

COMMUNICATIONS COMMITTEE NEWS / TIDBITS

January 2020 *Encore* - Chairman and CEO, Mike Wirth's remarks at a holiday luncheon are included. Worth your time to read.

Chevron Reports Third Quarter Net Income of \$2.6 Billion

Nov. 21, 2019 - Chevron reported earnings of \$2.6 billion (\$1.36 per share – diluted) for third quarter 2019, compared with \$4.0 billion (\$2.11 per share - diluted) in the third quarter 2018. Included in the current quarter was a tax charge of \$430 million related to a cash repatriation. Foreign currency effects increased earnings in the third quarter 2019 by \$74 million. Sales and other operating revenues in third quarter 2019 were \$35 billion, compared to \$42 billion in the year-ago period. The full report can be read on the Chevron website's "Press Releases" page under the Investors tab.

"Third quarter earnings and cash flow were solid, but down from our very strong results of a year ago," said Michael Wirth, Chevron's chairman of the board and chief executive officer. "Lower crude oil and natural gas prices more than offset a 3 percent increase in net oil equivalent production from last year's third quarter." "Strong execution allows us to continue to deliver on our financial priorities, which are to pay the dividend, fund our superior portfolio of capital projects, further strengthen our balance sheet and return cash to shareholders.

In the third quarter, we increased share repurchases to \$1.25 billion, further demonstrating our commitment to deliver strong shareholder returns through the price cycle," Wirth stated. "We also advanced capital projects and added resource opportunities. In September, we sanctioned a waterflood project in the St. Malo Field in the Gulf of Mexico. We also acquired deepwater exploration blocks in the Mexican Gulf of Mexico and Brazil's Campos and Santos basins, strengthening our deepwater exploration portfolio. "Global demand for energy continues to grow, and we are committed to meet this demand with less environmental impact.

We recently announced new goals to reduce net greenhouse gas -2- -MOREemission intensity from upstream oil and natural gas production," Wirth continued. "During the third quarter, we began capturing and storing carbon dioxide at our Gorgon LNG facility in Australia, one of the world's largest greenhouse gas mitigation projects. Also, construction is underway on a new solar farm, which will supply low-carbon electricity to the Lost Hills Oil Field in California."

Chevron Announces \$20 Billion Capital and Exploratory Budget for 2020

Dec. 10, 2019 -- Chevron today announced a 2020 organic capital and exploratory spending program of \$20 billion. The 2020 budget supports a robust portfolio of upstream and downstream investments, highlighted by Chevron's world-class Permian Basin position, the company's major capital project at TCO in Kazakhstan, and an advantaged queue of deepwater opportunities in the Gulf of Mexico.

"We are positioning Chevron to win in any environment by ratably investing in the highest return, lowest risk projects in our portfolio. This will be the third consecutive year with organic capital spending held flat at \$20 billion, continuing our capital discipline through the cycle. Our emphasis on short cycle investments is expected to deliver improved returns on capital and stronger free cash flow over the long-term," said Chevron Chairman and CEO Michael Wirth.

As a result of Chevron's disciplined approach to capital allocation and a downward revision in its longer-term commodity price outlook, the company will reduce funding to various gas-related opportunities including Appalachia shale, Kitimat LNG, and other international projects. Chevron is evaluating its strategic alternatives for these assets, including divestment. In addition, the revised oil price outlook resulted in an impairment at Big Foot. Combined, these actions are estimated to result in non-cash, after tax impairment charges of \$10 billion to \$11 billion in its fourth quarter 2019 results, more than half related to the Appalachia shale.

We believe the best use of our capital is investing in our most advantaged assets," Wirth continued. "With capital discipline and a conservative outlook comes the responsibility to make the tough choices necessary to deliver higher cash returns to our shareholders over the long term."

Chevron Agrees to Acquire Puma Energy (Australia) Holdings Pty Ltd

Dec. 18, 2019 -- Chevron Australia Downstream Pty Ltd, a wholly-owned subsidiary of Chevron Corporation, today announced that it has signed a conditional Share Sale Agreement with Puma Energy Asia Pacific B.V. to acquire all shares and equity interests of Puma Energy (Australia) Holdings Pty Ltd for the amount of AU\$425 million. Puma Energy (Australia) Holdings Pty Ltd and its subsidiaries hold assets including a network of company-owned and retailer-owned service stations in Australia, a commercial and industrial fuels business, owned or leased seaboard import terminals and fuel distribution depots.

“The acquisition will provide Chevron with a stable market for production volumes from our refining joint ventures in Asia and create a foundation for sustainable earnings growth,” said Mark Nelson, Chevron’s executive vice president for Downstream & Chemicals. “It will build on Chevron’s strong history of partnership in Australia and our global experience in fuels and convenience marketing and supply.”

ABOUT PUMA - Puma Energy is a leading global energy business with a customer-focused approach to safely providing energy solutions in 47 countries across six continents. Puma Energy has around 3,000 retail sites, a presence at over 80 airports and a network of 100 storage terminals. Puma Energy directly employs over 8,000 people, with regional offices in Johannesburg, South Africa, San Juan, Puerto Rico, Tallinn, Estonia, and Singapore.

“The acquisition of Puma Energy (Australia) Holdings Pty Ltd is expected to close in mid-2020, subject to regulatory approvals and the satisfaction of customary closing conditions.