it the first time.

2. WATER IN THE CARBURETOR

WIFE: "There is trouble with the car. It has water in the carburetor."

HUSBAND: "Water in the carburetor? That's ridiculous "

WIFE: "I tell you the car has water in the carburetor."

HUSBAND: "You don't even know what a carburetor is. I'll check it out.

Where's the car?

WIFE: "In the pool".

4. HE MUST PAY

Husband and wife had a tiff. Wife called up her mom and said, "He fought with me again, I am coming to live with you."

Mom said, "No darling, he must pay for his mistake. I am coming to live with you."

5. TODAY'S SHORT READING FROM THE BIBLE

From Genesis: "And God promised men that good and obedient wives would be found in all corners of the earth."

Then he made the earth round and He laughed and laughed and laughed.....