



China Fact Sheet

Highlights of Operations

Chevron has expanded operations in China into a wide range of businesses – from exploration and production to the marketing of fuels and lubricants. In addition, we contribute to the development of human resources and technology in our joint venture operations.

Chevron has a production-sharing contract with China National Petroleum Corporation for the joint development of the Chuandongbei natural gas area in central China. Chevron works to develop offshore energy resources with the Chinese National Offshore Oil Corp. (CNOOC) as a partner in the CNOOC/Agip/Chevron/Texaco (CACT) Operators Group.

Our Caltex brand has become a well-established marketer of gasoline and lubricant products.

Our joint venture Chevron Phillips Chemical Company LLC (CPChem) holds an interest in a joint venture that makes and sells high-density polyethylene pipe. CPChem also operates a polystyrene plant in China.

We demonstrate our commitment to the community with our support of social and educational programs.

Business Portfolio

Exploration and Production

Chevron has interests in one operated and three nonoperated projects in China.

In August 2008, Chevron became the operator in the Chuandongbei natural gas area in the onshore Sichuan Basin, holding a 49 percent interest. Subsurface reservoir and front-end engineering work was completed in 2008. At an estimated cost of \$4.7 billion, plans call for two sour gas processing plants with a capacity of 740 million cubic feet per day. We started seismic programs in 2008 to evaluate the prospects in Chuandongbei in an area that spans 487,000 acres (1,969 sq km).

Chevron has a 32.7 percent nonoperated interest in offshore Blocks 16/08 and 16/19 in the Pearl River Delta Mouth Basin of the South China Sea. Joint development of the HZ25-3 and HZ25-1 crude oil fields in Block 16/19 commenced in first quarter 2007. The project includes the installation of a single platform, the drilling of 10 wells, and the use of existing infrastructure of Blocks 16/08 and 16/19. First production was planned in third quarter 2009, with ramp-up to maximum total daily production of approximately 11,000 barrels of crude oil expected in 2011.

In Bohai Bay, the company holds a 16.2 percent interest in the producing BZ 25-1 Field in Block 11/19.

Also in Bohai Bay, Chevron has a 24.5 percent interest in the QHD-32-6 oil field, the first CNOOC-operated development involving foreign participation. The field consists of six wellhead platforms, a floating production, storage and offloading vessel, and a single-point mooring system.

In the onshore Ordos Basin, Chevron holds a 50 percent interest in the Linxing Block. As of early 2009, Chevron was negotiating for contract term extensions for the 50 percent interest in the San Jiao Bei and Shenfu blocks as well as the 35.8 percent interest in the Baode Block.

Total average daily production in 2008 from the company's interests in China was 87,000 barrels of crude oil and condensate and 80 million cubic feet of natural gas. The company's average net-oil equivalent production was 22,000 barrels per day.

Marketing and Retail

Caltex operates 85 service stations in China, including those in the Hong Kong and Macau Special Administrative regions. We expanded our network of retail outlets mainly in Guangdong Province. The stations, which are operated by Caltex South China Investment Ltd., are equipped with convenience retail stores.

Marketed under the Caltex brand, our lubricants business has sales and marketing, manufacturing, and distribution operations throughout the country, including key markets such as Beijing, Shanghai, Guangzhou, Chengdu, Tianjin and Hong Kong. Chevron also partners to market and distribute its products in Central China. Caltex Havoline® and Delo® engine oils and Extended Life Coolants are among the best-selling lubricants and specialty products in their class and are widely used as factory fill and after-market products by automotive and original equipment manufacturers alike.

Chevron owns a liquefied petroleum gas terminal through the joint venture Chevron Ocean Gas and Energy Limited in Shantou, Guangdong province. The terminal has two 100,000-cubic-meter underground storage caverns and three berths for loading and unloading liquefied petroleum gas.

Chevron operates a 100,000-metric-ton-per-year asphalt terminal in Shandong province through our subsidiary, Rizhao Chevron Asphalt Co. Ltd.

Chevron Global Aviation is one of the major jet fuel suppliers at the Hong Kong International Airport. We also supply jet fuel to airlines that use the Macau International Airport.

Chevron Phillips Chemical Company LLC (CPCChem), which is half-owned by Chevron, operates a polystyrene plant capable of producing 100,000 metric tons per year of polystyrene, used for plastic consumer products in Zhangjiagang City, Jiangsu Province.

