



Azerbaijan Fact Sheet

Highlights of Operations

Chevron has strategic assets in Azerbaijan and strong ties to the nation's economy.

Our participation in Azerbaijan began in 1997 and grew significantly when we acquired Unocal in 2005.

At that time, we took over Unocal's interest in the Azerbaijan International Operating Company (AIOC), which produces and develops offshore crude oil reserves in the Caspian Sea from the Azeri-Chirag-Gunashli project.

With that, Chevron became a partner in the Baku-Tbilisi-Ceyhan pipeline, which transports oil from Baku, Azerbaijan, through Georgia to deepwater port facilities at Ceyhan, Turkey, on the Mediterranean Sea. The pipeline delivered its first cargo of crude oil in 2006.

Chevron and AIOC have made sizable investments in the training and development of local staff. By 2008, about 75 percent of all company employees, supervisors and managers were from Azerbaijan.

Business Portfolio

Exploration and Production

Chevron holds a 10.3 percent nonoperated interest in the Azerbaijan International Operating Company. The Azerbaijan firm produces and develops offshore crude oil reserves in the Caspian Sea from the Azeri-Chirag-Gunashli (ACG) project. The project's three fields have been developed in phases. Original total production was 125,000 barrels per day in 1997. In 2008, AIOC's total daily crude oil production averaged 689,000 barrels (28,000 net).

The oil makes its way to market via the Baku-Tbilisi-Ceyhan (BTC) pipeline, which runs from Baku, Azerbaijan, to deepwater port facilities at Ceyhan, Turkey, on the Mediterranean Sea. AIOC also relies on its Western Route export pipeline.

From our office in the capital city of Baku, we support the joint venture with technical expertise in areas such as reservoir management, pipeline construction and subsea facilities.

The surge in oil exploration and production is a welcome development for Azerbaijan. One of the oldest oil-producing regions in the world, Azerbaijan experienced its peak production in the mid-1940s before it dropped dramatically in the post-World War II years. Continued production from the ACG project and the development of new fields in the Caspian Sea have revived Azerbaijan's position as a major oil-producing nation.

Progress continued in 2008 on the ACG crude oil project. First production from the ACG Phase III project, which is designed to develop the deepwater Gunashli sector, started second quarter 2008. Water injection into deepwater Gunashli also began in the second quarter 2008 via subsea injection wells. Total daily production of oil equivalent is expected to ramp up to more than 700,000 barrels per day by mid-2009.

Pipelines

Chevron holds an 8.9 percent interest in the BTC pipeline, which transports oil from the landlocked Caspian oil fields to the Mediterranean.

The 1,094-mile (1,762-km) underground pipeline crosses Azerbaijan, Georgia and Turkey, making it one of the world's longest. It includes 275 miles (443 km) in Azerbaijan and is supported by terminals at Sangachai, Azerbaijan, and Ceyhan, Turkey.

The BTC pipeline has an export capacity of 1.2 million barrels per day. The pipeline brings significant benefits to Azerbaijan and its neighbors, strengthening their economic links to the West.

The Western Route Export Pipeline, which is wholly owned by AIOC, runs 515 miles (829 km) from Baku, Azerbaijan, to the terminal at Supsa, Georgia, on the Black Sea and has a capacity of 145,000 barrels per day. As alternatives to the primary export pipelines, AIOC could use rail-tank cars that connect with a Georgian Black Sea port. AIOC also could use a northern pipeline route that connects to an existing pipeline system in Russia and extends to the Russian Black Sea port of Novorossiysk.

Marketing and Retail

Texaco-branded lubricants are available in Azerbaijan through a network of distributors.

In the Community

Chevron and our partners in the Azerbaijan International Operating Company and the Baku-Tbilisi-Ceyhan pipeline are making investments that benefit many communities in Azerbaijan.

The investments have generated widespread improvements to the country's medical facilities, schools and roads. Working with our partners, we've provided training for medical staffs and farmers, supplied medical aid to local residents, and offered micro-loans to entrepreneurs.

From 2005 to 2008, we worked with our partners to support the Vision Project, which provided free eye examinations, surgery and treatment for residents of 11 agricultural districts of Azerbaijan. Each month, a team of eye specialists visited a different district along the pipeline route, offering medical help to people with limited access to quality care.

In 2008, Chevron joined the United States Agency for International Development and Statoil Hydro to support Junior Achievement programs in Azerbaijan. These programs help educators in 230 schools throughout the country. The classes offer students economics studies, business training and the chance to participate in worldwide economics programs.

Record of Achievement

Chevron's first major venture in Azerbaijan began in 1997 when the company signed an agreement to explore the Absheron Offshore Block, a deepwater structure in the southern Caspian Sea.

After conducting a 3-D seismic program, we drilled an exploratory well in 2001. When the well proved unsuccessful, we suspended activity in Azerbaijan. However, we retained our involvement in the Caspian region through our partnership in Tengizchevroil, the joint venture company that operates the giant Tengiz oil field in Kazakhstan.

Our participation in Azerbaijan's economy grew significantly when we acquired Unocal in 2005.

We took over Unocal's interest in the Azerbaijan International Operating Company, which produces and develops offshore crude oil reserves in the Caspian Sea from the Azeri-Chirag-Gunashli project. With that, Chevron became a partner in the Baku-Tbilisi-Ceyhan pipeline.

In 2006, the pipeline reached a historic milestone with the delivery of its first crude oil to world markets.

Contact Us

Chevron Khazar, Ltd.

Landmark 1, Nizami Street, 96

Baku AZ1010, Azerbaijan

Telephone: +99412.497.8800

Fax: +99412.497.8804

Updated: March 2009

This document contains forward-looking statements about future events and the future operational and financial performance of Chevron. Words such as "anticipates," "expects," "intends," "plans," "targets," "projects," "believes," "seeks," "schedules," "estimates," "budgets" and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations, estimates and projections; are not guarantees of future performance; and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Actual results may differ significantly from results discussed in the forward-looking statements. You should not place undue reliance on these forward-looking statements. For a detailed listing of the potential factors affecting Chevron's business and these forward-looking statements, please refer to Chevron's periodic reports on Forms 10-Q and 10-K that are filed with the United States Securities and Exchange Commission. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. CHEVRON, the CHEVRON HALLMARK, CALTEX, TEXACO, DELO, HAVOLINE, ISOCRACKING, ISODEWAXING, ISOFINISHING, POWER DIESEL, REVTEX, STAR MART, STAR LUBE, TECHRON, TOWN COUNTRY, URSA, and XPRESS LUBE are registered trademarks of Chevron Intellectual Property LLC.