Oil & Gas Industry Landscape

Era Abundant Supply & Uncertain Demand

Rob Schwiers
Chief Economist
Chevron Corporate Strategic Planning
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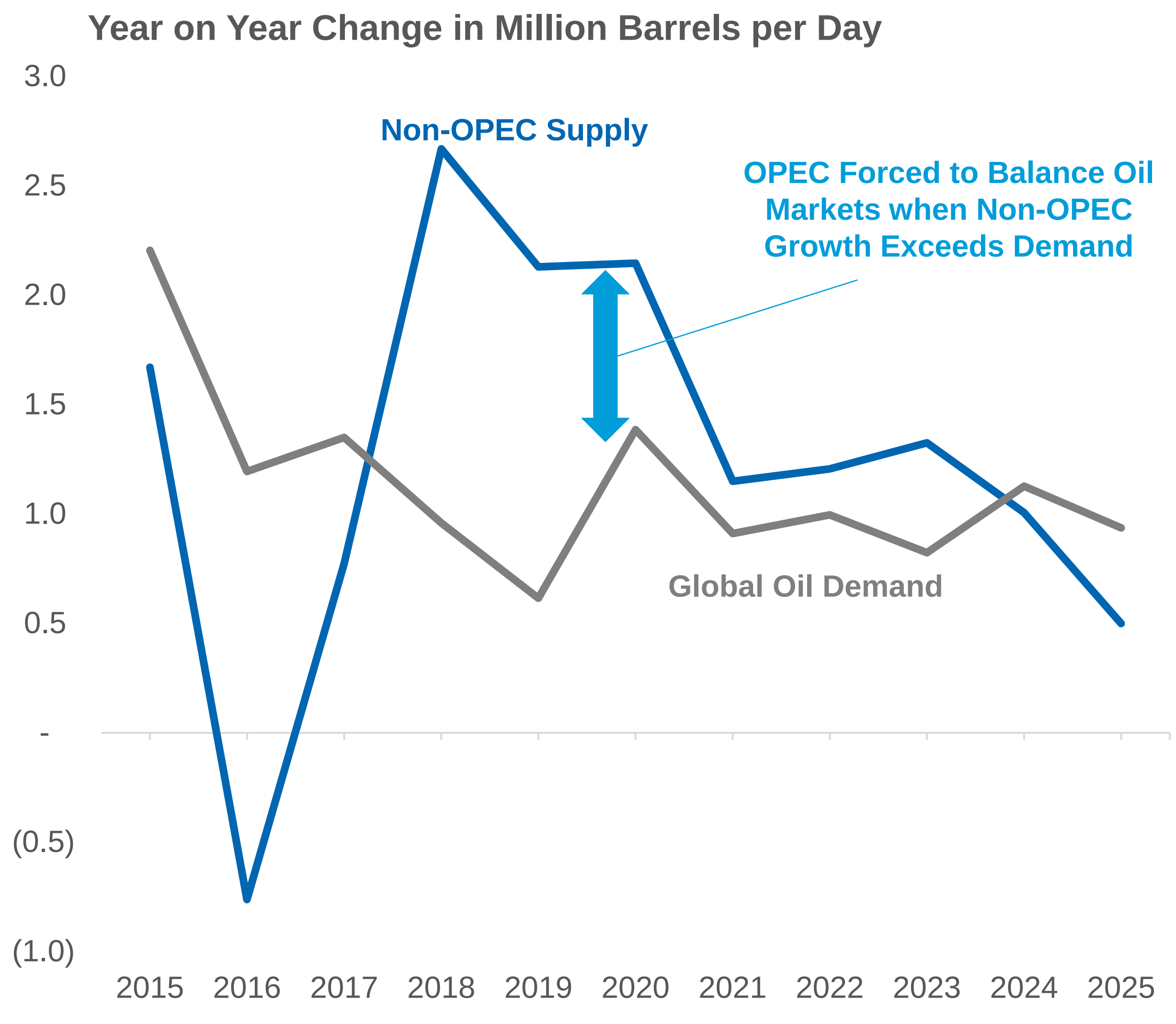
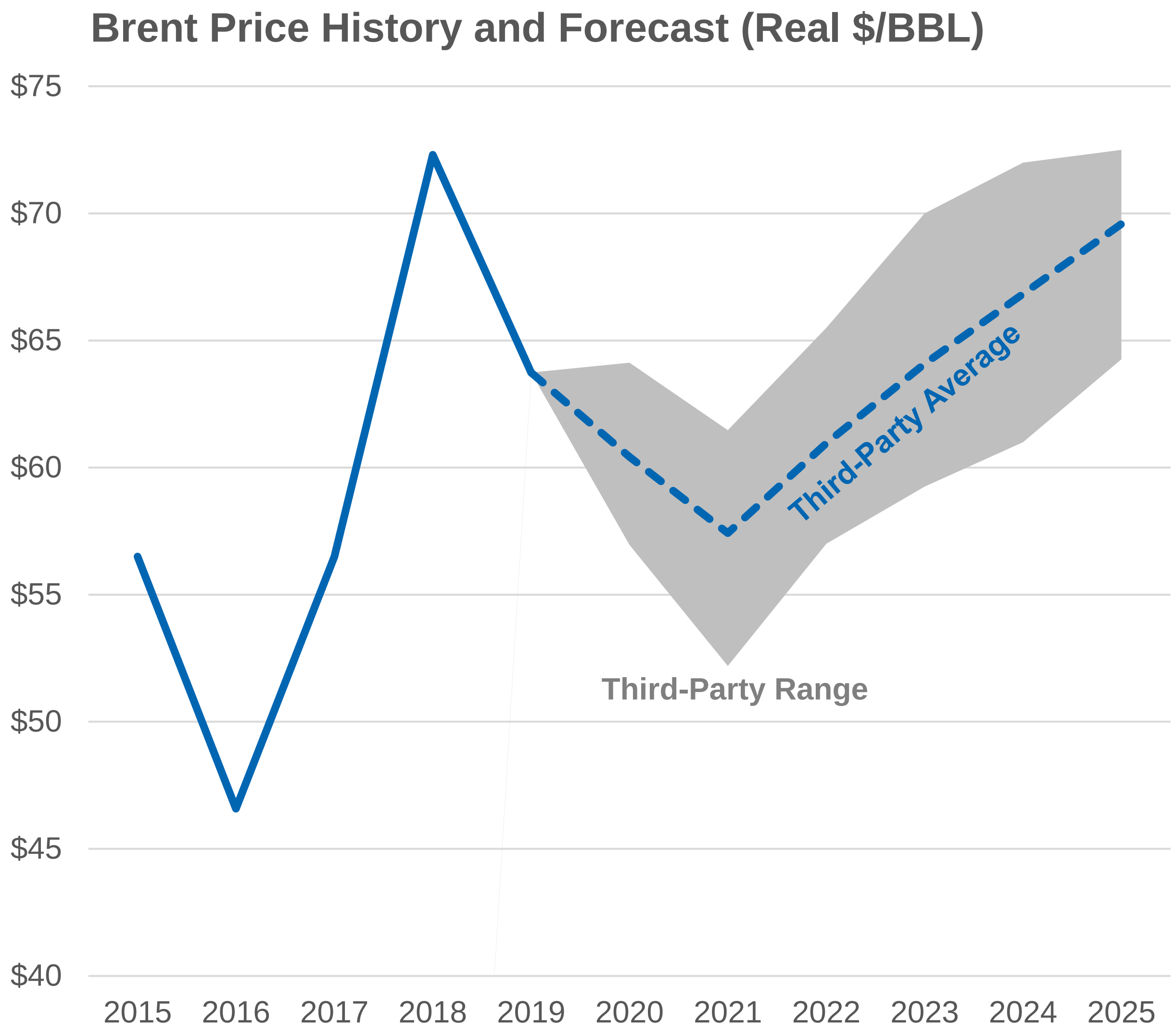
Challenging Short-Term Macro Landscape

