



Indonesia Fact Sheet

Highlights of Operations

Chevron is a major partner in Indonesia's economy and an active member of the community.

Through our wholly owned subsidiary PT Chevron Pacific Indonesia, we produce nearly half of Indonesia's crude oil, and we're searching for new oil and gas reserves from central Sumatra to offshore East Kalimantan.

Chevron sells lubricants in Indonesia through our subsidiary PT Chevron Oil Products Indonesia.

Our operations in Indonesia help make Chevron the largest producer of geothermal energy in the world.

Business Portfolio

Exploration and Production

Chevron is Indonesia's largest oil producer, with a total daily production averaging 460,000 barrels of liquids per day in 2008. Total average daily production of natural gas was 416 million cubic feet.

We operate in partnership with Indonesia's Executive Agency for Upstream Oil and Gas Business Activities through production-sharing contracts (PSCs).

PT Chevron Pacific Indonesia (CPI) has interests in and operates in two PSC areas in Sumatra. The company also holds nonoperated working interests in the offshore South Natuna Sea Block B and additional interests in five other offshore Indonesian PSC areas covering approximately 3.2 million acres (13,000 sq km). In November 2008, Chevron was awarded two exploration blocks in western Papua, West Papua I and West Papua III. Chevron holds a 100 percent interest in each.

CPI continually works to optimize production, increase recovery and improve reliability from its existing reservoirs. During 2008, the majority of CPI's production came from fields under primary or secondary recovery within the Rokan PSC. The largest producing field is Duri, which is also one of the world's largest steamflood developments. In 2008, 80 percent of the field was under steam injection, with total daily production averaging 196,000 barrels of crude oil.

North Duri Development Area 12 project, one of Chevron's major development projects, began producing oil in November 2008.

In the rest of the Rokan Block in the Sumatra light-oil area, CPI operates more than 85 active production fields. To sustain production in these fields, CPI continues to expand waterflood recovery programs in a number of fields, including in the giant Minas Field. CPI also began a new pilot project for a chemical injection process that could further improve recoverability in Minas and surrounding fields.

Chevron operates 12 offshore producing crude oil and natural gas fields in the Kutei Basin area. During 2008, total daily production from the Kutei Basin averaged 31,000 barrels of liquids and 271 million cubic feet of natural gas. Crude oil and natural gas production from the northern fields are processed at the company-operated Santan terminal and liquids extraction plant.

In October 2008, Chevron received approval for the development plan of the combined Gendalo-Gehem project.

Geothermal

Chevron generates more than 630 megawatts of clean, reliable and affordable geothermal energy for Indonesia. Geothermal energy is created by the heat of the earth. It generates reliable power and emits almost no greenhouse gases.

Our subsidiary Chevron Geothermal manages two geothermal projects in Indonesia – Darajat and Salak, both on the island of Java. The Darajat project supplies geothermal steam, which generates 259 megawatts of electricity. All power from the Darajat site is sold directly to the national grid. The addition of another 110-megawatt unit, Darajat IV, is being evaluated. Following more study of the reservoir, a final development decision is expected near the end of 2009. Chevron holds 95 percent interest in Darajat.

Chevron has 100 percent interest in the Salak project, which is among the largest in the world, with a total geothermal generation capacity of 377 megawatts.

The combined output from our Darajat and Salak geothermal operations now produces sufficient renewable energy to supply approximately 4 million homes in Indonesia.

Chevron also operates and has 95 percent interest in the North Duri Cogeneration Plant in Sumatra, supplying up to 300 megawatts of electrical power to CPI as well as steam in support of CPI's Duri steamflood project.

Marketing and Retail

PT Chevron Oil Products Indonesia (COPI) markets and sells lubricants to the consumer, commercial and industrial sectors throughout Indonesia.

Chevron also trades crude oil, liquid petroleum gas, asphalt and products with Pertamina and supplies additional products through local importers and distributors.

