



Russia Fact Sheet

Highlights of Operations

Chevron's work in Russia ranges from exploration and transportation to technology licensing and consumer products.

Chevron is a major investor in the Caspian Pipeline Consortium (CPC). Approximately \$2.2 billion of the \$2.7 billion CPC pipeline construction budget was spent in Russia. Another \$5.4 billion is expected to be spent in Russia on an expansion project that [began construction](#) in July 2011.

Chevron is interested in building a profitable crude oil and natural gas business in Russia and is conducting extensive technical studies to identify opportunities for possible partnership with Russian companies.

Our subsidiary Chevron Oronite has developed partnerships with several Russian oil companies that we supply with lubricants additives. We market Chevron® lubricants through a separate distributor network.

Through Chevron Lummus Global, several of Chevron's industry-leading technologies have been licensed to Russian oil companies.

Chevron also is a committed member of the community in Russia, supporting social programs, education and the arts.

Business Portfolio

Caspian Pipeline Consortium

Chevron funded 30 percent of the initial construction costs of the Caspian Pipeline Consortium (CPC) pipeline—an investment of about \$800 million. Chevron plans to invest another \$810 million as part of a \$5.4 billion expansion that [began construction](#) in July 2011.

In 2011, the CPC pipeline transported an average of 684,000 barrels of crude oil per day, including 76,000 barrels per day from Russia. The remaining 608,000 barrels per day were transported from Kazakhstan.

Plans call for increasing pipeline capacity to 1.4 million barrels per day. The \$5.4 billion project is planned for implementation in three phases. Chevron holds a 15 percent interest in the CPC pipeline.

Chevron also is a 50 percent owner of Tengizchevroil, which operates the Tengiz Field in Kazakhstan. In addition to Tengiz crude oil, the CPC pipeline transports crude oil from the northeast shore of the Caspian Sea and other areas of Russia and Kazakhstan, including the Karachaganak Field in Kazakhstan, in which Chevron holds a 20 percent nonoperated working interest.

Marketing and Retail

Chevron Oronite has a growing business in Russia, supplying additives for lubricants. Our subsidiary has developed strong partnerships with several Russian oil companies, including LUKOIL, OAO Gazprom Neft, TNK-BP and other producers of lubricating oils. Chevron Oronite also supports LUKOIL Marine around the world.

In December 2010, Chevron began working with Starlube to distribute lubricants in Russia. Our other distributors are Petro-Lube, based in Moscow, and MCM World Lubricants, in Vladivostok.

Chevron has established several licensing partnerships for the company's technology in Russia through Chevron Lummus Global, our joint venture with CBI/Lummus Technology.

Licensing Chevron's ISOCRACKING® catalyst, Kirishi Nefteorgsyntez (Surgutneftegaz) is building one of the world's largest ISOCRACKING units to convert hydrocarbons into more valuable products. The facility, expected to be commissioned in 2012, is designed with an annual processing capacity of 3 million metric tons of vacuum gas oil, which is used in making high-value transportation fuels. It will enable production of high-quality fuels for Russian and foreign markets and produce diesel fuel that complies with Euro 5 European emission standards.

Chevron makes its ISODEWAXING® catalysts, commercial expertise and technology available to LUKOIL-Volgogradneftepererabotka. This process involves using the raw wax from base oil manufacturing to produce high-quality lubricants. The ISODEWAXING unit was successfully deployed in Volgograd. In 2008, Chevron Lummus Global supplied fresh replacement catalyst and completed a pilot plant study for unit extension.

Chevron Lummus Global has a contract with the Ryazan Refinery that licensed the refinery to use our hydrodesulfurization process. The process removes sulfur from vacuum gas oils. The refinery has an annual capacity of 2.5 million metric tons. In 2008, Chevron Lummus Global also performed a study to improve refinery operations.

The energy company Tatneft has licensed our ISOCRACKING technology for the Taneco Nizhnekamsk Refinery, which is under construction. This refinery will manufacture high-quality diesel and jet fuel. The technology behind our ISODEWAXING catalyst was licensed to produce base oils at the same refinery.

Chevron Lummus Global has a sales contract with Rosneft's Tuapse refinery for a hydrocracker and diesel hydrotreater license. The contract also covers a future supply of catalysts for the Tuapse Refinery. This refinery will produce jet and diesel fuels.

Rosneft also has a license and catalyst supply contract for an ISOCRACKING unit at its existing Komsomolsk Refinery. This plant will convert vacuum gas oil into low-sulfur diesel fuel. This unit is under construction.

In 2008, Chevron Lummus Global signed agreements with Rosneft for the licensing, design and catalyst for a new hydrocracker at the Achinsk Refinery.

In 2009, Chevron Lummus Global signed agreements with Rosneft for supplying the license, design and catalyst for a new ISOCRACKING unit in the Novokuibyshevsk Oil Refinery and for a new base oils plant in the Novokuibyshevsk lubricants plant. Unconverted oil from the Isocracker will be processed to produce high-quality base lubricants.

Chevron also sells hydrotreating catalysts and technical support to our customers in Russia through Advanced Refining Technologies, a joint venture with Grace-Davison.

In 2011, Chevron Lummus Global signed a licensing contract with Yaroslavl Slavneft Refinery to produce 100,000 tons of lubricants per year.

In the Community

Since 1994, Chevron has spent about \$4.5 million on community and social programs in Russia. We have supported more than 120 programs, including hospitals, orphanages, schools, museums, and sports and cultural projects.

For 18 years, Chevron has sponsored the Russian National Orchestra. We also have contributed to the Moscow Kremlin museums, the State Tretyakov Gallery, the State Pushkin Museum, the State Literary Museum and the Moscow Zoo.

Since 1996, we have provided scholarships to undergraduate and graduate students, sponsored scientific conferences and funded the purchase of laboratory equipment for Lomonosov Moscow State University.

Record of Achievement

Construction of the Caspian Pipeline Consortium (CPC) pipeline began in 1999, and the first tanker was loaded with Tengiz crude oil at the CPC's terminal at Novorossiysk in 2001.

Our partnerships in Russia have been marked by several licensing milestones:

- In 1994, Chevron sold its ISOCRACKING® process license to Kirishi Nefteorgsyntez (Surgutneftegaz).
- In 2000, Chevron made its ISODEWAXING® catalysts, commercial expertise and technology available to LUKOIL-Volgogradneftepererabotka.
- Chevron Lummus Global signed licensing contracts with the Ryazan Refinery in 2000 and with Tatneft and Rosneft in 2006; the company signed three more contracts with Rosneft in 2007, 2008 and 2009.

Economy

The implementation of the Tengizchevroil (TCO) project has helped strengthen the Russian economy. TCO's direct expenditures in Russia totaled \$980 million in 2011. Since 1993, the direct expenditures of TCO in Russia have totaled more than \$6 billion.

Tengizchevroil transports sizable amounts of crude, liquefied petroleum gas and sulfur export volumes on railroads through Russia. In 2011, Russia received more than \$458 million in direct payments for railway tariffs, rail car leases and other shipping costs.

Chevron has established partnerships with Russian institutions, including the National Scientific Research Institute of Hydrocarbon Raw Materials—Vniius, in the city of Kazan; Moscow State University; Gubkin State Oil and Gas University; AllRussia Research Institute of Oil Geology; and Gazprom's Russian Research Institute of Gas & Gas Technologies.

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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

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