Key Themes	Implications
Global Economic Growth Moderating	Pace of energy demand growth likely to slow
Political uncertainty creates volatility	Sanctions, trade issues, OPEC, and IMO
Ample low cost oil supply	Increases oil price volatility and limits oil price upside
Modest Inflationary Pressures	Higher inflation and stronger U.S. Dollar pressure industry margins

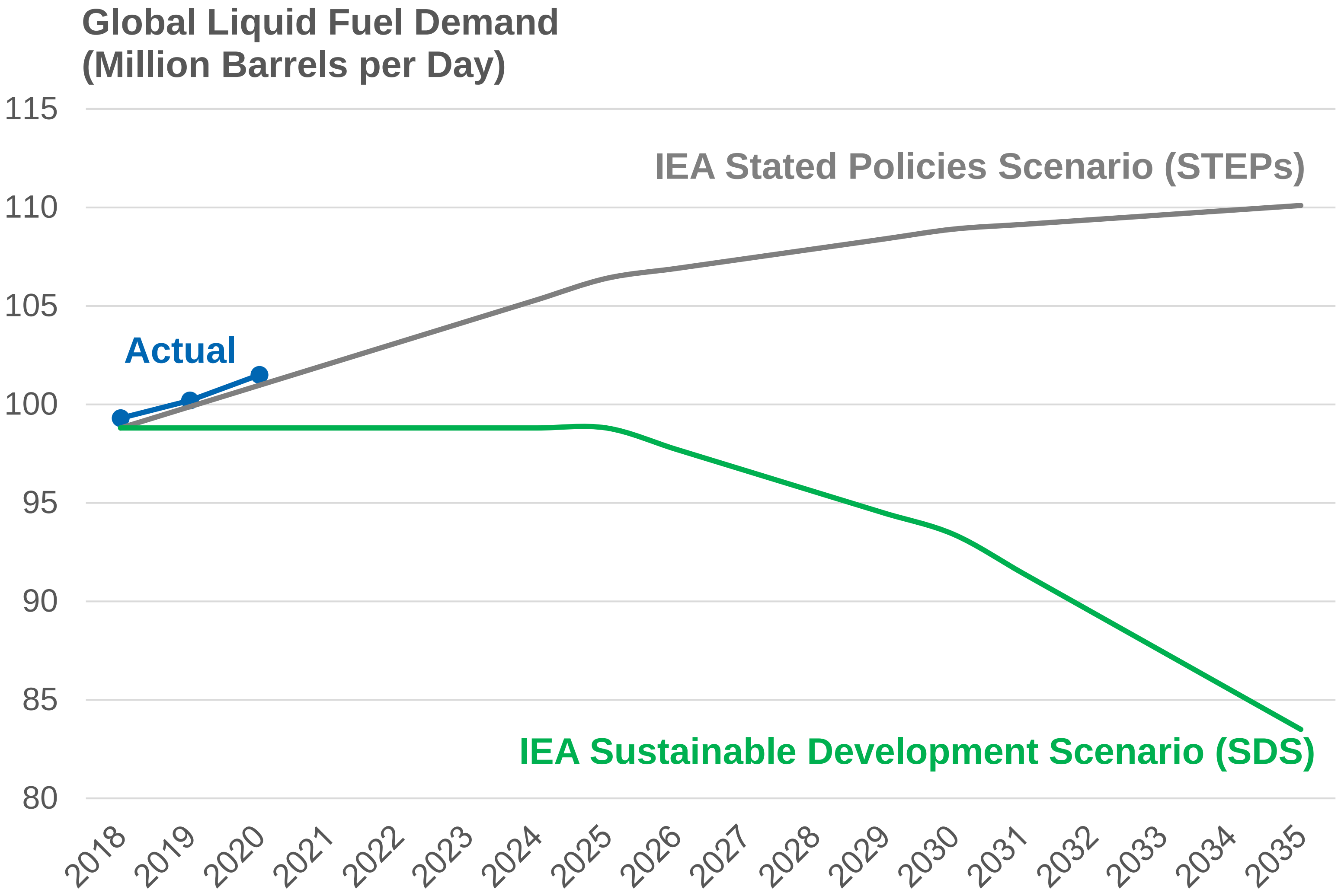
Ample Supply Expected to Keep a Lid on Oil Markets Absent Geopolitics





Source: WoodMackenzie,Platts, IHSMarkit, Energy Intelligence, FGE, and CVX Analysis

