



# United Kingdom Fact Sheet

## Highlights of Operations

Chevron is an important part of the United Kingdom's energy market.

Chevron has interests in 10 offshore producing fields in the United Kingdom. We operate the Alba, Captain, Erskine and Strathspey fields and are a joint operator of the Britannia Field. The company also has interests in five nonoperated fields: Brodgar, Callanish, Clair, Elgin/Franklin and Jade.

Chevron lubricants are sold in the United Kingdom under the Texaco® brand, along with Havoline® motor oils, Ursa® commercial motor oils and Techron® fuel system cleaners. We also sell marine lubricants and fuels. Our products are sold directly and through a network of distributors.

## Business Portfolio

### Exploration and Production

Chevron, through our subsidiary Chevron North Sea Limited, produces crude oil and natural gas from the U.K. North Sea. The company's total daily production in 2011 averaged 207,000 barrels of liquids (59,000 net) and 858 million cubic feet of natural gas (155 million net). The majority of production comes from three fields:

- The Captain Field is operated by Chevron, which has an 85 percent interest in the field. In 2011, total daily production averaged 38,000 barrels of liquids (33,000 barrels net) and 5 million cubic feet of natural gas (4 million net).
- Chevron is joint operator of the Britannia Field, with a 32.4 percent interest. Britannia supplies a significant percentage of the United Kingdom's natural gas. It produced an average of 10,000 barrels of liquids per day (3,000 net) and 240 million cubic feet of natural gas per day (78 million net) in 2011.
- The Alba Field reached total daily production of 25,000 barrels of liquids in 2011 (6,000 net). Chevron's interest in the field, which we operate, is 23.4 percent.

### Resource Development

Chevron expects to continue drilling programs at Captain through 2013 and at the Alba Field beyond 2014. In 2011, a 4-D seismic survey over Alba was used to plan and execute four additional development wells.

At the Captain Field, six new wells added an average 7,000 net barrels of crude oil per day in 2011. Enhanced oil recovery testing continued in 2011 through a pilot study utilizing polymer chemical injection, a technique used to increase production. Injection into the pilot test area is expected to continue through August 2012. In early 2012, it was decided to expand polymer injection into a second pilot area.

About 17 miles (27 km) to the west of the Britannia Field, the Alder high-temperature, high-pressure oil and gas discovery is being evaluated as a potential subsea development. Chevron has a 70 percent interest in and is operator of the project. The maximum total daily production is expected to be 30,000 barrels of oil-equivalent (21,000 net). A final investment decision is expected in late 2012. In 2011, a final investment decision was made to install a low-pressure compression module on the Britannia Platform to increase production.

A final investment decision was reached on the \$7 billion Clair Ridge project in October 2011. The project is designed to have a capacity of 120,000 barrels of crude oil. Chevron holds a 19.4 percent nonoperated interest in the project. Production is scheduled to begin in 2016.

The Rosebank discovery is 81 miles (130 km) northwest of the Shetland Islands in 3,658 feet (1,115 m) of water. Chevron operates and holds a 40 percent interest in the project. Front-end engineering and design work is expected to begin in the second half of 2012.

### **Exploration**

Chevron continues to search out new resources on the U.K. continental shelf.

A three-well exploration and appraisal drilling program west of the Shetland Islands continued through 2011 and was completed in early 2012. This program included exploration wells on the 60 percent-owned and operated Lagavulin prospect and the 40 percent-owned and operated Aberlour prospect. Chevron has a 32.5 percent interest in the Cambo discovery and was the substitute operator of an appraisal well drilled in 2011. The Lagavulin well was unsuccessful in finding commercial hydrocarbons. Results from the Aberlour and Cambo wells are being evaluated.

An exploration well in the Clair Field was completed in 2011 to assess the potential extension of the field. The results are being evaluated.

