



Human Energy™

Energy Ingenuity

2007 Annual Report

Letter to Stockholders	2	Enhanced Oil Recovery	8	Carbon Management	18	Renewable Energy, Technology	27	Five-Year Operating Summary	86
Chevron Financial Highlights	4	Refining	10	Community Engagement	20	and Other Businesses		Five-Year Financial Summary	87
Chevron Operating Highlights	5	Natural Gas	12	Operating Highlights	22	Glossary of Energy	28	Board of Directors	102
Energy > Ingenuity		Geothermal Energy	14	Upstream	23	and Financial Terms		Corporate Officers	103
Deepwater Operations	6	Technology	16	Downstream	26	Financial Review	29	Stockholder and Investor Information	104

Energy

Demand for energy is growing.

The world is undergoing an economic expansion that is raising the standard of living for millions of people around the globe. Energy is the foundation for this expansion. Access to reliable and abundant energy is essential for human and economic progress. As the world's population continues to grow, so does our need for greater supplies of energy. How we deliver that energy – in ways that sustain and protect our environment – is one of the great challenges of our time.

▶ Ingenuity

Human energy is rising to the challenge.

Chevron is built on the idea that with commitment and ingenuity there is no problem that cannot be solved, no challenge that cannot be overcome. This is how the people of Chevron approach their jobs every day. The world needs energy to power businesses, heat homes, light schools, transport people, deliver products, create jobs and improve the overall quality of life. Energy moves the world forward. Human energy makes it possible.



2007 was a year of significant achievement for our company. We reported record earnings, led our peer group in total stockholder return and advanced our robust queue of major capital projects, which are creating a strong foundation for long-term growth. Most important, the people of Chevron performed superbly, demonstrating the values and ingenuity that distinguish our company.

Net income of \$18.7 billion represented a fourth consecutive year of record earnings. Capital and exploratory expenditures for the year were \$20 billion, and return on capital employed was 23.1 percent. We increased the annual dividend for the 20th consecutive year and achieved a total stockholder return of 30.5 percent, approximately 25 percentage points higher than the return delivered by the S&P 500. We continued to return cash to our stockholders through stock buyback programs, purchasing \$7 billion of our common shares during 2007. In September, we initiated a new program to acquire up to \$15 billion of our common shares over a period of up to three years. We are committed to the capital discipline necessary to create sustainable, long-term value for our stockholders.

Achieving Milestones

In the upstream, we executed our strategy of managing our base business profitably while advancing new projects for future growth and returns. Our base business, which is our daily crude oil and natural gas production activities around the world, generates the cash to fund our long-term growth. We manage these assets with a strong focus on world-class reservoir management, improved recovery rates and continual innovation. Nowhere is this more evident than in California's San Joaquin Valley, where the Kern River Field celebrated its 2 billionth barrel of production in late 2007. Kern River began production in 1899 and through the consistent application of innovative technology continues to be a world-class asset.

Our exploration program, which is centered on high-impact prospects in key basins, had a highly successful year. We posted a 41 percent success rate, adding approximately 1 billion barrels of potentially recoverable oil and natural gas resources.

Major capital projects in the upstream reached several milestones. The Agbami floating production, storage and offloading vessel was completed and was positioned in the deep water off Nigeria in early 2008. In 2007, the Bibiyana gas field in Bangladesh began production, and we launched commercial production from the 110-megawatt Darajat III geothermal plant in Indonesia.

Chevron's track record as a successful partner helped us achieve a 10-year extension for producing natural gas in the Gulf of Thailand, which will help realize our goal of increasing production from this area to more than 1 billion cubic feet per day. Our expertise in producing sour gas at the Tengizchevroil project in Kazakhstan was a key factor in our selection as a partner by the China National Petroleum Corporation for the development of the Chuandongbei natural gas area in central China.

Our global downstream operations continue to focus on increasing refinery flexibility, improving reliability and creating new business opportunities. We completed projects to increase the flexibility and capacity of two major refineries – in El Segundo, California, and at our 50 percent-owned Yeosu refinery complex in South Korea. The downstream business also enhanced its focus on profitable growth through the divestiture of several nonstrategic assets.

Our 2007 safety performance showed significant improvement, but we will never be satisfied until we have reduced the number of safety-related incidents to zero. We are absolutely committed to achieving this goal.

