

## 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 Reaffirms Higher Returns, Lower Carbon Objectives**

- Raises share buyback guidance to \$10 to \$20 billion per year
  - Expects free cash flow annual growth greater than 10% at \$60 Brent
  - Updates progress toward targets for lower carbon intensity and new energies growth
- Feb. 28, 2023-- At its annual investor meeting today, Chevron Corporation reported on its progress to leverage its strengths to safely deliver lower carbon energy to a growing world.

"Chevron intends to be a leader in both traditional and new energy businesses," said Mike Wirth, chairman and CEO. "We're growing energy supply, lowering carbon intensity, and returning more cash to shareholders." Last month, Chevron increased its dividend per share by 6%, and its Board authorized a new \$75 billion share repurchase program.

### **Higher Returns**

Chevron expects to maintain capital and cost discipline to deliver higher returns while growing energy supplies. In line with these objectives, the company announced it is:

- Maintaining its guidance for annual organic capital expenditures of \$13 billion to \$15 billion through 2027.
- Affirming its oil and gas production guidance of more than 3% annual growth by 2027.
- Extending its 12% return on capital employed target to 2027 at \$60 Brent.

High return production growth supports growing shareholder distributions. The company expects annual free cash flow growth greater than 10% at \$60 Brent and is raising its share buyback guidance range to \$10 to \$20 billion per year. In addition, the company will raise its targeted annual share buyback rate to \$17.5 billion starting in the second quarter.

"We have the capital discipline and balance sheet strength to offer a differentiated value proposition," said Pierre Breber, Chevron's CFO. "We're winning back investors with consistent and growing cash returned to shareholders across the commodity price cycle."

Late last year, the company announced a more than 30% increase in its 2023 organic capital expenditure budget relative to 2022 levels.

"Chevron is investing in advantaged assets in the Permian Basin, Gulf of Mexico, Kazakhstan, Australia and elsewhere that we believe drive superior performance," said Nigel Hearne, executive vice president, Oil, Products, and Gas. "We're focused on executing with excellence to grow value across our portfolio."

### **Lower Carbon**

Chevron updated investors on progress toward achieving its target to reduce the carbon intensity of its oil and gas production to 24 kg per barrel of oil equivalent by 2028, in part through execution of carbon abatement projects. Also, the company provided updates on its new energy business lines with the company halfway to its 2030 renewable fuels target and taking steps to build businesses in carbon capture, offsets, and hydrogen.

“We intend to be a leader delivering lower carbon solutions to our customers in hard-to-abate sectors,” said Jeff Gustavson, president of Chevron New Energies. “We believe we have unique capabilities, well-positioned assets and long-standing customer relationships to safely deliver higher returns and lower carbon.”

### **Webcast**

Chevron conducted a webcast on Tuesday, February 28, 2023, to discuss the company’s strategy at the annual investor meeting.

Presentations, prepared remarks and a full transcript of the meeting is available on the Investor Relations website, at [www.chevron.com](http://www.chevron.com) under the “Investors” section.

## **Chevron Announces Lower Carbon LNG Fleet Modification Project with Sembcorp Marine**

Feb. 26, 2023-- Chevron Corporation, through its subsidiary Chevron Shipping Company LLC, announced entrance into an agreement with Sembcorp Marine Repairs & Upgrades Pte. Ltd, a wholly owned subsidiary of Sembcorp Marine Ltd. (Sembcorp Marine), intending to reduce the carbon intensity of their LNG fleet operations. Under the agreement, with Sembcorp Marine’s support, Chevron will install new technologies aboard Chevron vessels to support their energy transition goals. The changes are also in alignment with decarbonization targets set by the International Maritime Organization (IMO).

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230226005105/en/>

Chevron aims to lower the carbon footprint of LNG transportation by installing new technologies such as a reliquefaction system, hull air lubrication, and a new gas compressor. Together, these changes are expected to reduce cargo boil-off, lower fuel consumption and increase volumes of cargo delivered.

“We are excited to work with Sembcorp Marine to help us advance our lower carbon goals,” said Mr. Mark Ross, President of Chevron Shipping Company. “We believe LNG will be a key component of the global energy transition for years to come, and Chevron is focused on continuing its disciplined capital investment in our LNG fleet.”

Sembcorp Marine has significant expertise in complex LNG fleet modifications and has a proven track record for lower carbon solutions for the maritime industry. Sembcorp Marine will provide Chevron with engineering, procurement, installation, and commissioning (EPIC) services and expects to complete the work by mid-2025.

Mr. Wong Weng Sun, Sembcorp Marine President and CEO, said: “Sembcorp Marine is committed to advancing environmental sustainability through the development of industry-leading solutions. Working with Chevron on its LNG fleet upgrades is an immediate way to accelerate the lowering of the carbon footprint in the maritime industry, to achieve the IMO’s target to reduce emissions from international shipping by at least half by 2050, compared to the levels in 2008.”