Long-Term Demand Risks Stem from Policy & Alternative Energy Technologies



Tracking Progress on Clean Energy Technologies Required for SDS

Tracking Power
- Not on track

Tracking Fuel Supply
- Not on track

Tracking Industry
- More efforts needed

Tracking Transport
- More efforts needed

Tracking Buildings
- Not on track

Tracking Energy Integration
- More efforts needed

Source: International Energy Agency (IEA) & CVX Analysis

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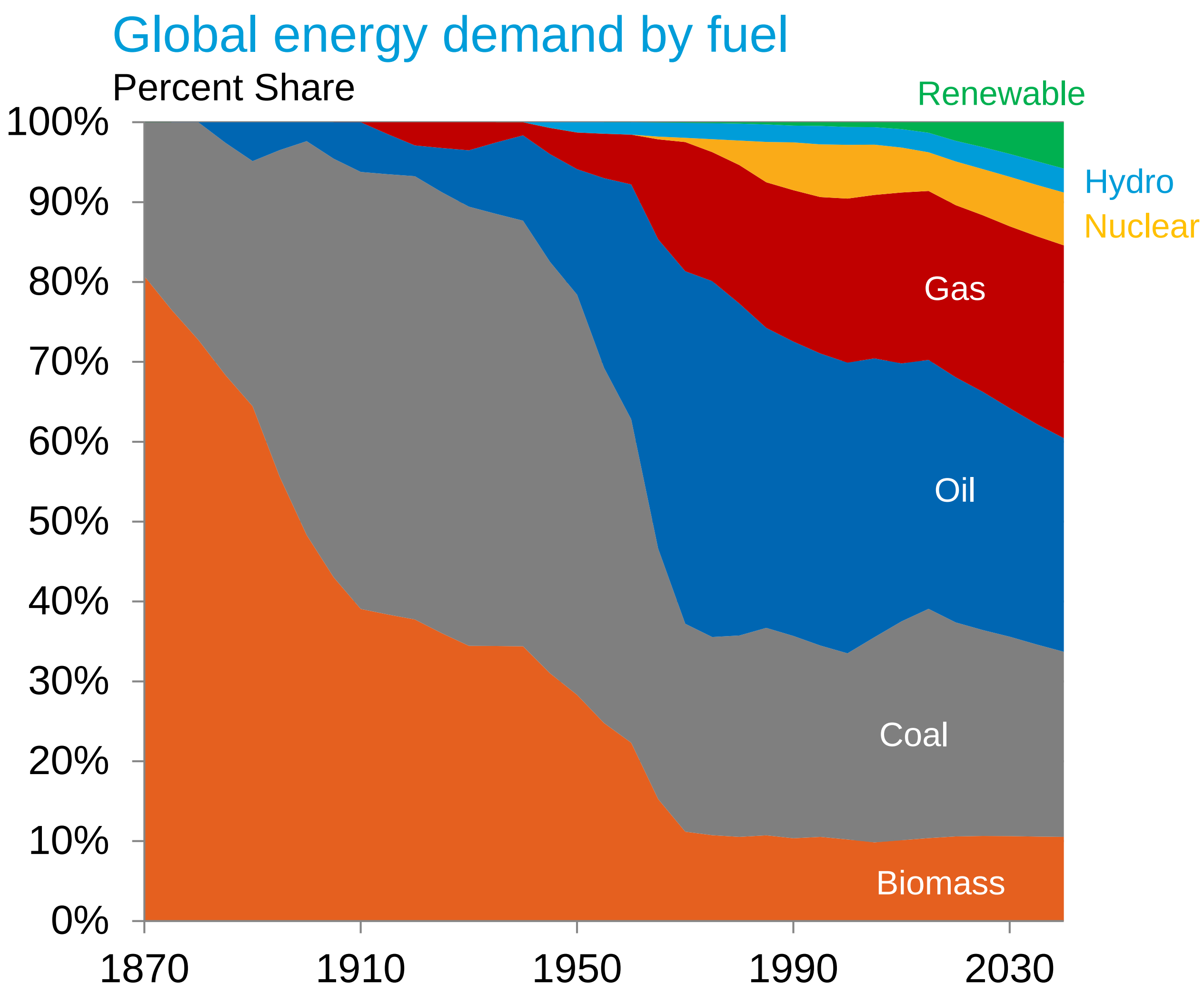
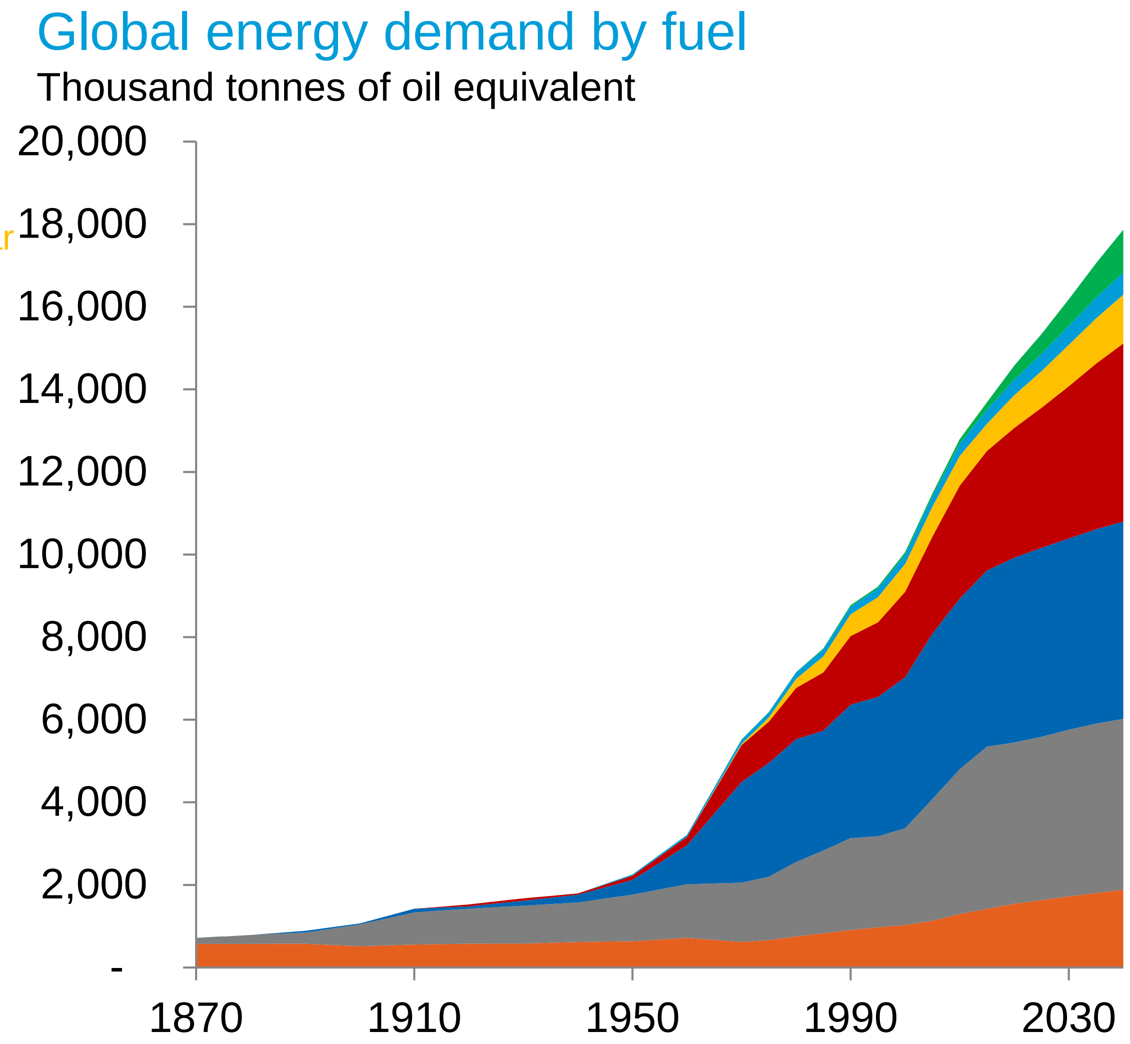
Global Energy System is always in Transition





