

COMMUNICATIONS COMMITTEE NEWS/TIDBITS

Once again, Chevron had many press releases this quarter. New with this issue of *The Update*, we are including the full articles that are not featured in *Encore*. Please let me know your preference – The full articles or the tickler beginning of the article. I can be reached by phone at 281-693-5461 or email at glewan@comcast.net. I look forward to hearing from you.

US backs Chevron in dispute with Cyprus over giant gas field

Sept 1, 2023 (Reuters) - Washington has weighed into a dispute between Cyprus and international companies led by Chevron over how to develop a giant offshore gas field, backing the U.S. company's plan to link it to neighbouring Egypt, two industry sources and a U.S. source said on Friday. The Chevron-led consortium proposed connecting the Aphrodite gas field via a subsea pipeline and existing infrastructure to Egypt, where the gas can be sold in the domestic market or liquefied and shipped to Europe, which has largely been cut off from Russian supplies. Cypriot Energy Minister George Papanastasiou confirmed that the government had rejected the latest plan, which omitted a previous proposal to build a floating gas processing plant at the field which lies 160 kilometres (100 miles) southeast of Cyprus.

"The modification has been rejected. The expectation of the Republic of Cyprus is (that) the consortium honours what was mutually agreed by the parties in 2019," Papanastasiou told Reuters. The partners have engaged in a new round of talks with the Cypriot government, Israel's NewMed, which is a partner in the Aphrodite field, said earlier this week. The United States is backing Chevron's plans, which it believes will help to get gas to the market faster and with a lower carbon footprint as it does not involve building large infrastructure, according to a U.S. source. "Connecting (Aphrodite) to Egypt will help them with peak domestic consumption in the summer, add stability and reduce tensions in the region, and allow exports for Europe," the U.S. source said.

The Biden administration is "making the distinction between expensive and unnecessary infrastructure projects" and less work-intensive interconnections that are necessary as economies transition to cleaner forms of energy, the source said. Aphrodite, discovered more than a decade ago, holds an estimated 124 billion cubic metres of gas. Chevron is a partner in the field with NewMed and Shell. Its development would give a vital boost to the Eastern Mediterranean gas basin which has attracted huge investment in recent years, particularly in the wake of Russia's invasion of Ukraine as Europe sought to replace Russian fossil fuel.

According to two industry sources, Nicosia objected to Chevron's plans to drill three production wells rather than five and avoid the construction of a floating production unit above the field. A Chevron spokesperson said the consortium was working to progress the Aphrodite project. "We have submitted a modified development plan to the Cypriot Government, which we hope will lead to the development of the Aphrodite field and delivery of gas to Egyptian and global markets via existing LNG (liquefied natural gas) plants on the north coast of Egypt."

"We believe it is important that Aphrodite is expeditiously developed for the benefit of Cyprus, the Eastern Mediterranean region and European and other international markets," Chevron said.

Boys & Girls Clubs of America Announces National Partnership with Chevron

Funds support America's kids and teens by promoting life and workforce readiness

Aug. 30, 2023--(BUSINESS WIRE)--Boys & Girls Clubs of America and Chevron U.S.A. Inc., today announced a new national partnership that promotes life and workforce readiness for kids and teenagers in the U.S.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230830528619/en/>

Since 1990, Chevron has worked with local Boys & Girls Clubs across the nation to provide key funding and resources to kids and teenagers during out-of-school time. With this new partnership, Boys & Girls Clubs of America will receive \$700,000 in funding to advance life and workforce readiness tools, scholarship offerings and STEM-based education opportunities.

"Chevron is proud to partner with Boys & Girls Clubs of America to advance their mission of enabling all young people, especially those who need us most, to reach their full potential as productive, caring and responsible citizens," said Jennifer Michael, social investment manager at Chevron. "At Chevron, we invest in impactful and sustainable partnerships and programs to help advance academic success, develop leadership skills and strengthen the foundation for future success."

Additional funding from Chevron will also support the organization's efforts around trauma-informed care and life and workforce readiness while fueling local grassroots relationships with our local clubs where the company operates. The trauma-informed mission is a crucial component of this collaboration, aiming to create nurturing and safe environments that support youth facing challenging circumstances. By addressing trauma and providing the necessary care, the initiative seeks to foster the growth of young individuals.

"Today's kids and teens are the future leaders, changemakers and innovators of our nation and we're dedicated to ensuring they have the support and resources they need to thrive," said Chad Hartman, national vice president of corporate partnerships and engagement at Boys & Girls Clubs of America. "By taking Chevron's partnership to a national level, we are confident we can further scale the impact of this work to serve even more young people and their communities."

