



Nigeria Fact Sheet

Highlights of Operations

Chevron is the third-largest oil producer in Nigeria and one of its largest investors, spending more than \$3 billion annually.

The company operates under a joint venture arrangement with the Nigerian National Petroleum Corporation and has assets on land, swamp and near-offshore concessions covering approximately 2.2 million acres (8,900 sq km) in the Niger Delta region.

Chevron also has extensive interests in deepwater Nigeria. The Agbami Field is one of Nigeria's largest deepwater discoveries. The company also has interest in another deepwater development, the Usan project.

Chevron provides career opportunities for 3,100 employees. Another 3,500 workers are under contract. A majority of each group is Nigerian.

Business Portfolio

Exploration and Production

In 2010, total daily production in Nigeria averaged 524,000 barrels of crude oil (237,000 net), 206 million cubic feet of natural gas (86 million net) and 5,000 barrels of liquefied petroleum gas (LPG) (2,000 net).

Through our principal subsidiary in Nigeria, Chevron Nigeria Ltd., we operate and hold a 40 percent interest in 13 concessions operated under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC), which owns a 60 percent interest.

Onshore and Near Offshore

Construction at the Olero Creek Flowstation project continued in 2010, with completion expected in 2013. Work to lay a new pipeline to transport natural gas from Abiteye to processing facilities at Escravos continued in 2010; completion is planned for the fourth quarter of 2011.

The Dibi Long-Term Project is designed to integrate the existing Early Production System facility, purchased in 2009, into a permanent flowstation. The project also includes partially rebuilding the Dibi facilities that were vandalized in 2003. Front-end engineering and design was completed in September 2010. A final investment decision is expected in the second quarter of 2011. Total daily production from the Early Production System averaged 32,000 barrels (10,000 net).

Shallow-water exploration continued in 2010. We evaluated 3-D seismic data from Oil Mining Leases 53 and 95. As of early 2011, work to identify deep gas prospects continued. A natural gas exploration well, Funiwa Deep, is scheduled to be drilled in the fourth quarter of 2011.

Deep Water

Chevron has interests, ranging from 18 percent to 100 percent, in 10 deepwater blocks in offshore Nigeria.

Chevron operates the Agbami Field, which lies 70 miles (113 km) off the coast of the central Niger Delta region and spans 45,000 acres (182 sq km). Discovered in 1998, the Agbami Field is at a water depth of approximately 4,800 feet (1,463 m).

Agbami is a subsea development with wells tied back to a floating production, storage and offloading vessel. A 10-well development program is expected to provide crude oil production capacity to offset production decline. Drilling began in May 2010 and is expected to continue through 2014.

Chevron also has a 30 percent nonoperated working interest in the Usan Project, in 2,461 feet (750 m) of water, 62 miles (100 km) off the coast in the eastern Niger Delta region. Development plans call for subsea wells tied into a floating production, storage and offloading vessel. Development drilling continued in 2010, and the vessel is expected to depart from its fabrication site in the second quarter of 2011. The project is expected to begin operations in 2012. Maximum total production of 180,000 barrels of crude oil per day is expected to be achieved within one year of startup. The total project cost is estimated at \$8.4 billion.

The Aparo Field and the Bonga SW Field share a common geologic structure and are planned to be developed jointly. The structure lies in 4,300 feet (1,311 m) of water, 70 miles (113 km) off the coast of the western Niger Delta region. Chevron will have an approximate 20 percent nonoperated working interest in the proposed area. The project was delayed in 2009 to secure agreement among stakeholders on its scope. The scope is expected to be finalized by the third quarter of 2011, prior to entering front-end engineering and design. During 2010, partners extended a pre-unitization agreement. A final unitization agreement will be signed in advance of a final investment decision. Subsurface and surface facility studies are expected to be finished in the second quarter of 2011.

