

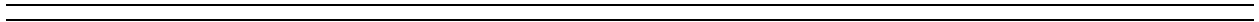
GUARANTY AGREEMENT

OF

CHEVRON CORPORATION



Dated as of October 23, 2006



GUARANTY AGREEMENT

This **GUARANTY AGREEMENT**, made and entered into as of October 23, 2006, by **CHEVRON CORPORATION** ("Chevron"), a corporation organized and existing under the laws of the State of Delaware;

WITNESSETH:

WHEREAS, Chevron Funding Corporation ("CFC") intends to issue and have outstanding from time to time indebtedness in the form of commercial paper denominated in United States Dollars; and

WHEREAS, CFC is an indirect wholly owned subsidiary of Chevron; and

WHEREAS, Chevron, in order to induce persons, from time to time, to buy and hold the commercial paper issued by CFC and for other valuable consideration, has agreed to enter into this Guaranty Agreement and to unconditionally guaranty, in accordance with and subject to the provisions of this Guaranty Agreement, the payment of the Amounts Guaranteed (as hereinafter defined) of all commercial paper which from time to time may be issued by CFC;

WHEREAS, Chevron is a party to that certain Guaranty Agreement dated as of June 1, 2003 with respect to commercial paper issued by CFC, Chevron and CFC have changed their names following the date of such agreement, and Chevron desires to enter into this Guaranty Agreement to reflect such changes;

NOW, THEREFORE, in consideration of the premises Chevron does hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section 1.1, shall for all purposes of this Guaranty Agreement, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

Amounts Guaranteed

The term "Amounts Guaranteed" shall mean (a) the principal of and interest on any Commercial Paper issued in the form of an interest-bearing note and (b) the Face Amount of any Commercial Paper originally issued at a discount and not in the form of an interest-bearing note.

Banking Day

The term "Banking Day" shall mean any day other than a Saturday, a Sunday or any other day on which commercial banks in New York or California are authorized or required to be closed.

Chevron

The term "Chevron" shall mean Chevron Corporation, a Delaware corporation, until a successor corporation shall have become such pursuant to the applicable provisions hereof, and thereafter the term "Chevron" shall mean such successor corporation.

CFC

The term "CFC" shall mean Chevron Funding Corporation, a Delaware corporation, until a successor corporation shall have become such, and thereafter the term "CFC" shall mean such successor corporation.

Commercial Paper

The term "Commercial Paper" shall mean any or all, as the case may be, of the negotiable promissory notes which have a maturity at the time of issuance of not exceeding 270 days, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, which may, from time to time, be issued by CFC and be Outstanding.

Face Amount

The term "Face Amount", whenever employed herein with respect to any Commercial Paper, shall mean the amount shown thereon to be payable at the maturity date thereof.

Guaranty Agreement

The term "Guaranty Agreement" shall mean this Guaranty Agreement dated as of October 23, 2006, as originally executed or as it may from time to time be supplemented, modified or amended as provided herein.

Holder

The term "Holder", whenever employed herein with respect to any Commercial Paper, shall mean the bearer or registered owner, from time to time, of such Commercial Paper.

Outstanding

The term "Outstanding" when used with reference to the Commercial Paper shall mean, as of the date of determination, all Commercial Paper theretofore issued, countersigned and delivered (in certificated or uncertificated form) except:

- (a) Commercial Paper theretofore canceled by CFC or any issuing or paying agent thereof or delivered to CFC or any issuing or paying agent thereof for cancellation;
- (b) Commercial Paper for whose payment moneys in the necessary amount have been theretofore deposited with an entity possessing trust powers, in trust for the Holders of such Commercial Paper; or
- (c) Commercial Paper in exchange for or in lieu of which other Commercial Paper shall have been countersigned and delivered.

Person

The term "Person" shall mean an individual, a corporation, a limited liability entity, a partnership, a joint venture, an association, a joint stock company, a trust, a unincorporated organization or a government or any agency, authority or political subdivision thereof.

