



Australia Fact Sheet

Highlights of Operations

Chevron is the largest holder of natural gas resources in Australia. These important assets help meet Australia's and Asia's growing need for energy.

We are leading the development of the Gorgon Project, a liquefied natural gas (LNG) and domestic gas joint venture supplied by the Greater Gorgon gas fields. The project is under construction on Barrow Island.

We also are developing the Wheatstone Project as an LNG and domestic gas operation near Onslow, in the Pilbara region of Western Australia.

Chevron has a history of safely producing oil at the Barrow Island and Thevenard Island oil fields for more than 45 years. Along with other participants in the North West Shelf Venture, Chevron has exported LNG to Asian customers since 1989.

We're investing in the Browse LNG development, another proposed LNG project off the coast of Western Australia.

Chevron Australia also runs a significant exploration program based on the company's offshore interests in Australia's northwest region, one of Chevron's three global focus areas for exploration.

Chevron Energy Technology Co. has a technology center in Perth. The center is a resource for Chevron's operations worldwide.

Chevron has a 50 percent interest in Caltex Australia Limited, the country's leading oil refining and marketing company. It refines, distributes and sells fuels and lubricants, including gasoline, jet and diesel fuel, liquefied petroleum gas, and industrial and aviation lubricants.

Business Portfolio

Exploration and Production

Chevron continues to develop energy resources off the northwest coast of Australia. Our strategy is to grow and commercialize our resources to create an effective natural gas business in Australia and the Asia-Pacific region.

For 2010, our net daily oil-equivalent production averaged 111,000 barrels, representing approximately 4 percent of our companywide total. That daily production comprised 159,000 barrels of crude oil and condensate (29,000 net), 29,000 barrels of liquefied petroleum gas (LPG) (5,000 net) and 2.7 billion cubic feet of natural gas (458 million net).

The Barrow Island and Thevenard Island oil fields and the North West Shelf Venture make important contributions. These operations are offshore Western Australia, about 990 miles (1,600 km) north of Perth.

North West Shelf Venture

Chevron has a 16.7 percent nonoperated working interest in the North West Shelf (NWS) Venture, which includes onshore and offshore oil and natural gas facilities and is Australia's largest resource project to date. In 2010, Chevron's net daily production from the NWS Venture averaged 25,000 barrels of crude oil and condensate, 5,000 barrels of LPG, and 456 million cubic feet of natural gas.

NWS Venture operations include offshore producing fields and extensive onshore facilities, including five liquefied natural gas (LNG) processing units and a domestic gas plant. Producing operations include the Angel, Echo Yodel, Goodwyn, North Rankin and Perseus natural gas fields and the Cossack, Hermes, Lambert and Wanaea crude oil fields.

For more than 25 years, the NWS Venture has been Western Australia's largest producer of domestic gas and currently contributes about 65 percent of the state's total production. The NWS Venture has been exporting LNG to customers in the Asia-Pacific region since 1989.

About 70 percent of the natural gas produced by the NWS Venture in 2010 was exported as LNG, primarily under long-term contract to major utilities in Japan, South Korea and China. The balance was sold to the Western Australian domestic gas market.

Progress continues on several NWS Venture projects.

The North Rankin 2 Project is designed to recover remaining low-pressure natural gas from the North Rankin and Perseus fields. A second platform is being built close to the North Rankin A platform, which will be refurbished. When complete, the two platforms are designed to be connected by a bridge and operated as a single integrated facility. The maximum total daily production is expected to be 2 billion cubic feet of natural gas and 39,000 barrels of condensate. Condensates are hydrocarbons that are in a gaseous state in a reservoir but condense into liquid as they travel up the well bore and reach the surface. Total estimated project cost is \$4.7 billion, and startup is expected in 2013.

Work also continued on the NWS Oil Redevelopment Project, which is designed to replace the existing floating production, storage and offloading vessel and a portion of existing subsea infrastructure that services production from the Cossack, Hermes, Lambert and Wanaea offshore fields. A new floating production, storage and offloading vessel is expected to be completed in the second quarter of 2011. Startup of the \$1.9 billion project is expected in the third quarter of 2011.

In addition, NWS Venture is developing several small gas fields in the western section of the Goodwyn reservoirs. The project is expected to begin front-end engineering and design in the second quarter of 2011.

Barrow Island and Thevenard Island

Chevron holds a 57.1 percent interest in the Barrow Island crude oil production facilities, Australia's largest and oldest onshore oil field. We operate the field safely and economically while protecting biodiversity within the Barrow Island Nature Reserve.

We also hold a 51.4 percent interest in and operate fields near Thevenard Island, 43 miles (70 km) southwest of Barrow Island. Thevenard Island provides a base for processing and storing hydrocarbons from several nearby oil fields.