Chevron operates and holds a 95 percent interest in the Nsiko discovery, which lies in approximately 5,800 feet (1,768 m) of water, 90 miles (145 km) off the coast of the western Niger Delta region. Subsurface evaluations and field development planning were completed in 2008. Development activities and front-end engineering and design are expected to begin once further exploration drilling is completed and commercial terms are resolved.

Exploration wells are scheduled to be drilled in the third quarter of 2011 in Oil Prospecting Licenses 214 and 223. Chevron has a nonoperated interest in the two licenses of 20 percent and 27 percent, respectively.

Natural Gas

Construction on the Chevron-operated and 40 percent-owned Escravos Gas Plant (EGP) Phase 3A expansion in Escravos was completed in 2009. The first natural gas was delivered to the new facilities in June 2010. At the end of 2010, total daily input into the facility was 230 million cubic feet of natural gas, resulting in daily export gas sales to the domestic market of 180 million cubic feet, as well as export sales of 8,000 barrels of LPG and condensate. As a result of the expansion, the plant's daily processing capacity increased from 285 million to 680 million cubic feet of natural gas, and daily LPG and condensate export capacity increased from 15,000 to 58,000 barrels. The expansion also included infrastructure for offshore natural gas gathering and compression and the addition of a second processing facility to process natural gas from the Meji, Delta South, Okan and Mefa fields.

The EGP Phase 3B is also 40 percent owned and operated by Chevron. The project, expected to begin operations in 2013, is a continuation of the company's Western Delta Gas Development Program, aimed at eliminating routine flaring of natural gas associated with crude oil production. The project includes installation of a 120 million-cubic-foot-per-day natural gas gathering and compression platform near the existing Meren 1 complex, installation of approximately 75 miles (121 km) of subsea pipelines, and modifications to nine existing production platforms. The project is designed to receive natural gas from Delta fields and transport it to the Escravos Gas Plant for processing and sale. Engineering, procurement, construction and installation (EPCI) of the pipelines and production platforms continued through 2010. The EPCI contract for the gas gathering and compression platform is expected to be signed in the second quarter of 2011. Total capital costs for the project are estimated at \$2 billion.

Chevron and the NNPC are developing a 33,000-barrel-per-day gas-to-liquids facility at Escravos that is designed to process 325 million cubic feet per day of natural gas from the EGP Phase 3A project. Engineering, procurement and offsite fabrication are finished. Overall project work was approximately 70 percent complete at the end of 2010 with all large modules and equipment greater than 50 metric tons installed. Chevron has a 75 percent interest in and will operate the \$8.4 billion plant, which is planned to begin operations in 2013.

Chevron operates and has a 40 percent interest in the Gas Supply Expansion Project. The project is designed to deliver 215 million cubic feet of natural gas per day to the domestic gas market and produce 43,000 barrels of liquids per day. Plans call for developing the Sonam natural gas field in the Escravos area and expanding the Escravos Gas Plant to include a third gas processing unit. A final investment decision is expected in the third quarter of 2011.

Chevron has a 19.5 percent interest in the Olokola Liquefied Natural Gas Free Zone Enterprise (OKLNG) affiliate that will operate the Olokola LNG project. OKLNG plans to build a multi-unit natural gas liquefaction facility and marine terminal northwest of Escravos. As of early 2011, the timing of a final investment decision was uncertain.

Chevron operates and holds a 40 percent interest in six oil fields collectively referred to as the Onshore Area. In 2003, civil unrest in the area resulted in vandalism of compression facilities. The Onshore Asset Gas Management project is designed to restore these facilities and to supply 125 million cubic feet of natural gas to the Nigerian domestic gas market. Two onsite construction contracts were awarded in the third quarter of 2010. Construction is under way, and completion is scheduled for 2012.

Chevron is the largest shareholder in West African Gas Pipeline Company Limited, with a 36.7 percent interest. The company constructed, owns and operates the 421-mile (678-km) West African Gas Pipeline, which is designed to supply Nigerian natural gas to customers in Ghana, Benin and Togo for power generation and industrial applications. Compression facilities to increase the pipeline capacity to 170 million cubic feet of natural gas per day were completed in February 2011.

