



Canada Fact Sheet

Highlights of Operations

Chevron's relationship with Canada includes finding and producing oil and gas, refining it, and delivering needed energy to the country.

Our subsidiaries doing business in Canada include Chevron Canada Resources, which explores for new oil fields as well as producing energy from existing resources, and Chevron Canada Ltd., which serves the needs of motorists and sells aviation fuels. In British Columbia, where Chevron Canada Ltd. operates our Burnaby refinery, we are the top seller of transportation fuels.

Chevron is a partner in the Athabasca Oil Sands Project in northern Alberta, which produces bitumen from oil sands.

Most of our crude oil production comes from the Hibernia Field, offshore Newfoundland and Labrador. Chevron continues to pursue other opportunities offshore eastern Canada and in Canada's western Arctic.

Our company and employees are active in the community, promoting many educational, cultural and environmental programs.

Business Portfolio

Exploration and Production

Chevron's exploration and production efforts include traditional onshore and offshore oil and gas projects in the Arctic and off Canada's east coast. We also are involved in producing energy resources in oil sands extraction projects in Alberta. Together, Chevron's net daily production in 2008 from Canadian operations was 36,000 barrels of crude oil, 4 million cubic feet of natural gas and 27,000 barrels of bitumen from oil sands.

Oil Sands Innovation

Oil sands, such as those found in northern Alberta, are a naturally occurring mixture of bitumen – a heavy, viscous form of crude oil mixed with water, sand and clay. Using hydroprocessing technology, bitumen can be refined to yield synthetic crude oil. We are engaged in two oil sands projects in northern Alberta, at Athabasca and the Ells River.

The Athabasca Oil Sands Project had an average total daily bitumen production of 126,000 barrels (27,000 net) in 2008. Chevron's interest in this project is 20 percent. Oil sands are mined from the Muskeg River Mine, and bitumen is extracted from the oil sands and upgraded into synthetic crude oil using hydroprocessing technology.

An expansion – including a new mine and facilities upgrade – is expected to increase bitumen daily production capacity from 100,000 barrels to more than 255,000 barrels. The project is expected to be completed in late 2010 at a cost of \$13.7 billion.

Oil sands production at Athabasca is considered a mining operation rather than an oil and gas operation under the rules of the U.S. Securities and Exchange Commission for disclosures regarding 2008 and prior periods. Therefore the oil sands reserves are not included in the company's reporting of proved oil and gas reserves.

The Ells River project is 26 miles (42 km) southwest of the Athabasca Oil Sands Project. Chevron holds a 60 percent interest in and operates the project, which comprises more than 85,000 acres (344 sq km).

The project will be using steam-assisted gravity drainage, a process that uses steam and horizontal wells to extract the bitumen without excavating the land. Because the bitumen is buried much deeper, mining extraction techniques are not cost-effective.

Chevron completed a 63-well appraisal program at Ells River in 2008. Late in the year, we began a seismic program that was completed in the first quarter of 2009. In June, 2009, Chevron put the Ells River project on hold.

High Technology Offshore

Off the east coast of the province of Newfoundland and Labrador, Chevron is partnering with other companies to search for crude oil from the Hibernia and Hebron fields. We also have exploration licenses in a large tract known as the Orphan Basin.

At the Hibernia Field, cutting-edge, cost-effective technologies are employed. The production platform is specially built to withstand blows from large icebergs. At Hibernia, a directional well was drilled reaching 4.5 miles (7.2 km) to a depth of almost 13,000 feet (396 m).

In 2008, total production from the partner-operated Hibernia Field averaged more than 139,000 barrels (35,000 net) per day. Average annual production increased over the prior year, with normal production decline rates being offset by significant gains from improved reliability. As of year-end 2008, Hibernia had produced 621 million of the estimated 960 million barrels of crude oil potentially recoverable over the life of the field. The year also saw the completion of two new production wells at Hibernia: one into the Hibernia formation and one into the Ben Nevis Avalon formation. Chevron's interest in Hibernia is 26.9 percent.

Southeast of Hibernia lies Hebron, a heavy-oil field in which Chevron holds a 26.6 percent interest. During the summer of 2008, formal agreements were signed with the province, allowing development activities to begin. As part of the agreement, Chevron formally transferred operatorship of the development to a partner in the fourth quarter of 2008.

North of Hibernia and Hebron, in depths of between 1,600 and 8,500 feet (488 and 2,590 m), lies the Orphan Basin. Chevron holds a 50 percent-owned and operated interest in two exploration licenses totaling 5.2 million acres (21,044 sq km). One well was drilled during 2006, and further exploration activities are planned over the next three years.

In addition, in September 2008, Chevron was the successful bidder for a 100 percent-owned and operated interest in Parcel No.4 offshore eastern Labrador. The parcel covers 574,000 acres (2,323 sq km) and is located approximately 75 miles (121 km) offshore in water depths between 500 and 1,600 feet (152 and 488 m).

Arctic Exploration

Chevron is pursuing the development of resources in the Northwest Territories and Beaufort Sea.