In 2010, total daily production for these operations was 7,000 barrels of crude oil (4,000 net).

Greater Gorgon Area Development

The Greater Gorgon Area gas fields, between 80 and 125 miles (130 and 200 km) off the northwest coast of Western Australia, are Australia's largest known natural gas resource. Chevron has a 47.3 percent interest in and operates the Gorgon Project.

Plans for the Gorgon Project include a subsea development of the Gorgon and Jansz-lo fields, tied back to Barrow Island, where a 15 million-metric-ton-per-year LNG facility and a domestic gas plant with a capacity of 300 terajoules per day will be built. The project combines development of the two fields as one large-scale project.

Following the final investment decision, construction began in late 2009. Construction on Barrow Island continued in 2010. More than \$25 billion in contracts for materials and supplies were awarded. Site clearing is well under way. The first stage of the construction village was built, and module fabrication began. In addition, progress was made on studies into the possible expansion of the project.

The project, which is Australia's largest single-resource project, is estimated to cost approximately \$37 billion (AU\$43 billion) for the first phase of development. Maximum total daily production from the project is expected to be 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate. Expected startup is 2014.

Chevron has had success in finding new resources in the Greater Gorgon Area. In 2010, natural gas discoveries at the 50 percent-owned and operated Yellowglenn and Sappho were announced.

Read more about the Gorgon Project.

Wheatstone

At our Wheatstone Project, plans call for an 8.9 million-metric-ton-per-year LNG facility and a separate domestic gas plant at the Ashburton North site, near Onslow, along the West Pilbara coast. The facilities would be fed by natural gas from the Wheatstone and Iago fields. We operate the two fields that lie between the NWS Venture area and the Greater Gorgon Area. The maximum total daily production is expected to be 1.4 billion cubic feet of natural gas and 25,000 barrels of condensate.

The project began front-end engineering and design in 2009. In March 2010, we started the environmental approvals process with the government. A nonbinding Native Title agreement was executed in December 2010 with the local indigenous people for land required to develop the project. In early 2011, key approvals were finalized on numerous agreements relating to the facilities and land sites. The final investment decision for the project is expected in the second half of 2011.

In 2010, Chevron announced the Clio and Acme natural gas discoveries in Block WA-205-P. Chevron has a 67 percent-owned and operated interest in these discoveries, which are expected to support expansion opportunities at the Wheatstone LNG facilities.

Browse Basin

The Browse LNG development is targeting one of Australia's largest undeveloped gas resources. The three gas fields that make up the Browse development—Brecknock, Calliance and Torosa—are in the Browse Basin, about 155 miles (250 km) off the far northwest coast of Western Australia. Chevron's nonoperated working interests range from 16.7 percent to 20 percent in these Browse Basin blocks and 24.8 percent to 50 percent in other blocks in Browse Basin.

In 2010, conceptual engineering work began in the three Browse Basin fields, and field development plans were submitted to government regulators. The final field development plan is scheduled to be submitted in mid-2011.

In the Carnarvon Basin, off the coast of Western Australia, Chevron announced a natural gas discovery at the Brederode prospect in Block WA-364-P. Chevron holds a 50 percent interest in and operates this discovery.

Marketing and Retail

Chevron markets natural gas from its Gorgon and Wheatstone projects to LNG markets in the Asia-Pacific region and to Western Australian industrial and commercial gas customers.

Gorgon Agreements

Chevron has signed five agreements with various Asian customers for delivery of about 4.7 million metric tons of LNG per year. Negotiations continued to move the remaining nonbinding Heads of Agreements to binding Sales and Purchase Agreements, which would bring combined delivery commitments to about 90 percent of Chevron's share of LNG from the Gorgon Project.

Signed agreements for Gorgon include:

- Sales and Purchase Agreement with Kyushu Electric Power Co.
- Heads of Agreement with KOGAS
- Heads of Agreement with Nippon Oil Company
- Heads of Agreement with Tokyo Electric Power Company Inc.
- Long-term Sales and Purchase Agreements with Chubu Electric Power Company
- Agreements with Tokyo Gas Co. and Osaka Gas Co. of Japan and with GS Caltex in Korea
- An agreement with Korea Gas Corporation that is the largest long-term LNG sale signed between Australia and Korea

Wheatstone Agreements

Chevron signed nonbinding agreements with two Asian customers in 2010 and with one Asian customer in 2009 for the delivery of about 80 percent of Chevron's net LNG production from the Wheatstone Project. The customers also agreed to acquire an interest in the Wheatstone field licenses and the initial natural gas processing facilities, contingent on a final investment decision.