### **ABOUT SEMBCORP MARINE**

Sembcorp Marine Ltd provides innovative engineering solutions to the global offshore, marine

and energy industries. Headquartered in Singapore, the Group has close to 60 years of track record in the design and construction of rigs, floaters, offshore platforms and specialised vessels, as well as in the repair, upgrading and conversion of different ship types. Sembcorp Marine's solutions focus on the following areas: Renewables, Process, Gas, Ocean Living and Advanced Drilling Rigs.

Sembcorp Marine's customers include major energy companies, owners of floating production units, shipping companies and cruise and ferry operators. They are supported by four commercial units: Rigs & Floaters; Repairs & Upgrades; Offshore Platforms and Specialised Shipbuilding.

Sembcorp Marine operates shipyards and other facilities in Singapore, Indonesia, the United Kingdom, Norway and Brazil.

Discover more at [www.sembmarine.com](http://www.sembmarine.com).

### **Chevron Signs MOU with Egypt on Methane Management**

Feb. 21, 2023 – Chevron New Ventures PTE. LTD. (“Chevron”) and the Egyptian Ministry of Petroleum and Mineral Resources (MOPMR) have signed a memorandum of understanding (MoU) to share best practices and expertise related to the reduction of methane emissions.

The MoU, witnessed by Clay Neff, president of Chevron International Exploration and Production and H.E. the Egyptian Minister of Petroleum and Mineral Resources, Tarek El Molla, builds on the Sharm El Sheikh Oil & Gas Methane Reduction Roadmap that was announced by El Molla during Decarbonization Day at COP 27 in November 2022. It is aligned with Egypt's membership in the oil and gas track of the Global Methane Pledge.

“Decarbonization is a core element of the Egyptian Ministry of Petroleum and Mineral Resources' strategy. Due to its significant global warming potential, reducing methane emissions is key to supporting positive climate action,” said H.E. Eng. Tarek El Molla.

“Therefore, we are prioritizing the reduction of methane emissions from Egypt's oil and gas sector, in line with Egypt's membership in the Global Methane Pledge. Building on the success of COP27 Decarbonization Day, we will collaborate with our strategic partners like Chevron to further drive emissions reduction and reduce the carbon footprint of our hydrocarbon resources,” the Minister added.

The MoU includes methane and decarbonization study tours and workshops for MOPMR employees at Chevron facilities in the US and other locations, to build awareness of methane control technologies, measurement practices and projects to effectively reduce carbon emissions.

“Chevron believes that reducing the carbon intensity of our industry is an important step to address climate change and collaboration is imperative. Since last year we have been working with the Egyptian Ministry of Petroleum and Mineral Resources on an agreement related to developing and strengthening best practices on methane abatement,” said Neff.

“Together we recognize the importance of programs which will support Ministry employees to expand the necessary skills and knowledge to advance a methane management and ultimately a carbon reduction strategy in Egypt's energy sector.”

Chevron's ambition is to be a global leader in methane emissions performance, and the company is taking action to meet that aim. Chevron's upstream methane intensity has been reduced by 50% since 2016.

Chevron's history in Egypt dates to 1937 and today, it is present in all sectors of the value chain; upstream, midstream and downstream.

### **Williams Wins Natural Gas Gathering Deals for Chevron's Haynesville Assets**

*SA News*, Feb. 17, 2023 – Williams said Friday it has executed agreements with Chevron to support natural gas development in the Haynesville Basin as well as the deepwater Gulf of Mexico.

Williams said it will provide natural gas gathering services to Chevron's Haynesville assets in Texas, Oklahoma and Arkansas, while Chevron agreed to a long-term capacity commitment on Williams' Louisiana Energy Gateway project.

The natural gas processing and transportation company also agreed to use existing infrastructure to serve increased production from the Blind Faith platform in the Gulf of Mexico.

### **Chevron and Fab Foundation Announce Global STEM Educator Fellowship**

Feb. 16, 2023-- Chevron Corporation and the Fab Foundation today announced the first recipients of an all-new fellowship program that supports STEM educators across the world. The Chevron Fab STEM Fellowship was awarded to Nathan Pritchett of Tulsa, Oklahoma and to Pieter Verduijn of Calabas, Aruba. The Chevron Fab STEM Fellowship is a one-year discovery program for outstanding educators to learn about, create and promote innovative and inclusive programs that teach STEM using digital fabrication and engage new and underrepresented student populations in STEM education and careers.

The program is inspired by Chevron's social investment strategy and the global Fab Lab network, both of which foster innovation, learning and invention. Fab Labs, with their suite of digital fabrication tools and prototyping machines — including laser cutters, 3D printers, vinyl cutters and milling machines — are inspiring young people across the world to learn about science, technology, engineering and math (STEM). These are safe and accessible places to play, create, learn, mentor and invent.

The Fellowship awards a stipend of \$10,000 to each selected educator to use toward creating and disseminating new, inclusive practices around STEM education. The fellows will visit a few Fab Labs of their choice, anywhere in the world, to learn, to reflect, to co-create new curriculum and disseminate new practices. Their work will be published in podcasts, online blogs and through engagements at conferences and educational events over the coming year.