Chevron's Australia LNG Ops Could Face Daily 10-hr Stoppages as Union Fight Escalates

Aug. 29, 2023 (Reuters) - Chevron's two major liquefied natural gas (LNG) production facilities in Australia could face daily work stoppages of up to 10 hours next week after unions on Tuesday threatened labour action in a dispute over pay and conditions. Chevron's Gorgon and Wheatstone projects account for more than 5% of global LNG capacity, and news of the possible strikes sent European natural gas prices surging. Workers at Gorgon and Wheatstone downstream facilities plan to stop work for seven hours in two blocks on Sept. 7, escalating to 10 hours on Sept. 8 and 11 hours on Sept. 9, according to a document on the planned actions reviewed by Reuters. A smaller stoppage of three hours is planned at the Wheatstone production platform from Sept. 7, said the document, which details work disruptions out to Sept. 14. "Members will be participating in rolling stoppages, bans and limitations which will escalate

each week until Chevron agrees to our bargaining claim," the Offshore Alliance said in a Facebook post on Tuesday. "It's set to cost Chevron their LNG exports as (the industrial action) starts to bite," said the alliance that groups together the Maritime Union of Australia and the Australian Workers' Union.

A Chevron spokesperson declined to comment on the Offshore Alliance's latest position, referring to a previous statement that the company "will continue to take steps to maintain safe and reliable operations in the event of disruption." The unions still have the option to call off the strikes if their terms are met. The unions last week warned that work stoppages could cost Chevron billions of dollars. A similar action by the same union alliance last year against Shell at its Prelude floating LNG site off northwest Australia cost the company about \$1 billion in lost exports in the two months it took to reach a pay deal. The Dutch September natural gas contract, which was trading about 3.5% higher on Monday at around 36 euros per megawatt hour (MWh) before the industrial action news, spiked a further 2.40 euros to 38.40 euros/MWh, up 10.4% from Friday.

'HARSHER INITIAL ACTION'

Energy analyst Saul Kavonic said the planned work disruptions would "add inefficiency" to Chevron's operations and may keep the projects from sustaining full production. "Ten hour work stoppages: it is a harsher initial industrial action than what the unions contemplated for Woodside," he said. "But it is unlikely to impact production to an extent it will move the dial for global markets." International energy companies operating in Australia, who are unable to fully make decisions locally, tend to see industrial actions escalate more quickly than domestic companies, he said. Last week, Offshore Alliance and Woods resolved worker disputes at North West Shelf, Australia's largest LNG facility, after negotiating higher wages, job security and employee-friendly rosters, averting industrial action. Australia is the world's biggest exporter of LNG, which is used primarily in Asia for power and heating as many nations attempt to reduce their reliance on coal or oil. Concerns over possible industrial actions at the LNG facilities of Woodside and Chevron - which account for one-tenth of global supplies - has stoked extreme price volatility in global LNG markets in recent weeks.

Chevron to Fund New Soil Carbon Capture Pilot and Blue Carbon Research Projects in Western Australia

Aug. 10, 2023-- Chevron Corporation, through its Chevron Australia New Energies Pty Ltd and Chevron Australia Pty Ltd subsidiaries, today announced investments in two lower carbon projects in Western Australia (WA).

In its first nature-based carbon offsets project in Australia, Chevron will provide funding to the WA-based [Carbon Sync](#), which is leading a soil carbon sequestration pilot project involving up to 80,000 hectares of WA's cropping and grazing region.

Chevron has also joined a multi-year research project with Deakin University's Blue Carbon Lab to explore potential CO2 sequestration opportunities in WA's coastal wetlands.

Chevron New Energies Vice President of Offsets and Emerging Barbara Harrison said, "We believe that the future of energy is lower carbon. Australia is not only an essential part of Chevron's established portfolio, but we also see tremendous potential to develop businesses that help achieve our lower carbon aspirations."

Chevron Australia's General Manager, Energy Transition, David Fallon agreed. "The two projects we are part of in WA are examples of the multiple pathways on that lower carbon journey. Our collaboration with Carbon Sync is expected to provide critical insights related to soil carbon projects, in a region with large potential for scale to help meet the forecasted demand for Australian Carbon Credit Units (ACCU)," Fallon said. "With the Blue Carbon Lab contribution, we are excited to explore the opportunities for blue carbon in WA's saltmarsh, mangrove and seagrass environments."

Carbon Sync Founder and CEO Louise Edmonds said, "I am thrilled that a large multinational organisation has recognised the potential of Carbon Sync to change the carbon equation for WA's agricultural industry, as well as create jobs and further investment for our state. Through these pilot projects, we aim to enhance the sustainability of WA's agricultural sector and improve biodiversity outcomes."

Professor Peter Macreadie, Director of Deakin University's Blue Carbon Lab, said, "there's been great mystery into the size of WA's blue carbon assets and the potential for new blue carbon opportunities through the conservation and restoration of coastal wetlands. This research project seeks to address this knowledge gap."