In the Community

Chevron takes seriously its role as a member of the community in Nigeria and is active in many projects promoting health, economic development and education.

Chevron Nigeria Ltd. (CNL) provides communities near its operations with power and drinking water—in some cases, directly from company facilities. In some communities, we have purchased and installed electricity generators as well as provided for fueling and servicing the generators.

Responding to Needs of the Niger Delta

In 2011, Chevron announced we were joining the U.S. Agency for International Development in contributing \$50 million to the Niger Delta Partnership Initiative (NDPI) Foundation, which Chevron established to address the socioeconomic challenges facing the area. Chevron's \$25 million commitment is drawn from a \$50 million endowment we created in 2010 to launch the NDPI Foundation.

Since 2005, Chevron has provided funding to the Niger Delta Development Commission, a government agency tasked with the responsibility of developing the Niger Delta.

In 2005, CNL adopted a new approach to community engagement in the Niger Delta to improve local participation in determining the needs our programs should address. This model, called the Global Memorandum of Understanding, gives the communities greater roles in the management of their development through newly created Regional Development Councils (RDCs). CNL signed the agreements with eight RDCs in the Niger Delta.

The objective is to bring peace, stability and reduced conflict to areas where Chevron operates. Together, the memorandums have generated approximately 200 projects in more than 400 communities, villages and chiefdoms and benefited some 600,000 community members. CNL supports the process by providing funding for governance, administration, and project and partner costs.

Local Nigerian nongovernmental organizations (NGOs) are essential to the process. NGOs are providing technical assistance and are helping to resolve conflicts that arise in the communities.

2010 milestones include the following:

- Expired Global Memorandums of Understanding were renewed.
- More than \$19 million in new projects was awarded.
- An RDC conducted the first-ever annual, general meeting.
- Approximately 5,000 jobs were generated through our Local Community Content policy.

Promoting Technology as a Tool for Progress

To boost Nigerian technical expertise, Chevron teamed with local partners to establish Nigeria's first Advanced Technology Center for Subsurface Studies in 2002. The center is equipped to conduct high-end technical studies. Its first contract was for the full field simulation study of an undeveloped reservoir in the Meren Field.

Chevron also funded the Biotechnology Center of the Federal University of Technology in Yola, in northeastern Nigeria. The two-story, nine-laboratory facility is designed to help Nigeria use scientific advances to increase food production and reduce disease. The center is equipped to handle research and training in molecular biology, drug analysis and advanced agricultural technologies. Chevron paid for its construction and provided an endowment of \$200,000 for operating expenses.

Fighting HIV/AIDS in Nigeria

Chevron helps fight the spread of HIV/AIDS in Nigeria. We directed \$5 million of the \$30 million we contributed to the Global Fund to Fight AIDS, Tuberculosis and Malaria to go to the National Agency for the Control of AIDS that fights the pandemic in Nigeria.

We supported the World Federation for World Peace when it conducted a Free Teens program, under which it organized AIDS prevention seminars for secondary schools in Nigeria. In 2006, CNL partnered with two NGOs in an HIV/AIDS awareness program for students at six universities. We currently support Positive Action for Treatment Access, a group owned and run by people living with HIV/AIDS, whose goal is to provide job training and loans for its members.

Chevron built and donated a center at St. Kizito Clinic in Lekki, Lagos, to fight tuberculosis and other infections common to HIV/AIDS patients. With our Agbami Field partners, we commissioned seven chest clinics and donated them to hospitals across the country in 2010.

CNL is a co-chair of the Nigerian Business Coalition Against HIV/AIDS, which was created to pool resources and efforts from the private and public sectors.