**Fellow Nathan Pritchett** is the executive director of Fab Lab Tulsa, a non-profit makerspace located in the Kendall-Whittier neighborhood of Tulsa, Oklahoma that provides community, education, workforce and business programming that teaches innovation, design-thinking, problem-solving and change-making, together with open and equitable access to 21st century advanced manufacturing and digital fabrication tools, equipment and technology. Pritchett is a technologist and futurist, guiding the organization's vision of maker culture, as well as targeted

outreach programs that empower current and future makers. Pritchett won based on his [Green Power Racing education project](#) with middle school students in Tulsa.

**Fellow Pieter Verduijn** was born in the Netherlands and lives and works in Aruba. He is a multilingual educator with 18 years of experience in the Dutch, Aruban and American education systems. At the International School of Aruba (ISA), Verduijn is the STEM teacher and EdTech coordinator. In his role at ISA, he creates and teaches engaging STEM lessons in an educational makerspace. In addition to teaching, he works to advance the maker movement locally and globally by organizing training sessions for teachers and projects for youth. Having children fabricate their imagination is key to his teaching philosophy. Verduijn won based on his [Art Toys project](#), which students design and fabricate their own toys.

Educators applied from 21 countries, including the United States, Spain, Italy, India, Qatar, Nepal, Mexico, Peru and Kazakhstan. The panel of judges for the competition included four experts in digital fabrication, education and STEM outreach: Andrea Fields, educator and engineer of Cleveland, Ohio; Karen Rawls, senior social investment advisor of Houston, Texas; Brent Richardson, artist and educator of Waco, Texas and Corin Slown, associate professor of science education at California State University, Monterey Bay of Monterey, California.

“Chevron’s commitment to support professional development for STEM educators runs deep,” said Jennifer Michael, social investment manager at Chevron. “Programs such as the Chevron Fab STEM Fellowship will continue to inspire the next generation of problem solvers to help meet the world’s future energy needs.”

Chevron has supported Fab Labs and the maker movements in support of STEM education for more than a decade. The partnership created a substantial and impactful network of educational fab labs in communities where it operates by engaging with over 100,000 students and community members across Chevron’s U.S.-based operations.

“The Chevron Fab STEM Fellowship will serve as a platform to unite community stakeholders to take bold action towards breaking down long-standing barriers for student success in the STEM fields and ensure 21st century career readiness and global competitiveness,” said Sherry Lassiter, president and chief executive officer of Fab Labs. “We are excited to grow our STEM educational partnership and impact across the world. The Chevron Fab STEM Fellowship will deepen a network of science and technology experts committed to advancing innovation and collaboration to learn about successful, inclusive and accessible STEM teaching practices that can emulate in Fab labs, classrooms and maker spaces across the world.”

#### ABOUT FAB FOUNDATION

The Fab Foundation is a U.S. non-profit 501(c) 3 organization that emerged from MIT’s Center for Bits and Atoms. Our mission is to provide access to the tools, the knowledge and the financial means to educate, innovate and invent using technology and digital fabrication to allow anyone to make (almost) anything, and thereby creating opportunities to improve lives and livelihoods around the world. The foundation partners with mission-aligned organizations, consultants and Fab Lab technical mentors to serve a global community of makers and change agents. More information about the Fab Foundation is available at <http://www.fabfoundation.org>.

### **Chevron Phillips Chemical and Charter Next Generation to Bring Circular Polyethylene to Retail Stores**

Feb. 16, 2023 – Chevron Phillips Chemical (CPChem) and Charter Next Generation (CNG) announced today that overwrap film made with CPChem’s Marlex Anew Circular Polyethylene is bound for store shelves in the U.S. Versatile and efficient, overwrap films help preserve food, keep medical instruments secure and sterile, and provide lightweight and durable product packing.

“Together with CNG, we are transforming waste plastics into useful products and demonstrating real-world, commercial scale applications of circular plastics,” said Jay Pickett, CPChem’s Vice President of Polymers. “This collaboration is a great example of the new possibilities unlocked by advanced recycling.”

### **Chevron Considers Waiving Retirement for CEO**

*Wall St. Journal*, Feb. 14, 2023 (abridged) – Chevron Corp.’s board of directors is considering waiving the company’s mandatory retirement age for Chief Executive Mike Wirth, a move that would allow him to remain CEO for a longer period, people familiar with the matter said.

Some board members have said, the San Ramon, CA., oil company doesn’t have an internal candidate ready to succeed Mr. Wirth, who would reach the company’s fixed retirement age of 65 in later 2025, and that additional time would allow him to prepare a successor. The board members have also said they see no reason to push out an executive who has performed well, the people said.

Chevron’s board is undertaking the yearlong process of succession planning as it faces the uncertainty of the war in Ukraine, prospects of an economic slowdown and potential oil-market turbulence, as well as political pressure from the U.S. and Europe to prepare for a future that depends less on fossil fuels.

A Chevron spokesman declined to comment.

### **Chevron Awarded Platinum Bell Seal for Workplace Mental Health by Mental Health America**

February 9, 2023 – Chevron Corporation has been awarded the 2023 Platinum Bell Seal for Workplace Mental Health by Mental Health America (MHA). The Bell Seal is a first-of-its-kind workplace mental health certification that recognizes employers who strive to create mentally healthy workplaces for their employees.