About Carbon Sync

Carbon Sync is a Western Australian agricultural education and extension service provider specialising in soil carbon farming project development. Carbon Sync works one-on-one with farmers to restore soil health using the principles of Regenerative Agriculture and Holistic Management. Carbon Sync is a signatory to the Australian Carbon Market Industry Code of Conduct and is a Corporate Authorised Representative of Australian Financial Services Licence number 450874.

About Blue Carbon Lab

The Blue Carbon Lab was founded in January 2016 by Professor Peter Macreadie. The lab sits within the School of Life and Environmental Sciences (LES) and the Faculty of Science and the Built Environment (SEBE) at Deakin University, Australia. The Lab offers innovative research solutions aiding to help mitigate climate change and enhance our blue economy, while simultaneously supporting aquatic biodiversity, economic growth, capacity building, and community wellbeing. [Home - Blue Carbon Lab](#)

Chevron Reports Second Quarter 2023 Results

- Reported earnings of \$6.0 billion; adjusted earnings of \$5.8 billion
- Record Permian Basin production, 11 percent higher than the year-ago period
- Record shareholder distributions of \$7.2 billion
- PDC Energy, Inc. acquisition expected to close in August 2023

Jul. 28, 2023-- Chevron Corporation reported earnings of \$6.0 billion (\$3.20 per share - diluted) for second quarter 2023, compared with \$11.6 billion (\$5.95 per share - diluted) in second quarter 2022. Included in the current quarter was a one-time tax benefit of \$225 million related to impairments that were recognized in prior periods. Foreign currency effects increased earnings by \$10 million. Adjusted earnings of \$5.8 billion (\$3.08 per share - diluted) in second quarter 2023 compared to adjusted earnings of \$11.4 billion (\$5.82 per share - diluted) in second quarter 2022.

Earnings Summary

Three months ended June 30

Millions of dollars	<u>2023</u>	<u>2022</u>
Earnings by business segment		
Upstream	\$4,936	\$8,558
Downstream	1,507	3,523
All Other	(433)	(459)
<hr/>		
Total	\$ 6,010	\$11,622

“Our quarterly financial results remain strong, and we returned record cash to shareholders,” said Mike Wirth, Chevron’s chairman and chief executive officer. The company has delivered more than 12 percent ROCE for eight straight quarters and returned \$7.2 billion to shareholders in the quarter, an increase of 37 percent from the year-ago period.

“Strong execution resulted in record Permian Basin production this quarter,” Wirth continued. Chevron plans to further increase its investments in the United States with the announced agreement to acquire PDC Energy, Inc. “Our consistent performance and disciplined use of capital are driving superior value for our shareholders,” Wirth concluded.

Financial Highlights

- Second quarter 2023 earnings decreased compared to second quarter 2022 primarily due to lower upstream realizations and lower margins on refined product sales.
- Sales and other operating revenues in second quarter 2023 were \$47.2 billion, down from \$65.4 billion in the year-ago period primarily due to lower commodity prices.
- Worldwide net oil-equivalent production was up 2 percent from the year-ago quarter primarily due to record Permian Basin production of 772,000 barrels of oil equivalent per day.
- Capex in the second quarter of 2023 was up 18 percent from a year ago primarily due to higher investment in the United States.
- Quarterly shareholder distributions were a record \$7.2 billion during the quarter, including dividends of \$2.8 billion and share repurchases of \$4.4 billion (over 27 million shares repurchased during the quarter and nearly 50 million shares year-to-date).
- The company’s Board of Directors declared a quarterly dividend of one dollar and fifty-one cents (\$1.51) per share, payable September 11, 2023, to all holders of common stock as shown on the transfer records of the corporation at the close of business on August 18, 2023.

Business Highlights

- Announced an agreement to acquire PDC Energy, Inc. in an all-stock transaction, with closing anticipated in August 2023. This acquisition is expected to add \$1 billion to annual free cash flow.
- Achieved first natural gas production from the Gorgon Stage 2 development in Australia, supporting long-term energy supply in the Asia-Pacific region.
- Received approvals to extend Block 0 concession in Angola through 2050.
- Reached final investment decision with partners to build a third gathering pipeline that is expected to increase production capacity from approximately 1.2 to nearly 1.4 billion cubic feet per day at the Leviathan field in Israel.
- Announced agreements to conduct pilot tests on advanced closed loop geothermal technology in Japan.

UPSTREAM

- U.S. upstream earnings were lower than a year ago, primarily on lower realizations, partially offset by lower operating expenses due to the absence of a 2022 early contract termination and higher sales volumes.
- U.S. net oil-equivalent production was up from second quarter 2022 and set a new quarterly record primarily due to growth in the Permian Basin.
- International upstream earnings were lower than a year ago primarily due to lower realizations and lower foreign currency effects, partially offset by favorable tax items and higher sales volumes.
- Net oil-equivalent production was up 16,000 barrels per day from a year earlier primarily due to lower impacts from turnarounds in Australia, partially offset by shutdowns in Canada due to wildfires.