Largest Energy Source	*Biomass 1870-1900*	*Coal 1900-1965*	*Oil 1965-?*

Source: IEA Statistics 1970-2015, Hagens/Smil 1870-1970, IEA WEO 2018

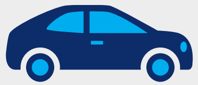
Energy System is Large

Scale and capital stock must be considered

Cumulative $17 trillion
of energy investment
since 2010

$60 trillion of
energy investment required
between 2018 and 2040

Today's capital stock of
energy consuming equipment
will last decades

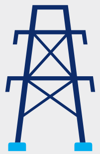


Cars
10-20 years

Trucks and buses
10-30 years

Airplanes
30-40 years

Industrial equipment
10-70 years



Power plants
30-70 years

Buildings
40-80 years

Source: IEA New Policies Scenario, World Energy Outlook

Global Energy Demand will Continue to Grow for Decades

Alternatives getting more cost competitive

>70% larger
World economy by 2040

+1.8 billion
World population by 2040

>6 billion
Urban population by 2025

~1.0 billion people
Lack access to electricity

>2.0 billion people
Still use traditional biomass for cooking

>75% lower
Solar costs since 2010

Dropped >80%
Vehicle battery costs since 2010

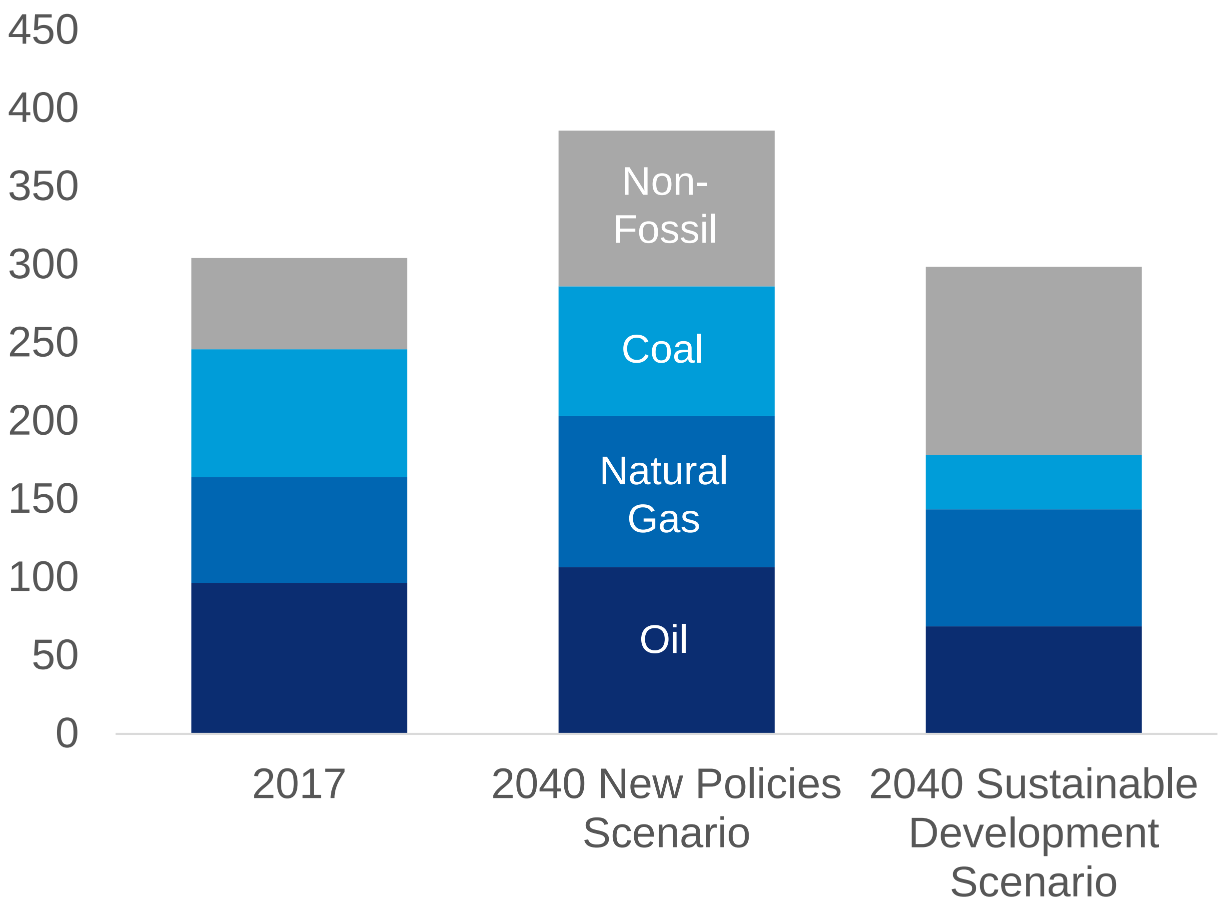
Alternative fuel vehicles
Model offerings increased from
50 in 2008 to >200 in 2018

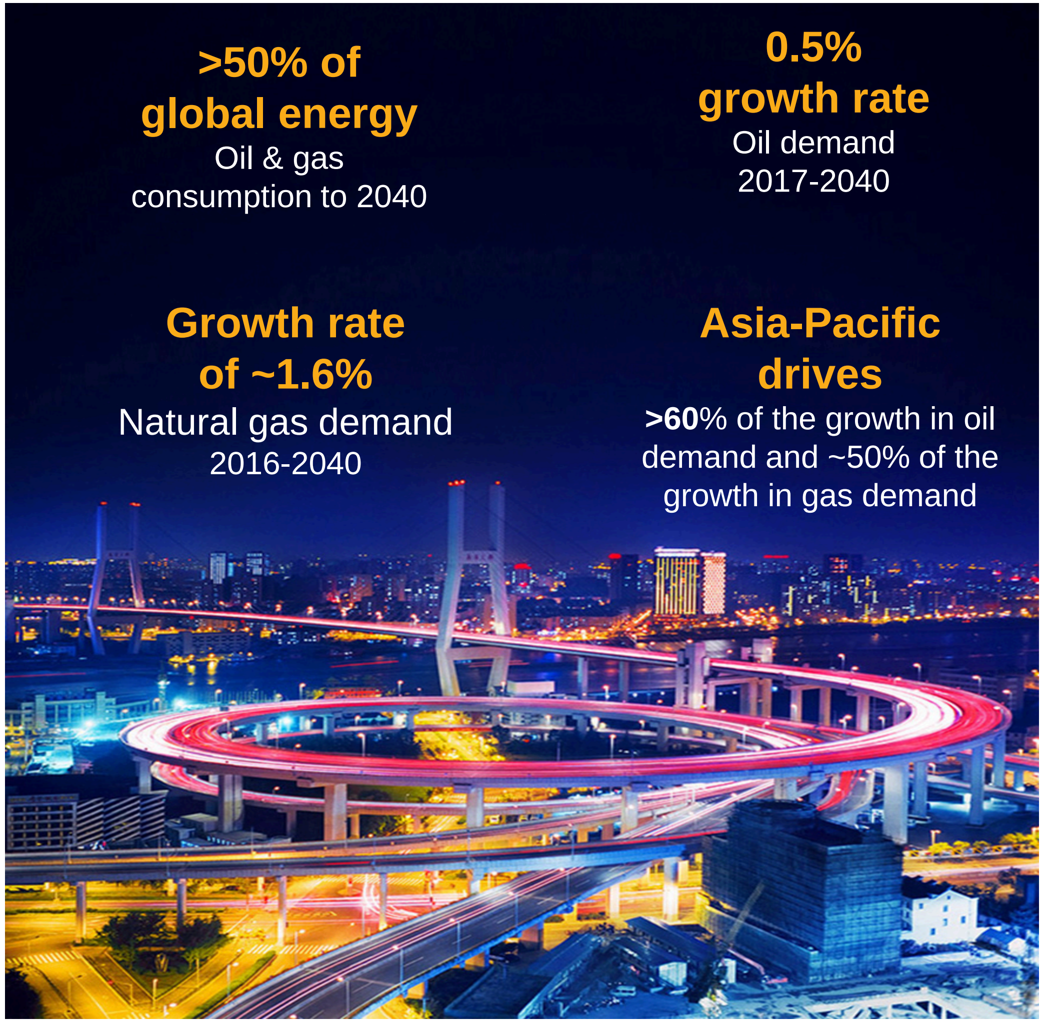
Solar and wind >30%
of global power capacity additions since 2005

Source: United Nations, IHSMarkit, IEA, and Bloomberg New Energy Finance

Oil & Gas remain Key Energy Sources
Oil & gas are abundant, accessible, and affordable