Enhancing Technology and Capability

In the current business environment, companies with superior ability to source and deploy technology will build a sustainable competitive advantage.

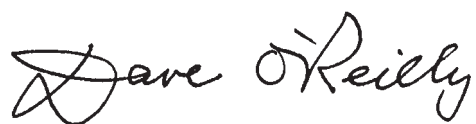
Our technology strategies are centered on delivering superior performance in our core businesses and establishing leading positions in emerging and transformational technologies. To that end, we opened two new Global Technology Centers – in Aberdeen, Scotland, and Perth, Australia – to expand our research and development capability. In addition, we created a number of strategic alliances with universities to conduct advanced research into new energy sources and processes.

To build upon our organizational capability, in 2007 we restructured the upstream business into four operating companies – North America; Asia-Pacific; Africa and Latin America; and Eurasia, Europe and Middle East. This new structure will strengthen our focus on long-term growth, enhance business partnerships, and drive more efficiency, standardization and collaboration across the organization.

Human Energy and Ingenuity

In 2007, we launched a new global advertising campaign, “The Power of Human Energy.” It focuses on the realities of energy today – the challenge of meeting rising demand as the global economy expands, together with the imperative to manage the impact of energy consumption on the environment. These are huge challenges. But as the campaign makes clear, human ingenuity will discover solutions as it has throughout history. The people of Chevron are working every day to apply the kind of ingenuity that will create responsible, practical and sustainable solutions to these challenges.

Thank you for investing in our company. We look forward to another year of achievement as we continue to create value for our stockholders while working to meet the world’s growing demand for safe, reliable energy.



Dave O'Reilly
Chairman of the Board and
Chief Executive Officer
February 28, 2008

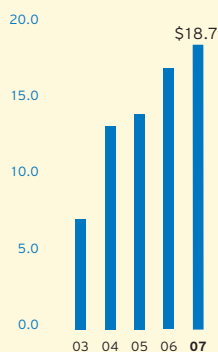


Chevron Financial Highlights

Millions of dollars, except per-share amounts	2007	2006	% Change
Net income	\$ 18,688	\$ 17,138	9.0 %
Sales and other operating revenues	\$ 214,091	\$ 204,892	4.5 %
Minority interests income	\$ 107	\$ 70	52.9 %
Interest expense (after tax)	\$ 107	\$ 312	(65.7)%
Capital and exploratory expenditures*	\$ 20,026	\$ 16,611	20.6 %
Total assets at year-end	\$ 148,786	\$ 132,628	12.2 %
Total debt at year-end	\$ 7,232	\$ 9,838	(26.5)%
Minority interests	\$ 204	\$ 209	(2.4)%
Stockholders' equity at year-end	\$ 77,088	\$ 68,935	11.8 %
Cash provided by operating activities	\$ 24,977	\$ 24,323	2.7 %
Common shares outstanding at year-end (Thousands)	2,076,266	2,150,390	(3.4)%
Per-share data			
Net income - diluted	\$ 8.77	\$ 7.80	12.4 %
Cash dividends	\$ 2.26	\$ 2.01	12.4 %
Stockholders' equity	\$ 37.13	\$ 32.06	15.81 %
Common stock price at year-end	\$ 93.33	\$ 73.53	26.93 %
Total debt to total debt-plus-equity ratio	8.6%	12.5%	
Return on average stockholders' equity	25.6%	26.0%	
Return on capital employed (ROCE)	23.1%	22.6%	

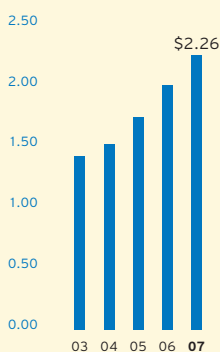
*Includes equity in affiliates

Net Income
Billions of dollars



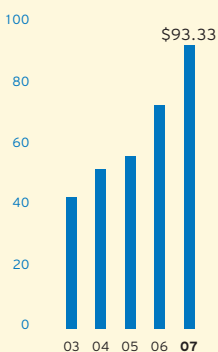
Net income rose in 2007 on improved upstream results and gains on asset sales. Higher crude oil prices squeezed margins and lowered profits in the downstream and chemicals businesses.