### **Marketing and Retail**

London is the regional headquarters for Chevron's lubricants operation in Europe. Chevron lubricants are sold in the United Kingdom under the Texaco® brand, along with Havoline® motor oils, Ursa® commercial motor oils and Techron® fuel system cleaners. We also sell marine lubricants and fuels. Our products are sold directly and through a network of distributors.

### **In the Community**

In the United Kingdom, Chevron seeks to build partnerships that support the economic and social fabric of the communities where we work. We sponsor projects that support education, basic human needs and enterprise development. The Energy for Learning™ project is a Chevron global initiative that encapsulates this support and is already up and running in five organizations—Community Links, Richard House Hospice, Mudchute Farm, Youth Action Northern Ireland and Action for Children.

#### **Addressing Basic Human Needs**

Community Links in east London helps thousands of children, teenagers, adults and older people in poor neighborhoods every year. It runs a network of more than 60 community projects that empower individuals and communities to help them build their own ladder out of poverty.

Chevron employees and customers have helped raise more than £1 million for Action for Children. The charity works with 140,000 of the United Kingdom's most vulnerable children, young people and their families.

Chevron also partners with Aberdeen Foyer, a charity that works to alleviate and prevent youth homelessness and unemployment, in support of Clothes Line, an initiative in which Chevron employees donate clothes for low-income people returning to work.

Instant Neighbour is another local charity that takes a hands-on approach to tackling poverty. At Christmas, Chevron employees donate new gifts for children in need through a project called the Giving Tree.

#### **Supporting Education**

Chevron has developed strategic partnerships with the University of Aberdeen and Heriot-Watt University in Edinburgh as part of our [University Partnership Program](#). The program forms relationships with universities around the world to provide scholarships, grants and departmental gifts to help build tomorrow's energy workforce.

Chevron works with programs that teach young people the skills needed for careers in the energy industry. We sponsor TechFest-SetPoint's Maths Masterclasses. These Saturday morning sessions presented by industry professionals and academics teach youngsters about mathematics. We also support the organization's science, technology, engineering and mathematics programs, which provide context for the subjects students learn about at school.

Chevron sponsors the Scottish Council for Development and Industry's Young Engineers Club, which is active in more than 180 Scottish schools and involves almost 3,500 pupils. Its aim is to inspire future engineers to use creative problem solving.

Chevron works with Livewire, an organization that runs projects in schools that support curricular needs through interactive workshop sessions. Together, we have developed the Safety in Schools program Safe and Sound. The program teaches safety in primary schools. The most recent campaign, The Safety Net, encourages children to take responsibility for their own safety, measure risk, take appropriate action and stay in control when using the Internet.

Chevron also supports the arts in Scotland. Our long-standing relationship with the Royal Conservatoire of Scotland funds the annual Chevron Excellence Award, which gives a scholarship to an outstanding second-year opera student.

## Protecting the Environment

In Scotland, Chevron sponsors [Focus Environment](#), an environmental photography competition for secondary school pupils. The competition encourages 11- through 18-year-olds to demonstrate their awareness of nature through photography. Focus Environment is a partnership between Chevron, the Scottish Wildlife Trust (SWT) and the British Trust for Conservation Volunteers Scotland. It brings together business and conservation to promote environmentalism, education and the arts. The program has been running successfully for 18 years and has served as a model for similar Chevron-sponsored initiatives in Australia and Norway.

Chevron funding helps support the SWT Spey Bay wildlife reserve, where a rare pebble beach creates a sensitive ecosystem. SWT also received funding for a high-definition webcam at the osprey nest at the Loch of the Lowes nature reserve.

Our donations to the Royal Society for the Protection of Birds (RSPB) have helped support a number of projects in the region, including the improvement of visitor facilities at the Sumburgh Head peninsula. Chevron works with the RSPB to help fund and support the Udale Bay bird sanctuary on the Cromarty Firth. Chevron also supports the University of Aberdeen zoology department's Cromarty Lighthouse project. As the authoritative center for research into the Moray Firth dolphin population, the project plays a key role in wildlife protection and monitoring in the area.