Global energy demand
Million barrels of oil equivalent per day

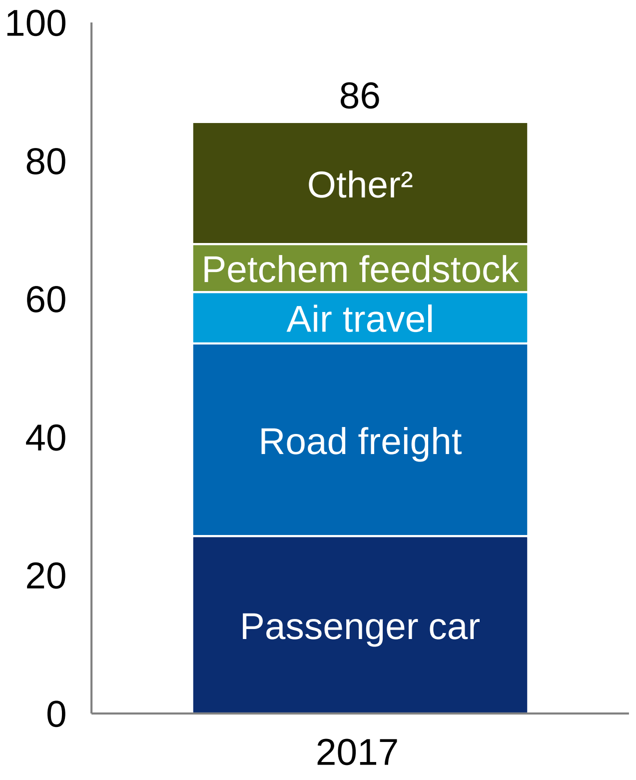




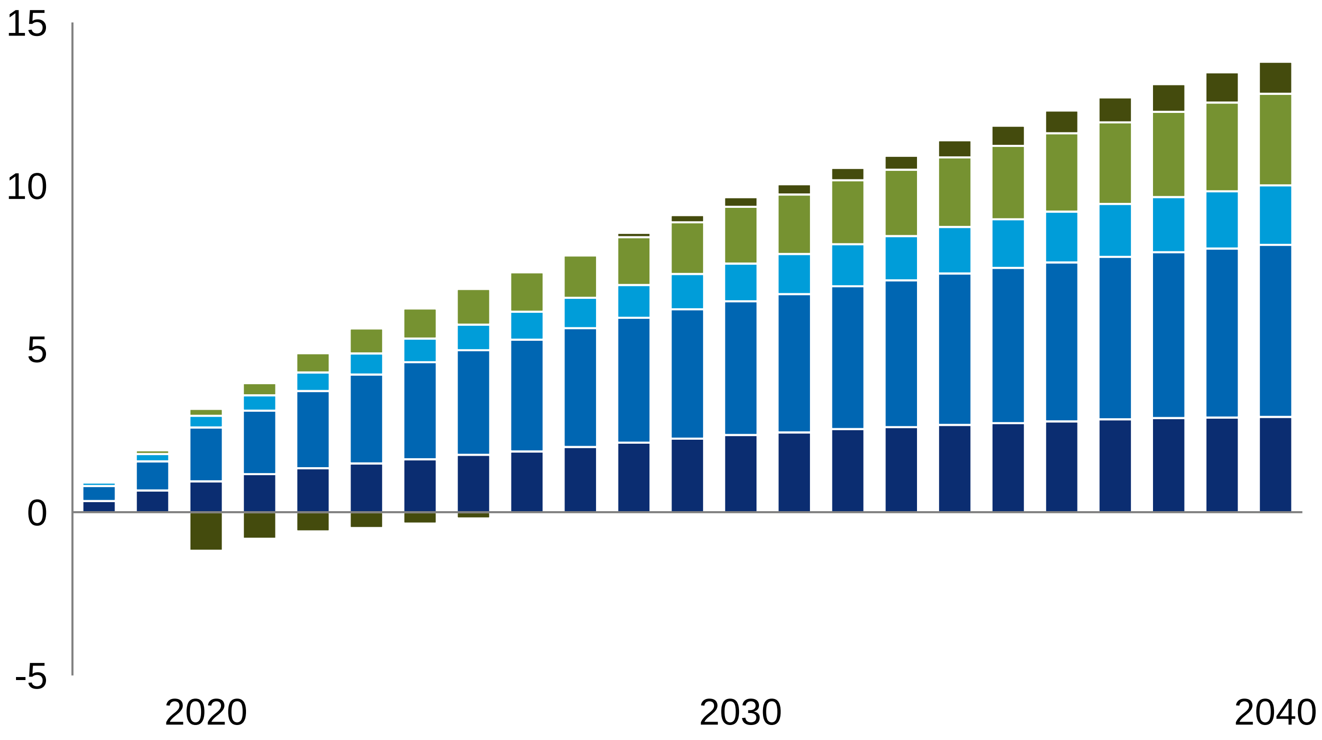
Source: IEA World Energy Outlook 2019

Road freight, Air Travel, and Plastics Drive Long-Term Oil Demand Growth

Petroleum products[1] demand (MMBD)



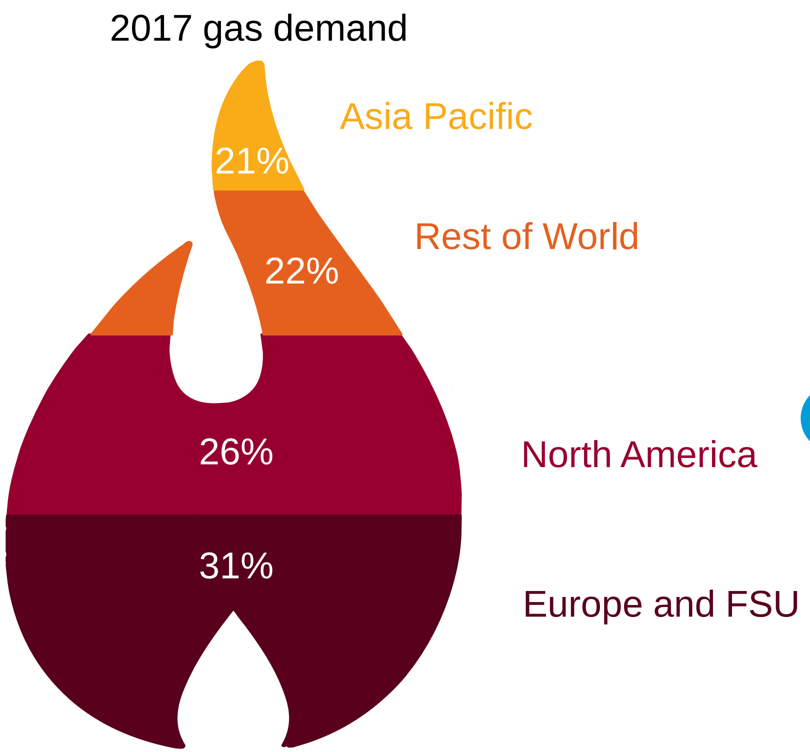
Petroleum products demand growth vs. 2017 (MMBD)