Employers that receive MHA's Bell Seal are nationally recognized for advancing workplace standards and practices that enable mental health and well-being. Organizations are recognized at different levels – bronze, silver, gold or platinum – and are assessed based on how mental health is approached via four categories: workplace culture, benefits, compliance and wellness programs. Platinum status reflects Chevron’s dedication to employee well-being with outstanding scores in all areas.

"At Chevron, focusing on workforce health and safety is our top priority," said Huma Abbasi, General Manager for Chevron Health & Medical. "We take a 'whole-person' approach to well-being that focuses on body, mind, lifestyle, mental health and psychological safety, and use it to

develop programs and other resources for employees around the world. We are honored to be recognized by Mental Health America for our longstanding commitment to mental health and well-being of employees and their families."

Founded in 1909, MHA is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and promoting the overall mental health of all. MHA's work is driven by its commitment to promote mental health as a critical part of overall wellness, including prevention services for all; early identification and intervention for those at risk; integrated care, services and support for those who need them; with recovery as the goal. Learn more at [MHAnational.org](https://mhanational.org).

### **Fossil-Fuel Addiction is Getting Harder for Oil Giants to Kick**

*Wall St. Journal (Heard on the Street)*, Feb. 8, 2023 (abridged) – BP plans to wean itself off dirty fossil fuels but doesn't want to miss out on today's fat oil-and-gas profits. This tension is behind the company's latest shift.

On Tuesday, the London-listed business said it made a profit of \$27.7 billion in 2022, more than double the previous year's total. It is the latest oil major to report historic annual results, alongside Exxon Mobil, Chevron and Shell.

Bumper earnings may explain why BP is changing tack less than three years after setting out ambitious plans to go green. Instead of cutting oil-and-gas production by 40% by 2030 relative to 2019 levels as planned, the business will reduce it by 25% instead. News that it will be taking the energy transition more slowly sent the company's London-listed shares up 8% in Tuesday's trading.

BP's stated logic is that the world needs an orderly shift to renewables, so investment in fossil-fuel production will be necessary to avoid the kind of chaos seen in energy market last year. When Shell reported last week, it stressed the need to keep energy costs at affordable levels during the transition.

The companies may have found it hard to ignore the message from stock markets that investors prefer oil companies to stick to their knitting. U.S.-based Chevron and Exxon Mobil are investing very little in the energy transition relative to their European counterparts, but their shares trade at 11 times and 10 times projected earnings, respectively. BP and Shell are on much lower multiples of around six times - a wider gap than historically.

It shows the difficult balancing act that big oil-and-gas companies need to pull off. Shareholders don't want money spent on new exploration, especially as energy prices may be lower when fresh production eventually kicks in. But they think clean energy will be less lucrative than legacy businesses. This appears to be a valid concern: BP is targeting returns on investment of 15% to 20% for fossil fuel projects, compared with around 15% for bio-energy and 6% to 8% for renewable energy like solar and wind.

High energy prices are having the opposite effect on governments. The European Union, China and India account for 45% of oil imports globally and around 50% of natural-gas imports. All three have plans to produce more renewable energy at home and reduce the share of fossil fuels in their overall mix. Green-energy subsidies in the Inflation Reduction Act should

accelerate the U.S. transition - BP estimates the IRA will cut national carbon emissions by more than one-fifth by 2030.

Oil executives in Europe may say they want to wean themselves off polluting fuels. Where they actually put their money tells a more nuanced story. -*Carol Ryan*

### **Chevron Explores Algerian Gas Plans**

*Wall St. Journal*, Feb. 7, 2023 (abridged)-Oil giant Chevron Corp. is looking to seal an energy exploration deal with Algeria, as the North African country steps up efforts to replace sanctioned Russian supplies in nearby Europe, according to people familiar with the matter.

Over the past decade, U.S. companies have pulled back from operations in oil-and-gas-rich Middle Eastern and African countries they viewed as politically risky to focus on booming shale production at home.

Yet Chevron, which is the world's second-largest Western oil company by market capitalization, recently revived talks to invest in Algeria. Chevron signed a memorandum of understanding with state-run company Sonatrach to investigate natural-gas opportunities in 2020 but progress had been slow until recently.

Algeria holds bigger shale-gas resources than the U.S.

Chevron is hoping to leverage technologies developed in U.S. shale to develop the same type of reserves in Algeria, the people said.

A spokeswoman for Chevron declined to comment on specific business opportunities, but said the oil major had an agreement with the state agency to access data on the Ahnet, Gourara and Berkine basins.

### **Chevron Announces Fourth Quarter Results**

- Fourth quarter earnings of \$6.4 billion; adjusted earnings of \$7.9 billion
- Return on capital employed of 20.3 percent in 2022
- Record annual cash flow from operations of \$49.6 billion and free cash flow of \$37.6 billion in 2022
- Record annual U.S. oil and gas production

Jan. 27, 2023-- Chevron Corporation today reported earnings of \$6.4 billion (\$3.33 per share - diluted) for fourth quarter 2022, compared with \$5.1 billion (\$2.63 per share - diluted) in fourth quarter 2021. Included in the current quarter were \$1.1 billion of international upstream write-off and impairment charges, and pension settlement costs of \$17 million. Foreign currency effects decreased earnings by \$405 million. Adjusted earnings of \$7.9 billion (\$4.09 per share - diluted) in fourth quarter 2022 compared to adjusted earnings of \$4.9 billion (\$2.56 per share - diluted) in fourth quarter 2021.

