



news release

DECEMBER 7, 2016

Chevron Announces \$19.8 Billion Capital and Exploratory Budget for 2017

SAN RAMON, Calif., Dec. 7, 2016 – Chevron Corporation (NYSE:CVX) today announced a \$19.8 billion capital and exploratory investment program for 2017. Included in the 2017 program are \$4.7 billion of planned affiliate expenditures.

“Our spending for 2017 targets shorter-cycle time, high-return investments and completing major projects under construction. In fact, over 70 percent of our planned upstream investment program is expected to generate production within two years,” said Chairman and CEO John Watson. “This is the fourth consecutive year of spending reductions. Construction is nearing completion on several major capital projects, which are now online or expected to come online in the next few quarters. This combination of lower spending and growth in production revenues supports our overall objective of becoming cash balanced in 2017.”

The 2017 budget represents a reduction of 42 percent from 2015 outlays and is expected to be at least 15 percent lower than projected 2016 capital investments. Details of the 2017 Capital and Exploratory Spending Program include:

Chevron 2017 Planned Capital & Exploratory Expenditures

	<u>\$ Billions</u>
U.S. Upstream	5.7
International Upstream	11.6
Total Upstream	17.3
U.S. Downstream	1.6
International Downstream	0.6
Total Downstream	2.2
Other	0.3
TOTAL (Including Chevron’s Share of Expenditures by Affiliated Companies)	19.8
Expenditures by Affiliated Companies	(4.7)
Cash Expenditures by Chevron Consolidated Companies	15.1

In the Upstream business, approximately \$8.5 billion of planned capital spending relates to base-producing assets, including about \$2.5 billion for shale and tight investments, the majority of which is slated for Permian Basin developments in Texas and New Mexico. Another \$7 billion of the planned upstream program is related to major capital projects currently underway, including approximately \$2 billion toward the completion of the Gorgon and Wheatstone LNG projects in Australia and \$3 billion of affiliate expenditures associated with the Future Growth Project-Wellhead Pressure Management Project (FGP-WPMP) project at the Tengiz field in Kazakhstan. Global exploration funding accounts for approximately \$1 billion of the total upstream budget, and the remainder is primarily related to early stage projects supporting potential, future development opportunities.

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Chevron is one of the world's leading integrated energy companies. Through its subsidiaries that conduct business worldwide, the company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power and produces geothermal energy; and develops and deploys technologies that enhance business value in every aspect of the company's operations. Chevron is based in San Ramon, Calif. More information about Chevron is available at www.chevron.com.

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

This press release 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 or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "may," "could," "should," "budgets," "outlook," "on schedule," "on track," "goals," "objectives" 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, many 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 chemicals margins; the company's ability to realize anticipated cost savings and expenditure reductions; 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 the company's suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil and natural gas; 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 operations due to war, accidents, political events, civil unrest, severe weather, cyber threats and terrorist acts, crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries or other natural or human causes beyond its control; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures to limit or reduce greenhouse gas

emissions; 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; material reductions in corporate liquidity and access to debt markets; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; the company's ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading "Risk Factors" on pages 21 through 23 of the company's 2015 Annual Report on Form 10-K. Other unpredictable or unknown factors not discussed in this press release could also have material adverse effects on forward-looking statements.