Chevron

2017 supplement to the annual report

human energy®

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Cover photo: Chevron's Permian Basin results exceeded expectations in 2017, driven by innovations in design and technology.
Inside front cover photo: Chevron is applying data analytics and petrophysical technology on its Permian well information to drive improvements in well targets and performance.

2017 at a glance

financial highlights

sales and other operating revenues $134.7 billion

net income attributable to chevron corporation $9.2 billion, $4.85 per share – diluted

return on capital employed 5.0%

cash flow from operating activities $20.5 billion

cash dividends $4.32 per share

corporate strategies

Financial-return objective – Deliver industry-leading results and superior shareholder value in any business environment.

Enterprise strategies

- Invest in people to develop and empower a highly competent workforce that delivers superior results the right way.
- Deliver results through disciplined operational excellence, capital stewardship and cost efficiency.
- Grow profits and returns by using our competitive advantages.
- Differentiate performance through technology and functional expertise.

Major business strategies

- Upstream – deliver industry-leading returns while developing high-value resource opportunities.
- Downstream – grow earnings across the value chain and make targeted investments to lead the industry in returns.
- Midstream and Development – deliver operational, commercial and technical expertise to enhance results in Upstream and Downstream.

accomplishments

Corporate

Safety and environment – Achieved solid operational excellence performance, maintaining industry-leading personal safety rates and outperforming several targets, including the company's days-away from-work and total-recordable-incident rates. To advance the focus on eliminating high-consequence incidents and impacts, Chevron developed and deployed tools to assure that safeguards are in place and functioning before starting high-risk work.

Dividends – Paid $8.1 billion in dividends, with 2017 marking the 30th consecutive year of higher annual dividend payouts.

Capital and exploratory expenditures – Invested $18.8 billion in the company's businesses, including $4.7 billion (Chevron share) of spending by affiliates. Announced 2018 projected outlays of $18.3 billion, including $5.5 billion of affiliate expenditures. Spending in 2018 targets short-cycle, high-return investments, including the Permian Basin and other shale and tight plays, as well as completion of major projects underway and progression of the Future Growth and Wellhead Pressure Management Project (FGP/WPMP) at Tengizchevroil (TCO) in Kazakhstan.

Portfolio management – Realized $5.2 billion in proceeds from asset divestments.

Upstream

Exploration – Achieved an exploration drilling success rate of 67 percent, with eight discoveries worldwide, and added 1.6 billion barrels of oil-equivalent resources. Participated in a significant crude oil discovery at the Whale prospect in the U.S. Gulf of Mexico. Continued shale and tight resource drilling programs in the United States, Canada and Argentina.

Portfolio additions – Acquired offshore acreage in Australia, Mexico and the U.S. Gulf of Mexico.

Production – Produced 2.728 million net oil-equivalent barrels per day.

Shale and tight resources – Continued progress on the development of the company's significant shale and tight resource position.

- Full-year production in the Permian Basin in Texas and New Mexico increased 35 percent over the prior year.
- Announced first development stage in the Duvernay Shale in Canada.

Major projects – Continued progress on the company's development projects to deliver future value.

- Achieved start-up of Train 3 at the Gorgon Project and Train 1 at the Wheatstone Project in Australia.
- Commenced production from the main production facilities at the Mafumeira Sul Field in Angola, the Sonam Field in Nigeria and the Hebron Field in Canada.
- Completed expansion of the Caspian Pipeline in Kazakhstan and Russia.
- Advanced construction of the FGP/WPMP at TCO in Kazakhstan.
- Made final investment decision for the Mad Dog 2 Project in the U.S. Gulf of Mexico.

Downstream

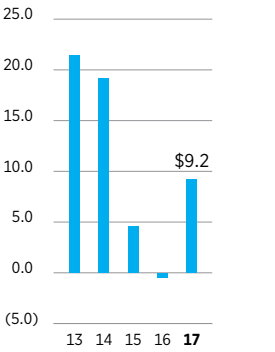
Petrochemicals – Commissioned two polyethylene units and achieved mechanical completion of the ethane cracker at the U.S. Gulf Coast Petrochemicals Project in Texas.

Additives – Commissioned new carboxylate plant at the Singapore additives manufacturing plant.

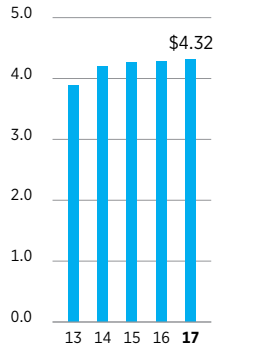
Refining and Marketing – Completed construction and commissioning of gasoline clean fuels facilities and cogeneration plant at the Singapore Refinery.

financial information

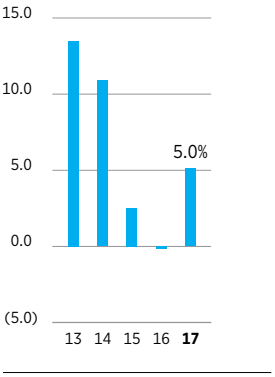
Net income (loss) attributable to Chevron Corporation
Billions of dollars



Annual cash dividends
Dollars per share



Return on capital employed
Percent



Financial summary

Millions of dollars	2017	2016	2015	2014	2013
			Year ended December 31		
Net income (loss) attributable to Chevron Corporation	**$ 9,195**	$ (497)	$ 4,587	$ 19,241	$ 21,423
Sales and other operating revenues	**134,674**	110,215	129,925	200,494	220,156
Cash dividends – common stock	**8,132**	8,032	7,992	7,928	7,474
Capital and exploratory expenditures	**18,821**	22,428	33,979	40,316	41,877
Cash flow from operating activities	**20,515**	12,846	19,456	31,475	35,002
Total cash and cash equivalents at December 31	**4,813**	6,988	11,022	12,785	16,245
Total assets at December 31	**253,806**	260,078	264,540	264,884	252,793
Total debt and capital lease obligations at December 31	**38,763**	46,126	38,549	27,784	20,401
Total liabilities at December 31	**104,487**	113,356	110,654	108,693	102,366
Chevron Corporation stockholders' equity at December 31	**148,124**	145,556	152,716	155,028	149,113
Share repurchases	**–**	–	–	5,000	5,000
Market valuation at December 31	**236,676**	220,963	168,103	209,270	237,258

Financial ratios*

	2017	2016	2015	2014	2013
			Year ended December 31		
Current ratio	**1.0**	0.9	1.3	1.3	1.5
Interest coverage ratio	**10.7**	(2.6)	9.9	87.2	126.2
Debt ratio	**20.7 %**	24.1 %	20.2 %	15.2 %	12.1 %
Net debt to capital ratio	**18.2 %**	20.4 %	14.2 %	8.0 %	2.3 %
Return on stockholders' equity	**6.3 %**	(0.3)%	3.0 %	12.7 %	15.0 %
Return on capital employed	**5.0 %**	(0.1)%	2.5 %	10.9 %	13.5 %
Return on total assets	**3.6 %**	(0.2)%	1.7 %	7.4 %	8.8 %
Cash dividends/net income (payout ratio)	**88.4 %**	(1,616.1)%	174.2 %	41.2 %	34.9 %
Cash dividends/cash from operations	**39.6 %**	62.5 %	41.1 %	25.2 %	21.4 %
Total stockholder return	**10.5 %**	36.4 %	(16.0)%	(6.9)%	19.2 %

* Refer to page 51 for financial ratio definitions.

Capital employed

Millions of dollars		2017	2016	2015	2014	2013
				Year ended December 31		
Upstream	– United States	**$ 28,918**	$ 25,855	$ 28,172	$ 29,808	$ 29,089
	– International	**126,943**	130,900	125,043	113,009	97,849
	– Goodwill	**4,531**	4,581	4,588	4,593	4,639
	– Total	**160,392**	161,336	157,803	147,410	131,577
Downstream	– United States	**13,543**	12,353	12,946	12,509	12,291
	– International	**11,201**	10,758	10,802	11,210	10,323
	– Total	**24,744**	23,111	23,748	23,719	22,614
All Other		**2,946**	8,401	10,884	12,846	16,637
Total capital employed		**$ 188,082**	$ 192,848	$ 192,435	$ 183,975	$ 170,828

Employees

Number of employees	2017	2016	2015	2014	2013
			Year ended December 31		
Employees excluding service station employees	**48,596**	51,953	58,178	61,456	61,345
Service station employees	**3,298**	3,248	3,316	3,259	3,205
Total employed	**51,894**	55,201	61,494	64,715	64,550

Consolidated statement of income

Millions of dollars	2017	2016	2015	2014	2013
			Year ended December 31		
Revenues and other income					
Total sales and other operating revenues	**$ 134,674**	$ 110,215	$ 129,925	$ 200,494	$ 220,156
Income from equity affiliates	**4,438**	2,661	4,684	7,098	7,527
Other income	**2,610**	1,596	3,868	4,378	1,165
Total revenues and other income	**141,722**	114,472	138,477	211,970	228,848
Costs and other deductions					
Purchased crude oil and products	**75,765**	59,321	69,751	119,671	134,696
Operating expenses	**19,437**	20,268	23,034	25,285	24,627
Selling, general and administrative expenses	**4,448**	4,684	4,443	4,494	4,510
Exploration expenses	**864**	1,033	3,340	1,985	1,861
Depreciation, depletion and amortization	**19,349**	19,457	21,037	16,793	14,186
Taxes other than on income	**12,331**	11,668	12,030	12,540	13,063
Interest and debt expense	**307**	201	–	–	–
Total costs and other deductions	**132,501**	116,632	133,635	180,768	192,943
Income (loss) before income tax expense	**9,221**	(2,160)	4,842	31,202	35,905
Income tax expense (benefit)	**(48)**	(1,729)	132	11,892	14,308
Net income (loss)	**9,269**	(431)	4,710	19,310	21,597
Less: Net income attributable to noncontrolling interests	**74**	66	123	69	174
Net income (loss) attributable to Chevron Corporation	**$ 9,195**	$ (497)	$ 4,587	$ 19,241	$ 21,423

Earnings by major operating area

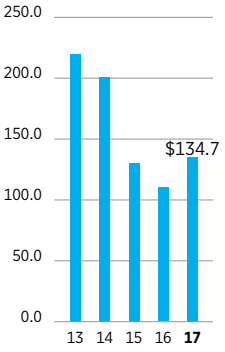
Millions of dollars		2017	2016	2015	2014	2013
				Year ended December 31		
Upstream	– United States	**$ 3,640**	$ (2,054)	$ (4,055)	$ 3,327	$ 4,044
	– International	**4,510**	(483)	2,094	13,566	16,765
	– Total	**8,150**	(2,537)	(1,961)	16,893	20,809
Downstream	– United States	**2,938**	1,307	3,182	2,637	787
	– International	**2,276**	2,128	4,419	1,699	1,450
	– Total	**5,214**	3,435	7,601	4,336	2,237
All Other*		**(4,169)**	(1,395)	(1,053)	(1,988)	(1,623)
Net income (loss) attributable to Chevron Corporation		**$ 9,195**	$ (497)	$ 4,587	$ 19,241	$ 21,423

* *All Other* includes income from worldwide cash management and debt financing activities, corporate administrative functions, insurance operations, real estate activities, and technology companies.

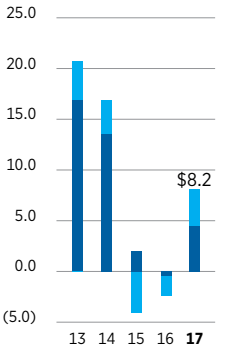
Common stock

	2017	2016	2015	2014	2013
			Year ended December 31		
Number of shares outstanding at December 31 (Millions)	**1,890.5**	1,877.3	1,868.6	1,865.5	1,899.4
Weighted-average shares outstanding for the year (Millions)	**1,882.4**	1,872.3	1,867.2	1,882.9	1,916.3
Per-share data					
Net income (loss) attributable to Chevron Corporation					
– Basic	**$ 4.88**	$ (0.27)	$ 2.46	$ 10.21	$ 11.18
– Diluted	**4.85**	(0.27)	2.45	10.14	11.09
Cash dividends	**4.32**	4.29	4.28	4.21	3.90
Chevron Corporation stockholders' equity at December 31	**78.35**	77.53	81.73	83.10	78.50
Market price					
– Close at December 31	**125.19**	117.70	89.96	112.18	124.91
– Intraday high	**126.20**	119.00	113.00	135.10	127.83
– Intraday low	**112.57**	75.33	69.58	100.15	108.74

Total sales & other operating revenues
Billions of dollars

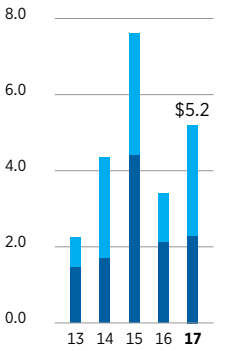


Worldwide Upstream earnings
Billions of dollars



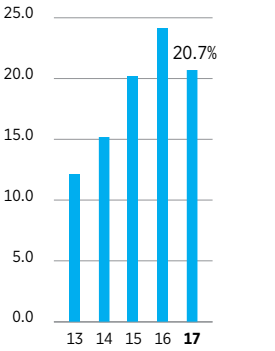
United States
International

Worldwide Downstream earnings
Billions of dollars

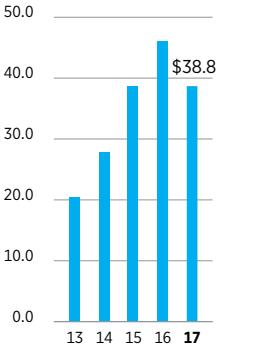


United States
International

Ratio of total debt to total debt-plus-Chevron Corporation stockholders' equity
Percent



Total debt at year-end
Billions of dollars



Consolidated balance sheet

At December 31

Millions of dollars	2017	2016	2015	2014	2013
Assets					
Cash and cash equivalents	**$ 4,813**	$ 6,988	$ 11,022	$ 12,785	$ 16,245
Time deposits	**–**	–	–	8	8
Marketable securities	**9**	13	310	422	263
Accounts and notes receivable, net	**15,353**	14,092	12,860	16,736	21,622
Inventories:					
Crude oil and petroleum products	**3,142**	2,720	3,535	3,854	3,879
Chemicals	**476**	455	490	467	491
Materials, supplies and other	**1,967**	2,244	2,309	2,184	2,010
Total inventories	**5,585**	5,419	6,334	6,505	6,380
Prepaid expenses and other current assets	**2,800**	3,107	3,904	4,705	4,391
Total current assets	**28,560**	29,619	34,430	41,161	48,909
Long-term receivables, net	**2,849**	2,485	2,412	2,817	2,833
Investments and advances	**32,497**	30,250	27,110	26,912	25,502
Properties, plant and equipment, at cost	**344,485**	336,077	340,277	327,289	296,433
Less: Accumulated depreciation, depletion and amortization	**166,773**	153,891	151,881	144,116	131,604
Properties, plant and equipment, net	**177,712**	182,186	188,396	183,173	164,829
Deferred charges and other assets	**7,017**	6,838	6,155	6,228	5,501
Goodwill	**4,531**	4,581	4,588	4,593	4,639
Assets held for sale	**640**	4,119	1,449	–	580
Total assets	**$ 253,806**	$ 260,078	$ 264,540	$ 264,884	$ 252,793
Liabilities and equity					
Short-term debt	**$ 5,192**	$ 10,840	$ 4,927	$ 3,790	$ 374
Accounts payable	**14,565**	13,986	13,516	19,000	22,815
Accrued liabilities	**5,267**	4,882	4,833	5,328	5,402
Federal and other taxes on income	**1,600**	1,050	1,073	1,761	2,509
Other taxes payable	**1,113**	1,027	1,118	1,233	1,335
Total current liabilities	**27,737**	31,785	25,467	31,112	32,435
Long-term debt	**33,477**	35,193	33,542	23,926	19,930
Capital lease obligations	**94**	93	80	68	97
Deferred credits and other noncurrent obligations	**21,106**	21,553	23,465	23,549	22,982
Noncurrent deferred income taxes	**14,652**	17,516	20,165	21,626	20,954
Noncurrent employee benefit plans	**7,421**	7,216	7,935	8,412	5,968
Total liabilities	**104,487**	113,356	110,654	108,693	102,366
Common stock	**1,832**	1,832	1,832	1,832	1,832
Capital in excess of par value	**16,848**	16,595	16,330	16,041	15,713
Retained earnings	**174,106**	173,046	181,578	184,987	173,677
Accumulated other comprehensive loss	**(3,589)**	(3,843)	(4,291)	(4,859)	(3,579)
Deferred compensation and benefit plan trust	**(240)**	(240)	(240)	(240)	(240)
Treasury stock, at cost	**(40,833)**	(41,834)	(42,493)	(42,733)	(38,290)
Total Chevron Corporation stockholders' equity	**148,124**	145,556	152,716	155,028	149,113
Noncontrolling interests	**1,195**	1,166	1,170	1,163	1,314
Total equity	**149,319**	146,722	153,886	156,191	150,427
Total liabilities and equity	**$ 253,806**	$ 260,078	$ 264,540	$ 264,884	$ 252,793