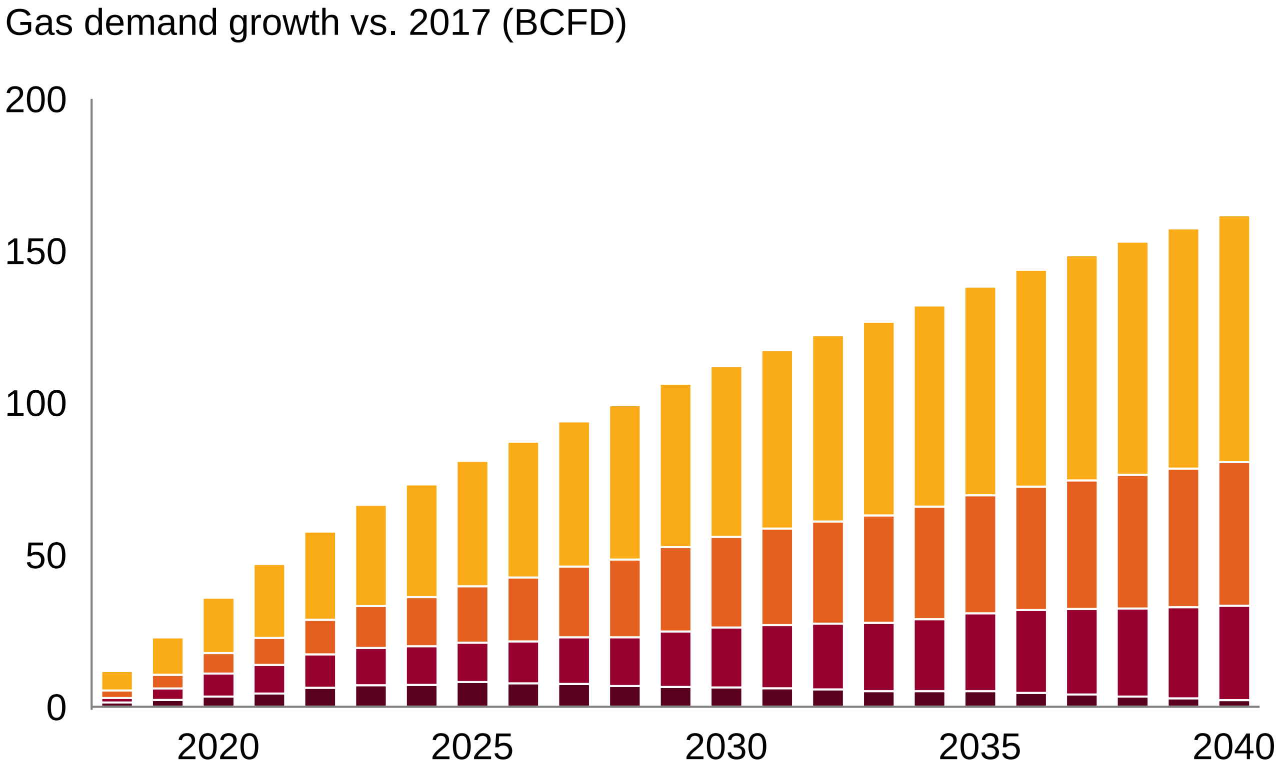


1. Gasoline, diesel, jet, naphtha, fuel oil, lubricants, asphalt, other products, direct burn crude
2. Fuel oil, lubricants, asphalt, direct burn crude, other products

Source: WoodMackenzie and CVX Analysis

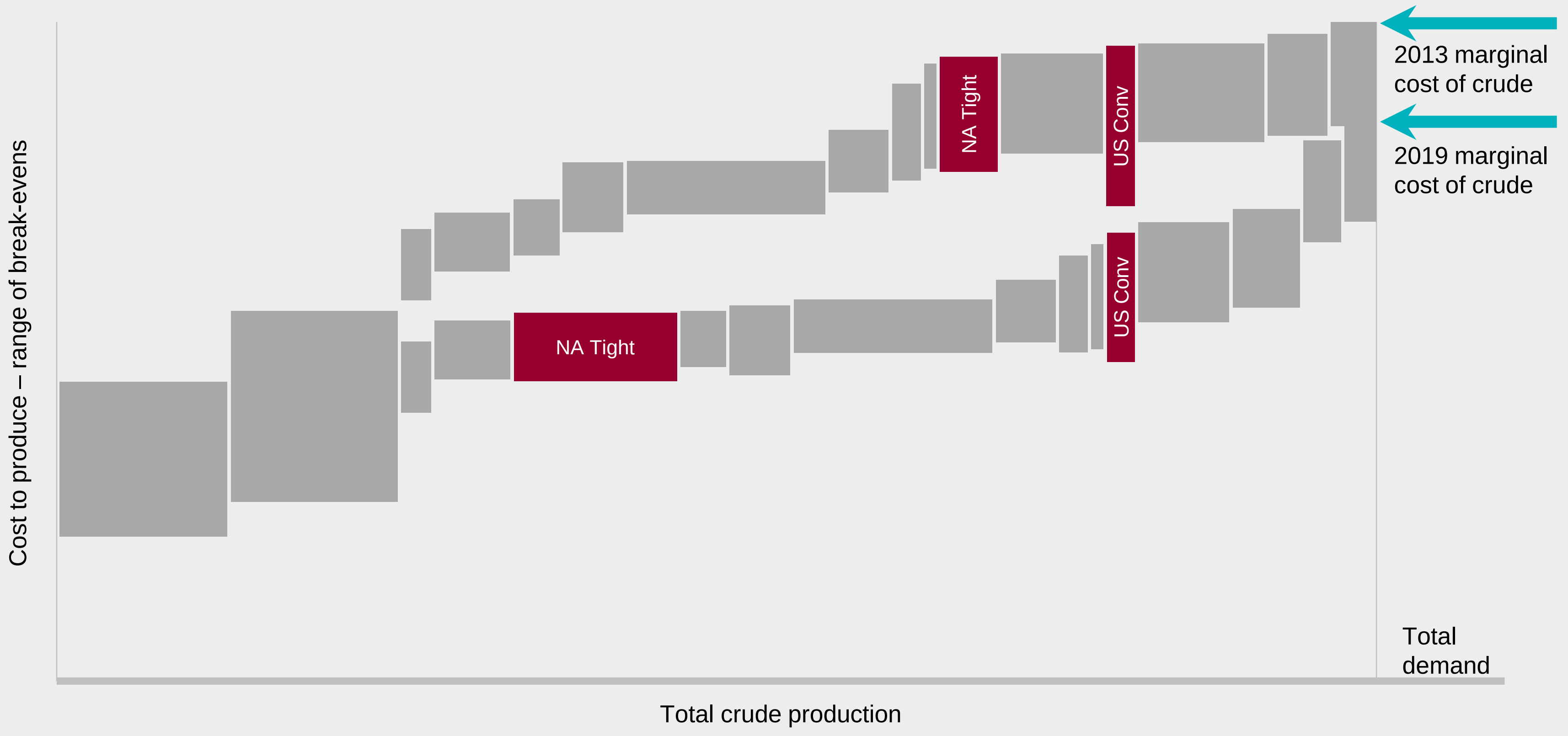
Emerging Markets in Asia Key Driver of Natural Gas Demand