CNL has donated essential drugs to the following hospitals: Braithwaite Memorial Hospital, Port Harcourt, in Rivers state; General Hospital, Owerri, in Imo state; General Hospital, Okolobiri, in Bayelsa state; and Central Hospital, Warri, in Delta state. CNL also provided funds for the development of four clinics in the creeks of the Niger Delta.

In 2009, CNL initiated a partnership with the National Agency for the Control of AIDS and the Small and Medium Entrepreneurial Development Agency to develop wellness programs. In 2010, CNL led business training for employees of small and medium-sized businesses.

Supporting Public Health, Education and Culture

The Riverboat Clinic was launched in 2001. This mobile health service serves communities along the Escravos and Benin rivers in the western Niger Delta. The boat carries a full complement of medical personnel and medicines and other health supplies. Treatment is delivered at no cost to local communities. The floating clinic helped more than 23,000 patients in 2008. The clinic also provided free immunizations to more than 1,000 women and children. An outbreak of hostilities in May 2009 forced the clinic to suspend operations. In March 2010, the clinic returned to service, tending to an average of 3,000 patients monthly.

The Roll Back Malaria initiative was launched by Chevron in the states of Rivers and Kaduna in 2006. In 2007, two more states were added to the campaign, which focuses on pregnant women and children under the age of 5. The program continued to grow in 2010, with coverage extending to six more states: Delta, Imo, Katsina, Rivers, Ondo and Lagos.

CNL provides financial and volunteer support for groups that work to improve the community. Beneficiaries include orphanages and homes for the aged in Port Harcourt, Warri and Lagos.

Helping Students and the Needy

Chevron grants scholarships to secondary school and college students. Along with our partners in the Agbami Field, we launched the Agbami Medical and Engineering Professionals Scholarship, which benefited some 860 students from five states in 2009. In 2010, the program was extended to 10 more states. The Agbami partners also donated science laboratories to eight secondary schools in 2010.

With our partners, we donated 11,000 geology books to 10 Nigerian universities.

CNL has also supported various sports activities over the years. Several athletes who took part in the NNPC/Chevron Tennis clinics and tournaments have gone on to represent Nigeria in junior-level competitions.

Care for the Environment

Chevron supports the Lekki Conservation Centre. The 190-acre (0.8-sq-km) sanctuary for the flora and fauna of the Lekki Peninsula is the only refuge of its kind in the Lagos area. Every year, thousands of schoolchildren and their teachers visit the site. Chevron helped found the center and contributed funds for its 20th anniversary celebrations in 2010.

In 2005, Chevron established a postgraduate research scholarship for doctoral students in environment and conservation. In addition, we host the annual S.L. Edu Memorial Lecture to promote environmental management awareness. As has been the case over the last few years, two doctoral students received the Chevron-sponsored S.L. Edu Awards for Environmental Research in 2010.

We also provide funding to the Nigerian Conservation Foundation.

Record of Achievement

Chevron began doing business in Nigeria in 1913, when Texaco® products were first marketed in the country.

Following the Nigerian Indigenization Decree of 1978, which was designed to raise the level of Nigerian participation in business, Chevron divested 40 percent of its shareholdings to the Nigerian public while retaining 60 percent equity in Chevron Oil Nigeria PLC.

In 1996, we built our 103,000-barrel state-of-the-art storage terminal and loading facility in Apapa.

Our energy exploration and production work began more than 40 years ago.

In 1963, American Overseas Petroleum Ltd.—which later became Texaco Overseas (Nigeria) Petroleum Co.—discovered oil at the Koluama Field, offshore Nigeria. In that same year, Chevron Nigeria Limited started drilling near the Escravos River and found the Okan Field.

Discovered in 1998, the Agbami Field is one of the largest deepwater discoveries in Nigeria's history.