The government in Indonesia is gradually deregulating the country's downstream market. COPI recently set up a new group to explore additional opportunities to market diesel and transportation fuels in the country.

In the Community

In Indonesia, the expression *gotong royong* means offering assistance, sharing burdens and working with others. Chevron has a long history of embracing *gotong royong*. Over the years, the company and its employees have contributed in many ways to education and vocational training, health and human services, and small business and micro-enterprise development.

Education and Vocational Training

The first community engagement program offered by PT Chevron Pacific Indonesia (CPI) took place on October 8, 1957, when CPI donated a building to house the first state senior high school in Pekanbaru, Riau. It still is one of Pekanbaru's most prestigious schools.

Supporting Education and Disaster Relief

CPI supports the education of Sakai people, an indigenous tribe in Riau. CPI supplies books, provides incentives for teachers and offers educational grants to thousands of Sakai children.

CPI built and sponsors Riau Caltex Polytechnics, the province's first polytechnic university. Course curriculum matches the province's business needs and contributes to its economic growth. More than 600 students have graduated from the university. About 80 percent found jobs within three months of graduation.

In 2006, a 5.9 magnitude earthquake shook Yogyakarta and Central Java. We responded with the Chevron Yogyakarta Earthquake Recovery program. Using sustainable reconstruction, we helped rebuild the state-run Kalongan Elementary School in Sleman, Yogyakarta. We also provided technical assistance to Bero Elementary School No. 1 in Klaten, Central Java, during its reconstruction.

In 2008, we provided support for the victims of an earthquake in West Sumatra. Chevron and its employees and their families helped reconstruct the Aie Angek State Elementary School No. 6 in Tanah Datar Regency. The reconstruction of the school began in March 2008, and it was officially opened in August.

In West Java, Chevron's Darajat geothermal operations gave new computers to the Nurul Muttaqin Vocational High School in Garut. The computer laboratory benefits students who live in seven subdistricts. Previously, the children had to travel about 12 miles (20 km) to the district capital to use computers.

Small Business and Micro-Enterprise Development

Chevron supports programs that offer training in agriculture, fisheries and running a business from home. The newest of these is Local Business Development, which helps small companies and cooperatives in Sumatra and East Kalimantan. More than 3,400 small local businesses and cooperatives have participated in workshops. The business run through this program has grown from \$1.3 million in 2001 to approximately \$32.7 million in 2008.

In East Kalimantan, Chevron Indonesia Company partnered with the government-owned Permodalan Nasional Madani to create the Community Enterprise Development Program. This program strengthens community-based business groups, individuals and small shop owners. The program offers loans through a micro-finance institution, and it also provides business management training.

In Salak, West Java, Chevron helped establish a local farmers association in Pulosari village. The farmers turned a 161,500-square-foot (1,500-sq-m) section of idle land into a field producing abundant yields of papaya, tomatoes and chilies.

Chevron Aceh Recovery Initiative

Following the 2004 tsunami, which hit Indonesia particularly hard, Chevron responded to the needs of victims in Aceh and Nias with the Chevron Aceh Recovery Initiative.

One of the initiative's long-term programs focused on providing vocational skills and economic development opportunities for those who live in Aceh. More than 300 students completed their studies at Riau Caltex Polytechnics. A three-month program provided training in road and home construction, electrical installation, and computer applications. About 80 percent of the graduates are now employed in Aceh, and several have started their own businesses, employing others.

Chevron also launched a project to develop a polytechnic institution in Aceh, the Politeknik Aceh, in partnership with the government of Aceh, the Aceh-Nias Reconstruction and Rehabilitation Agency, and the United States Agency for International Development. The goal is to contribute to long-term economic development in Aceh. Construction began in 2007, and the Politeknik Aceh officially opened on August 30, 2008.

The college offers courses in five disciplines that are essential to the industrial sector – electronics engineering, robotics, engineering, information technology and accounting. In its first academic year, the polytechnic accepted 240 students.