DOWNSTREAM

- U.S. downstream earnings were lower compared to a year ago primarily due to lower margins on refined product sales and higher operating expenses.
- Refinery crude oil inputs increased 9 percent compared to a year ago, primarily due to the absence of 2022 turnaround activity at the Richmond, California refinery.
- Refinery product sales were up 7 percent from a year ago, primarily due to higher renewable fuel sales following the Renewable Energy Group, Inc. acquisition and higher demand for gasoline and jet fuel.
- International downstream earnings were lower compared to a year ago primarily due to lower margins on refined product sales and lower foreign currency effects.
- Refinery crude oil inputs decreased 2 percent from the year-ago period as refinery runs decreased due to planned turnarounds.
- Refined product sales increased 9 percent from the year-ago period, primarily due to higher demand for jet fuel as air travel increased in Asia.

ALL OTHER

- All Other consists of worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities and technology companies.
- Net charges decreased slightly compared to a year ago primarily due to higher interest income and a favorable swing in foreign currency effects, partially offset by higher employee benefit costs.

Chevron Announces Senior Leadership Changes

- Announces CFO transition effective March 1, 2024
- Waives mandatory retirement age for CEO Mike Wirth

Jul. 23, 2023-- Chevron Corporation today announced several senior leadership changes as well as a waiver of the mandatory retirement age for the chairman and chief executive officer, Mike Wirth.

Pierre Breber, vice president and chief financial officer, will retire from Chevron in 2024 after 35 years of distinguished service to the company. Eimear Bonner, currently vice president and chief technology officer and president of the Chevron Technical Center, will succeed Breber as chief financial officer, effective March 1, 2024.

“Pierre is a world class finance executive and has been an outstanding business leader throughout his career at Chevron,” Wirth said. “Under his leadership, Chevron has delivered on its financial priorities, executed several acquisitions and driven significant value for our

shareholders. Pierre has been an exceptional strategic partner to me, and I want to thank him for his many contributions.”

Bonner, 49, joined Chevron in 1998. Over her 24-year career with Chevron, she has held numerous leadership and operating positions. She became general director of Tengizchevroil LLP (TCO) in 2018 where she was responsible for TCO’s operational and financial performance and led an organizational transformation. In her current role as chief technology officer, Bonner guides the deployment of technology and digital solutions across Chevron’s operations to safely drive higher returns, lower carbon and greater efficiency. Bonner will report to Wirth in her new role.

Additional Leadership Announcements

The company announced several other senior leadership appointments related to this transition. Balaji Krishnamurthy, currently vice president of Strategy & Sustainability, will become vice president of the Chevron Technical Center. Molly Laegeler, currently vice president of Chevron’s San Joaquin Valley Business Unit, will become vice president of Strategy & Sustainability. And Frank Mount, currently vice president of M&A and Origination, will become vice president of Business Development.

Krishnamurthy, 46, joined Chevron in 2002. Prior to assuming responsibility for Strategy & Sustainability, he was vice president of Chevron’s Canada Business Unit and has had numerous operating and business leadership roles. In his new role, Krishnamurthy will guide development of technologies and application of standards across the company.

Laegeler, 45, joined Chevron in 2005. Prior to her current role, she oversaw operations of several assets, including in the Permian Basin. In her new role, Laegeler will guide the development of the company’s key strategies, capital allocation and sustainability.

Mount, 54, began his career in Chevron’s finance organization in 1993. Since that time, he has held several roles across finance and business development. In his new role, Mount will oversee the company’s business development activities.

Mark Nelson, vice chairman, said, “The senior appointments made today demonstrate the strength of Chevron’s deep bench of talented leaders. We expect to continue to strengthen our performance with Balaji, Molly and Frank in their new roles.”

Waiver of Mandatory Retirement Age for CEO Wirth

Chevron’s independent directors waived the company’s mandatory retirement age of 65 for its chairman and chief executive officer, Mike Wirth, who will turn 63 later this year.

Dr. Wanda M. Austin, lead independent director for Chevron, said, “Chevron’s Board regularly reviews its long-term succession plans, and concluded it has the right leader and strategy in place to continue the company’s successful trajectory. Mike has done an extraordinary job leading Chevron in a dynamic environment and delivering outstanding financial and operational results. We look forward to his continued leadership.”

Wirth concluded, “I appreciate the Board’s support for the strategy and the executive team we have put in place and am proud of the progress Chevron has made to safely deliver higher returns and lower carbon. We remain committed to responsible energy leadership as we adapt to an evolving landscape.”