Segment assets

At December 31

Millions of dollars	2017	2016	2015	2014	2013
Upstream*	**$ 204,913**	$ 211,245	$ 213,001	$ 205,922	$ 186,746
Downstream	**40,636**	38,080	36,386	40,789	44,094
Total segment assets	**$ 245,549**	$ 249,325	$ 249,387	$ 246,711	$ 230,840
All Other	**8,257**	10,753	15,153	18,173	21,953
Total assets	**$ 253,806**	$ 260,078	$ 264,540	$ 264,884	$ 252,793

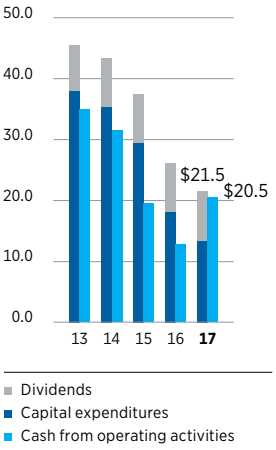
* Includes goodwill associated with the acquisition of Unocal Corporation in 2005 and Atlas Energy, Inc., in 2011: **$ 4,531** $ 4,581 $ 4,588 $ 4,593 $ 4,639

Consolidated statement of cash flows

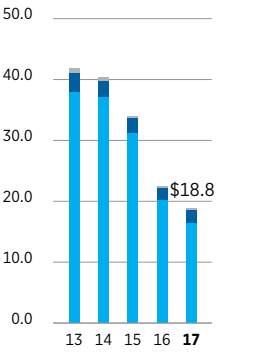
Millions of dollars	2017	2016	2015	2014	2013
			Year ended December 31		
Operating activities					
Net income (loss)	**$ 9,269**	$ (431)	$ 4,710	$ 19,310	$ 21,597
Adjustments:					
Depreciation, depletion and amortization	**19,349**	19,457	21,037	16,793	14,186
Dry hole expense	**198**	489	2,309	875	683
Distributions less than income from equity affiliates	**(2,214)**	(1,227)	(760)	(2,202)	(1,178)
Net before-tax gains on asset retirements and sales	**(2,195)**	(1,149)	(3,215)	(3,540)	(639)
Net foreign currency effects	**131**	186	(82)	(277)	(103)
Deferred income tax provision	**(3,203)**	(3,835)	(1,861)	1,572	1,876
Net decrease (increase) in operating working capital	**476**	(550)	(1,979)	(540)	(1,331)
(Increase) decrease in long-term receivables	**(368)**	(131)	(59)	(9)	183
(Increase) decrease in other deferred charges	**(199)**	235	25	263	(321)
Cash contributions to employee pension plans	**(980)**	(870)	(868)	(392)	(1,194)
Other	**251**	672	199	(378)	1,243
Net cash provided by operating activities	**20,515**	12,846	19,456	31,475	35,002
Investing activities					
Capital expenditures	**(13,404)**	(18,109)	(29,504)	(35,407)	(37,985)
Proceeds and deposits from asset sales	**5,247**	2,777	5,739	5,729	1,143
Net maturities of (investments in) time deposits	**–**	–	8	–	700
Net sales (purchases) of marketable securities	**4**	297	122	(148)	3
Net (borrowing) repayment of loans by equity affiliates	**(16)**	(2,034)	(217)	140	314
Net (purchases) sales of other short-term investments	**(32)**	217	44	(207)	216
Net cash used for investing activities	**(8,201)**	(16,852)	(23,808)	(29,893)	(35,609)
Financing activities					
Net (repayments) borrowings of short-term obligations	**(5,142)**	2,130	(335)	3,431	2,378
Proceeds from issuances of long-term debt	**3,991**	6,924	11,091	4,000	6,000
Repayments of long-term debt and other financing obligations	**(6,310)**	(1,584)	(32)	(43)	(132)
Cash dividends – common stock	**(8,132)**	(8,032)	(7,992)	(7,928)	(7,474)
Distributions to noncontrolling interests	**(78)**	(63)	(128)	(47)	(99)
Net sales (purchases) of treasury shares	**1,117**	650	211	(4,412)	(4,494)
Net cash (used for) provided by financing activities	**(14,554)**	25	2,815	(4,999)	(3,821)
Effect of exchange rate changes on cash and cash equivalents	**65**	(53)	(226)	(43)	(266)
Net change in cash and cash equivalents	**(2,175)**	(4,034)	(1,763)	(3,460)	(4,694)
Cash and cash equivalents at January 1	**6,988**	11,022	12,785	16,245	20,939
Cash and cash equivalents at December 31	**$ 4,813**	$ 6,988	$ 11,022	$ 12,785	$ 16,245

Cash from operating activities compared with capital expenditures & dividends

Billions of dollars



Capital & exploratory expenditures*
Billions of dollars



*Includes equity share in affiliates.

Capital and exploratory expenditures

(Includes equity share in affiliates)

Year ended December 31

Millions of dollars	2017	2016	2015	2014	2013
United States					
Exploration	**$ 745**	$ 925	$ 1,680	$ 1,391	$ 1,184
Production	**4,398**	3,787	5,874	7,354	7,221
Other Upstream	**2**	1	28	54	75
Refining	**771**	381	405	373	889
Marketing	**48**	55	76	66	67
Chemicals	**771**	1,011	1,354	1,025	723
Other Downstream	**66**	98	88	185	307
All Other	**239**	235	418	584	821
Total United States	**7,040**	6,493	9,923	11,032	11,287
International					
Exploration	**528**	527	1,339	2,131	3,994
Production	**10,566**	14,637	21,735	25,228	23,964
Other Upstream	**149**	239	461	957	1,420
Refining	**175**	115	131	309	434
Marketing	**118**	128	130	254	304
Chemicals	**89**	132	110	150	223
Other Downstream	**152**	152	142	228	228
All Other	**4**	5	8	27	23
Total International	**11,781**	15,935	24,056	29,284	30,590
Worldwide					
Exploration	**1,273**	1,452	3,019	3,522	5,178
Production	**14,964**	18,424	27,609	32,582	31,185
Other Upstream	**151**	240	489	1,011	1,495
Refining	**946**	496	536	682	1,323
Marketing	**166**	183	206	320	371
Chemicals	**860**	1,143	1,464	1,175	946
Other Downstream	**218**	250	230	413	535
All Other	**243**	240	426	611	844
Total Worldwide	**$ 18,821**	$ 22,428	$ 33,979	$ 40,316	$ 41,877
Memo: Equity share of affiliates' expenditures included above	**$ 4,743**	$ 3,770	$ 3,397	$ 3,467	$ 2,698

Exploration expenses[1]

Year ended December 31

Millions of dollars	2017	2016	2015	2014	2013
Geological and geophysical	**$ 184**	$ 145	$ 372	$ 404	$ 493
Unproductive wells drilled	**199**	488	2,309	875	683
Other[2]	**481**	400	659	706	685
Total Exploration Expenses	**$ 864**	$ 1,033	$ 3,340	$ 1,985	$ 1,861
Memo: United States	**$ 322**	$ 416	$ 1,624	$ 586	$ 555
International	**542**	617	1,716	1,399	1,306

[1] Consolidated companies only. Excludes amortization of undeveloped leaseholds.
[2] Includes amortization of unproved mineral interest, write-off of unproved mineral interest related to lease relinquishments, oil and gas lease rentals, and research and development costs.

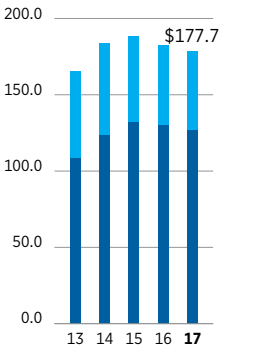
Properties, plant and equipment

(Includes capital leases)

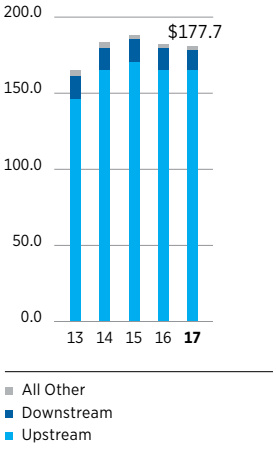
Millions of dollars	2017	2016	2015	2014	2013
			At December 31		
Additions at cost					
Upstream[1]	**$ 12,929**	$ 16,516	$ 26,579	$ 34,608	$ 35,571
Downstream	**1,213**	903	1,061	1,118	1,807
All Other[2]	**222**	204	362	606	744
Total additions at cost	**14,364**	17,623	28,002	36,332	38,122
Depreciation, depletion and amortization expense[3]					
Upstream	**(17,623)**	(17,823)	(19,348)	(14,815)	(12,748)
Downstream	**(1,035)**	(1,288)	(1,233)	(1,282)	(1,140)
All Other[2]	**(691)**	(346)	(456)	(696)	(298)
Total depreciation, depletion and amortization expense	**(19,349)**	(19,457)	(21,037)	(16,793)	(14,186)
Net properties, plant and equipment at December 31					
Upstream[4]	**161,913**	165,212	170,584	164,790	145,931
Downstream	**13,420**	14,290	14,897	15,238	15,620
All Other[2]	**2,379**	2,684	2,915	3,145	3,278
Total net properties, plant and equipment at December 31	**$ 177,712**	$ 182,186	$ 188,396	$ 183,173	$ 164,829
Memo: Gross properties, plant and equipment	**$ 344,485**	$ 336,077	$ 340,277	$ 327,289	$ 296,433
Accumulated depreciation, depletion and amortization	**(166,773)**	(153,891)	(151,881)	(144,116)	(131,604)
Net properties, plant and equipment	**$ 177,712**	$ 182,186	$ 188,396	$ 183,173	$ 164,829
Includes net investment in unproved oil and gas properties.	**$ 9,790**	$ 12,249	$ 13,550	$ 14,490	$ 15,703

[1] Net of exploratory well write-offs.
[2] *All Other* is primarily corporate administrative functions, insurance operations, real estate activities and technology companies.
[3] Depreciation expense includes accretion expense of $668, $749, $715, $882 and $627 in 2017, 2016, 2015, 2014 and 2013, respectively, and impairments of $1,021, $3,186, $4,066, $1,274 and $382 in 2017, 2016, 2015, 2014 and 2013, respectively.
[4] Includes net investment in unproved oil and gas properties.

Net properties, plant & equipment by geographic area
Billions of dollars



Net properties, plant & equipment by function
Billions of dollars



upstream

deliver industry-leading returns
while developing high-value resource opportunities

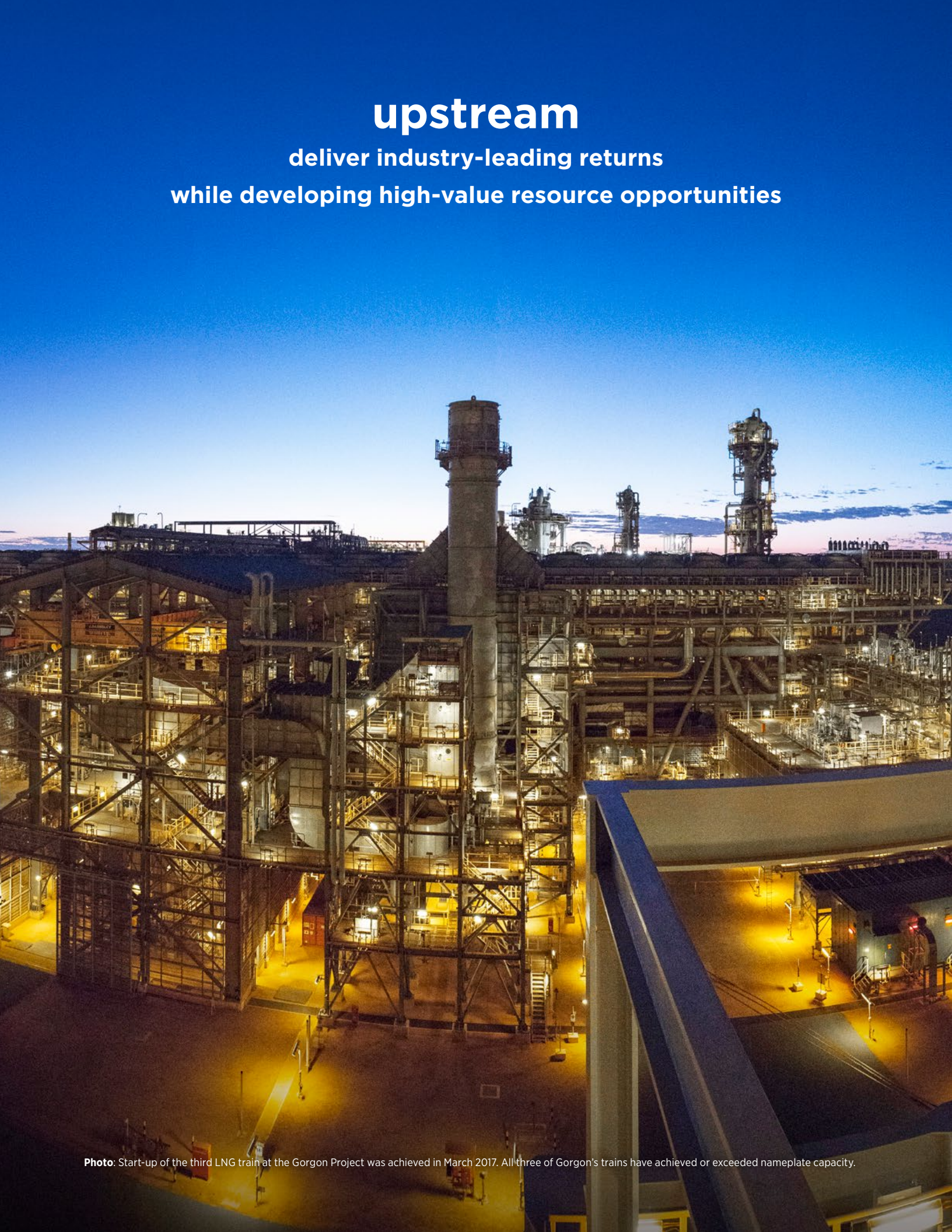


Photo: Start-up of the third LNG train at the Gorgon Project was achieved in March 2017. All three of Gorgon's trains have achieved or exceeded nameplate capacity.

highlights

Chevron's upstream business has operations in most of the world's key hydrocarbon basins and a portfolio that provides a foundation for future growth. Utilizing its project management expertise, innovative technology, experience in varied operating environments and strong partnership skills, Upstream finds and develops resources that help meet global energy demand.

upstream portfolio overview

business strategies

Deliver industry-leading returns while developing high-value resource opportunities by:

- Sustaining world-class operational excellence.
- High-grading portfolio and effectively allocating capital.
- Delivering enterprise cash and earnings commitments while maintaining competitive margins.
- Leading the industry in the selection and execution of major capital projects.
- Replenishing resources through selective investments in technology, exploration and acquisitions.

industry conditions

Crude oil prices were better supported in 2017 amid firming demand, rising geopolitical tensions and the agreement reached by OPEC and non-OPEC producers to further extend output cuts through December 2018. The spot price for West Texas Intermediate (WTI) crude oil averaged $51 per barrel for full-year 2017, compared with $43 in 2016. The Brent price averaged $54 per barrel for full-year 2017, compared with $44 in 2016. At the end of February 2018, the WTI and Brent prices were $62 per barrel and $66 per barrel, respectively. The majority of the company's equity crude production is priced based on the Brent benchmark. After starting 2017 near parity, the WTI discount to Brent expanded due to rising U.S. production, rebounding inventories and growing concerns that pipeline infrastructure constraints would again restrict flows to export outlets on the Gulf Coast. In response to the volatile crude price environment, the company has lowered its cost structure and reduced its capital spending rate while still executing its business strategies.

