



South Korea Fact Sheet

Highlights of Operations

Chevron operates in South Korea as a 50 percent shareholder in GS Caltex Corp., the country's second-largest energy company.

GS Caltex operates one of the world's largest refineries, in Yeosu, and has a large network of GS Caltex™ service stations. It also is active in power generation and distributing natural gas to industrial, commercial and residential customers.

Chevron also maintains an important role in the petrochemicals business through the operations of GS Caltex, Chevron Oronite Co. and Chevron Phillips Chemical Co LLC and its affiliates (CPChem).

Chevron Global Aviation provides aviation fuel to the Asia-Pacific region. Our customers include the Korean Air Force and the Korea Airport Service, a subsidiary of Korean Air.

In addition, Chevron is working with Korean shipyards and factories as we search for energy resources around the world. By 2012, more than \$3 billion will have been spent in South Korea to manufacture oil and gas exploration platforms as well as production modules and ships used to transport liquefied natural gas.

Business Portfolio

Power Generation and Natural Gas

With its growth in the electric power and natural gas utility sectors, GS Caltex is becoming a bigger energy provider. In 2010, the company's annual gas sales totaled about 600,000 tons, primarily through GS Caltex subsidiaries Seorabeol City Gas and Haeyang City Gas, to more than 600,000 households. GS Caltex's electric power subsidiary GS Power Co. Ltd. provides power and heating to about 300,000 customers.

Refining

Chevron's largest refinery is the GS Caltex complex in Yeosu. The facility is the world's fourth-largest, processing 840,000 barrels per day of crude and condensate. The company's share of the refinery's capacity is 420,000 barrels per day.

In the third quarter of 2010, the company improved the refinery's flexibility, reliability and capability to process lower-cost crude oil, completing the first stage of a \$3 billion project. Production reached full capacity at the new 60,000-barrel-per-day heavy oil residuum hydrocracker. The unit is designed to lower feedstock costs and increase product yield. The company announced plans to build a 53,000-barrel-per-day heavy oil fluid catalytic cracking unit at the refinery. It is the refinery's fourth unit of its kind and is scheduled to be finished in 2013.

GS Caltex's \$1.5 billion heavy oil upgrade project, which included the world's largest vacuum distillation unit, began production in 2007. The hydrocracker and base oil plant greatly extended the Yeosu refinery's complexity and ability to produce transportation fuels and lubricants that meet national and regional clean-fuel regulations, such as ultra-low-sulfur diesel fuels.

Chemicals

GS Caltex is one of the world's leading manufacturers of petrochemicals, especially aromatics.

GS Caltex's petrochemical production capacity stands at:

- 2.8 million tons of aromatics, including benzene, toluene and xylene. These are base chemicals used to produce a range of products, including adhesives, plastics and textile fibers.
- 180,000 tons of polypropylene, which is used to make food packaging, laboratory equipment, textiles and more.

Our Chevron Oronite subsidiary supplies fuel and lubricant additives to Korean companies.

Chevron is involved in a chemical facility in South Korea through our joint venture Chevron Phillips Chemical Co LLC and its affiliates (CPChem).

CPChem has a 60 percent interest in K.R. Polymers Company, Ltd., a joint venture that produces K-Resin® SBC. This styrene-butadiene copolymer, characterized by its clarity and shatter resistance, is used in medical devices, toys and hangers, among other things.

Marketing and Retail

GS Caltex has maintained its strong position with South Korean motorists for more than 40 years.

The joint venture operates nearly 3,900 service and filling stations, earning about a 27 percent share of the nation's fuel business.

GS Caltex pioneered the convenience retail business in Korea. In the mid-1990s, it launched JoyMart™, a convenience store chain, and AutoOasis™, a network of automobile maintenance facilities, both the first of their kind in the nation.

In the Community

Chevron, through GS Caltex, has an established tradition of being a good partner with the communities where we work. In South Korea, this includes:

- Supporting employees' volunteer activities
- Providing matching grants
- Helping neighbors in need
- Awarding scholarships
- Promoting environmental conservation

GS Caltex also established the GS Caltex Foundation in 2006. Each year, GS Caltex makes an annual contribution of approximately \$10 million to the foundation. The annual donation, which will continue through 2014, funds initiatives promoting culture and the arts, social welfare programs, and education projects. GS Caltex funded a new \$50 million cultural and arts center in the city of Yeosu that is scheduled to open in early 2012.

Record of Achievement

Caltex began its operations in South Korea in 1968, just as the country was emerging as an economic power.

Recognizing South Korea's growing demand for petroleum products, Caltex entered a joint venture.

Together, the partners formed the Honam Oil Refinery Co. Ltd., which built the nation's second refinery in Yeosu, an agricultural area on the southern edge of the Korean peninsula.

Through a joint venture, Caltex also began operating a network of service stations, which quickly gained a substantial share of South Korea's automotive gasoline business.

In addition to funding refinery expansions, Caltex extended its presence into the South Korean petrochemicals business.

GS Caltex stands out for its high business standards and contributions to the country's economy. Honors in 2010 include:

- Order of Industrial Service Merit, from the Ministry of Knowledge Economy

- Industrial Service Medal for contributions to industry and national development, conferred by the country's president
- Republic of Korea Master Brand Award for contributions to the national economy and competitiveness through development of powerful brands, presented by the prime minister
- Foreign Company Day in recognition of attracting foreign investment to Korea, given by the prime minister
- First Prize in Working Innovation for innovative and effective workplace management (2010), conferred by the minister of Employment and Labor
- Ninth Republic of Korea Grand Prize for Safety for excellent workplace safety control and management, presented by the minister of Public Administration and Security
- Grand Prize of Safety Management for strong safety records and safety management (2009), given by the mayor of Yeosu
- Recognition for Excellent Volunteer, from the minister of Health and Welfare and Family
- First place in the Korean Customer Satisfaction Index for service stations (2010), presented by Korea Management Association Consulting

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