## Record of Achievement

Chevron has been a leading presence in the United Kingdom's crude oil and natural gas industry for many years. Our downstream activity dates from the beginning of the 20th century and our upstream operations from the 1960s. In 1964, a Chevron and Texaco joint venture drilled the first exploration well in the North Sea. A decade later, the world watched when the Ninian Central Platform—at the time, the largest object ever moved by humans—was towed into position some 100 miles (161 km) east of the Shetland Islands.

Twenty years after its discovery in 1977, the Captain Field achieved first oil thanks to developments in precision horizontal drilling and the utilization of downhole pumps in well bores.

## Health, Environment and Safety

Chevron's [Operational Excellence Management System](#) for improving safety, environmental and health performance is woven into every aspect of our operations.

For example, the Captain Field uses waste heat recovery units to significantly improve energy efficiency and reduce carbon dioxide emissions. An export pipeline was installed to reduce flaring and allow importation of gas for power generation when the field ceases to produce its own. A similar gas pipeline from Alba to Britannia also has reduced gas flaring.

In onshore and offshore facilities in the United Kingdom, Chevron employs an effective behavior-based safety system known as POWER, Positive Observations Will Eliminate Risk. This observation system is essential to supporting safe behaviors. Chevron also employs Stop Work Authority, a policy that establishes the responsibility and authority of any individual to stop work when an unsafe condition or act could result in an undesirable event.

## **The Economy and Technology**

Chevron deploys the latest technology and training. Our operations in the North Sea have a track record of technological innovation.

At the Alba Field, for example, we employ the latest 4-D seismic technology to record data that aids analysis and provides a clearer image of the field's reservoir. Alba also employs new technology to improve the quality of water produced during the production process. In 2008, the Alba Northern Platform took another major step in its plans to reduce the environmental impact of its operations by partially reinjecting produced water into the reservoir for the first time. Prior to reinjection, the field's partners had spent more than £13 million (\$21.2 million) since 2003 on measures that reduced the concentration of oil in produced water discharge to less than 10 parts per million.

The Captain Field was one of the first North Sea fields to employ horizontal drilling. Other technological firsts include the combined use of horizontal drilling, gravel packing and gas-handling hydraulic submersible downhole pumps. Increasingly complex wells are being drilled, reaching areas of the reservoir that would otherwise remain inaccessible. In 2010, enhanced oil recovery was tested through a pilot study using polymer chemical injection, a technique used to increase production. Trials are planned to continue in 2012.

The Erskine Field—an unmanned facility—became the first in the North Sea to deal with extreme pressures (14,000 psi) and temperatures (350° F [177° C]). Experience gained from Erskine was successfully applied to the Elgin/Franklin and Jade developments.

Chevron has an Energy Technology Center in Aberdeen, Scotland, to provide research, development and technical services for the company's worldwide operations. The center employs 74 technology professionals—63 are based at our headquarters in Aberdeen and 11 are based around the world—complementing Chevron's U.S.-based technology centers in California and Texas and its technology center in Perth, Australia. These facilities provide research, development and technical support to Chevron's upstream, downstream, global gas and emerging energy businesses around the world. Having a technology center near our European operations enables faster deployment of technology, provides new technology development opportunities and increases the pool of technical talent.

## **Awards and Recognition**

In 2011, Oil & Gas UK awarded its gold-level recognition to Chevron Upstream Europe for the quality of the company's compliance with the industry organization's Supply Chain Code of Practice. The recognition was based on supplier ratings of overall performance and efficiency.

At the 2011 Oil & Gas UK Safety Awards, a Chevron offshore installation manager won the Services to Safety Award. It honors the outstanding contribution of an individual toward making the United Kingdom the safest place to work in the oil and gas industry internationally.

The Cyrenians, an Aberdeen charity that provides a range of services to meet the needs of homeless people, recognized Chevron in 2011 with its Team Achievement Award for the second year in a row. Chevron employees volunteer their time to assist the organization with its efforts to prevent and alleviate homelessness in the area.

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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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