In contrast to price movements in the global market for crude oil, price changes for natural gas in many regional markets are more closely aligned with supply-and-demand conditions in those markets. Fluctuations in the price for natural gas in the United States are closely associated with customer demand relative to the volumes produced in North America. In the United States, prices at Henry Hub averaged $2.97 per thousand cubic feet (MCF) in 2017, compared with $2.46 per MCF in 2016. Outside the United States, price changes for natural gas depend on a wide range of supply, demand and regulatory circumstances. Chevron sells natural gas into the domestic pipeline market in most locations. In some locations, Chevron has invested in long-term projects to produce and liquify natural gas for transport by tanker to other markets. The company's long-term contract prices for liquefied natural gas (LNG) are typically linked to crude oil prices. Most of the equity LNG offtake from the operated Australian LNG projects is committed under binding long-term contracts, with the remainder to be sold in the Asian spot LNG market. The Asian spot market reflects the supply and demand for LNG in the Pacific Basin and is not directly linked to crude oil prices. In 2017, Chevron's international natural gas realizations averaged $4.62 per MCF, compared with $4.02 per MCF during 2016.

financial and operational highlights

In 2017, Chevron's upstream business had strong process safety performance, matching record lows in loss-of-containment incidents. Financial results improved substantially, with net income of $8.2 billion, compared with a loss of $2.5 billion in 2016. Production of 2.728 million oil-equivalent barrels per day was 5 percent higher than net oil-equivalent production in 2016. Production increases from major capital projects, base business, and shale and tight properties were partially offset by entitlement effects, the impact of asset sales and normal field declines. Upstream capital and exploratory expenditures were $16.4 billion in 2017. Portfolio management activities resulted in proceeds of $3.4 billion, including the sale of geothermal assets in Indonesia and the Philippines and mature producing assets in the United States. In 2018, the upstream capital and exploratory budget is $15.8 billion. Approximately $8.7 billion of planned capital spending is forecasted to sustain currently producing assets, including $3.3 billion for the Permian Basin and $1.0 billion for other shale and tight rock investments. Approximately $5.5 billion is planned for major capital projects underway, including $3.7 billion of affiliate expenditures associated with the Future Growth and Wellhead Pressure Management Project (FGP/WPMP) at Tengizchevroil (TCO) in Kazakhstan. Global exploration funding is expected to be $1.1 billion. Remaining upstream spend is primarily related to early stage projects supporting potential future developments.

Upstream financial and operating highlights

(Includes equity share in affiliates)

Dollars in millions	2017	2016
Earnings	**$ 8,150**	$ (2,537)
Net liquids production (Thousands of barrels per day)	**1,723**	1,719
Net natural gas production (Millions of cubic feet per day)	**6,032**	5,252
Net oil-equivalent production (Thousands of barrels per day)	**2,728**	2,594
Net proved reserves* (Millions of barrels of oil-equivalent)	**11,665**	11,121
Net unrisked resource base* (Billions of barrels of oil-equivalent)	**69**	68
Capital and exploratory expenditures	**$ 16,388**	$ 20,116

* For definitions of reserves and resources, refer to pages 50 and 51, respectively.

exploration and portfolio additions

Chevron's exploration focus areas comprise the deepwater U.S. Gulf of Mexico, offshore Western Australia, West Africa and shale and tight resource plays throughout the United States, Canada and Argentina. The company's exploration activities have added approximately 12 billion barrels of potentially recoverable oil-equivalent resources since 2008. Notable exploratory drilling and seismic acquisitions progressed in several areas around the globe during 2017, including the deepwater Gulf of Mexico, the Kurdistan Region of Iraq, New Zealand, Norway, Thailand and Western Australia. In addition, the company made several important portfolio additions in 2017 and early 2018. Chevron successfully acquired new exploration acreage in multiple locations, including four permits offshore Western Australia, 45 deepwater blocks in the U.S. Gulf of Mexico and one deepwater Gulf of Mexico block that lies within Mexican waters.

2017 accomplishments

- Exploration activities added 1.6 billion barrels of potentially recoverable oil-equivalent resources while making eight discoveries worldwide and achieving an exploration drilling success rate of 67 percent.
- Argentina – Successful bidder on a block adjacent to existing onshore acreage.
- Australia – Acquired interests in four blocks offshore Western Australia.
- Mexico – License awarded to Chevron-led consortium in the deepwater Perdido area of the Gulf of Mexico.
- United States – Participated in a significant crude oil discovery at the Whale prospect in the Gulf of Mexico.
- United States – Added 45 deepwater leases in the Gulf of Mexico.

2018 outlook

During 2018, the company plans to invest approximately $1.1 billion in exploration activities and to drill 25 exploration and appraisal wells worldwide, including four impact wells (a well with a predrill unrisked resource potential of greater than 100 million barrels of oil-equivalent). The program primarily sustains continued exploration and appraisal efforts in the U.S. Gulf of Mexico, Western Australia, West Africa and in shale and tight resource plays in the United States, Canada and Argentina. This planned investment also supports additional exploration and appraisal activity in selected locations, including evaluation of recently acquired acreage in Mexico.

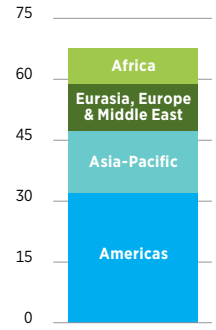
resources and proved reserves

The company's net unrisked resource base at year-end 2017 increased slightly from year-end 2016 to 69 billion barrels of oil-equivalent. Significant extensions and discoveries and technical revisions in the United States were partially offset by production and divestments. Included in the resource base are 11.7 billion barrels of net proved oil-equivalent reserves at year-end 2017.

The resources are well diversified across geographic regions, with 31 percent located in the United States, 12 percent in Australia, 11 percent in Canada, 10 percent in Kazakhstan and 8 percent in Nigeria. The company's resource base is also diversified by type, with liquids representing about 60 percent and natural gas about 40 percent of the total. The company has about 165 trillion cubic feet of unrisked natural gas resources globally, with about half located in Australia and Asia, and is well positioned to supply anticipated growth in Asia-Pacific natural gas demand.

2017 net unrisked resources by region*

Billions of oil-equivalent barrels



* Refer to page 51 for definition of resources.

base business

Successful management of the base business is critical to maintaining the company's crude oil and natural gas production. Chevron drives a disciplined approach to managing the business through targeted investments and proven work processes to minimize decline, downtime and lost production opportunities. In the last few years, the company's assets have been operating reliably, with a production efficiency of 95 percent. Through a greater focus on data analytics, the company has been able to gain further insights into the performance of each business unit. Key focus areas for 2018 and beyond are pursuing further productivity and efficiency opportunities by utilizing integrated operations centers, designing and deploying digital technology solutions, and advancing data analytics capability.

shale and tight resources

An area of focus for the company is the development of unconventional oil and gas resources located in shale and tight formations. The company has a significant shale and tight resource position, including legacy acreage in the Permian Basin in the United States, as well as newer positions in several other plays elsewhere in the United States and in Argentina and Canada. Investment is focused on the liquids-rich shale and tight formations in the Permian Basin, the Vaca Muerta Shale in Argentina and the Duvernay Shale in Canada. In the Permian, the company has implemented a factory development strategy, which utilizes multiwell pads to drill a series of horizontal wells that are completed concurrently using hydraulic fracture stimulation. The company ramped up development drilling in the Permian in 2017 and is forecasting an accelerated growth in production from these resources over the next several years. Also in 2017, the company announced the first development stage in the Duvernay Shale. Chevron also implemented a factory development strategy for the co-development of its Marcellus and Utica shale resources from the same multiwell pads. Development activities continued in the Loma Campana area of the Vaca Muerta Shale, and a shale appraisal program is planned to begin in 2018 in the El Trapial area in Argentina. In the Liard and Horn River basins in Canada, the company is focused on identifying the areas most prospective for development and bringing those resources to production safely and cost effectively.

Shale and tight resources – key areas

Location	Basin or play	At December 31 Net acreage (Thousands of acres)
Argentina	Vaca Muerta	167
Canada	Duvernay	228
Canada	Liard/Horn River	290
United States	Permian (Delaware Basin)	1,200
United States	Permian (Midland Basin)	500
United States	Marcellus	423
United States	Utica	450

major capital projects

Chevron continues to invest in major capital projects that play a significant role in developing resources into reserves and sustaining the company's production growth.

2017 accomplishments

- Angola – Achieved start-up of the Mafumeira Sul Project.
- Australia – Achieved start-up of LNG Train 3 at the Gorgon Project.
- Australia – Achieved start-up of LNG Train 1 at the Wheatstone Project.
- Canada – Commenced production at the Hebron Field.
- Kazakhstan/Russia – Completed expansion of the Caspian Pipeline.
- Kazakhstan – Advanced construction of the FGP/WPMP at TCO.
- Nigeria – Commenced production at the Sonam Field Development.
- United States – Made final investment decision for the Mad Dog 2 Project.

2018 outlook

- Australia – Achieve start-up of LNG Train 2 at the Wheatstone Project.
- Kazakhstan – Continue construction of the FGP/WPMP at TCO, including first module delivery and installation.
- United Kingdom – Commence production at the Clair Ridge Project.
- United States – Achieve start-up of the Big Foot Project.
- United States – Achieve first oil from the Tahiti Vertical Expansion Project.
- United States – Commence production at the Stampede Project. (First oil was achieved in January 2018.)

The projects in the table below are considered the most significant in the development portfolio and have commenced production or are in the design or construction phase. Each project has an estimated project cost of more than $500 million, Chevron share.

Major capital projects

Year of start-up[2]/location	Project	Ownership percentage	Operator	Facility design capacity[1] Liquids (MBPD)	Facility design capacity[1] Natural gas (MMCFPD)
2017					
Angola	Mafumeira Sul[3]	39.2	Chevron	150	350
Australia	Gorgon LNG Trains 1–3[4]	47.3	Chevron	20	2,580
	Wheatstone LNG Trains 1–2[5]	80.2/64.1[6]	Chevron	30	1,608
Canada	Hebron	29.6	Other	150	–
Nigeria	Sonam Field Development	40	Chevron	30[7]	215[7]
2018–2020					
United Kingdom	Clair Ridge	19.4	Other	120	100
United States	Big Foot	60.0	Chevron	75	25
	Stampede	25.0	Other	80	40
	Tahiti Vertical Expansion	58.0	Chevron	Maintain capacity	
2021+					
Canada	Kitimat LNG	50.0	Chevron	–	1,600
Indonesia	IDD-Gendalo-Gehem	~63.0[8]	Chevron	47	1,100
Kazakhstan	TCO Future Growth Project (FGP)	50.0	Affiliate	260[7]	–
	TCO Wellhead Pressure Management Project (WPMP)	50.0	Affiliate	Maintain capacity	
United Kingdom	Captain Enhanced Oil Recovery Stage 2	85.0	Chevron	Maintain capacity	
	Rosebank	40.0	Chevron	100	80
United States	Mad Dog 2	15.6	Other	140	–

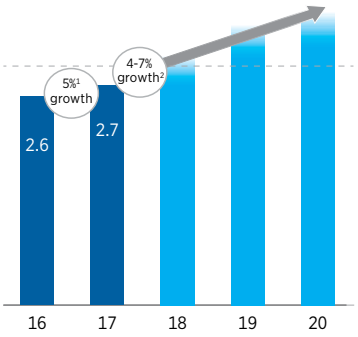
[1] MBPD – thousands of barrels per day; MMCFPD – millions of cubic feet per day.
[2] Start-up timing for nonoperated projects per operator's estimate.
[3] Early production from the field was achieved in 2016 through a temporary production system.
[4] Start-up of Trains 1 and 2 in 2016; start-up of Train 3 in March 2017.
[5] Start-up of Train 1 in October 2017; start-up of Train 2 expected in second quarter 2018.
[6] Represents the company's ownership in the offshore licenses and LNG facilities, respectively.
[7] Represents expected total daily production.
[8] Represents a weighted average of Chevron's interest across multiple blocks or fields.

production outlook

The company's production is expected to grow through the end of the decade as a result of value-driven investment in major capital projects and shale and tight properties and a sharp focus on mitigating base business declines. This growth is driven by the start-up and ramp-up of projects that have been under construction. These include the Gorgon and Wheatstone projects in Australia; the Stampede and Big Foot projects in the deepwater Gulf of Mexico; the Mafumeira Sul Project in Angola; the Hebron Project in Canada; and the Clair Ridge Project in the United Kingdom. Shale and tight production, led by the Permian Basin and Canada, is anticipated to grow significantly. Infill wells, workovers, brownfield tiebacks and other optimization efforts are being utilized to mitigate base business decline rates. The company estimates that its average worldwide net oil-equivalent production in 2018 will grow 4 to 7 percent compared with 2017, assuming a Brent crude oil price of $60 per barrel and excluding the impact of anticipated 2018 asset sales.

This outlook for future production levels is subject to many factors and uncertainties, including, among other things, production quotas or other actions that might be imposed by OPEC; price effects on entitlement volumes; changes in fiscal terms or restrictions on the scope of company operations; delays in the construction, start-up or ramp-up of projects; fluctuations in demand for natural gas; weather conditions; delays in completion of maintenance turnarounds; greater-than-expected declines from mature fields; potential asset divestments; or other disruptions to operations.

Projected net production at $60/bbl
MMBOED



[1] Production growth 2016 to 2017, including the impact of 2017 asset sales on 2017 production.
[2] Production growth 2017 to 2018, excluding 2018 asset sales.

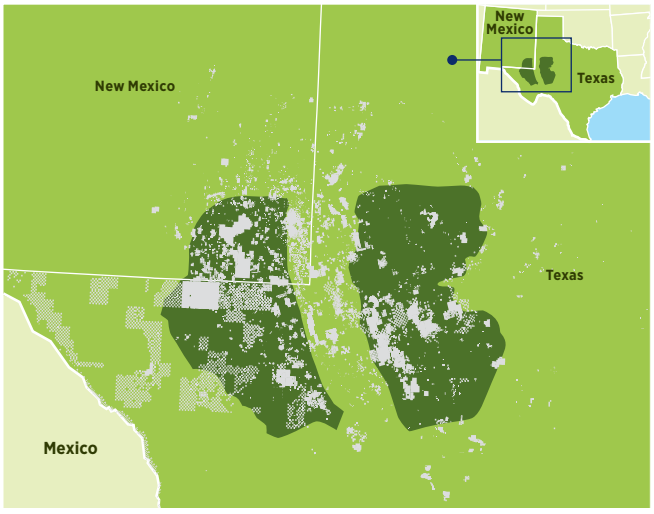
United States

Chevron's U.S. portfolio encompasses a diverse group of assets primarily located in the midcontinent region, the Gulf of Mexico, California and the Appalachian Basin. The company was one of the largest liquids producers in the United States in 2017. Net daily oil-equivalent production averaged 681,000 barrels, representing 25 percent of the companywide total.

