



# Colombia Fact Sheet

## Highlights of Operations

Chevron plays an integral role in meeting Colombia's energy needs, producing enough natural gas to supply approximately 60 percent of the nation's domestic demand.

Our production activities are focused on three natural gas fields – one offshore and two onshore.

Chevron also is among Colombia's leading suppliers of fuel and lubricants. We own and operate a nationwide network of Texaco service stations. Chevron is a leader in supplying fuel to Colombia's aviation sector.

As an active member of the community, Chevron also supports education, health, sustainable business development and environmental enhancement projects in Colombia.

## Business Portfolio

### Exploration and Production

Chevron, in partnership with Colombia's national oil company Ecopetrol, operates the giant offshore Chuchupa Field as well as the onshore Ballena and Riohacha natural gas fields in the Guajira Province of northern Colombia. In 2008, Chevron's total average daily production in Colombia was 567 million cubic feet of gas (209 million net).

Chevron operates and develops the fields as part of the Guajira Association contract. In exchange, Chevron receives 43 percent of the production for the remaining life of each field and a variable production volume from a fixed-fee agreement based on prior Chuchupa capital contributions.

In 2008, natural-gas compression facilities were built in Ballena to mitigate the decline in reservoir pressure. The facilities were expected to be put into service in second quarter 2009.

We also plan to increase natural gas exports to Venezuela in 2009 using a natural gas pipeline that went into service in late 2007.

### Marketing and Retail

Chevron operates a nationwide network of 324 service stations under the Texaco brand. We have a 17 percent market share in automotive fuels, a 28 percent market share in aviation fuel and 18 percent market share in lubricants. Chevron also has interests in 11 fuel terminals in Colombia.

Under the Texaco name, the company markets a full line of branded merchandise – including Texaco with Techron® gasoline, diesel fuel, and Havoline® and Ursa® products via service stations, sales agents and distributors throughout Colombia. Through a joint venture, Chevron supplies fuel to all of Colombia's major airports.

On the country's northern coast, Chevron Phillips Chemical Company LLC, which is half-owned by Chevron, has a polystyrene plant in the port city of Cartagena.

Chevron has been a leader in developing the natural gas market in Colombia. In 2007, Chevron and Ecopetrol signed a long-term purchase and sales agreement with Venezuela's national gas company. In January 2008, an estimated average of 90 million cubic feet of gas per day began flowing from Colombia to Venezuela. The deal paves the way for another agreement between Venezuela and Ecopetrol for future deliveries.

## In the Community

As an active community member in Colombia, Chevron sponsors several programs. Recently, Chevron launched a number of projects in partnership with community organizations and national and local governments.

Among them is a project to provide water wells for the local Wayuu Indian tribe. More than 100,000 indigenous people who had no access to potable water now have safe, clean drinking water in their community.

Children who might not have had access to basic education can now attend primary school, thanks to Chevron and our partners. We support the Department Library of La Guajira as well as the Hermana Josephina Zuniga de Luque Library, which now has more than 5,000 volumes available to the community and is linked to the national library system.

Chevron also contributes to Operation Smile. Doctors working for the well-known nonprofit organization have performed cleft-palate surgery on more than 700 children.

With our partners, we support vocational training centers for adults and day care centers for young people. The Majayura Center offers job skills training to youths and adults. And in the town of Riohacha, we support the San Judas Home for displaced children.

Chevron works closely with the foundation A Roof for My Country, which is building emergency homes for those who are homeless. In 2007 and 2008, Chevron, along with our Texaco dealers, supported the construction of more than 350 new homes.

In recognition of these and other efforts in Colombia, our country manager for Chevron Colombia, David Bantz, received on behalf of the company a prestigious award from Minute of God, one of Colombia's most important foundations. The Rafael Garcia Herreros Social Order of Merit is given annually to individuals and institutions for outstanding work with the poor and their service to Colombia.

## Record of Achievement

Chevron's partnership with the Colombian people has deep roots.

The company began exploring for oil in Colombia in the late 1920s and made oil and gas discoveries during the 1960s and 1970s. These oil-producing properties were sold during the 1990s. Two additional oil fields, in the Llanos Basin, were turned over to Ecopetrol in 2000.

Chevron began marketing products in Colombia in the 1930s. Texaco – which later merged with Chevron – entered the Colombian market in 1958, building service stations, fuel terminals, warehouses and offices in Colombia's major cities. In the mid-1960s, the company constructed a lubricant oil blending plant and a compounding grease unit in Bogotá.

In 1972, Chevron discovered gas in La Guajira Department, drilling the first well in 1975. The Ballena onshore field began gas production in 1977, and the Chuchupa Field began production in 1979.

In 1988, Chevron inaugurated a plastic container manufacturing plant in Bogotá.

The first Star Marts® and Star Lubes®, under the Texaco brand name, opened for business in the 1990s.

In 2007, Chevron began offering drivers in Colombia fuels with Techron.

## Health, Environment and Safety

Chevron sponsors special projects, such as the construction of artificial reefs near some of our operations in Colombia. In addition, Chevron, often with the cooperation of the Office of the First Lady of Colombia, has sponsored programs such as Children's Day and other projects focused on children.

Chevron has purchased stretchers, surgical instruments and medicines for local communities. We also supported the remodeling of a health center in Mayapo, a small town in La Guajira. The delivery room and the water system were improved,

and a solar-powered energy system was installed. To address water problems in the region, Chevron has drilled water wells near operational areas.

The safety of our workforce is always a high priority. Chevron's downstream operations have been recognized as some of the most secure operations in Colombia and have received national and international recognition for their environmental performance.

Employees and contractors in our upstream operations also have received awards for outstanding safety performance, and recently the entire workforce was recognized for its continued incident-free operations.

## Economy

Natural gas produced by Chevron is a crucial part of the economy, particularly along the northern coast of Colombia where it is used for power generation.

Most of Colombia's power is supplied by hydroelectricity, but the gas-powered network is vital for the country because hydroelectric capacity varies widely as a result of unpredictable rainfall. Natural gas also is used for industry and is the mainstay of the local petrochemical industry. Millions of commercial and residential consumers in Colombia use gas in lieu of more costly fuels.

Chevron is a major contributor to the finances of national and local governments through the royalties and taxes it pays and has long been a leader in introducing leading-edge technology in Colombia. Chevron drilled Colombia's first horizontal well, built its first offshore platforms and gas pipelines, and has contributed many other innovations in gas and heavy oil.

Chevron's downstream facilities are among the most modern in Colombia, and the terminals in the major cities offer the latest high-tech services.

## Contact Us

### Chevron Colombia

Patricia Serrano

Calle 100, #7A-81

Bogotá, Colombia

Telephone: +57 1.639.4444

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