



Azerbaijan Fact Sheet

Highlights of Operations

Chevron has important pipeline and oil production investments in Azerbaijan and, therefore, strong ties to the nation's economy.

Our work in Azerbaijan began in 1994, when the company obtained an 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 the AIOC invest in the training and development of local staff. By 2010, about 75 percent of all Chevron employees, supervisors and managers were from Azerbaijan.

Business Portfolio

Exploration and Production

Chevron increased its nonoperated working interest in the Azerbaijan International Operating Company from 10.3 percent to 11.3 percent in the third quarter of 2010. The AIOC produces and develops offshore crude oil reserves in the Caspian Sea from the Azeri-Chirag-Gunashli (ACG) Field. The field has been developed in phases. Original total production was 125,000 barrels per day in 1997. In 2010, the AIOC's total daily crude oil production averaged 822,000 barrels (28,000 net).

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

We support the joint venture with technical expertise in areas such as reservoir management, well completions, pipeline construction and subsea facilities.

The current oil exploration and production is a welcome development for Azerbaijan. One of the oldest oil-producing regions in the world, Azerbaijan experienced its first production peak in the mid-1940s before it dropped dramatically after World War II. 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.

The ACG Chirag Oil Project is designed to further develop the Chirag and deepwater Gunashli fields. The final investment decision on the \$6 billion project was made in March 2010. Production is scheduled to begin in 2013.

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 longer systems. It includes 275 miles (443 km) in Azerbaijan and is supported by terminals in Sangachal, 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 owned and operated by the AIOC, runs 515 miles (829 km) from Baku, Azerbaijan, to the terminal in Supsa, Georgia, on the Black Sea. As alternatives to the primary export pipelines, the AIOC could use rail tank cars that connect with a Georgian Black Sea port. The 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® lubricants are available in Azerbaijan through our authorized distributor.

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 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. We have implemented major development initiatives aimed at building skills and capabilities in local communities, improving their access to social infrastructure and helping them generate sustainable livelihoods.

We continue to support the Caspian Compassion Project, which provides free eye examinations, surgery and treatment for residents of Azerbaijan. A team of eye specialists provides free medical assistance to elderly and disadvantaged people.

Chevron supports Junior Achievement programs in Azerbaijan. These programs help educators in 230 schools throughout the country. The classes offer students training in economics and business and the chance to participate in worldwide economics programs.

Record of Achievement

In 1997, 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, but it proved unsuccessful.

Our participation in Azerbaijan's economy grew significantly when Chevron 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 2011

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This page from Chevron.com contains forward-looking statements relating to Chevron’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. 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 not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. 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.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemical margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; the inability or failure of the company’s joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company’s net production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company’s future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading “Risk Factors” in Chevron’s Annual Report on Form 10-K for the year ended December 31, 2010. In addition, such statements could be affected by general domestic and international economic and political conditions. Unpredictable or unknown factors not discussed in Chevron’s Annual Report on Form 10-K for the year ended December 31, 2010 could also have material adverse effects on forward-looking statements.

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.