Midcontinent

The company produces crude oil and natural gas in the midcontinent region of the United States, primarily in Colorado, New Mexico and Texas. In 2017, the company's net daily production in these areas averaged 134,000 barrels of crude oil, 505 million cubic feet of natural gas and 50,000 barrels of natural gas liquids (NGLs). In 2017, the company divested properties in areas including Colorado, New Mexico, Oklahoma and Texas. The company is pursuing selected opportunities and actively transacting to create value.

The company's most significant holdings in the midcontinent region are in the Permian Basin located in West Texas and southeast New Mexico. Chevron has been active in the Permian since 1920 and has one of the largest net acreage positions in the basin, totaling approximately 2.2 million acres (8,903 sq km). Because of the company's strong legacy position in the Permian Basin, more than 80 percent of its leases have either low or no royalty payments, providing a substantial competitive advantage. The Permian is composed of several sub-basins, including the Midland and Delaware basins, which hold significant shale and tight resources for development as well as resources that can be developed with conventional methods. Chevron is one of the largest producers in the Permian Basin. In 2017, the company's net daily production in the basin averaged 119,000 barrels of crude oil, 383 million cubic feet of natural gas and 45,000 barrels of NGLs. The net unrisked oil-equivalent resources from the company's acreage in the Permian Basin are estimated to exceed 11 billion barrels.



Shale and tight resources

The company holds approximately 1.7 million net acres (6,880 sq km) of shale and tight resources in the Midland and Delaware basins of the Permian. This acreage is positioned to deliver significant long-term growth for Chevron due to the presence of multiple stacked formations that enable production from several layers of rock in different geologic zones. The stacked plays multiply the basin's resource and economic potential by allowing for multiple horizontal wells to be developed from a single pad location using shared facilities and infrastructure, which reduces development costs and improves capital efficiency. Chevron has implemented a factory development strategy in the basin, which utilizes multiwell pads to drill a series of horizontal wells that are completed concurrently using hydraulic fracture stimulation. In 2017, the company deployed a new basis of design, resulting in improved economics. Chevron is also applying data analytics and petrophysical technology on its Permian well information to drive improvements in well targets and performance. The company is forecasting double digit production growth that is supported by 20 company-operated rigs expected to be in place by the end of 2018.

Photo: Chevron has implemented a factory development strategy in the Permian Basin, utilizing batch drilling with multiple rigs to drill horizontal wells on multiwell pads.

Midland Basin Chevron holds approximately 500,000 net acres (2,023 sq km) in the Midland Basin. A total of five company-operated rigs were active at year-end 2017, and there were 63 company-operated wells drilled during the year. The company also participated in 57 nonoperated wells during 2017, with five nonoperated rigs active at year-end.

Delaware Basin Chevron holds approximately 1.2 million net acres (4,856 sq km) in the Delaware Basin. A total of 11 company-operated rigs were active at year-end, and there were 67 company-operated wells drilled during the year. In addition, the company participated in 123 nonoperated wells during 2017, with 17 nonoperated rigs active at year-end.

The company also holds shale and tight resource opportunities elsewhere in the midcontinent region, primarily in the Haynesville Shale in East Texas and the Piceance Basin in northwestern Colorado.

Conventional resources

Chevron actively manages declines in its conventional oil and gas assets in the midcontinent region, including on its approximately 400,000 net acres (1,619 sq km) in the Central Basin Platform of the Permian Basin. The company is efficiently maintaining production of these conventional resources through well workovers, artificial-lift techniques, facility and equipment optimization, and enhanced recovery methods to maximize the value of these base business operations.

Gulf of Mexico

During 2017, net daily production in the Gulf of Mexico averaged 165,000 barrels of crude oil, 122 million cubic feet of natural gas and 13,000 barrels of NGLs. As of early 2018, Chevron has an interest in 291 leases in the Gulf of Mexico, 271 of which are located in water depths greater than 1,000 feet (305 m). At the end of 2017, the company was the second-largest leaseholder in the Gulf of Mexico.

Shelf

Average 2017 net daily production from the Gulf of Mexico shelf was 7,000 barrels of crude oil and 23 million cubic feet of natural gas. During 2017, the company divested its remaining operated offshore assets in the shelf area. All remaining shelf assets are nonoperated interests.

Deep Water

Chevron is one of the top leaseholders in the deepwater Gulf of Mexico. Average net daily production in 2017 was 158,000 barrels of crude oil, 99 million cubic feet of natural gas and 13,000 barrels of NGLs, primarily from the Jack, St. Malo, Tahiti, Mad Dog, Tubular Bells and Caesar/Tonga fields and the Perdido Regional Development.

Jack/St. Malo Chevron has a 50 percent interest in the Jack Field and a 51 percent interest in the St. Malo Field. Both fields are company operated. The company has a 40.6 percent interest in the production host facility, which is designed to accommodate production from the Jack/St. Malo development and third-party tiebacks. Total daily production from the Jack and St. Malo fields in 2017 averaged 116,000 barrels of liquids (59,000 net) and 18 million cubic feet of natural gas (9 million net). Production ramp-up and development drilling for the first development phase was completed in 2017.

Additional development opportunities for the Jack and St. Malo fields progressed in 2017. Development drilling continued on Stage 2, the second phase of the development plan, with three of the four planned wells completed. Stage 3 includes three additional development wells. Stage 3 drilling began in second quarter 2017; execution is expected to continue in 2018. Proved reserves have been recognized for these phases. Production from the Jack/St. Malo development is expected to ramp up to a total daily rate of approximately 142,000 barrels of crude oil and 36 million cubic feet of natural gas. The Jack and St. Malo fields have an estimated remaining production life of 30 years, and total potentially recoverable oil-equivalent resources are estimated to exceed 500 million barrels. The company continues to study advanced drilling, completion and other production technologies that could be employed in future development phases with the potential to increase recovery from these fields.

Photo: Production ramp-up from the first development stage was completed during 2017 at the company's Jack/St. Malo production host facility in the deepwater Gulf of Mexico.

Tahiti In 2017, net daily production averaged 45,000 barrels of crude oil, 18 million cubic feet of natural gas and 3,000 barrels of NGLs at the 58 percent-owned and operated Tahiti Field. Infill drilling continued in 2017. The Tahiti Vertical Expansion Project is the next development phase of the Tahiti Field, developing shallower reservoirs at the Tahiti asset and encompassing four new wells and associated subsea infrastructure. All wells have been drilled, and facility installation work has commenced. First oil is expected in second-half 2018. Proved reserves have been recognized for this project. The Tahiti Field has an estimated production life of at least 20 years.

Mad Dog Chevron has a 15.6 percent nonoperated working interest in the Mad Dog Field. In 2017, net daily production averaged 8,000 barrels of liquids and 1 million cubic feet of natural gas.

The next development phase, the Mad Dog 2 Project, is planned to develop the southwestern extension of the Mad Dog Field. The development plan includes a new floating production platform with a design capacity of 140,000 barrels of crude oil per day. A final investment decision was reached in February 2017. First oil is expected in 2021. The total potentially recoverable oil-equivalent resources for Mad Dog 2 are estimated to exceed 500 million barrels. At the end of 2017, proved reserves have been recognized for the Mad Dog 2 Project.

Big Foot The development plan for the 60 percent-owned and operated Big Foot Project, located in the Walker Ridge area, includes a 15-slot drilling and production tension leg platform (TLP) with water injection facilities. The facility has a design capacity of 75,000 barrels of crude oil and 25 million cubic feet of natural gas per day. The field has an estimated production life of 35 years from the time of start-up, and total potentially recoverable oil-equivalent resources are estimated to exceed 200 million barrels. Proved reserves have been recognized for this project. The TLP has been moored in its final location; installation is expected to be completed in second quarter 2018. First oil is expected in late 2018.

Stampede Chevron holds a 25 percent nonoperated working interest in the Stampede Project, the unitized development of the Knotty Head and Pony discoveries. The development plan includes a TLP with design capacity to produce 80,000 barrels of crude oil and 40 million cubic feet of natural gas per day. Installation of the TLP and subsea infrastructure was completed in 2017. First oil was achieved in January 2018. The field has an estimated production life of 30 years from the time of start-up and total potentially recoverable oil-equivalent resources estimated to exceed 300 million barrels.

Photo: Installation of the Stampede TLP was completed in 2017, and first oil was achieved in January 2018.

Anchor The Anchor Field is located in the Green Canyon area, approximately 140 miles (225 km) off the coast of Louisiana, in water depths of approximately 5,000 feet (1,524 m). Chevron has a 61.3 percent interest in the Northern Unit blocks and a 55 percent working interest in the Southern Unit blocks. In 2018, the Anchor Unit was expanded to include acreage in two additional blocks. Chevron is operator of the Anchor Unit. Activities are underway to mature a cost-effective development plan.

Tigris Chevron is the operator of Tigris, a 50 percent-owned planned development covering several jointly held leases in the northwest portion of Keathley Canyon that include the Tiber and Guadalupe fields. The objective is to deliver a cost-effective, deepwater hub development of multiple fields to a new central host. Activities are underway to mature the development plan.

Exploration During 2017 and early 2018, the company participated in six deepwater wells: four exploration and two appraisal wells. The appraisal drilling program for the Anchor Field concluded in 2017 with the successful Anchor appraisal well. A Suspension of Production (SOP) was submitted to the U.S. Bureau of Safety and Environmental Enforcement in January 2018. The SOP is intended to hold the associated leases as the planned development matures. Exploration and appraisal activities have been completed at the Tiber and Guadalupe fields. Chevron has obtained an SOP for the Tiber Unit and recently filed for an SOP on the Guadalupe Unit. Adjacent leases containing the Gibson prospect are expected to be part of the development. During 2017 and early 2018, the company participated in successful discovery and appraisal wells at the nonoperated Whale prospect in the Perdido area, which resulted in a significant crude oil discovery. Chevron has a 40 percent working interest in the Whale prospect. Chevron announced a significant crude oil discovery in the 60 percent-owned and operated Ballymore prospect in January 2018. Ballymore is located in the Mississippi Canyon area, approximately three miles (five km) from Chevron's Blind Faith Platform. A sidetrack well is currently being drilled to further assess the discovery.

Chevron added 35 leases to the deepwater portfolio as a result of awards from the central region Lease Sale 247 held in March 2017 and Lease Sale 249, the first Gulf-wide sale, held in August 2017. Chevron also added 10 additional leases through asset swaps.

In August 2017, Chevron entered into a multiwell deal with a joint-venture partner to jointly explore in the deepwater Gulf of Mexico. The agreement covers seven prospects over 16 blocks, all of which are operated by Chevron. The first well under this agreement was drilled in late 2017.

California

With operations located primarily in the San Joaquin Valley with more than 16,000 wells in operation, Chevron ranked No. 1 in net daily oil-equivalent production in California in 2017 at 159,000 barrels, composed of 148,000 barrels of crude oil, 53 million cubic feet of natural gas and 2,000 barrels of NGLs.

Chevron has a 99 percent-owned and operated interest in leases covering most of the Kern River Field. In addition, the company operates leases in the Cymric Field (100 percent-owned), the McKittrick Field (98 percent-owned) and the Midway Sunset Field (94 percent-owned). Chevron also operates and holds interests in the San Ardo, Coalinga and Lost Hills fields. The company's industry-leading expertise in steamflood operations has resulted in more than a 60 percent crude oil recovery rate at the Kern River Field. Chevron continues to leverage leading-edge heat management capabilities in the recovery of these hydrocarbons, with emphasis on improved energy efficiency through new technology and processes.

Chevron also holds an average nonoperated working interest of approximately 23 percent in four producing zones at the Elk Hills Field.

Photo: Chevron continues to leverage technology to improve crude oil recovery rates at the Kern River Field in California.

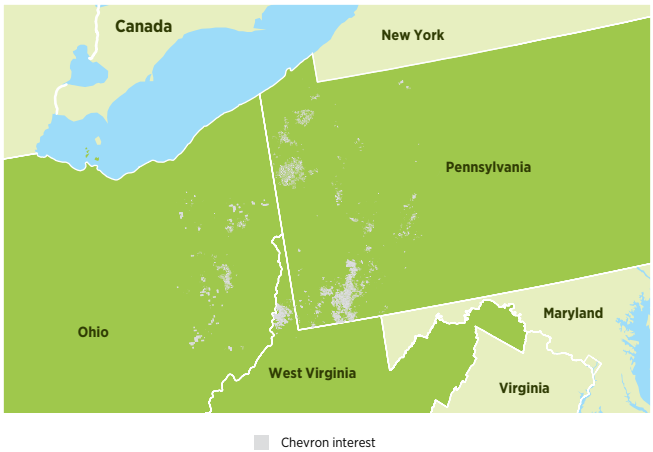
Appalachian Basin

The company is a significant leaseholder in the Marcellus Shale and the Utica Shale, primarily located in southwestern Pennsylvania, the West Virginia panhandle and eastern Ohio. Chevron has implemented a factory development strategy in the basin, which utilizes multiwell pads to drill horizontal wells that are completed using hydraulic fracture stimulation. This strategy enables future co-development of the Marcellus and Utica shales from the same pads in stacked play locations. In 2017, the company's net daily production in these areas averaged 290 million cubic feet of natural gas, 5,000 barrels of NGLs and 2,000 barrels of condensate.

Marcellus Shale The company holds approximately 423,000 net acres (1,712 sq km) in the Marcellus Shale. A total of five company-operated wells were drilled during the year. The company also participated in 18 nonoperated wells during 2017. Development is planned to proceed at an optimal pace to achieve efficient factory execution that delivers enhanced well performance and cost effectiveness.

Utica Shale The company also holds a position in the Utica Shale, with approximately 450,000 net acres (1,821 sq km). Activity during 2017 included the drilling of three wells and was focused on acquiring data necessary for potential future development.

Photo: Chevron has implemented a factory development strategy, which enables co-development of the Marcellus and Utica shales from the same pads.



Other Americas

In Other Americas, the company is engaged in upstream activities in Argentina, Brazil, Canada, Colombia, Greenland, Mexico, Suriname and Venezuela. Net daily oil-equivalent production of 210,000 barrels during 2017 in these countries represented 7 percent of the companywide total.

Canada

Chevron has interests in an oil sands project and shale acreage in the province of Alberta; exploration, development and production projects offshore the province of Newfoundland and Labrador in the Atlantic region; a liquefied natural gas (LNG) project and shale acreage in British Columbia; and exploration and discovered resource interests in the Beaufort Sea region of the Northwest Territories. Net daily production in 2017 from Canadian operations was 36,000 barrels of crude oil, 65 million cubic feet of natural gas and 51,000 barrels of synthetic oil from oil sands.

Atlantic Canada

Hibernia Chevron holds a 26.9 percent nonoperated working interest in the Hibernia Field. Chevron also has a 23.7 percent nonoperated working interest in the unitized Hibernia Southern Extension areas of the Hibernia Field that have been developed with a subsea tieback to the Hibernia Platform. Average net daily crude oil production in 2017 was 29,000 barrels.

Hebron Chevron holds a 29.6 percent nonoperated working interest in the Hebron Field development, which includes a concrete, gravity-based platform with a design capacity of 150,000 barrels of crude oil per day. The platform was installed at the offshore location in June 2017. First oil was achieved in November 2017. This heavy oil field is estimated to contain total potentially recoverable oil-equivalent resources of more than 600 million barrels. The project has an expected economic life of 30 years.

Photo: Hebron Platform tow out and offshore installation was completed in 2017.