A World of Ample Low Cost Supply
Implies a lower for longer price environment

Range of break-evens for produced volume



Overall lower cost to produce

More competition

Illustrative example

Key Beliefs Anchor our Strategic Direction

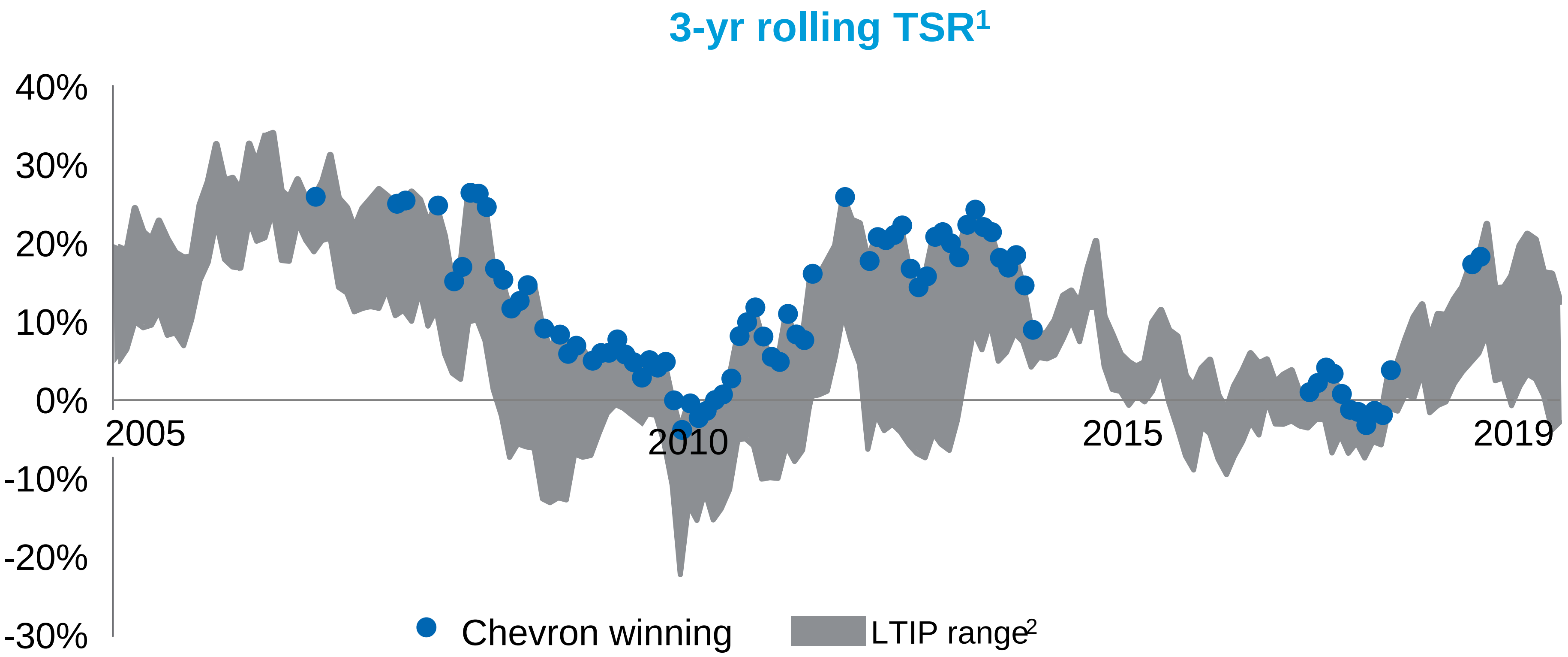
Beliefs	Strategic Implications
Growing economies drive oil and gas demand	Invest in high growth and high margin markets
Long flat supply stack	“Lower for longer” prices Highly competitive upstream environment
Oil investment has an upside compared to gas	Oil weighted projects will have higher margins Preserve weighting to oil and balance short-cycle projects
Emerging energies will continue to grow	Continue to assess opportunities in renewables Leverage renewables to reduce energy cost or emissions

Evolution of Market Points of View (POV) Inform Portfolio Direction

Historical POV		Current POV
Resource scarcity	›	Resource abundance
Crude mix getting heavier	›	Crude mix getting lighter
Capability advantaged vs. national oil companies	›	Growing capability of national oil companies
Markets along the value chain are efficient and competitive	›	Value chain optimization opportunities in specific markets
Focus on volume growth	›	Focus on high margin, high return assets

Winning Defined as Delivering Peer-Leading TSR

while expanding enterprise value

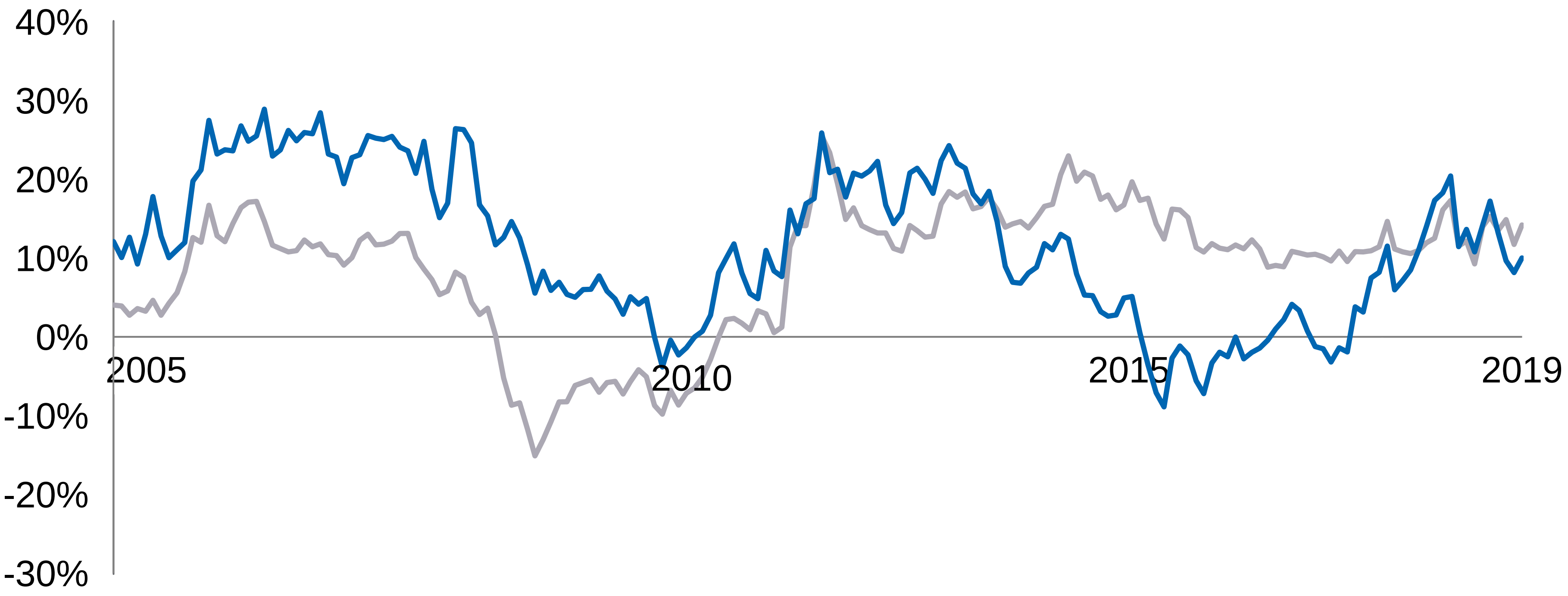


#1 TSR	
	% total periods
CVX	**46%**
TOT	32%
XOM	11%
RDS	7%
BP	5%

1. Monthly analysis of 3-year rolling TSR since Chevron-Texaco merger in September 2001
2. LTIP range reflects historical performance of current LTIP competitors (CVX, XOM, TOT, RDS, BP)