ARTICLE II

REPRESENTATIONS OF CHEVRON

Section 2.1. Representations of Chevron. Chevron makes the following representations to the Holders:

- (a) Chevron has been duly organized and is validly existing under the laws of the State of Delaware and has full corporate power and authority to enter into this Guaranty Agreement and to carry out and consummate all transactions contemplated by this Guaranty Agreement.
- (b) The execution and delivery of this Guaranty Agreement and the consummation of the transactions herein contemplated will not conflict with or constitute on the part of Chevron a breach of or default under its charter documents, its By-Laws, or any indenture, or other material agreement or instrument to which Chevron is a party or by which it or its properties are bound or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Chevron or any of its activities or properties.
- (c) This Guaranty Agreement has been duly authorized, executed and delivered by Chevron and constitutes the valid and binding obligation of Chevron.

ARTICLE III

GUARANTY AND AGREEMENTS

Section 3.1. Guaranty. Chevron hereby unconditionally guarantees to each Holder of Commercial Paper the full payment of the Amounts Guaranteed when and as the same shall become due according to the terms thereof. All payments by Chevron shall be made in lawful money of the United States of America. Each and every default in the payment of the Amounts Guaranteed shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises. The liability of Chevron under this Guaranty Agreement to pay Amounts Guaranteed shall not exceed at any time Two Billion, Five Hundred Million Dollars (\$2,500,000,000).

Section 3.2. Unconditional Nature of Obligations. The obligations of Chevron under this Guaranty Agreement shall be absolute and unconditional and shall remain in full force and effect until the entire Amounts Guaranteed shall have been paid and such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, Chevron:

- (a) the waiver, surrender, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of CFC under the Commercial Paper;
- (b) the failure to give notice to Chevron of the occurrence of a default under the Commercial Paper;

- (c) the waiver, compromise or release of the payment, performance or observance by CFC or by Chevron, respectively, of any or all of the obligations, covenants or agreements contained in the case of CFC, in the Commercial Paper, and, in the case of Chevron, in this Guaranty Agreement;
- (d) the extension of the time for payment of the Amounts Guaranteed with respect to any Commercial Paper or of the time for performance of any other obligations, covenants or agreements under or arising out of the Commercial Paper;
- (e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Commercial Paper;
- (f) any failure, omission, delay or lack on the part of any Holder to enforce, assert or exercise any right, power or remedy conferred on it in or in connection with the Commercial Paper;
- (g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting Chevron or CFC or any of the respective assets of either of them, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding;
- (h) any defense based upon any legal disability of CFC or, to the extent permitted by law, any release, discharge, reduction or limitation of or with respect to any sums owing by CFC or any other liability of CFC to any Holder;
- (i) to the extent permitted by law, the release or discharge by operation of law of Chevron from the performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement;
- (j) the default or failure of Chevron fully to perform any of its obligations set forth in this Guaranty Agreement; or
- (k) the invalidity of the Commercial Paper or any defense which CFC may have against any Holder.

If any payment by CFC to any Holder is rescinded or must be returned by such Holder, the obligations of Chevron hereunder shall be reinstated with respect to such payment.

No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature which Chevron has or may have against any Holder shall be available hereunder to Chevron against such Holder to reduce the payments to it under Section 3.1 of this Guaranty Agreement.

Chevron assumes responsibility for being and remaining informed of the financial condition of CFC and of all other circumstances bearing upon the risk of nonpayment of amounts owing under the Commercial Paper which diligent inquiry would reveal and agrees that no Holder shall have any duty to advise Chevron of information known to it regarding such condition or any such circumstances.

Section 3.3. Proceedings Against Chevron. In the event of a default in the payment of the Amounts Guaranteed when and as the same shall become due, the Holder of such Commercial Paper shall have the right to proceed first and directly against Chevron under this Guaranty Agreement without proceeding against CFC or exhausting any other remedies which it may have.

Section 3.4. Costs. Chevron agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by any Holder in enforcing or attempting to enforce this Guaranty Agreement following any default on the part of Chevron hereunder, whether the same shall be enforced by suit or otherwise.