Health, Environment and Safety

Nigeria is one of three African countries participating in the Arrive Alive program pioneered by Chevron. The program is making significant strides toward eliminating traffic deaths and injuries in the communities where we work. The Arrive Alive Road Safety Initiative achieved its first major success by recommending revised motorcycle laws to address the serious problems posed by motorcycle taxis in Lagos state. The program also has provided helmets for motorcycle riders. In 2010, Chevron worked with the Lagos state government, nongovernmental organizations and other road agencies on a campaign to make motorists more aware of safety signs on trucks.

The 46-year-old Okan Platform, among others, was upgraded with a focus on improved pollution prevention measures and safety systems. At the Okan Platform, workers have completed 1.4 million work-hours without a single lost-time injury.

CNL is a founding member of the Technical Committee of the Clean Nigeria Association, a second-tier oil spill response organization, established in 1981. Chevron continues to hold a leadership position in the association.

Chevron has restored 15 abandoned land drill sites and 35 burrow pits and has decommissioned nine abandoned land wells, with work continuing on other sites. Nigerian contractors are engaged for the restoration work, reflecting CNL's ongoing commitment to using local resources and encouraging others to do the same.

Chevron is working across its operations to eliminate routine flaring and venting in line with company requirements and local regulations. Since 1997 with the commissioning of the Escravos Gas Plant 1 and since 2001 with Plant 2, Chevron has advanced various flare-elimination projects to minimize environmental impact while increasing economic benefits. Plant 3A accepted its first gas in June 2010. All new developments are being designed with a zero-flare philosophy.

Awards

CNL was recognized in 1999 with the Nigerian Environmental Protection Agency's Environmental Excellence Award and in 2002 with the Nigerian Conservation Foundation's Award for Environmental Excellence. In 2006, the Delta state government honored CNL with the Best Oil Company in Oil Spill Management Practices award.

In 2001, CNL was honored with the Star Merit Award on Environment from the Nigerian Environmental Society, Lagos State Chapter. And in 2002, CNL received the meritorious honor of the Nigerian Conservation Foundation for its consistent and long-standing support of the organization and environmental conservation in Nigeria.

In 2003, CNL won the U.S. State Department's Award for Corporate Excellence. The company was praised for its work in Nigeria for, among other things, airlifting more than 2,000 community members to safety in 2003 during ethnic conflict in the Niger Delta, setting up the Riverboat Clinic and our involvement in ongoing HIV/AIDS prevention efforts.

In 2006, CNL received a Corporate Good Environment Health Practice Award from the Environmental Health Officers Registration Council of Nigeria. The award was given for the company's "commitment to responsible environmental stewardship" in Nigeria.

In 2009, CNL also received several awards. They include:

- Nigerian Guild of Editors Award for Corporate Responsibility Initiatives
- Prince Michael International Road Safety Award
- Best Exhibitor for 2008 Nigerian Association of Petroleum Explorationists
- Merit Award from the Society of Petroleum Engineers (Students Section)

In 2010, CNL won the Environmental Stewardship Award presented by the Council of the Nigerian Conservation Foundation. Also in 2010, *African Leadership* magazine honored CNL with the African Excellence Award in Community Development.

Economy

Besides the jobs and capital investments created by Chevron's large day-to-day operations, major economic benefits for the community are expected from the West African Gas Pipeline, the Escravos gas-to-liquids project, the Escravos Gas Project 3A and related projects.

CNL started a partnership with the Lagos Business School to develop local contractors who can better fulfill the needs of the oil industry. Several training sessions have been held in the states of Lagos and Warri. CNL also has invested in instructing Nigerian college students in the use of computer-aided design.

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CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This page from Chevron.com contains forward-looking statements relating to Chevron’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “budgets” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemical margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; the inability or failure of the company’s joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company’s net production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company’s future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading “Risk Factors” in Chevron’s Annual Report on Form 10-K for the year ended December 31, 2010. In addition, such statements could be affected by general domestic and international economic and political conditions. Unpredictable or unknown factors not discussed in Chevron’s Annual Report on Form 10-K for the year ended December 31, 2010 could also have material adverse effects on forward-looking statements.

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