Chevron reported full-year 2022 earnings of \$35.5 billion (\$18.28 per share - diluted), compared with \$15.6 billion (\$8.14 per share - diluted) in 2021. Adjusted earnings of \$36.5 billion (\$18.83 per share - diluted) in 2022 compared to adjusted earnings of \$15.6 billion (\$8.13 per share - diluted) in 2021.



Sales and other operating revenues in fourth quarter 2022 were \$55 billion, compared to \$46 billion in the year-ago period.

### **Earnings Summary**

Millions of dollars	<b><u>Three months ended December 31</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Earnings by business segment		
Upstream	\$5,485	\$5,155
Downstream	1,771	760
All Other	(903)	(860)
<b>Total (1)(2)</b>	<b>\$ 6,353</b>	<b>\$5,055</b>

(1) Includes foreign currency effects \$ (405)

\$ (40)

(2) Net income attributable to Chevron Corporation

“We delivered record earnings and cash flow in 2022, while increasing investments and growing U.S. production to a company record,” said Mike Wirth, Chevron’s chairman and chief executive officer. The company’s investments increased by more than 75 percent from 2021, and annual U.S. production increased to 1.2 million barrels of oil equivalent per day, led by 16 percent growth in Permian Basin unconventional production.

“Again in 2022, we delivered on our financial priorities: returning cash to shareholders, investing capital efficiently, and paying down debt,” Wirth continued. The company’s other noteworthy financial highlights in 2022 include:

- Increased quarterly dividend per share by 6 percent from prior year, paying out \$11.0 billion to shareholders.
- Achieved return on capital employed of more than 20 percent, the highest since 2011.
- Strengthened its industry-leading balance sheet further with debt ratio of 12.8 percent and net debt ratio of 3.3 percent.
- Returned an additional \$11.25 billion to shareholders, repurchasing nearly 70 million shares, ending the year at an annual repurchase rate of \$15 billion.

“We’re also investing to grow both traditional and new energy supplies to meet increasing demand for affordable, reliable, and ever-cleaner energy,” Wirth added. The company and its affiliates’ other significant business highlights in 2022 include:

- Advanced the Future Growth Project in Kazakhstan, with construction largely complete at the company’s 50 percent owned affiliate, Tengizchevroil LLP.
- Reached final investment decision on major integrated polymer projects in Texas and Qatar at the company’s 50 percent owned affiliate, Chevron Phillips Chemical Company LLC.
- Approved the Ballymore project in the deepwater U.S. Gulf of Mexico with design capacity of 75,000 barrels of crude oil per day.
- Approved a project to expand the Tamar gas facility in offshore Israel.
- Commenced a project to increase light crude oil processing capacity by 15 percent at the Pasadena, Texas refinery.
- Announced a significant new gas discovery at the Nargis block offshore Egypt in the eastern Mediterranean Sea.
- Acquired Renewable Energy Group, Inc., becoming the second largest producer of bio-based diesels in the United States.

- Formed a joint venture with Bunge North America, Inc. to develop renewable fuel feedstocks.
- Advanced multiple carbon capture opportunities, including the Bayou Bend carbon storage project in the U.S. Gulf Coast, and received permits to assess carbon storage offshore Australia.

In 2022, Chevron also added 1.1 billion barrels of net oil-equivalent proved reserves. These additions, which are subject to final reviews, equate to approximately 97 percent of net oil equivalent production for the year. The largest net additions were from assets in the Permian Basin, Israel, Canada and the Gulf of Mexico. The largest net reductions were from assets in Kazakhstan, primarily due to higher prices and their negative effect on reserves. The company will provide additional details relating to 2022 reserves in its Annual Report on Form 10-K scheduled to be filed with the SEC on February 23, 2023.

Earlier this week, the company raised its quarterly dividend per share an additional 6 percent, to \$1.51 per share, putting the company on track to increase its annual per share dividend for the 36th straight year. In addition, the company's board also approved a new \$75 billion share repurchase program.

"We are well positioned to lead in both traditional and new energy businesses, while delivering higher returns, lower carbon and superior shareholder value," Wirth concluded.

**UPSTREAM** - Worldwide net oil-equivalent production was 3.01 million barrels per day in fourth quarter 2022 and 3.00 million barrels per day for the full-year 2022. Both quarterly and annual production were down 3 percent compared to their respective 2021 periods. International production decreased 7 percent in 2022 primarily due to the end of concessions in Thailand and Indonesia, while U.S. production increased 4 percent compared to 2021, mainly in the Permian Basin.

U.S. upstream operations earned \$2.62 billion in fourth quarter 2022, compared with \$2.97 billion a year earlier. The decrease was primarily due to the absence of fourth quarter 2021 asset sale gains, partially offset by higher realizations.