Section 3.5. Corporate Existence of Chevron; Consolidation, Merger, Sale or Transfer. So long as any Commercial Paper remains Outstanding, Chevron will maintain its corporate existence, will not dissolve, sell or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; *provided* that Chevron may, without violating the covenants in this Section 3.5 contained, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting or transferee corporation, as the case may be, (a) shall be incorporated and existing under the laws of the United States of America or one of the States of the United States of America, (b) assumes, if such corporation is not Chevron, all of the obligations of Chevron hereunder and (c) is not, after such transaction, otherwise in default under any provision hereof.

Section 3.6. Reimbursement of Chevron. If at any time after (a) CFC has defaulted in making any payment owing from it under the Commercial Paper (the "Defaulted Payment") and (b) Chevron has paid such Defaulted Payment pursuant to Section 3.1 of this Guaranty Agreement, any Holder receives all or a portion of the Defaulted Payment from CFC, such Holder hereby agrees to immediately reimburse Chevron in an amount equal to all or whatever portion of the Defaulted Payment it has received from CFC.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Partial Invalidity. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty Agreement shall not affect the validity or enforceability of the remaining portions of this Guaranty Agreement, or any part thereof.

Section 4.2. Governing Law. This Guaranty Agreement shall be governed by the laws of the State of California (excluding the choice of law principles thereof).

Section 4.3. Notices. All notices and other communications to Chevron may be electronically communicated by facsimile transmission or hand delivered or sent by courier, addressed to Chevron as follows:

Chevron Corporation
6001 Bollinger Canyon Road
Building E
San Ramon, CA 94583
Attention: Treasurer

Fax Number: (925) 842-8090

or at any other address which Chevron shall have identified as its principal address in any filing with the United States Securities and Exchange Commission or of which Chevron shall have notified the Holders in any manner permitted by law.

For all purposes of this Guaranty Agreement, a notice or communication will be deemed effective:

- (a) if delivered by hand or sent by courier, on the day it is delivered unless (i) that day is not a day on which commercial banks are open for the transaction of business (a "Local Banking Day") in the city specified in the address for notice provided by the recipient or (ii) if delivered after the close of business on a Local Banking Day, then on the next succeeding Local Banking Day; and
- (b) if sent by facsimile transmission, on the date transmitted, *provided* that oral or written confirmation of receipt is obtained by the sender from the recipient unless the date of transmission and confirmation is not a Local Banking Day, in which case, on the next succeeding Local Banking Day.

Section 4.4. Banking Days. Except as otherwise provided in this Guaranty Agreement, if any date on which a payment is to be made, notice is to be given or other action taken hereunder is not a Banking Day, then such payment, notice or other action shall be made, given or taken on the next succeeding Banking Day in such place, and in the case of any payment, no interest shall accrue for the delay.

Section 4.5. Successor and Assigns. This Guaranty Agreement shall be binding upon Chevron and its successors and assigns and inure to the benefit of each Holder and its successors and assigns as Holder of the Commercial Paper.

Section 4.6. Assignment. Except as provided in Section 3.5, Chevron may not assign its obligations hereunder without the prior written consent of the Holders of the Commercial Paper at the time Outstanding. Any attempted assignment in contravention of this covenant shall be void.

Section 4.7. Guaranty for Benefit of Holders. This Guaranty Agreement is entered into by Chevron for the benefit of the Holders. Nothing contained herein shall be deemed to create any right in, or permit any Person to enforce or make any claim hereunder or to be in whole or in part for the benefit of any Person other than Chevron, the Holders and their respective successors and permitted assigns.

Section 4.8. Headings. The Section and Article headings of this Guaranty Agreement are for convenience only and shall not affect the construction hereof.

Section 4.9. No Waiver; Remedies. No failure or delay by any Holder in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 4.10. Entire Agreement. This Guaranty Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto (including without limitation that certain Guaranty Agreement of Chevron dated as of June 1, 2003 with respect to the commercial paper of CFC, which is hereby terminated).

IN WITNESS WHEREOF, CHEVRON CORPORATION has caused this Guaranty Agreement to be executed in its name and behalf by its duly authorized officer as of the date first above written.

CHEVRON CORPORATION

By: **Original signed by D.M. Krattebol**
Title: **Vice President and Treasurer**