Our Ambition is to also Beat the S&P 500 Index

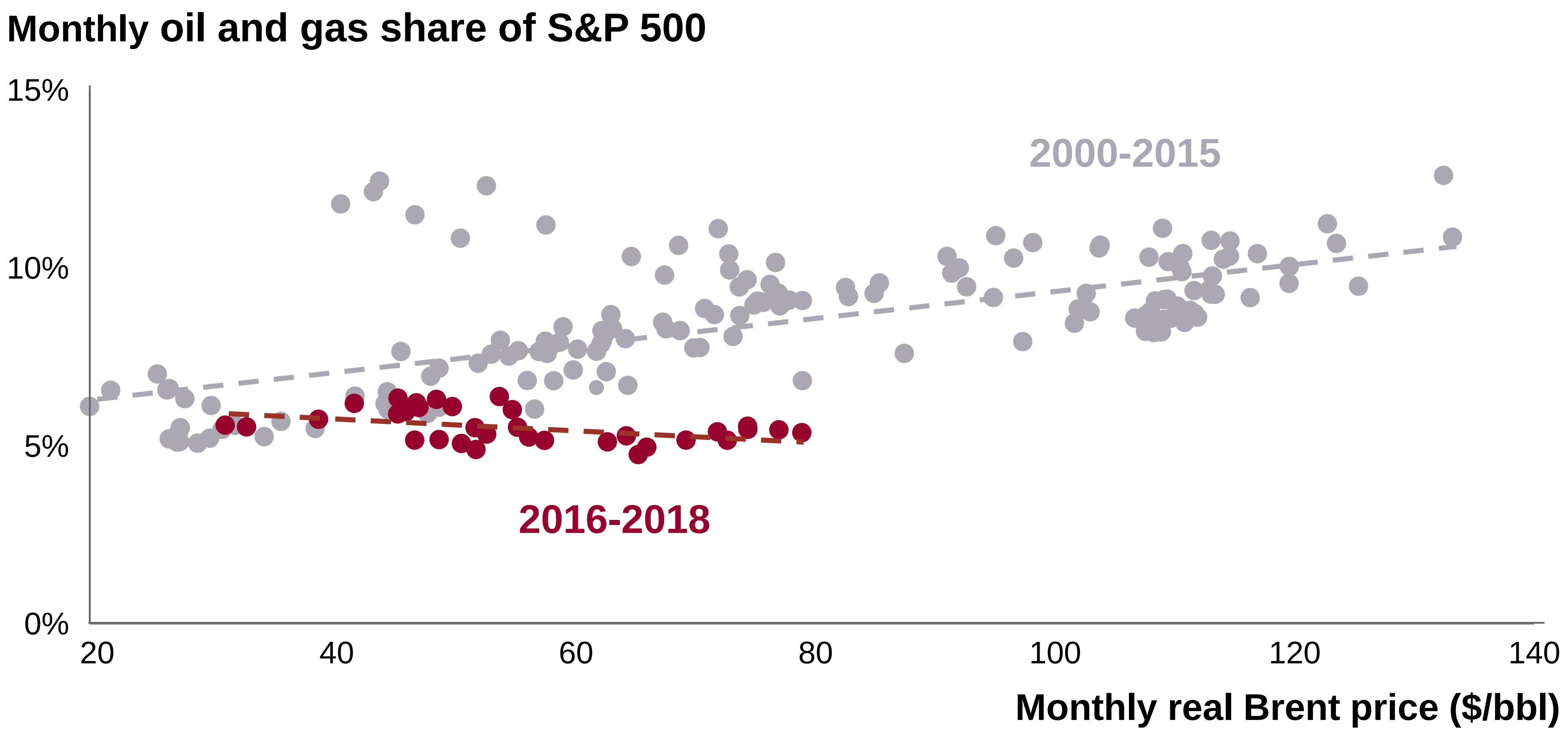
3-yr rolling TSR[1]



#1 TSR	
	% total periods
CVX	**68%**
S&P 500 index	32%

1. Monthly analysis of 3-year rolling TSR since Chevron-Texaco merger in September 2001

Oil and Gas sector Weighting in S&P 500 Index Hasn't Recovered with Improving Brent Prices



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Oil Majors Shifting Strategic Directions for First Time in Decades

Disadvantages		Advantages
Lower gas weight Less downstream scale	Chevron	Lower-risk portfolio Short-cycle flexibility Best positioned to capture oil price upside
Large unconventional gas position Canadian oil sands exposure	ExxonMobil	Strong queue of Upstream opportunities Vertical integration
Less short-cycle opportunities Reserve replacement weakness	Shell	Dominant LNG position Significant future energy commitments
Higher exposure to geopolitical risk Limited short-cycle unconventional exposure	Total	Lowest breakeven among oil majors New energy focus
High debt ratio High Russia exposure	bp	Low upstream breakeven Gas-focused development queue

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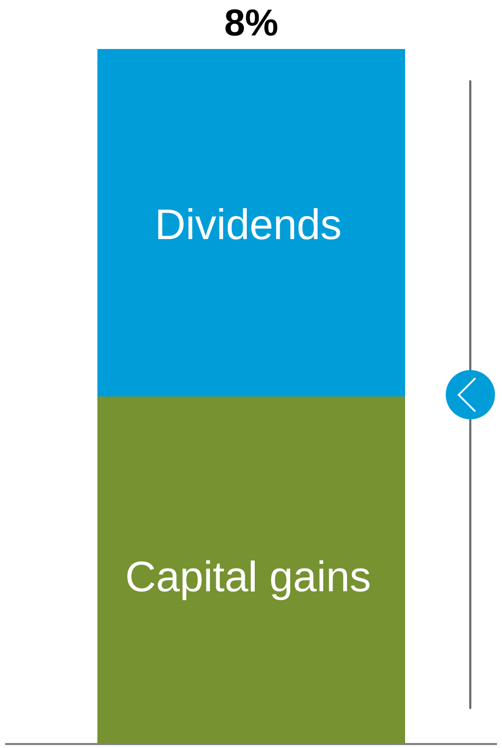
To drive TSR, we Focus on a Set of Winning Metrics

TSR (2008-2018)



TSR drivers	Enterprise winning metrics	
Shareholder distributions	**Shareholder distributions**	Sustainably grow dividends Return surplus cash to shareholders
Returns	**ROCE**	Maintain oil price exposure Sustain and improve margins
Growth	**Capital intensity**	Ratable and sustainable investments Grow cash flow and earnings
Risk	**Credit rating**	Maintain strong balance sheet Reduce cash break-evens

Evolving Approach to the Energy Transition

Emerging energy technologies

Seed funds for breakthrough technologies

EV charging station batteries

Direct air capture of CO_2

EV station network

GHG intensity reduction

Performance tied to compensation

2016-2023

Reduce flaring 25-30%

Reduce methane emissions 20-25%

Partnerships

Collaborative industry efforts; investment in technology

Partners to reduce manmade greenhouse gas emissions

OIL AND GAS CLIMATE INITIATIVE

Renewables

Lowering the carbon intensity of our operations

Renewable base oil

Renewable diesel and jet

Exploring new business

Potential Thoughts on Industry Implications for Angola

Heightened competition for industry capital in a world of abundant supply

Asia emerges as epicenter for oil and gas demand as traditional markets mature

Well-to-customer value-chain optimization can boost margin capture potential

Discounts for lighter or higher sulfur crude streams in ample supply

Lower emissions resources become a source of competitive advantage




Discussion