Agreements were also signed in 2009 and 2010 with two companies to participate in the Wheatstone Project as combined 20 percent LNG facility owners and suppliers of natural gas for the project's first two LNG processing units. At the end of 2010, Chevron held an 80 percent interest in the initial natural gas processing facilities. In 2010, Chevron and KOGAS signed an LNG and equity agreement.

NWS Venture Agreements

Establishing long-term contracts with Japanese customers in the 1980s was the foundation for the development of the NWS Venture's LNG production and export facilities. Customers in Japan include:

- Chugoko Electric Power Company
- Toho Gas Co.
- Chubu Electric Power Company
- Kansai Electric Power Company Inc.
- Tokyo Gas Co.
- Osaka Gas Co.
- Tokyo Electric Power Company Inc.
- Kyushu Electric Power Co., Inc.
- Tohoku Electric Power Company

Caltex

Chevron holds a 50 percent interest in Caltex Australia Limited, a publicly listed company on the Australian Securities Exchange. Based in Sydney, Caltex Australia is the country's leading petroleum and convenience marketer.

The company trades under the Caltex™ brand, with wholesale, commercial and retail marketing operations in all states and territories.

Caltex Australia owns and operates two fuel refineries, one near Sydney and the other near Brisbane. These two oil refineries account for almost a third of Australia's total capacity. Caltex Australia also operates 12 storage terminals across Australia and has access to product supply at another 10 terminals.

Caltex Australia's national network comprises about 1,650 service stations, including company-owned and franchised stores, resellers, independent operators, and Caltex Woolworth's co-branded outlets. The company also sells directly to commercial and industrial customers of all sizes, including transportation, aviation and agricultural enterprises. Caltex Australia holds about a third of the market share of the major transportation fuels sold in the country.

In the Community

Building Strong Partnerships

Chevron contributes to the social and economic development of the communities where we work.

In Australia, we create partnerships with government, communities, indigenous people, nongovernmental organizations, universities and industry.

Like Chevron, employees of our upstream organization are actively involved in their local communities through volunteer days, the administration of community grants and a payroll donation program.

Our social investment strategy focuses on three main areas: health and social well-being, education and training, and the environment. We also fund programs that support the arts and culture in the community.

Health and Social Well-Being

In 2010, we supported new health initiatives and continued with others we've been involved with for many years.

- Chevron has a long-standing relationship with the Royal Flying Doctor Service, a medical service in Western Australia that brings help to needy patients from the air.
- We joined the town of Ashburton in Onslow to establish a prenatal-to-school home-visit program. The program promotes parent education, early childhood development, literacy and school readiness.
- In partnership with Telethon Speech and Hearing Centre, we are helping to provide mobile hearing clinics for indigenous children in Western Australia's Pilbara desert region.

Education and Career Training

Chevron joined the Onslow Primary School to encourage students to stay in school and improve their career options. Welding students in the WELD (Working on Employment, Learning and Development) program will travel to Thevenard Island to learn about energy industry jobs.

Chevron Australia also encourages students to consider careers in mathematics, engineering, technology and science by sponsoring an education program in local schools called Beyond the Beaker—Discovering Careers in Science. And as part of the Schools Information Program, our employees make presentations to 10th-grade students to increase their awareness of the petroleum industry.

Chevron has ongoing partnerships with the University of Western Australia, the Curtin University of Technology and the University of New South Wales.

Environment

Chevron employees share one of our company's key values: protecting the environment. Through our volunteer program, employees worked alongside Conservation Volunteers Australia in 2010 to restore the Canning River. This work was done in conjunction with the River Restoration Trust.

Also in 2010, Chevron helped the Kanyana Wildlife Rehabilitation Centre develop a new education center.

The Focus Environment Photographic Competition encourages students to be aware of the world around them and to make a commitment to caring for the environment.

Community Development

Chevron continues our commitment to the growth of local communities in Australia. In 2010, we:

- Provided funding for the Community Spirit Grants program, which supports communities closest to our offshore operations through grants to local projects.
- Sponsored the Chevron Marathon in Perth, which helped raise money for charity.
- Donated to the Swan Districts Football Club's V Swans youth development program in Onslow.
- Provided funding to the Thalanyji Storybooks project, a program that was identified by the local indigenous community as one that helps preserve their ancient cultural heritage, traditions and language.

Chevron also sponsors Perth's Black Swan Theatre Company.

Being a Good Neighbor

Chevron's downstream businesses in Australia are just as committed to serving the community as the rest of the company. Caltex Australia is a major sponsor of four organizations that address the issues of health, career development, environment and indigenous people:

- Rising Generations is a dynamic youth leadership training organization.
- First Voice is an alliance of five children's hearing centers.