Exploration Chevron holds a 35 percent-owned and operated interest in Flemish Pass Basin Block EL 1138, with 238,000 net acres (959 sq km). In addition, the company holds a 40 percent nonoperated working interest in two exploration blocks, EL 1125 and EL 1126, totaling 429,000 net acres (1,740 sq km).

Western Canada

Athabasca Oil Sands Project (AOSP) The company holds a 20 percent nonoperated working interest in the AOSP near Fort McMurray, Alberta. Oil sands are mined from both the Muskeg River and the Jackpine mines. Bitumen is extracted from the oil sands and transported by pipeline to the Scotford Upgrader near Edmonton, Alberta, where it is upgraded into synthetic oil using hydroprocessing technology. Carbon dioxide emissions from the upgrader are reduced by the Quest carbon capture and storage facilities. In 2017, average net daily synthetic oil production was 51,000 barrels.

Duvernay Shale The company holds 228,000 net acres (923 sq km) in the Duvernay Shale in Alberta. Chevron has a 70 percent-owned and operated interest in most of the Duvernay acreage. Drilling continued during 2017 on an appraisal and land retention program. In November 2017, Chevron announced it was moving into development on a portion of its lease holdings in the East Kaybob area. A total of 92 wells had been tied into production facilities by early 2018.

Photo: Execution of a development program in the Duvernay Shale in Alberta is underway.

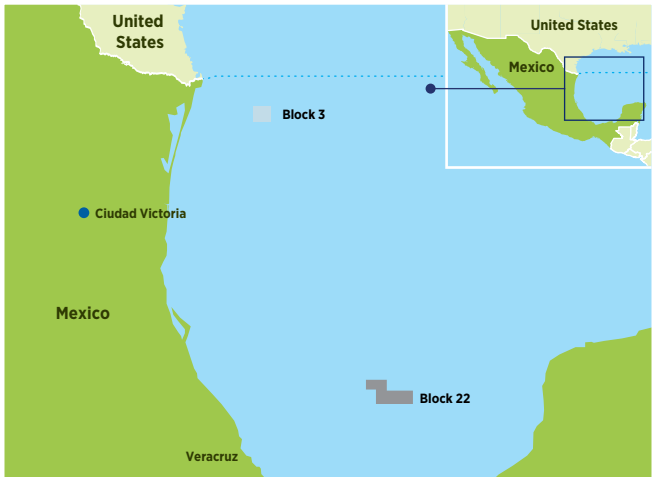
Photo: Horizontal appraisal drilling progressed in the Liard and Horn River basins in 2017.

Kitimat LNG Chevron holds a 50 percent-owned and operated interest in the proposed Kitimat LNG and Pacific Trail Pipeline projects and a 50 percent operated interest in 290,000 net acres (1,174 sq km) in the Liard and Horn River shale gas basins in British Columbia. The horizontal appraisal drilling program progressed during 2017. The Kitimat LNG Project is planned to include a two-train LNG facility and has a 10.0 million-metric-ton-per-year LNG export license. The total production capacity for the project is expected to be 1.6 billion cubic feet of natural gas per day. Major environmental and LNG export permits and First Nations benefits agreements are in place. Spending is being paced until LNG market conditions and reductions in project costs are sufficient to support the development of this project. At the end of 2017, proved reserves had not been recognized for this project.

Mexico

The company operates and holds a 33.3 percent working interest in Block 3 in the Perdido area of the Gulf of Mexico. The block covers 139,000 net acres (562 sq km). In 2017, activities for a seismic reprocessing project began. Chevron continues to evaluate additional exploration opportunities.

In January 2018, a Chevron-led consortium was the successful bidder on an exploration license for Block 22 in the deepwater Cuenca Salina area of the Gulf of Mexico. Following license execution expected by May 2018, the company will operate and hold a 37.5 percent working interest in Block 22 which covers 267,000 net acres (1,081 sq km.)



Greenland

Chevron held a 29.2 percent-owned and operated interest in two exploration blocks off the northeast coast of Greenland. The company informed the government of Greenland of its intent to relinquish these blocks in late 2017 following completion of a multi-year seismic program.

Argentina

Chevron holds a 50 percent nonoperated interest in the Loma Campana and Narambuena concessions in the Vaca Muerta Shale covering 73,000 net acres (295 sq km). Chevron also holds an 85 percent-owned and operated interest in the El Trapial concession covering 94,000 net acres (380 sq km) with both conventional production and Vaca Muerta Shale potential. During 2017, Argentina net daily production averaged 19,000 barrels of crude oil and 27 million cubic feet of natural gas.

Loma Campana Nonoperated development activities continued in 2017 at the Loma Campana concession in the Vaca Muerta Shale, with 3 rigs on-site at year-end. During 2017, 24 horizontal wells were drilled, and the drilling program is expected to continue in 2018.

El Trapial The company utilizes waterflood operations to mitigate declines at the operated El Trapial Field and continues to evaluate the potential of the Vaca Muerta Shale. The El Trapial concession expires in 2032. Chevron plans to start a shale appraisal program in late 2018.

Exploration Evaluation of the nonoperated Narambuena Block continued in 2017. Chevron was the successful bidder in November 2017 on the Loma del Molle Norte Block, adjacent to the El Trapial concession.

Brazil

Chevron holds working interests in the Frade (51.7 percent-owned and operated) and Papa-Terra (37.5 percent, nonoperated) deepwater fields located in the Campos Basin. During 2017, net daily production averaged 12,000 barrels of crude oil and 4 million cubic feet of natural gas.

In June 2017, the concession that includes Frade was extended from 2025 to 2041, contingent on additional field development. The company is progressing a redevelopment plan.

The concession that includes Papa-Terra expires in 2032, and the remaining scope of the development plan is under evaluation. Drilling operations restarted at year-end 2017.

Exploration Chevron holds a 50 percent-owned and operated interest in Block CE-M715, located in the Ceara Basin offshore Brazil. The deepwater block covers 40,000 net acres (163 sq km). Final 3-D seismic data was received in second quarter 2017 and is being evaluated.

Colombia

Chevron's activities in Colombia are focused on the production of natural gas from properties in the Caribbean Sea and adjacent coastal areas of the Guajira Peninsula. The company operates the offshore Chuchupa and onshore Ballena natural gas fields and receives 43 percent of the production for the remaining life of each field. Net daily production in 2017 averaged 96 million cubic feet of natural gas.

Suriname

Chevron holds a 33.3 percent and a 50 percent nonoperated working interest in Blocks 42 and 45 offshore Suriname, respectively. The deepwater exploration blocks cover a combined area of approximately 1.1 million net acres (4,622 sq km). An exploratory well is planned in Block 45 in 2018.

Trinidad and Tobago

In August 2017, the company sold its nonoperated working interest in the East Coast Marine Area and its operated interest in the Manatee Field.

Venezuela

Chevron's production activities in Venezuela are located in western Venezuela and the Orinoco Belt. During 2017, net daily production averaged 52,000 barrels of crude oil and 15 million cubic feet of natural gas.

Petroboscan The company holds a 39.2 percent interest in Petroboscan, which operates the onshore Boscan Field in western Venezuela under a contract expiring in 2026. During 2017, net daily production averaged 22,000 barrels of liquids and 2 million cubic feet of natural gas. Twenty-six development wells were drilled in 2017.

Petroindependiente The company holds a 25.2 percent interest in Petroindependiente, which operates the LL-652 Field in Lake Maracaibo under a contract expiring in 2026.

Petropiar Chevron holds a 30 percent interest in Petropiar, which operates the Hamaca heavy oil production and upgrading project under an agreement expiring in 2033. The project is located in the Orinoco Belt and includes processing and upgrading of extra heavy crude oil into lighter, higher-value synthetic oil. Net daily production averaged 30,000 barrels of liquids and 13 million cubic feet of natural gas during 2017. Seventy development wells were drilled in 2017.

Petroindependencia Chevron holds a 34 percent interest in Petroindependencia, which includes the Carabobo 3 heavy oil project located in three blocks in the Orinoco Belt.

Loran Chevron operates and holds a 60 percent interest in Block 2 offshore Venezuela. The Loran Field in Block 2 and the Manatee Field in Trinidad and Tobago form a single, cross-border unitized field that lies along the maritime border of Venezuela and Trinidad and Tobago. Cross-border agreements have been signed between the governments of Trinidad and Tobago and Venezuela, and work continued in 2017 on maturing commercial development of this natural gas field.

Africa

In Africa, the company is engaged in upstream activities in Angola, Democratic Republic of the Congo, Liberia, Morocco, Nigeria and Republic of Congo. Net daily oil-equivalent production in this region was 453,000 barrels during 2017, representing 17 percent of the companywide total.

Angola

The company operates and holds a 39.2 percent interest in Block 0, a concession adjacent to the Cabinda coastline, and a 31 percent interest in a production-sharing contract (PSC) for deepwater Block 14, located west of Block 0. During 2017, net daily production averaged 113,000 barrels of liquids and 302 million cubic feet of natural gas.

Block 0

Block 0 contains 21 fields that produced a net daily average of 82,000 barrels of liquids in 2017. The Block 0 concession extends through 2030.

Mafumeira Sul The main production facility of the second stage of the Mafumeira Field development was brought on line in February 2017, and water injection support began in May 2017. Gas export to Angola LNG began in July 2017. Total daily production in 2017 averaged 40,000 barrels of liquids (13,000 net) and 69 million cubic feet of natural gas (27 million net). Ramp-up is expected to continue through 2018.

Photo: The Mafumeira Sul production facility was brought on line in February 2017.

Block 14

In 2017, net daily production was 21,000 barrels of liquids from Benguela Belize–Lobito Tomboco, Belize North, Benguela North, Tombua, Landana and Lianzi fields. Development and production rights for the various producing fields in Block 14 expire between 2023 and 2028.

Angola LNG The company has a 36.4 percent interest in Angola LNG Limited, which operates a 5.2 million-metric-ton-per-year LNG plant located in Soyo, Angola. The plant has the capacity to process 1.1 billion cubic feet of natural gas per day. This is the world's first LNG plant supplied with associated gas, where the natural gas is a byproduct of crude oil production. Feedstock for the plant originates from multiple fields and operators. Total daily production in 2017 averaged 674 million cubic feet of natural gas (245 million net) and 27,000 barrels of NGLs (10,000 net).

Photo: The Angola LNG Plant has the capacity to process 1.1 billion cubic feet of natural gas per day.

Angola–Republic of Congo Joint Development Area

Chevron is the operator of and holds a 31.3 percent interest in the Lianzi Unitization Zone, located in an area shared equally by Angola and Republic of Congo. The Lianzi Project is reflected in the production totals in Angola (Block 14) and in Republic of Congo.

Democratic Republic of the Congo

Chevron has a 17.7 percent nonoperated working interest in a concession off the coast of Democratic Republic of the Congo. In December 2017, the concession was extended 20 years, until 2043. Net daily production in 2017 from 11 fields averaged 2,000 barrels of crude oil.

Republic of Congo

Chevron has a 31.5 percent nonoperated working interest in the offshore Haute Mer permit areas (Nkossa, Nsoko and Moho-Bilondo). The licenses for Nsoko, Nkossa and Moho-Bilondo expire in 2018, 2027 and 2030, respectively. In addition, the company has a 20.4 percent nonoperated working interest in the offshore Haute Mer B permit area. Average net daily production in 2017 was 36,000 barrels of liquids.

Moho Nord The Moho Nord Project, located in the Moho-Bilondo development area, includes Albian reservoirs producing to a new TLP and floating production unit (FPU) facilities hub and Miocene reservoirs producing both to the new hub and through a subsea tieback to the existing Moho-Bilondo FPU. Production started at the new hub in March 2017. Miocene and Albian development drilling continued in 2017. Total daily production of crude oil in 2017 averaged 72,000 barrels (20,000 net) from the Moho Nord Project.

Exploration Two exploration wells are planned to be drilled in 2018, with one in the Moho Bilondo area and one in the Haute Mer B area.

Photo: Production started at the new Moho Nord hub in March 2017.

Liberia

Chevron operates and holds a 45 percent interest in Block LB-14 off the coast of Liberia. The deepwater block covers 260,000 net acres (1,053 sq km). The LB-14 PSC expires in 2018.

Morocco

The company holds a 45 percent interest in two operated deepwater areas offshore Morocco. The Cap Cantin Deep and Cap Walidia Deep areas encompass approximately 1.7 million net acres (6,911 sq km). In 2017, the evaluation of 3-D seismic data continued. The company surrendered its interest in the Cap Rhir Deep acreage in 2017.

Nigeria

Chevron operates and holds a 40 percent interest in eight concessions in the onshore and near-offshore regions of the Niger Delta. The company also holds acreage positions in three operated and six nonoperated deepwater blocks, with working interests ranging from 20 percent to 100 percent. In 2017, net daily production averaged 207,000 barrels of crude oil, 223 million cubic feet of natural gas and 6,000 barrels of liquefied petroleum gas (LPG).

Niger Delta

In 2017, net daily production from 27 fields in the Niger Delta averaged 61,000 barrels of crude oil, 206 million cubic feet of natural gas and 6,000 barrels of LPG.

Chevron is executing a 36-well infill drilling program in the Niger Delta to offset oil decline and increase production. The program commenced in 2015 and achieved net production of 13,000 barrels of crude oil per day at the end of 2017.

Chevron is continuing its efforts to monetize recoverable natural gas resources of approximately 17 trillion cubic feet in the Escravos area through a combination of domestic and export sales and use as fuel in company operations. The company is the operator of the Escravos Gas Plant (EGP) with a total processing capacity of 680 million cubic feet per day of natural gas and LPG and condensate export capacity of 58,000 barrels per day. The company is also the operator of the 33,000 barrel-per-day Escravos Gas to Liquids (EGTL) facility. In addition, the company holds a 36.7 percent interest in the West African Gas Pipeline Company Limited, which supplies Nigerian natural gas to customers in Benin, Ghana and Togo.

Sonam Field Development The 40 percent-owned and operated Sonam natural gas field is located in Oil Mining Lease (OML) 91. The Sonam Field Development Project is designed to process natural gas through the EGP facility and is expected to deliver a total of 215 million cubic feet of natural gas per day to the domestic gas market and produce a total of 30,000 barrels of liquid per day. Production commenced in June 2017 and is expected to continue ramping up in 2018.

Deep Water

In 2017, net daily production from the deepwater Agbami and Usan fields averaged 146,000 barrels of crude oil and 16 million cubic feet of natural gas.

Agbami In 2017, net daily production from the Agbami Field averaged 119,000 barrels of crude oil and 12 million cubic feet of natural gas. The 67.3 percent-owned and operated field spans OML 127 and OML 128. The first two phases of infill drilling, Agbami 2 and Agbami 3, are complete. The third phase of infill drilling has commenced to further offset field decline. The leases that contain the Agbami Field expire in 2023 and 2024.

Photo: Production commenced in June 2017 from the Sonam Field Development, offshore Nigeria.

Usan Chevron holds a 30 percent nonoperated working interest in the Usan Field in OML 138. Net daily production in 2017 averaged 27,000 barrels of crude oil and 4 million cubic feet of natural gas. The PSC expires in 2023.

Bonga SW/Aparo The Aparo Field in OML 132 and OML 140 and the third-party-owned Bonga SW Field in OML 118 share a common geologic structure and are planned to be developed jointly. Chevron holds a 16.6 percent nonoperated working interest in the unitized area. The development plan involves subsea wells tied back to a floating production, storage and offloading vessel (FPSO). Work continues on optimizing project scope and cost. At the end of 2017, no proved reserves were recognized for this project.