The company's average sales price per barrel of crude oil and natural gas liquids was \$66 in fourth quarter 2022, up from \$63 a year earlier. The average sales price of natural gas was \$4.94 per thousand cubic feet in fourth quarter 2022, up from \$4.78 in last year's fourth quarter.

Net oil-equivalent production of 1.19 million barrels per day in fourth quarter 2022 was down slightly from a year earlier as decreases in the Gulf of Mexico were partially offset by increases in the Permian Basin. The net liquids component of oil-equivalent production in fourth quarter 2022 decreased 4 percent to 895,000 barrels per day, and net natural gas production increased 4 percent to 1.79 billion cubic feet per day, compared to last year's fourth quarter.

International upstream operations earned \$2.87 billion in fourth quarter 2022, compared with \$2.19 billion a year ago. The increase in earnings was primarily due to higher realizations, partially offset by write-off and impairment charges, and an unfavorable foreign exchange impact of \$74 million compared to last year's fourth quarter.

The average sales price for crude oil and natural gas liquids in fourth quarter 2022 was \$78 per barrel, up from \$74 a year earlier. The average sales price of natural gas was \$10.35 per thousand cubic feet in the fourth quarter, up from \$7.90 in last year's fourth quarter.

Net oil-equivalent production of 1.82 million barrels per day in fourth quarter 2022 was down 82,000 barrels per day from fourth quarter 2021. The decrease was primarily due to the absence of production following expiration of the Erawan concession in Thailand. The net liquids component of oil-equivalent production decreased 5 percent to 852,000 barrels per day in fourth quarter 2022, while net natural gas production decreased 4 percent to 5.80 billion cubic feet per day compared to last year's fourth quarter.

**DOWNSTREAM** - U.S. downstream operations reported earnings of \$1.18 billion in fourth quarter 2022, compared with earnings of \$660 million a year earlier. The increase was mainly due to higher margins on refined product sales, partially offset by lower earnings from the 50 percent-owned Chevron Phillips Chemical Company.

Refinery crude oil input in fourth quarter 2022 increased slightly to 888,000 barrels per day from the year-ago period.

Refined product sales of 1.24 million barrels per day were up 7 percent from the year-ago period, mainly due to higher renewable fuel sales following the Renewable Energy Group, Inc. acquisition and higher jet fuel demand.

International downstream operations reported earnings of \$591 million in fourth quarter 2022, compared with \$100 million a year earlier. The increase was mainly due to higher margins on refined product sales, partially offset by an unfavorable swing in foreign currency effects of \$114 million compared to last year's fourth quarter.

Refinery crude oil input of 653,000 barrels per day in fourth quarter 2022 increased 8 percent from the year-ago period as refinery runs increased due to higher demand.

Refined product sales of 1.44 million barrels per day in fourth quarter 2022 increased 9 percent from the year-ago period, mainly due to higher jet fuel demand as restrictions from the pandemic continue to ease.

**ALL OTHER** - consists of worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities and technology companies.

Net charges in fourth quarter 2022 were \$903 million, compared to \$860 million a year earlier. The increase in net charges between periods was mainly due to the absence of fourth quarter 2021 favorable tax items and unfavorable foreign currency effects of \$177 million, partially offset by the absence of losses on early retirement of debt in the year-ago period.

**Cash flow from operations** - in 2022 was \$49.6 billion, compared with \$29.2 billion in 2021. Excluding working capital effects, cash flow from operations in 2022 was \$47.5 billion, compared with \$30.5 billion in 2021.

**Capital and exploratory expenditures** - for the company's consolidated entities (C&E) in 2022 were \$12.3 billion, compared with \$8.6 billion in 2021. Additionally, the company's share of equity affiliate capital and exploratory expenditures (Affiliate C&E) was \$3.4 billion in 2022 and \$3.2 billion in 2021 and did not require cash outlays by the company. C&E for 2022

includes \$1.3 billion of inorganic spend largely associated with the formation of the Bunge joint venture and acquisition of the remaining interest in Beyond6. The acquisition of Renewable Energy Group, Inc. is not included in the company's C&E.

### **Chevron Names Mark A. Nelson Vice Chairman**

Jan. 26, 2023 – Chevron Corporation today announced Mark A. Nelson, executive vice president, Strategy, Policy & Development, has been named vice chairman and executive vice president, Strategy, Policy & Development, effective February 1, 2023. In this new corporate officer role, Nelson will continue leading Chevron's Strategy & Sustainability, Corporate Affairs, and Business Development functions, and take on additional corporate responsibilities.

"Throughout his career, and as a senior leader, Mark has made significant contributions to the company's success," said Michael K. Wirth, Chevron's chairman and chief executive officer. "He has worked in every segment of our business, and his results-driven approach positions him well to help execute our strategy and represent Chevron more broadly."

Nelson previously served as executive vice president of Downstream & Chemicals, vice president, Midstream, Strategy & Policy, and vice president of Corporate Strategic Planning.