Annual Cash Dividends
Dollars per share



The company increased its annual dividend payout for the 20th consecutive year.

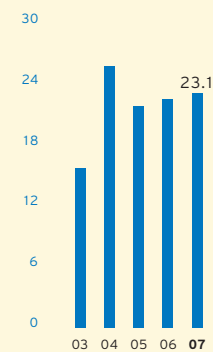
Chevron Year-End Common Stock Price*
Dollars per share



The company's stock price rose 27 percent in 2007, outpacing the broader market indexes.

*2003 adjusted for stock split in 2004

Return on Capital Employed
Percent



Record net income helped boost Chevron's return on capital employed to 23.1 percent. The decline from 2004 to 2005 reflected a higher capital base resulting from the Unocal acquisition.

Chevron Operating Highlights¹

	2007	2006	% Change
Net production of crude oil and natural gas liquids (Thousands of barrels per day)	1,756	1,732	1.4 %
Net production of natural gas (Millions of cubic feet per day)	5,019	4,956	1.3 %
Other produced volumes (Thousands of barrels per day)	27	109	(75.2)%
Net oil-equivalent production ² (Thousands of oil-equivalent barrels per day)	2,619	2,667	(1.8)%
Refinery input (Thousands of barrels per day)	1,833	1,989	(7.8)%
Sales of refined products (Thousands of barrels per day)	3,484	3,621	(3.8)%
Net proved reserves of crude oil, condensate and natural gas liquids ³ (Millions of barrels)			
– Consolidated companies	4,665	5,294	(11.9)%
– Affiliated companies	2,422	2,512	(3.6)%
Net proved reserves of natural gas ³ (Billions of cubic feet)			
– Consolidated companies	19,137	19,910	(3.9)%
– Affiliated companies	3,003	2,974	1.0 %
Net proved oil-equivalent reserves ³ (Millions of barrels)			
– Consolidated companies	7,855	8,612	(8.8)%
– Affiliated companies	2,922	3,008	(2.9)%
Number of employees at year-end ⁴	59,162	55,882	5.9 %

¹ Includes equity in affiliates, except number of employees

² Includes "Other produced volumes"

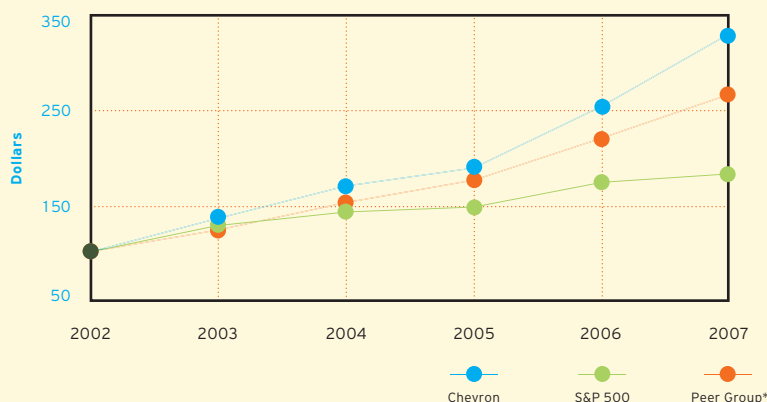
³ At the end of the year

⁴ Excludes service station personnel

Performance Graph

The stock performance graph at right shows how an initial investment of \$100 in Chevron stock would have compared with an equal investment in the S&P 500 Index or the Competitor Peer Group. The comparison covers a five-year period beginning December 31, 2002, and ending December 31, 2007, and is weighted by market capitalization as of the beginning of each year. It includes the re-investment of all dividends that an investor would be entitled to receive and is adjusted for stock splits. The interim measurement points show the value of \$100 invested on December 31, 2002, as of the end of each year between 2003 and 2007.

Five-Year Cumulative Total Returns
(Calendar years ended December 31)



	2002	2003	2004	2005	2006	2007
Chevron	100	135.18	169.63	188.86	252.74	329.77
S&P 500	100	128.69	142.69	149.69	173.33	182.75
Peer Group*	100	124.15	153.00	174.80	218.81	266.53

*Peer Group: BP p.l.c.-ADS, ExxonMobil, Royal Dutch Shell-ADR and ConocoPhillips