Exploration Chevron operates and holds a 55 percent interest in OML 140, which includes the Nsiko discoveries located 90 miles (145 km) off the coast of the western Niger Delta region in up to 8,000 feet (2,438 m) of water. A 3-D seismic acquisition is planned for OML 140 in 2018. Chevron holds a 30 percent nonoperated working interest in OML 138, which includes the Usan Field and several satellite discoveries, and a 27 percent interest in adjacent licenses OML 139 and Oil Prospecting License (OPL) 223. In 2017, the company continued to evaluate development options for the multiple discoveries in the Usan area, including the Owowo Field that straddles OML 139 and OPL 223.

Asia

In Asia, upstream activities are located in Azerbaijan, Bangladesh, China, Indonesia, Kazakhstan, the Kurdistan Region of Iraq, Myanmar, the Partitioned Zone between Saudi Arabia and Kuwait, the Philippines, Russia, and Thailand. In 2017, net daily oil-equivalent production of 1,030,000 barrels in this region, represented 38 percent of the companywide total.

Azerbaijan

Chevron holds a nonoperated interest in Azerbaijan International Operating Company (AIOC) and the crude oil production from the Azeri-Chirag-Gunashli (ACG) fields. AIOC operations are conducted under a PSC. In November 2017, the PSC was extended from 2024 to 2049. As part of the extension agreement, the company's interest in AIOC was reduced from 11.3 percent to 9.6 percent. Chevron also has an 8.9 percent interest in the Baku-Tbilisi-Ceyhan (BTC) pipeline affiliate, which transports the majority of ACG production from Baku, Azerbaijan, through Georgia to Mediterranean deepwater port facilities at Ceyhan, Turkey.

In 2017, average net daily production was 23,000 barrels of crude oil and 11 million cubic feet of natural gas. AIOC production is exported primarily via the BTC pipeline and the Western Route Export Pipeline (WREP), which is operated by AIOC. The 1,099-mile (1,768-km) BTC pipeline has the capacity to transport 1 million barrels per day. The WREP runs 515 miles (829 km) from Baku, Azerbaijan, to the terminal at Supsa, Georgia, on the Black Sea and transported approximately 77,000 barrels per day during 2017.

Kazakhstan

Chevron has a 50 percent interest in the Tengizchevroil (TCO) affiliate, which operates the Tengiz and Korolev fields, and an 18 percent nonoperated working interest in the Karachaganak Field. Net daily production in 2017 from TCO and Karachaganak was 326,000 barrels of liquids and 533 million cubic feet of natural gas.

Tengiz and Korolev

TCO is developing the Tengiz and Korolev crude oil fields in western Kazakhstan under a concession agreement that expires in 2033. Net daily production in 2017 averaged 272,000 barrels of crude oil, 401 million cubic feet of natural gas and 21,000 barrels of NGLs. All of TCO's crude oil production was exported through the Caspian Pipeline Consortium (CPC) pipeline.

Future Growth and Wellhead Pressure Management Project (FGP/WPMP) The FGP/WPMP is being managed as a single integrated project. The FGP is designed to increase total daily production by about 260,000 barrels of crude oil and to expand the utilization of sour gas injection technology proven in existing operations to increase ultimate recovery from the reservoir. The WPMP is designed to maintain production levels in existing plants as reservoir pressure declines. First oil is planned for 2022. Proved reserves have been recognized for the FGP/WPMP.

Project execution advanced in 2017. Fabrication of process modules is underway in Kazakhstan and Korea, and gas turbine generators are being constructed in Italy. First module delivery and installation is expected in 2018. Dredging is complete, and other activities for the initiation of port operations are underway. Infrastructure work and site construction are progressing, and three drilling rigs are in operation on the multi-well pads.

Photo: FGP/WPMP site construction progressed in 2017.

Capacity and Reliability (CAR) Project The CAR Project is designed to reduce facility bottlenecks and increase plant capacity and reliability. Construction activities for the CAR Project progressed during 2017, and the project is expected to be completed in second quarter 2018. Proved reserves have been recognized for the CAR Project.

Karachaganak

The Karachaganak Field is located in northwest Kazakhstan, and operations are conducted under a PSC that expires in 2038. Net daily production during 2017 averaged 33,000 barrels of liquids and 132 million cubic feet of natural gas. Most of the exported liquids were transported through the CPC pipeline. Work continues on identifying the optimal scope for the future expansion of the field. At the end of 2017, proved reserves had not been recognized for a future expansion.

Kazakhstan/Russia

CPC The CPC operates a 935-mile (1,505-km) crude oil export pipeline from the Tengiz Field in Kazakhstan to tanker-loading facilities at Novorossiysk on the Russian coast of the Black Sea, providing a key export route for crude oil production from both TCO and Karachaganak. Chevron holds a 15 percent interest in the CPC. During 2017, the CPC pipeline transported an average of 1,180,000 barrels of crude oil per day to Novorossiysk, composed of 1,060,000 barrels per day from Kazakhstan and 120,000 barrels per day from Russia.

Work was completed on the expansion of the pipeline in 2017, reaching the design capacity of 1.4 million barrels per day. The expansion provides additional transportation capacity that accommodates a portion of the future growth in TCO production.

Bangladesh

Chevron operates and holds a 100 percent interest in two onshore PSCs in Bangladesh covering Block 12 (Bibiyana Field) and Blocks 13 and 14 (Jalalabad and Moulavi Bazar fields). The rights to produce from Jalalabad expire in 2024, from Moulavi Bazar in 2028 and from Bibiyana in 2034.

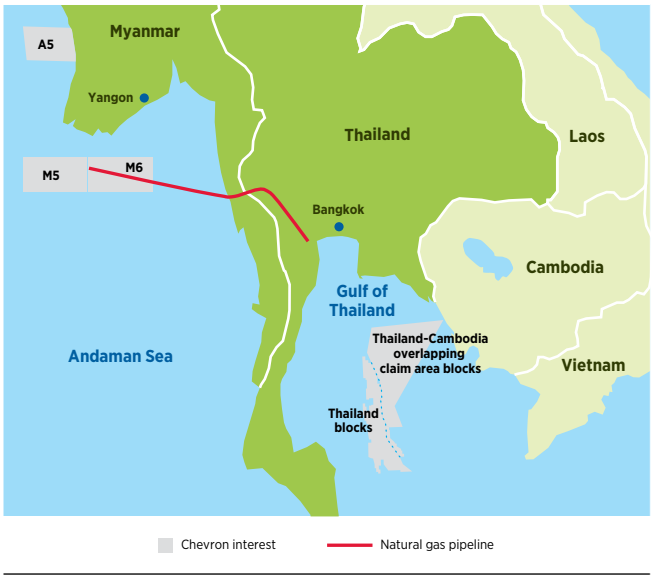
The company sells the natural gas production to the government under long-term sales agreements. In 2017, net daily production averaged 642 million cubic feet of natural gas and 4,000 barrels of condensate. In third quarter 2017, the company announced its intent to retain its assets in Bangladesh.

Myanmar

Chevron has a 28.3 percent nonoperated working interest in a PSC for the production of natural gas from the Yadana, Badamyar and Sein fields, within Blocks M5 and M6, in the Andaman Sea. The PSC expires in 2028. The company also has a 28.3 percent nonoperated working interest in a pipeline company that transports natural gas to the Myanmar-Thailand border for delivery to power plants in Thailand. The remaining volumes are dedicated to the Myanmar market. Net daily natural gas production during 2017 averaged 116 million cubic feet.

The Badamyar-Low Compression Platform (LCP) expansion project in Block M5 was brought on line in May 2017. The Badamyar-LCP is designed to maintain the existing production plateau from the Yadana Field by lowering wellhead pressure and includes a compression platform, a remote wellhead platform and four development wells in the Badamyar Field.

Exploration Chevron also holds a 99 percent-owned and operated interest in Block A5, which covers 2.6 million net acres (10,500 sq km). Evaluation of a 3-D seismic survey that was completed in December 2015 continued in 2017. Additional seismic processing and interpretation is expected in 2018.



Thailand

In the Gulf of Thailand, Chevron has operated and nonoperated working interests in multiple offshore blocks. Operated interests are in the Pattani Basin, with ownership ranging from 35 percent to 80 percent. Concessions for the producing areas in the Pattani Basin expire between 2022 and 2035. In the Malay Basin, Chevron holds a 16 percent nonoperated working interest in the Arthit Field. Concessions for the producing areas in the Malay Basin expire between 2036 and 2040. The company sells the natural gas production to the domestic market under long-term sales agreements. Net average daily production in 2017 was 69,000 barrels of crude oil and condensate and 1.0 billion cubic feet of natural gas.

Ubon The 35 percent-owned and operated Ubon Project in Block 12/27 entered front-end engineering and design (FEED) in third quarter 2017 with an updated development concept that optimizes oil and gas production profiles. At the end of 2017, proved reserves had not been recognized for this project.

Exploration During 2017, in the nonoperated areas of the Malay Basin, two exploration wells were drilled, and both wells were successful. Chevron holds operated and nonoperated working interests ranging from 30 percent to 80 percent in the Thailand-Cambodia overlapping claims area. As of year-end 2017, these areas were inactive, pending resolution of border issues between Thailand and Cambodia.

China

Chevron operates the 49 percent-owned Chuandongbei Project, which is composed of several natural gas fields located onshore in the Sichuan Basin. This PSC expires in 2038.

The company also has three nonoperated PSCs. In the South China Sea, the company has a 32.7 percent working interest in offshore Block 16/19, with six crude oil fields located in the Pearl River Mouth Basin. In Bohai Bay, the company holds a 16.2 percent working interest in Block 11/19 and a 24.5 percent working interest in the Qinhuangdao (QHD) 32-6 Block. The PSCs for these producing assets expire between 2022 and 2028. In 2017, net average daily production from these PSCs was 17,000 barrels of crude oil.

Chuandongbei The Xuanhan Gas Plant has three gas processing trains with a design outlet capacity of 258 million cubic feet per day. Total daily production in 2017 averaged 177 million cubic feet of natural gas (81 million net). This project is expected to monetize total potentially recoverable natural gas resources of 3 trillion cubic feet.

Photo: The Chuandongbei Project in China produced an average of 177 million cubic feet per day of natural gas in 2017.

Philippines

Chevron holds a 45 percent nonoperated working interest in the offshore Malampaya Field. Net daily production during 2017 averaged 129 million cubic feet of natural gas and 3,000 barrels of condensate. The concession expires in 2024.

In December 2017, the company sold its geothermal assets in the Philippines.

Indonesia

Chevron's operated interests in Indonesia include one onshore PSC on the island of Sumatra and four PSCs offshore eastern Kalimantan. Net daily production in 2017 from all producing areas in Indonesia averaged 137,000 barrels of liquids and 163 million cubic feet of natural gas. In March 2017, the company sold its geothermal assets in Indonesia.

In August 2017, the company sold its South Natuna Sea Block B assets in Indonesia.

Sumatra

Chevron holds a 100 percent-owned and operated interest in the Rokan PSC, which expires in 2021. Net daily production averaged 122,000 barrels of crude oil and 21 million cubic feet of natural gas in 2017.

Duri is the largest producing field in the Rokan PSC. Duri has been under steamflood since 1985 and is one of the world's largest steamflood developments. In 2017, net daily production averaged 54,000 barrels of crude oil. Infill drilling and workover programs continued in 2017.

The remaining production from the Rokan PSC is from 75 active fields that produce Sumatra Light crude, with net daily production that averaged 68,000 barrels of crude oil and 21 million cubic feet of natural gas in 2017. Production was underpinned by ongoing infill drilling, workover activity and water flood expansion.

Kutei Basin

Chevron's operated interests offshore eastern Kalimantan include four PSCs in the Kutei Basin: East Kalimantan (92.5 percent), Makassar Strait (72 percent), Rapak (62 percent) and Ganal (62 percent). The PSCs for East Kalimantan, Makassar Strait, Rapak and Ganal expire in 2018, 2020, 2027 and 2028, respectively. Net daily production averaged 14,000 barrels of crude oil and 109 million cubic feet of natural gas in 2017. The majority of the production came from 14 fields in the East Kalimantan PSC shelf area, with the remainder from the deepwater West Seno Field in the Makassar Strait PSC and the Bangka Field in the Rapak PSC. In 2016, Chevron advised the government of Indonesia of its intent not to extend the East Kalimantan PSC and to return the assets to the government upon PSC expiration in fourth quarter 2018.

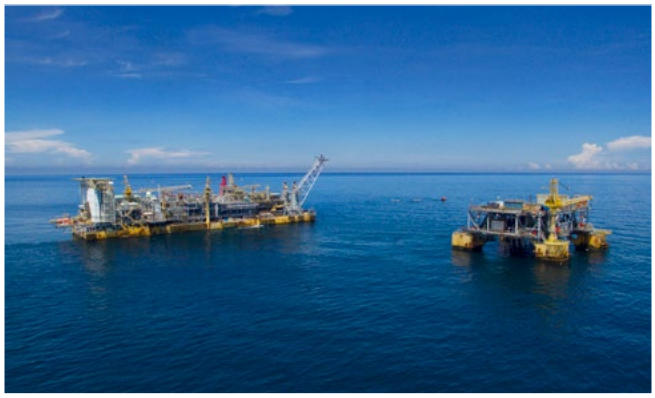


Photo: The Bangka Project includes a two-well tieback to the West Seno FPU.

Indonesia Deepwater Development There are two deepwater natural gas development projects in the Kutei Basin progressing under a single plan of development. Collectively, these projects are referred to as the Indonesia Deepwater Development.

One of these projects, Bangka, includes a two-well subsea tieback to the West Seno FPU. The company's interest is 62 percent. Net daily production from Bangka in 2017 averaged 49 million cubic feet of natural gas and 2,000 barrels of condensate.

The second project, Gendalo-Gehem, is being reviewed for opportunities to reduce project cost. Gas from the project is expected to be sold domestically and through LNG export. Liquefaction is planned to take place at the state-owned Bontang LNG plant in East Kalimantan. The project has a planned design capacity of 1.1 billion cubic feet of natural gas and 47,000 barrels of condensate per day. The company's interest is approximately 63 percent. Chevron continues to work toward a final investment decision, subject to economic competitiveness, timing of government approvals, including extension of the associated PSCs, and securing new LNG sales contracts. This project is expected to monetize potentially recoverable natural gas resources of approximately 3 trillion cubic feet. At the end of 2017, proved reserves had not been recognized for this project.

Kurdistan Region of Iraq

The company operates and holds an 80 percent contractor interest in the Sarta PSC. The Sarta Block covers an area of 90,000 net acres (363 sq km).

In fourth quarter 2017, drilling commenced on the first appraisal well. The well is planned to be completed in second-half 2018.

Partitioned Zone

Chevron holds a concession agreement to operate the Kingdom of Saudi Arabia's 50 percent interest in the hydrocarbon resources in the onshore area of the Partitioned Zone between Saudi Arabia and Kuwait. Under the concession agreement, Chevron has the right to Saudi Arabia's 50 percent interest in the hydrocarbon resources. The concession expires in 2039.

Beginning in May 2015, production in the Partitioned Zone was shut in as a result of continued difficulties in securing work and equipment permits. As of early 2018, production remains shut in, and the exact timing of a production restart is uncertain and dependent on dispute resolution between Saudi Arabia and Kuwait

Exploration Processing of the 3-D seismic survey, which was acquired in 2016 and covers the entire onshore Partitioned Zone, was completed in second quarter 2017. Work continues to interpret the results.

Australia/Oceania

In Australia/Oceania, the company is engaged in upstream activities in Australia and New Zealand. Net daily oil-equivalent production of 256,000 barrels during 2017 in Australia represented 9 percent of the companywide total.

Australia

Chevron is the largest holder of natural gas resources in Australia with net unrisked resources of approximately 50 trillion cubic feet. The company is the operator of two major LNG facilities, Gorgon and Wheatstone, and has a nonoperated working interest in the North West Shelf Venture (NWS Venture). Chevron also has exploration acreage in the Carnarvon Basin, Bight Basin and Browse Basin. Net daily production in 2017 averaged 27,000 barrels of liquids and 1.4 billion cubic feet of natural gas, primarily from the Gorgon Project and the NWS Venture.