### **Chevron Increases Quarterly Dividend; Announces \$75B Stock Repurchase Program**

Jan. 25, 2023 – The Board of Directors of Chevron Corporation today declared a quarterly dividend of one dollar and fifty-one cents (\$1.51) per share, an increase of nine cents (\$0.09) per share or approximately 6 percent. The dividend is payable March 10, 2023, to all holders of common stock as shown on the transfer records of the Corporation at the close of business February 16, 2023. This increase puts Chevron on track to make 2023 the 36th consecutive year with an increase in annual dividend payout per share.

The Board also authorized the repurchase of the company's shares of common stock in an aggregate amount of \$75 billion. The \$75 billion authorization takes effect on April 1, 2023, and does not have a fixed expiration date. It replaces the Board's previous repurchase authorization of \$25 billion from January 2019, which will terminate on March 31, 2023, after the completion of the company's repurchases in the first quarter 2023.

Repurchases of shares of the company's common stock may be made from time to time in the open market, by block purchases, in privately negotiated transactions or in such other manner as determined by the company. The timing of the repurchases and the actual amount repurchased will depend on a variety of factors, including the market price of the company's shares, general market and economic conditions, and other factors. The stock repurchase program does not obligate the company to acquire any particular amount of common stock, and it may be suspended or discontinued at any time.

### **Eni, Chevron announce new gas discovery in Egyptian East Med field**

Jan. 15, 2023 - Italian energy group Eni and U.S. energy major Chevron said on Sunday they had made a new gas discovery in an Egyptian offshore field in the Eastern Mediterranean Sea.

The Nargis-1 well is part of Egypt's 1,800-sq. km Nargis Offshore Area concession operated by Chevron, which holds a 45% interest in it. Eni also holds a 45% stake, while Egypt's Tharwa Petroleum Company SAE holds a 10% interest.

Egypt's state-owned EGAS said the quantity of reserves in the well were being evaluated, and it would work with Chevron and the other partners to start production as soon as possible.

Chevron was "encouraged and excited by the success of this first exploration well which encountered high-quality reservoirs," Clay Neff, president of Chevron International Exploration and Production, said in a statement.

### **Raven SR, Chevron and Hyzon Motors Collaborate to Produce Hydrogen from Green Waste in Northern California**

- Hydrogen to be produced from green waste and food waste with non-combustion reforming process
- Richmond, Calif., production facility to serve local hydrogen transportation fuel market, replacing conventional fuels
- Commercial operations targeted for Q1 2024

Jan. 9, 2023 – Raven SR Inc. (Raven SR), a renewable fuels company, Chevron New Energies, a division of Chevron U.S.A. Inc., and Hyzon Motors Inc. today announced they are collaborating to commercialize operations of a green waste-to-hydrogen production facility in Richmond intended to supply hydrogen fuel to transportation markets in Northern California.

The facility will be owned by a newly formed company, Raven SR S1 LLC (Raven SR S1). Raven SR will be the operator of the facility, which is targeted to come online in the first quarter of 2024. Chevron holds a 50% equity stake in Raven SR 1. Raven SR holds a 30% stake and Hyzon owns the remaining 20%.

To produce the hydrogen, the project is expected to divert up to 99 wet tons of green and food waste per day from Republic Services' West Contra Costa Sanitary Landfill into its non-combustion Steam/CO<sub>2</sub> Reforming process, producing up to 2,400 metric-tons per year of renewable hydrogen. Diversion of this organic waste will help fulfill SB 1383 mandates, and will potentially avoid up to 7,200 metric-tons per year of CO<sub>2</sub> emissions from the landfill. In addition, Raven's technology uses no fresh water, an important element given drought risks in California, and uses less electricity to power its units than competing processes. The project is expected to produce at least 60% of its own electricity by upgrading the currently permitted and zoned landfill gas electric generators at the landfill, further reducing both the current air emissions and the need for grid power for its non-combustion process.

Chevron plans to market its share of the hydrogen in Bay Area and Northern California fueling stations, enabling the energy transition to zero emission vehicles. Hyzon, a global supplier of fuel cell electric commercial vehicles, plans to provide refueling for hydrogen fuel cell trucks at a hydrogen hub in Richmond.

"Our strategic partners' commitment to the first non-combustion Steam/CO<sub>2</sub> facility in the world will help drive our commercial operations in Richmond and accelerate similar facilities globally," said Matt Murdock, CEO of Raven. "This facility will be the first hydrogen production plant in the world to reduce greenhouse gases, including critically important short-lived climate pollutants, through its process and its product. By removing waste from the landfill, it will help reduce

methane emissions. Not only will the greater Richmond community benefit from reduced emissions, investments, and jobs, it will also see economic benefits as local gas stations have a consistent supply of clean, zero-carbon hydrogen fuel for fuel cell vehicles. We are grateful to work with partners who share our mission to make cleaner fuel options available as soon as possible.”

Ahead of teaming with Raven SR on the Raven SR S1 facility, Chevron and Hyzon were among Raven SR’s initial strategic investors, along with ITOCHU, Ascent Hydrogen Fund and Samsung Ventures.