CPCChem also has a 40 percent interest in a joint venture that manufactures and markets high-density polyethylene pipe.

CPCChem sells paraxylene, a raw material used in making synthetic polyester fibers, and benzene to major Chinese chemical and fiber manufacturers.

Chevron Oronite maintains an office in Beijing to handle the sales of lubricants and fuel additives to national and international oil companies as well as to local lubricants blenders. The company provides products for marine, automotive and industrial uses.

In the Community

Earning the respect of the communities where we work is vital to Chevron's vision of being the most admired for people, performance and partnership. We support a variety of social and educational programs in China. Chevron provides grants to nonprofit organizations that meet local needs while also working to improve educational opportunities.

Education

Chevron helps girls who had to drop out of school because they couldn't afford their studies. Working through the Spring Bud program and the China Children and Teenagers Fund, we sponsor girls in low-income areas, helping them get back to school.

Chevron's Caltex supports programs that benefit needy children and families. In Hong Kong, Caltex provides financial assistance through the Caltex Children Development Fund and a wide range of activities through Caltex Project Chance. Both of these efforts broaden the learning opportunities for children living in poverty.

Caltex Project Chance also helps improve the social and emotional development of needy families. The program promotes better parent-child relationships and improved health and physical well-being for the children and links families with community support networks.

Environment

In China, Chevron is a key sponsor of the Jane Goodall Institute, and we support the Roots & Shoots program, which organizes out-of-school classes and other environmental and animal protection activities.

Serious water shortages affect people living in China's arid West. Chevron is a partner in a project that creates water cellars that provide drinking water for farmers.

Medical

Since 1997, Chevron has supported Operation Smile, which works to improve health care in disadvantaged regions throughout China.

Chevron supports an HIV public awareness program run by Red Cross China. The program aims to reduce discrimination toward people living with HIV, prevent the spread of the disease and provide care for people living with HIV.

Disaster Relief

Chevron also provides assistance when disaster strikes or an emergency occurs. After the Sichuan earthquake in May 2008, Chevron donated more than \$1.47 million for the immediate relief efforts, which included recovery and reconstruction projects.

Record of Achievement

Chevron first entered China in 1913 when it began selling kerosene for lamps and home heating. In the 1920s, we opened service stations and sales outlets in major Chinese cities, and during the late 1930s, we began marketing petroleum products under the Caltex brand.

In 1979, Chevron was one of the first Western companies to reenter China. Chevron became a partner in one of China's first offshore oil production projects in the Pearl River Delta Mouth Basin of the South China Sea. First discovered in 1985, the Huizhou oil fields came onstream in 1990.

In 2000, Caltex and its partner built a world-class liquefied petroleum gas terminal in Shantou.

Chevron is not new to natural gas exploration in China. We were the first international company to sign a contract with China United Coal Bed Methane Corp. Ltd. to recover coal bed methane in 1998.

In 2007, the company signed a 30-year production-sharing contract with China National Petroleum Corporation for the joint development of the Chuandongbei natural gas field in central China.

Chevron participates as one-sixth owner of the Australian North West Shelf Venture liquefied natural gas (LNG) project, which won the right to provide natural gas to China's first-ever LNG supply contract. In 2006, the Chevron-operated Northern Swan LNG carrier made the first North West Shelf deliveries to China's first LNG facility, located in Guangdong Province.

Through our joint venture CPChem, we built a \$90 million polystyrene plant in Zhangjiagang City, Jiangsu Province, in 2000.

Development Programs

Chevron provides our local Chinese workforce with many different learning and development opportunities. Courses cover subjects ranging from management and leadership training to communication skills and petroleum industry primers.

Chevron launched a career development program in 2008 in China. Seven positions were made available to university master's degree graduates.

Chevron also extends development programs to our joint venture partners. For example, new employees entering the CNOOC/Agip/Chevron/Texaco (CACT) Operators Group are given hands-on training in order to work effectively and safely. We

frequently use employee exchanges to transfer technology and skills to our Chinese partners. Currently, more than 90 percent of all upstream positions in Chevron's China operations are held by Chinese nationals.

In 1985, Chevron began licensing our proprietary Vacuum Residue Desulfurization technology to Sinopec Qilu Petrochemicals in Shandong Province. The technology is used to reduce sulfur content in fuel. This was followed by a hydroprocessing technology license to Sinopec Qilu. Chevron's hydroprocessing technology helps refiners improve the quality and increase the quantity of their base oil production.

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