Gorgon Chevron holds a 47.3 percent interest in the Gorgon Project, which includes the development of the Gorgon and Jansz-Io fields. The project includes a three-train, 15.6 million-metric-ton-per-year LNG facility, a carbon dioxide injection facility and a domestic gas plant. The facilities are located on Barrow Island. The total production capacity for the project is approximately 2.6 billion cubic feet of natural gas and 20,000 barrels of condensate per day. The project's estimated economic life exceeds 40 years.

LNG Train 3 start-up was achieved in March 2017. Total daily production from all three trains in 2017 averaged 14,000 barrels of condensate (7,000 net) and 1.9 billion cubic feet of natural gas (905 million net).

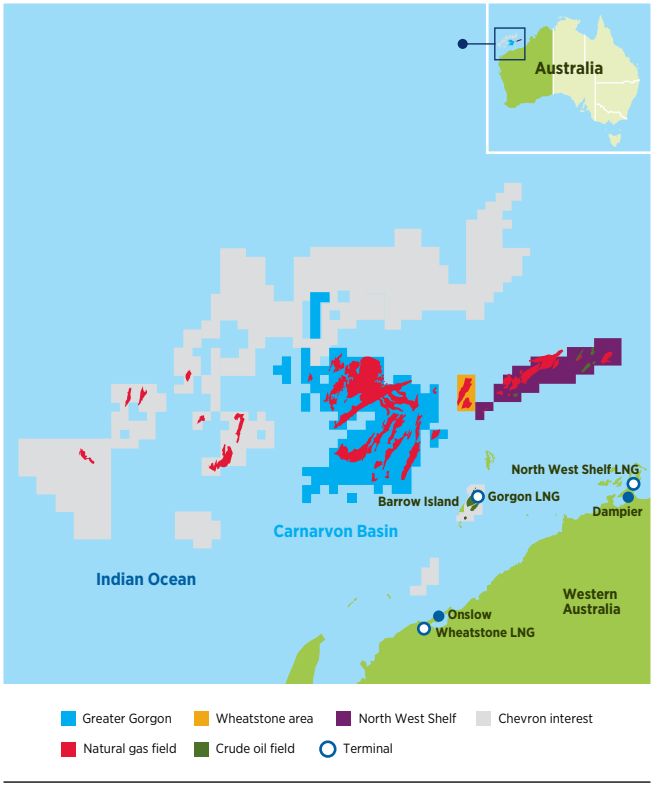


Photo: Start-up of Gorgon's LNG Train 3 was achieved in March 2017.

Wheatstone Chevron holds an 80.2 percent interest in the offshore licenses and a 64.1 percent interest in the LNG facilities associated with the Wheatstone Project. The project includes the development of the Wheatstone and Iago fields, a two-train, 8.9 million-metric-ton-per-year LNG facility, and a domestic gas plant. The facilities are located at Ashburton North on the coast of Western Australia. The total production capacity for the Wheatstone and Iago fields and nearby third-party fields is expected to be approximately 1.6 billion cubic feet of natural gas and 30,000 barrels of condensate per day. The project's estimated economic life exceeds 30 years.

LNG Train 1 start-up and first cargo shipment were achieved in October 2017. Total daily production at the end of 2017 averaged 4,000 barrels of condensate (3,000 net) and 140 million cubic feet of natural gas (112 million net). Train 2 start-up operations are underway, and first LNG is expected in second quarter 2018.

Photo: Wheatstone LNG Train 1 start-up and first cargo shipment were achieved in October 2017.

NWS Venture Chevron has a 16.7 percent nonoperated working interest in the NWS Venture in Western Australia. The joint venture operates offshore producing fields and extensive onshore facilities that include five LNG trains and a domestic gas plant. The NWS Venture concession expires in 2034.

Net daily production in 2017 averaged 15,000 barrels of crude oil and condensate, 431 million cubic feet of natural gas, and 2,000 barrels of LPG.

Barrow Island Chevron holds a 57.1 percent operating working interest in crude oil production operations at Barrow Island. In 2017, net daily production averaged 3,000 barrels of crude oil.

Carnarvon Basin exploration In February 2017, Chevron was awarded a 100 percent interest in the exploration permit WA-526-P. After a farm-down in August 2017, the company maintained a 50 percent operated interest in the area. WA-526-P spans 20,000 net acres (80 sq km) in the northern Carnarvon Basin. In October 2017, Chevron acquired additional interests in three exploration permits WA-528-P, WA-529-P and WA-530-P, which cover 2.9 million net acres (11,736 sq km) in the northern Carnarvon Basin. Chevron holds a 50 percent-owned and operated interest in these permits. Chevron expects to continue to evaluate exploration potential in the Carnarvon Basin during 2018.

Bight Basin exploration The company operates and holds a 100 percent interest in offshore Blocks EPP44 and EPP45, which span 8.0 million net acres (32,375 sq km) in the Bight Basin off the South Australian coast.

In October 2017, Chevron discontinued the exploration program and informed the government of Australia of the company's intent to exit from the Bight Basin.

Browse Basin exploration The company holds nonoperated working interests ranging from 24.8 percent to 50 percent in three blocks in the Browse Basin.

New Zealand

Chevron holds a 50 percent interest and operates three exploration permits, 57083, 57085 and 57087, in the offshore Pegasus and East Coast basins. These deepwater permits cover 3.1 million net acres (12,545 sq km) and are located approximately 99 miles (160 km) east of Wellington. Acquisition of 3-D seismic data was completed in second quarter 2017, and processing of the data is continuing.

Europe

In Europe, the company is engaged in upstream activities in Denmark, Norway and the United Kingdom. Net daily oil-equivalent production in this region of 98,000 barrels during 2017 represented 4 percent of the companywide total.

Denmark

Chevron holds a 12 percent nonoperated working interest in the Danish Underground Consortium. The consortium has production from 13 North Sea fields, with the majority of crude oil production from the Halfdan, Dan and Valdemar fields and the majority of natural gas production from the Tyra Field. Average net daily production in 2017 was 14,000 barrels of crude oil and 53 million cubic feet of natural gas. The concession expires in 2042.

United Kingdom

Chevron has working interests in 11 offshore producing fields, including four operated fields (Alba, 23.4 percent; Alder, 73.7 percent; Captain, 85 percent; and Erskine, 50 percent) and seven nonoperated fields (Britannia, 32.4 percent; Brodgar, 25 percent; Callanish, 16.5 percent; Clair, 19.4 percent; Elgin/Franklin, 3.9 percent; Enochdhu, 50 percent; and Jade, 19.9 percent). Net daily production in 2017 averaged 50,000 barrels of liquids and 155 million cubic feet of natural gas.

Captain EOR The Captain EOR Project is the next development phase of the Captain Field and is designed to increase field recovery by injecting a polymer/water mixture into the Captain reservoir. In 2017, two polymer injection pilots were successfully completed, and the company reached a final investment decision on Captain EOR Stage 1. This phase of the project is an expansion of the existing polymer injection system on the wellhead production platform that includes six new polymer injection wells and modifications to platform facilities. At the end of 2017, proved reserves have been recognized for this project. Also during 2017, FEED activities continued to progress on Captain EOR Stage 2, which involves subsea expansion of the technology. At the end of 2017, proved reserves had not been recognized for Stage 2 of the project.

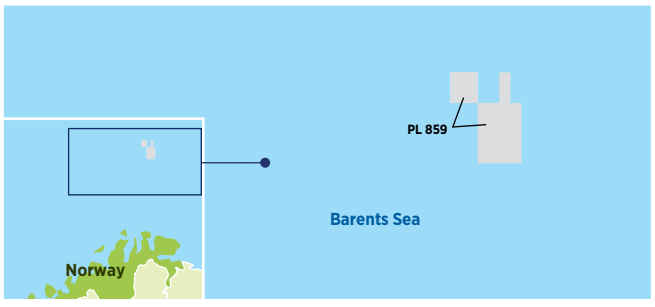
Photo: First production for the Clair Ridge Project is expected in 2018.

Clair Ridge The Clair Ridge Project, located 47 miles (75 km) west of the Shetland Islands, is the second development phase of the Clair Field. Chevron holds a 19.4 percent nonoperated working interest in the project. The design capacity of the project is 120,000 barrels of crude oil and 100 million cubic feet of natural gas per day. Hook-up and commissioning activities advanced during 2017. First production is expected in 2018. The project is estimated to provide incremental potentially recoverable oil-equivalent resources in excess of 600 million barrels. Proved reserves have been recognized for the Clair Ridge Project. The Clair Field has an estimated production life extending until 2050.

Rosebank The Rosebank Field is 80 miles (129 km) northwest of the Shetland Islands in 3,700 feet (1,115 m) of water. Chevron operates and holds a 40 percent interest in the project. The selected design is a subsea development tied back to an FPSO, with natural gas exported via pipeline. The design capacity of the project is 100,000 barrels of crude oil and 80 million cubic feet of natural gas per day. The potentially recoverable volumes at Rosebank are expected to be more than 300 million barrels. FEED activities continued to progress in 2017 with focus on subsurface characterization and cost optimization. At the end of 2017, proved reserves had not been recognized for this project.

Norway

The company holds a 20 percent nonoperated working interest in exploration Block PL 859, located in the Barents Sea. The block covers approximately 168,000 net acres (680 sq km). An exploration well was drilled in 2017, which resulted in noncommercial quantities of gas. A second well is scheduled for 2018 to further evaluate the potential of the license.



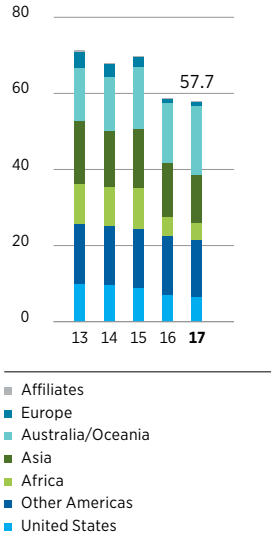
Oil and gas acreage[1,2]

At December 31

Thousands of acres	Gross acres 2017	Net acres 2017	2016	2015	2014	2013
Consolidated Companies						
Total United States	**8,193**	**6,381**	7,121	8,885	9,444	9,839
Other Americas						
Argentina	**257**	**167**	240	240	240	216
Brazil	**256**	**105**	105	104	105	105
Canada	**23,433**	**13,201**	13,218	12,913	13,204	13,485
Colombia	**202**	**87**	87	87	87	87
Greenland	**–**	**–**	350	350	350	350
Mexico	**417**	**139**	–	–	–	–
Suriname	**2,793**	**1,142**	1,142	1,396	1,396	1,396
Trinidad and Tobago	**–**	**–**	84	84	84	84
Venezuela	**74**	**58**	58	58	58	58
Total Other Americas	**27,432**	**14,899**	15,284	15,232	15,524	15,781
Africa						
Angola	**2,257**	**787**	802	802	802	803
Chad	**–**	**–**	–	–	–	28
Democratic Republic of the Congo	**250**	**44**	44	44	44	44
Liberia	**578**	**260**	260	819	819	819
Mauritania	**–**	**–**	–	1,985	–	–
Morocco	**3,795**	**1,708**	2,112	5,415	5,415	5,415
Nigeria	**3,581**	**1,552**	1,552	1,552	2,194	2,443
Republic of Congo	**214**	**56**	56	56	63	43
Sierra Leone	**–**	**–**	–	–	762	762
Total Africa	**10,675**	**4,407**	4,826	10,673	10,099	10,357
Asia						
Azerbaijan	**108**	**10**	12	12	12	12
Bangladesh	**186**	**186**	186	186	186	184
Cambodia	**–**	**–**	–	–	–	349
China	**353**	**134**	134	134	1,565	2,143
Indonesia	**3,967**	**3,202**	4,683	5,853	5,853	6,468
Kazakhstan	**67**	**12**	12	12	12	14
Kurdistan Region of Iraq	**112**	**90**	279	279	355	355
Myanmar	**9,067**	**4,407**	4,407	4,407	1,826	1,826
Partitioned Zone	**1,361**	**681**	681	681	681	681
Philippines	**206**	**93**	93	93	93	93
Thailand	**9,536**	**3,797**	3,797	3,797	3,843	3,892
Vietnam	**–**	**–**	–	–	339	339
Total Asia	**24,963**	**12,612**	14,284	15,454	14,765	16,356
Australia/Oceania						
Australia	**21,709**	**14,881**	12,343	13,061	13,875	13,891
New Zealand	**6,240**	**3,120**	3,120	3,216	–	–
Total Australia/Oceania	**27,949**	**18,001**	15,463	16,277	13,875	13,891
Europe						
Denmark	**406**	**49**	49	49	49	49
Netherlands	**–**	**–**	–	–	–	26
Norway	**842**	**168**	168	–	520	523
Poland	**–**	**–**	–	–	499	1,085
Romania	**670**	**670**	670	2,239	2,239	2,239
United Kingdom	**493**	**170**	188	210	210	196
Total Europe	**2,411**	**1,057**	1,075	2,498	3,517	4,118
Total Consolidated Companies	**101,623**	**57,357**	58,053	69,019	67,224	70,342
Equity Share in Affiliates						
Kazakhstan	**380**	**190**	190	190	190	190
Lithuania	**–**	**–**	–	–	–	197
Venezuela	**424**	**146**	143	145	145	145
Total Equity Share in Affiliates	**804**	**336**	333	335	335	532
Total Worldwide	**102,427**	**57,693**	58,386	69,354	67,559	70,874

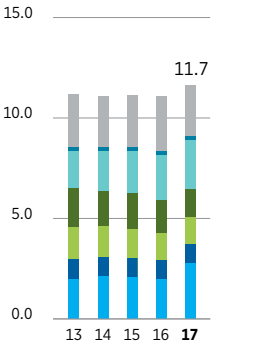
[1] Table does not include mining acreage associated with synthetic oil production in Canada.
[2] Net acreage includes wholly owned interests and the sum of the company's fractional interests in gross acreage.

Oil and gas acreage
Millions of net acres



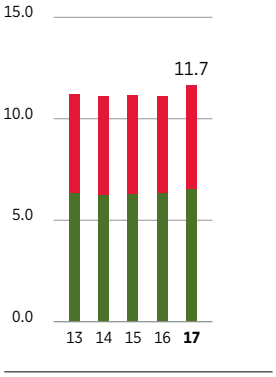
upstream operating data

Net proved reserves
Billions of BOE*



*BOE (barrels of oil-equivalent)

Net proved reserves liquids & natural gas
Billions of BOE



Net proved reserves – liquids[1,2]

At December 31

Millions of barrels	2017	2016	2015	2014	2013
Consolidated Companies					
United States	**1,916**	1,412	1,386	1,432	1,330
Other Americas	**840**	827	833	772	780
Africa	**839**	876	957	1,021	1,104
Asia	**631**	720	790	752	792
Australia/Oceania	**159**	158	153	142	131
Europe	**145**	138	143	166	166
Total Consolidated Companies	**4,530**	4,131	4,262	4,285	4,303
Equity Share in Affiliates					
TCO	**1,749**	1,909	1,676	1,615	1,668
Other	**263**	288	324	349	374
Total Equity Share in Affiliates	**2,012**	2,197	2,000	1,964	2,042
Total Worldwide	**6,542**	6,328	6,262	6,249	6,345

[1] Refer to page 50 for a definition of net proved reserves. For additional discussion of the company's proved reserves, refer to the company's *2017 Annual Report on Form 10-K*.
[2] Includes crude oil, condensate, NGLs and synthetic oil.