“We are excited about this collaboration and our expanded commitment to Raven and its waste-to-hydrogen technology,” said Austin Knight, vice president of Hydrogen for Chevron New Energies. “Not only are we positioned to commercialize a first-of-its-kind lower carbon hydrogen project, we are working to reduce emissions in a community in which we have a long and proud history. With a relatively short lead time, we will be able to further develop the hydrogen ecosystem in the region.”

The Raven SR technology is a non-combustion thermal, chemical reductive process that converts organic waste and landfill gas to hydrogen and Fischer-Tropsch synthetic fuels. Unlike other hydrogen production technologies, its Steam/CO<sub>2</sub> Reformation does not require fresh water as a feedstock and uses less than half the energy of electrolysis. The process is more efficient than conventional hydrogen production and can deliver fuel with low to negative carbon intensity. Additionally, Raven SR’s goal is to generate as much of its own power onsite as possible to reduce reliance on, and/or be independent of the grid. Its modular design provides a scalable means to locally produce renewable hydrogen and synthetic liquid fuels from local waste.

“The Richmond hub enables a local, renewable hydrogen ecosystem by aligning hydrogen production, refueling infrastructure and vehicle availability geographically and technologically. This alignment is expected to reduce total costs to fleet operators, accelerating the transition to zero-emissions vehicles and global decarbonization,” said Parker Meeks, Hyzon president and interim CEO.

“This marks a significant step in demonstrating the commercial viability of a localized, low-to-negative carbon intensity hydrogen economy,” he added. “Through Hyzon’s partnership with Raven, hydrogen supply can be synchronized with the demand for hydrogen fuel cell electric vehicles. Raven’s deployment of scalable hydrogen production facilities allows supply and demand to grow together as clean hydrogen for transport continues to gain market and regulatory support.”

#### ABOUT RAVEN SR

Raven SR, headquartered in Wyoming, transforms biomass, mixed municipal solid waste, bio-solids, sewage, medical waste, and natural or biogas into renewable fuels. Using its proprietary, non-combustion, non-catalytic “Steam/CO<sub>2</sub> Reformation” technology, Raven SR dependably produces a hydrogen-rich syngas regardless of feedstock utilized. Raven SR, led by co-founders Matt Murdock and Matt Scanlon, is committed to adding value to local resources and communities while responsibly reducing greenhouse gases and achieving a low carbon economy. By using modular systems and producing low air emissions, their systems can be located closer to customers and feedstock, creating local fuel from local waste for local mobility. Visit <https://ravensr.com/>.

**ABOUT HYZON**

Hyzon is a global supplier in fuel cell electric mobility, with US operations in the Rochester, Chicago and Detroit areas, and international operations in the Netherlands, Australia, Germany, and China. Hyzon is an energy transition accelerator and technology innovator, providing end-to-end solutions in the transport sector with a focus on commercial vehicles and hydrogen supply infrastructure. Utilizing its proven and proprietary hydrogen fuel cell technology, Hyzon aims to supply zero-emission heavy duty trucks and buses to customers in North America, Europe and around the world to mitigate emissions from diesel transportation, which is one of the single largest sources of carbon emissions globally. The Company is contributing to the escalating adoption of fuel cell electric vehicles through its demonstrated technology advantage, leading fuel cell performance and history of rapid innovation. Visit [www.hyzonmotors.com](http://www.hyzonmotors.com).

**Chevron Finalizes Acquisition of Beyond6 CNG Fueling Network**

Jan. 3, 2023 – Chevron U.S.A. Inc., a subsidiary of Chevron Corporation, closed its [previously announced](#) acquisition of full ownership of Beyond6, LLC and its nationwide network of compressed natural gas stations from Mercuria Energy Trading and Beyond6 founder Andrew West.

**ABOUT MERCURIA**

Founded in 2004, Mercuria is one of the largest independent energy and commodity groups in the world. As an integrated group, Mercuria is present all along the commodity value chain with activities forming a balanced combination of trading flows, strategic assets and structuring solutions. With more than USD 100 billion in turnover, Mercuria has become one of the most active players in the energy and renewables markets. Over the next five years, the company will direct half of its investment towards the energy transition. For more information, visit [www.mercuria.com](http://www.mercuria.com).

***Humor Section – And winter continues....***

*Today's forecast...*

*Holy crap I can't feel my face degrees*

*Does shivering count as exercise?*

*The problem with going outside in the cold at my age is by the time I get all bundled up, I've forgotten where I was going.*

*Great, the sun is out.*

*Now I can get sunburn and frostbite at the same time.*

*On a positive note....*

*I haven't seen any mosquitos in weeks!*

*There's a trick to driving on ice...and apparently no one knows it.*

*Car Passenger: "This is my least favorite time of year."*

*Driver: "I know, I'm not a fan of 'warming up the car' season, either."*

*Helpful tip – Tired of shoveling your driveway? Spray everything with water at night. The snow won't stick when it's wet 😊*

*Dear Mother Nature - Please get back on your meds, pop open a bottle of wine, and start thinking warm, happy thoughts*

*Q: When is a boat just like snow?*

*A: When it's a drift!*

*Remember... what good is the warmth of summer without the cold of **winter** to give it sweetness.*