In 2007, Chevron acquired a Beaufort Sea offshore exploration license that covers approximately 267,000 acres (1,081 sq km). Chevron has a 32.5 percent nonoperated working interest in the Amauligak discovery. The company also holds a 13 percent nonoperated working interest in the Issungnak discovery and additional minor working interests in other offshore licenses with significant discoveries in the Beaufort Sea.

Chevron has an onshore exploration lease position in the Mackenzie Delta region. Under a farm-out agreement, three exploration wells were drilled on Chevron leases in 2008, and drilling activities on three additional wells were expected to be completed in the second quarter of 2009.

In 2008, the Chevron Arctic Center was established in Calgary. The center is home base for some of the world's foremost experts in northern oil and gas exploration and development.

Marketing and Retail

With more than 80,000 average customer visits per day, Chevron Canada ranks as British Columbia's market leader in transportation fuels. Our network also makes us the largest gasoline convenience store marketer in the province. It includes:

- More than 160 service stations
- More than 130 Town Pantry® convenience stores
- 19 White Spot Triple O® quick-serve restaurants

Chevron is a key supplier of distillates in British Columbia. We service the trucking industry through 40 commercial fueling facilities throughout British Columbia and Alberta. In addition, we are the largest supplier of jet fuel to the growing Vancouver International Airport.

Refining

Chevron's Burnaby Refinery has been a part of its community since we set up operations in Canada in 1935. The 55,000-barrel-per-day facility is the only refinery on the west coast of British Columbia, Chevron Canada Ltd.'s primary marketing area.

Located in Burnaby, on the shores of Burrard Inlet near Vancouver, the refinery produces petroleum products from Canadian crude oil. The oil arrives at the refinery from northern British Columbia and Alberta by pipeline.

Using modern refinery technology, conventional and synthetic crude oils, natural gas condensate, and butanes are transformed into motor gasolines, diesel and jet fuels, asphalts, heating fuels, heavy fuel oils, butanes, and propane.

In the Community

Chevron has long supported local communities in Canada and contributes to a wide range of programs and organizations that focus on education, conservation, training and volunteerism.

Chevron sponsors more than 20 programs, ranging from programs that teach leadership skills to scholarships for women in a welding program in Newfoundland and Labrador.

One such sponsorship supports the award-winning Open Minds programs, which give children a weeklong hands-on learning experience at a zoo, museum, nature ranch and science center. Four programs are set up in the Calgary area, with two new additions in 2009 in Fort McMurray, Alberta, and St. John's, Newfoundland and Labrador.

One area of particular focus for Chevron is environmental education. That's why we support:

- Wildlife Rescue Association of British Columbia
- Conservation Corps of Newfoundland and Labrador
- Northwest Wildlife Association
- Cross Conservation Area in Alberta
- Calgary Zoo

Capacity-building programs ensure that people and organizations are trained and equipped for success. For example, Chevron supports the Stella Burry Community Services New Beginnings Program in Newfoundland and Labrador. This program provides low-income clients with work skills and life skills. The Chevron Tooth Trolley helps underprivileged children from immigrant families get basic oral health assessments from volunteer dentists and college-level dental hygiene students.

Chevron employees and retirees volunteer in community projects through company-organized initiatives and on their own personal time. The company offers time off for volunteering as well as matching grants and funding for volunteers' specific organizations. Chevron sponsors the Volunteer Calgary Leaders in Business awards, which recognize excellence in workplace volunteer programs.

We also fund many college scholarships in trades, engineering, earth sciences and environmental science.

Record of Achievement

In 1935, Chevron opened a refinery in Burnaby and began selling branded fuel and lubricants throughout British Columbia and in Alberta. The company opened the 2,000-barrel-per-day Stanovan Refinery in Burnaby in January 1936. During World War II, we increased our production and started supplying aviation fuel to Canada.

In 1954, Chevron was producing an average 11,000 barrels of oil per day. Production increased to 35,000 barrels per day in 1976. Major upgrades to the refinery's crude unit were completed in the 1980s, and a new alkylation unit also was built, in

response to the growing demand for unleaded fuels. A new effluent treatment plant was inaugurated in 1998 to improve the quality of the refinery's discharged water.

By 2001, the refinery's plant capacity was up to 52,000 barrels per day. In 2005, a sulfur oxides reduction program was started in collaboration with air regulators and the local community. As part of the refinery's largest capital expenditure plan yet, a new cooling tower was commissioned, and in 2008, the flare tip was replaced and critical electrical infrastructure was upgraded.

Texaco

Texaco products have been sold in Canada for 50 years.

Since 1989, our Texaco marketing efforts in Canada have concentrated on the sale of lubricant products. In 2002, as a result of the Chevron-Texaco merger, the company became a national marketer of both Texaco- and Chevron-branded lubricants.

Exploring for Energy

Chevron drilled its first successful exploration wells in southern Alberta in 1939 and 1940 and began producing crude oil in 1941.

Field discoveries such as Princess, Acheson, Homeglen-Rimbey and Nevis in the 1940s and 1950s made Chevron well-known in the Canadian petroleum industry for its innovation and technical expertise. Next came the Mitsue and Kaybob discoveries in the 1960s, followed by Hibernia in 1979. The natural gas field at Fort Liard, Northwest Territories, was discovered in the 1990s.

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