- Conservation Volunteers Australia is a group that aims to protect and enhance our environment.
- The Clontarf Foundation works to improve the education, self-esteem, life skills and employment prospects of young aboriginal men.

Caltex Australia supports educational initiatives, including the Caltex Best All Rounder Awards. Some 1,500 Australian secondary schools participate in this program, which gives awards to students in their final year of school who have demonstrated outstanding all-around achievement.

The Caltex refinery in Lytton, Queensland, supports 19 local schools through a program that encourages community service in schools. The refinery also provides an annual grant to the schools' libraries.

In another refinery-related community program, Caltex provides a fuel sponsorship to assist the Surf Life Saving Association in its work in coastal waters around the Kurnell Peninsula in New South Wales.

Caltex also contributes to sporting excellence as the official fuel partner of the Australian Football League and Australia Rugby League State of Origin series.

The company also supports a range of other charities through the Fuelling Change program, in which Caltex matches employee donations.

Record of Achievement

Chevron's history in Australia goes back decades.

At the end of World War I, one of our legacy companies, The Texas Co. Australasia Ltd., was incorporated in New South Wales to handle the growing demand for petroleum products. Since 1941, the company's marketing and refining activities in Australia have been run under the Caltex™ brand name. Our first refinery came on line in 1956.

Our exploration and production activities in Australia began in 1951, when, under the Caltex banner, Chevron and Texaco began searching for oil in Western Australia. In 1952, Caltex and Ampol, an Australian petroleum company, formed West Australian Petroleum Pty. Ltd. (WAPET) to operate on their behalf. This venture made the nation's first discovery, at Rough Range in Western Australia in 1953.

It was through WAPET that we discovered the Barrow Island Field in 1964, the Gorgon gas field in 1981, the Saladin oil field in 1985 and the fields near Thevenard Island in 1989.

Chevron, along with other participants in the North West Shelf Venture, began supplying domestic natural gas to customers in Western Australia in 1985. In 1989, the joint venture began exporting liquefied natural gas to neighbors in Asia, starting with Japan.

Discoveries continued with more gas fields: Chrysaor in 1994–1995, Dionysus in 1996 and six more gas fields west of the central Gorgon area.

WAPET, with Chevron as technical advisor, continued as operator of the majority of the company's assets in Australia until 2000, when Chevron Australia Pty. Ltd. replaced WAPET. In 2001, Chevron and Texaco merged.

After extensive studies to identify the best site for the Gorgon Project, in 2003 the government of Western Australia provided in-principle approval for the Gorgon Project's onshore gas plant to be based on Barrow Island.

In 2004, the Wheatstone natural gas field was discovered, and Chevron secured a 50 percent interest across most of the Greater Gorgon Area.

Chevron made two natural gas finds in 2006. The first was at our Chandon 1 exploration well within the western reaches of the Greater Gorgon Area. Later in the year, the Clio 1 exploration well was drilled successfully.

In 2007, Chevron Energy Technology Co. opened a global technology center in Perth to provide research, development and technical services to Chevron's worldwide operations.

In 2008, we announced our intention to develop the Wheatstone gas field as an onshore liquefied natural gas and domestic gas project and identified Ashburton North, near Onslow in the Pilbara region of Western Australia, as the preferred site.

Health, Environment and Safety

Chevron and Caltex Australia work hard to keep employees and those visiting our sites safe. We care for the environment, and we recognize our responsibilities to the communities where we work.

Chevron, through previous participation in WAPET and as current operator, has achieved an outstanding environmental record on Barrow Island. The island, a class "A" nature reserve, is free of introduced plants and animals thanks to Chevron's successful quarantine efforts. Our environmental and quarantine-management system has earned us national and international awards over the years.

Energy-Efficiency Assessments

Government legislation requires all large energy users in Australia to undertake an assessment to identify opportunities to improve energy efficiency and to make these findings public. The Barrow Island and Thevenard Island operations were assessed during 2009, and a Public Assessment Report was released.

Awards and Recognition

Chevron received many honors in 2010. Among them:

- The Gorgon Project, which Chevron operates, was recognized for its Carbon Dioxide Injection Project by the Carbon Sequestration Leadership Forum at its annual meeting in Warsaw, Poland.
- For our commitment to train and invest in our workforce, Chevron was named the Western Australia Employer of the Year by the Western Australian Department of Training and Workforce Development.
- Chevron Australia was also recognized by the Australian Defence Force Reserves as the Western Australia Employer of the Year.
- The Australian Petroleum Production and Exploration Association honored Chevron with the 2010 Environment Award for our innovative approach to ecological monitoring of flatback turtles on Barrow Island.

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