Chevron and our partner Swiss Contact also support the Business Startup Establishment project in Aceh that aims to start 1,200 micro-enterprises and small businesses, creating jobs for 6,000 people. The project is an integrated microcredit program that provides capital, training and business planning support for local entrepreneurs.

Record of Achievement

Chevron's relationship with Indonesia can be traced back more than 80 years.

In 1924, we took our first significant step in Asian exploration and production in Indonesia. Standard Oil Co. of California (Socal), which later became Chevron, dispatched a geological expedition to the island of Sumatra. In 1936, the as-yet unproductive holdings became part of N.V. Nederlandsche Pacific Petroleum (later, CPI), a joint venture between The Texas Co. (later, Texaco) and Socal.

Five years later, we drilled into the formation that would become the Duri Field. Steamflood technology was first applied to the field in 1985, and now Duri is one of the world's largest enhanced-recovery steamflood projects. In 1944, a well near the village of Minas became the largest oil field ever discovered in Southeast Asia. Production began after Indonesia won its struggle for independence in 1952.

In the 1990s, we expanded operations to include electric power generation, relying on geothermal and other forms of renewable power production. In 2007, Darajat III was recognized as the largest project in the world registered under the U.N. Clean Development Mechanism.

Chevron is now the world's largest producer of geothermal energy.

National Recognition

Chevron's companies are regularly honored for the quality of their operations in Indonesia.

In 2008, we received several awards from Republic of Indonesia ministries, including:

- Zero Accident Awards from the Ministry of Manpower and Transmigration
- Three Environmental Management Green Awards from the Ministry of the Environment
- Padma Award from the Ministry of Energy and Mineral Resources for local business development

We also received recognition from the president of the Republic of Indonesia for helping to rebuild Aceh and Nias after the tsunami.

Health, Environment and Safety

Protecting people and the environment and conducting our operations reliably and efficiently is an integral part of The Chevron Way. We place the highest priority on the health and safety of our workforce and protection of our assets and the environment.

Chevron supports Indonesia's national parks, conservation areas and many other environmental programs around the country. In East Kalimantan, we helped to establish the Berau Marine Protected Area. Within this area is Derawan Island, home of the endangered green turtle. The program also promotes sustainable employment in marine tourism and conservation projects.

In West Java, we collaborate with nongovernmental organizations concerned about the environment, biodiversity and conservation. With Wildlife Trust/Yayasan PEKA (Indonesian Nature Conservation Concern Foundation), we promote community awareness about the importance of conservation and biodiversity while also creating opportunities for economic growth.

We also work with Conservation International Indonesia to improve the environmental awareness of local people in Mount Halimun-Salak National Park. Using concealed cameras in the forest, we help monitor the presence and condition of endangered species, such as the Javanese tiger, the Owa Jawa monkey and the Javan hawk-eagle.

Recently, together with the Mount Halimun-Salak National Park and Raptor Sanctuary partnership network, we established the Suaka Elang (Raptor Sanctuary). This sanctuary marks the first step in the development of a multiparty professional network to support education about and rescue of raptors and their habitats.

In Balikpapan, East Kalimantan, we started the Domestic Waste Management program in 2005. The project promotes health, creates additional income for 450 households and has been adopted by the municipality of Balikpapan.

In Sumatra, Chevron's mobile health services provide health care, vaccinations and medical training for residents in 30 remote villages.

Economy

Chevron's day-to-day operations and capital investments contribute to Indonesia's economy. Salaries and wages paid to Chevron workers exert an important "multiplier effect." More than 7,000 employees and 32,000 business partner employees work for Chevron. About 97 percent of employees and managers are Indonesian nationals.

More than 1,000 Chevron Indonesian employees have completed U.S.-based assignments as part of their professional development and to learn new technical skills. Transfer of technology is an integral part of Chevron operations as Indonesian employees learn how to use new technologies from around the world.

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