

COMMUNICATIONS COMMITTEE NEWS / TIDBITS

Chevron Affirms Production, Margins, and Cash Flow Growth Plans

March 7, 2017 – Chevron Corporation hosted its annual security analyst meeting in New York where executives highlighted the company's growing free cash flow from its advantaged portfolio.

“We intend to be cash balanced in 2017, and to grow free cash flow in the years thereafter,” said John Watson, Chevron’s chairman and chief executive officer. “We're finishing projects under construction, which adds revenue and reduces spend. We’re concentrating our new investments on short cycle-time, high-return opportunities from our advantaged positions such as the Permian basin.” Watson noted 75 percent of the company’s 2017 capital budget is expected to generate cash within the next two years.

Watson reinforced the company’s priority to maintain and grow the dividend and to keep a strong balance sheet through commodity price cycles. “We’ve increased the annual dividend 29 years in a row. We recognize our shareholders value a growing distribution and a prudent balance sheet.”

Jay Johnson, executive vice president, upstream, reviewed Chevron’s upstream opportunities. “We’re focused on improving returns. We’ll do this by operating safely and reliably, successfully starting-up and ramping-up projects, and high-grading our investment opportunities. Gorgon, Wheatstone and other projects are progressing well, and we’re now pivoting to the Permian basin where we see ultimate production potential exceeding 700,000 barrels per day within a decade.”

Additionally Johnson said, “We are confident in our ability to grow production and cash margins.”

Chevron Starts Production at Mafumeira Sul Offshore Angola

March 8, 2017 – Chevron Corporation announced today that its subsidiary, Cabinda Gulf Oil Company (CABGOC) Limited, has commenced oil and gas production from the main production facility of the Mafumeira Sul project offshore Angola.

“This milestone supports our priority of completing major projects and improving free cash flow,” said Jay Johnson, executive vice president, Upstream, Chevron Corporation. “The Mafumeira Sul project generates new production and value for Angola, our partners and the corporation.”

Located 15 miles (24 km) offshore Cabinda province in 200 feet (60 m) of water, Mafumeira Sul is the second stage of development of the Mafumeira Field in Block 0. It has a design capacity of 150,000 barrels of liquids and 350 million cubic feet of through a temporary production system. Ramp-up to full production is expected to continue through 2018.

CABGOC is the operator and holds a 39.2 percent interest in Mafumeira Sul. Chevron's partners are Sonangol E.P. (41 percent), Total (10 percent) and ENI (9.8 percent).

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Chevron Concludes Sale of Geothermal Operations in Indonesia

Mar. 31, 2017 – Chevron Corporation (NYSE: CVX) announced that its wholly-owned subsidiaries have completed the sale of Chevron's geothermal business in Indonesia to Star Energy Consortium. Chevron received the cash proceeds upon settlement on March 31, and will reflect the gain in first quarter 2017 results. The conclusion of the sale of Chevron's geothermal business in the Philippines is expected later in 2017.

Chevron Corporation is one of the world's leading integrated energy companies. Through its subsidiaries that conduct business worldwide, the company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power; and develops and deploys technologies that enhance business value in every aspect of the company's operations.