Net proved reserves – natural gas*

At December 31

Billions of cubic feet	2017	2016	2015	2014	2013
Consolidated Companies					
United States	**5,180**	3,676	4,242	4,174	3,990
Other Americas	**795**	647	714	1,123	1,300
Africa	**2,906**	2,827	2,937	2,968	3,045
Asia	**4,773**	5,533	5,956	6,266	6,745
Australia/Oceania	**13,559**	12,515	11,873	10,941	10,327
Europe	**301**	234	224	235	263
Total Consolidated Companies	**27,514**	25,432	25,946	25,707	25,670
Equity Share in Affiliates					
TCO	**2,183**	2,242	2,268	2,177	2,290
Other	**1,039**	1,086	1,223	1,232	1,186
Total Equity Share in Affiliates	**3,222**	3,328	3,491	3,409	3,476
Total Worldwide	**30,736**	28,760	29,437	29,116	29,146

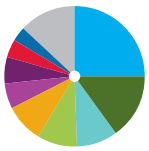
*Refer to page 50 for a definition of net proved reserves. For additional discussion of the company's proved reserves, refer to the company's *2017 Annual Report on Form 10-K*.

Net oil-equivalent production

Thousands of barrels per day	2017	2016	2015	2014	2013
				Year ended December 31	
Consolidated Companies					
Total United States	**681**	691	720	664	657
Other Americas					
Argentina	**23**	26	27	25	19
Brazil	**13**	16	18	21	6
Canada	**98**	92	69	69	71
Colombia	**16**	21	27	31	36
Trinidad and Tobago	**5**	12	19	19	29
Total Other Americas	**155**	167	160	165	161
Africa					
Angola	**112**	114	119	121	127
Chad	**–**	–	–	8	19
Democratic Republic of the Congo	**2**	2	3	3	3
Nigeria	**250**	235	270	286	268
Republic of Congo	**38**	25	20	16	14
Total Africa	**402**	376	412	434	431
Asia					
Azerbaijan	**25**	32	34	28	28
Bangladesh	**111**	114	123	109	113
China	**30**	27	24	16	20
Indonesia	**164**	203	207	185	193
Kazakhstan	**55**	62	56	53	57
Myanmar	**19**	21	20	16	16
Partitioned Zone	**–**	–	28	81	87
Philippines	**25**	26	23	23	23
Thailand	**241**	245	238	238	229
Total Asia	**670**	730	753	749	766
Australia/Oceania					
Australia	**256**	124	94	97	96
Total Australia/Oceania	**256**	124	94	97	96
Europe					
Denmark	**23**	22	24	25	28
Netherlands	**–**	–	–	7	9
Norway	**–**	–	–	1	2
United Kingdom	**75**	64	59	47	55
Total Europe	**98**	86	83	80	94
Total Consolidated Companies	**2,262**	2,174	2,222	2,189	2,205
Equity Share in Affiliates					
TCO	**360**	348	336	314	321
Venezuela	**55**	59	64	63	65
Angola LNG	**51**	13	–	5	6
Total Equity Share in Affiliates	**466**	420	400	382	392
Total Worldwide	**2,728**	2,594	2,622	2,571	2,597

2017 net oil-equivalent production by country*

Percentage

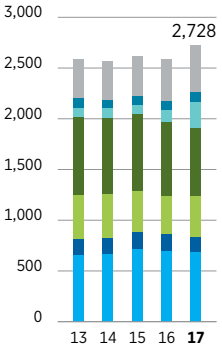


United States	25.0%
Kazakhstan	15.2%
Australia	9.4%
Nigeria	9.2%
Thailand	8.8%
Indonesia	6.0%
Angola	6.0%
Bangladesh	4.1%
Canada	3.5%
Other	12.8%

* Includes equity share in affiliates.

Net oil-equivalent production

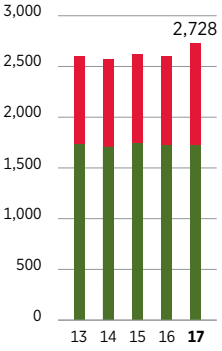
Thousands of barrels per day



- Affiliates
- Europe
- Australia/Oceania
- Asia
- Africa
- Other Americas
- United States

Net production liquids & natural gas

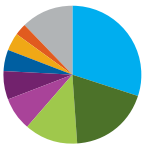
Thousands of barrels per day



- Natural gas
- Liquids

upstream operating data

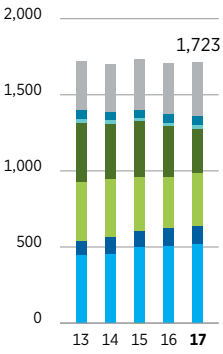
2017 net liquids production by country*
Percentage



United States	30.1%
Kazakhstan	18.9%
Nigeria	12.4%
Indonesia	8.0%
Angola	6.6%
Canada	5.0%
Thailand	4.0%
United Kingdom	2.9%
Other	12.1%

* Includes equity share in affiliates.

Net liquids production
Thousands of barrels per day



- Affiliates
- Europe
- Australia/Oceania
- Asia
- Africa
- Other Americas
- United States

Net liquids production

Year ended December 31

Thousands of barrels per day	2017	2016	2015	2014	2013
Consolidated Companies					
Total United States	**519**	504	501	456	449
Other Americas					
Argentina	**19**	20	21	21	18
Brazil	**12**	16	17	20	5
Canada	**87**	83	67	67	70
Total Other Americas	**118**	119	105	108	93
Africa					
Angola	**103**	106	110	113	118
Chad	**–**	–	–	8	18
Democratic Republic of the Congo	**2**	2	2	2	2
Nigeria	**213**	208	230	246	238
Republic of Congo	**36**	23	18	14	13
Total Africa	**354**	339	360	383	389
Asia					
Azerbaijan	**23**	30	32	26	26
Bangladesh	**4**	4	3	2	2
China	**17**	18	24	16	19
Indonesia	**137**	173	176	149	156
Kazakhstan	**33**	37	34	31	34
Partitioned Zone	**–**	–	27	78	84
Philippines	**3**	3	3	3	3
Thailand	**69**	71	66	63	62
Total Asia	**286**	336	365	368	386
Australia/Oceania					
Australia	**27**	21	21	23	26
Total Australia/Oceania	**27**	21	21	23	26
Europe					
Denmark	**14**	14	16	17	19
Netherlands	**–**	–	–	2	2
Norway	**–**	–	–	1	2
United Kingdom	**50**	43	40	32	40
Total Europe	**64**	57	56	52	63
Total Consolidated Companies	**1,368**	1,376	1,408	1,390	1,406
Equity Share in Affiliates					
TCO	**293**	285	277	259	263
Venezuela	**52**	56	59	59	61
Angola LNG	**10**	2	–	1	1
Total Equity Share in Affiliates	**355**	343	336	319	325
Total Worldwide	**1,723**	1,719	1,744	1,709	1,731

Net natural gas production*

Year ended December 31

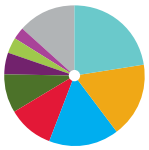
Millions of cubic feet per day	2017	2016	2015	2014	2013
Consolidated Companies					
Total United States	**970**	1,120	1,310	1,250	1,246
Other Americas					
Argentina	**27**	32	36	23	6
Brazil	**4**	5	5	6	2
Canada	**65**	55	14	10	9
Colombia	**96**	127	161	186	216
Trinidad and Tobago	**29**	74	116	112	173
Total Other Americas	**221**	293	332	337	406
Africa					
Angola	**57**	52	52	51	52
Chad	**–**	–	–	2	4
Democratic Republic of the Congo	**1**	1	1	1	1
Nigeria	**223**	159	246	236	182
Republic of Congo	**14**	11	11	11	10
Total Africa	**295**	223	310	301	249
Asia					
Azerbaijan	**11**	13	12	12	10
Bangladesh	**642**	658	720	643	663
China	**81**	51	–	–	6
Indonesia	**163**	182	185	214	225
Kazakhstan	**132**	154	138	126	135
Myanmar	**116**	128	117	99	96
Partitioned Zone	**–**	–	5	18	19
Philippines	**129**	138	122	118	119
Thailand	**1,031**	1,051	1,033	1,046	1,003
Total Asia	**2,305**	2,375	2,332	2,276	2,276
Australia/Oceania					
Australia	**1,372**	615	439	442	421
Total Australia/Oceania	**1,372**	615	439	442	421
Europe					
Denmark	**53**	48	50	51	55
Netherlands	**–**	–	–	34	41
Norway	**–**	–	–	–	1
United Kingdom	**155**	122	115	88	94
Total Europe	**208**	170	165	173	191
Total Consolidated Companies	**5,371**	4,796	4,888	4,779	4,789
Equity Share in Affiliates					
TCO	**401**	375	348	334	347
Venezuela	**15**	19	30	27	26
Angola LNG	**245**	62	3	27	30
Total Equity Share in Affiliates	**661**	456	381	388	403
Total Worldwide	**6,032**	5,252	5,269	5,167	5,192

* Includes natural gas consumed in operations:

United States	**37**	54	66	71	72
International	**528**	432	430	452	458
Total	**565**	486	496	523	530

2017 net natural gas production by country*

Percentage

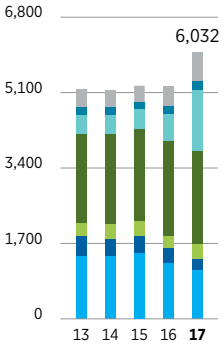


Australia	22.7%
Thailand	17.1%
United States	16.1%
Bangladesh	10.6%
Kazakhstan	8.8%
Angola	5.0%
Nigeria	3.7%
Indonesia	2.7%
Other	13.3%

* Includes equity share in affiliates.

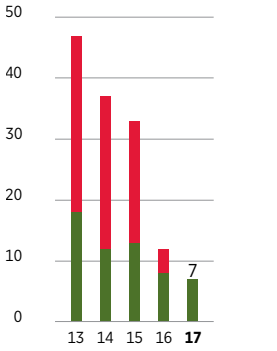
Net natural gas production

Millions of cubic feet per day

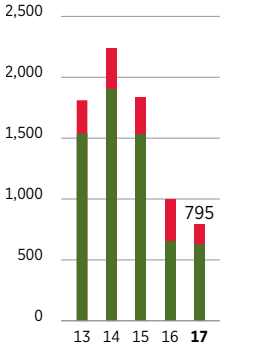


upstream operating data

Net productive exploratory wells completed
Number of wells



Net productive development wells completed
Number of wells



Net wells completed*

Year ended December 31

	2017		2016		2015		2014		2013	
	Productive	**Dry**	Productive	Dry	Productive	Dry	Productive	Dry	Productive	Dry
Consolidated Companies										
United States										
Exploratory	**7**	**1**	4	1	16	4	20	12	17	2
Development	**435**	**4**	420	4	873	3	1,085	8	1,101	4
Total United States	**442**	**5**	424	5	889	7	1,105	20	1,118	6
Other Americas										
Exploratory	**–**	**–**	4	–	5	1	3	–	12	2
Development	**40**	**–**	45	–	99	–	81	–	127	–
Total Other Americas	**40**	**–**	49	–	104	1	84	–	139	2
Africa										
Exploratory	**–**	**–**	1	1	3	–	1	2	–	–
Development	**34**	**–**	17	–	9	–	9	–	20	1
Total Africa	**34**	**–**	18	1	12	–	10	2	20	1
Asia										
Exploratory	**–**	**–**	3	–	5	1	7	2	13	4
Development	**246**	**2**	470	6	828	5	1,025	4	535	5
Total Asia	**246**	**2**	473	6	833	6	1,032	6	548	9
Australia/Oceania										
Exploratory	**–**	**–**	–	–	1	4	3	–	3	–
Development	**–**	**–**	4	–	4	–	9	–	–	–
Total Australia/Oceania	**–**	**–**	4	–	5	4	12	–	3	–
Europe										
Exploratory	**–**	**1**	–	–	3	–	3	–	2	2
Development	**4**	**–**	3	–	2	–	2	–	3	–
Total Europe	**4**	**1**	3	–	5	–	5	–	5	2
Total Consolidated Companies	**766**	**8**	971	12	1,848	18	2,248	28	1,833	20
Equity Share in Affiliates										
Exploratory	**–**	**–**	–	–	–	–	–	–	–	–
Development	**36**	**–**	38	–	26	–	25	1	25	–
Total Equity Share in Affiliates	**36**	**–**	38	–	26	–	25	1	25	–
Total Worldwide	**802**	**8**	1,009	12	1,874	18	2,273	29	1,858	20

* Net Wells Completed includes wholly owned wells and the sum of the company's fractional interests in jointly owned wells completed during the year, regardless of when drilling was initiated. Completion refers to the installation of permanent equipment for the production of crude oil or natural gas or, in the case of a dry well, the reporting of abandonment to the appropriate agency. Some exploratory wells are not drilled with the intention of producing from the well bore. In such cases, "completion" refers to the completion of drilling. Further categorization of productive or dry is based on the determination as to whether hydrocarbons in a sufficient quantity were found to justify completion as a producing well, whether or not the well is actually going to be completed as a producer.

Net productive wells[1,2]

At December 31

	2017	2016	2015	2014	2013
Consolidated Companies					
United States					
Oil	**29,690**	31,679	33,457	32,957	33,068
Gas	**2,380**	3,633	7,186	7,098	7,740
Total United States	**32,070**	35,312	40,643	40,055	40,808
International					
Oil	**14,560**	14,781	14,538	14,017	13,776
Gas	**2,328**	2,466	2,273	2,132	2,051
Total International	**16,888**	17,247	16,811	16,149	15,827
Total Consolidated Companies	**48,958**	52,559	57,454	56,204	56,635
Equity Share in Affiliates					
Oil	**550**	508	490	486	476
Gas	**2**	2	2	2	2
Total Equity Share in Affiliates	**552**	510	492	488	478
Total Worldwide	**49,510**	53,069	57,946	56,692	57,113

[1] Net productive wells include wholly owned wells and the sum of the company's fractional interests in wells completed in jointly owned operations.
[2] Includes wells producing or capable of producing and injection wells temporarily functioning as producing wells. Wells that produce both crude oil and natural gas are classified as oil wells.

Natural gas realizations*

Dollars per thousand cubic feet	2017	2016	2015	2014	2013
				Year ended December 31	
United States	**$ 2.10**	$ 1.59	$ 1.92	$ 3.90	$ 3.37
International	**4.62**	4.02	4.53	5.78	5.91

*U.S. natural gas realizations are based on revenues from net production. International natural gas realizations are based on revenues from liftings and include equity share in affiliates.

Liquids realizations*

Dollars per barrel	2017	2016	2015	2014	2013
				Year ended December 31	
United States	**$ 44.53**	$ 35.00	$ 42.70	$ 84.13	$ 93.46
International	**49.46**	38.61	46.52	90.42	100.26

*U.S. liquids realizations are based on revenues from net production and include intercompany sales at transfer prices that are at estimated market prices. International liquids realizations are based on revenues from liftings and include equity share in affiliates.

Natural gas sales*

Millions of cubic feet per day	2017	2016	2015	2014	2013
				Year ended December 31	
United States	**3,331**	3,317	3,913	3,995	5,483
International	**5,081**	4,491	4,299	4,304	4,251
Total	**8,412**	7,808	8,212	8,299	9,734

*International sales include equity share in affiliates.

Natural gas liquids sales*

Thousands of barrels per day	2017	2016	2015	2014	2013
				Year ended December 31	
United States	**30**	30	26	20	17
International	**29**	24	24	28	26
Total	**59**	54	50	48	43

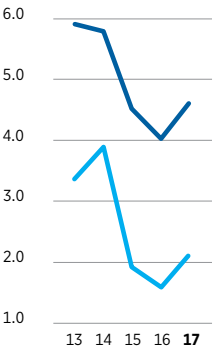
*International sales include equity share in affiliates.

Exploration and development costs*

Millions of dollars	2017	2016	2015	2014	2013
				Year ended December 31	
United States					
Exploration	**$ 729**	$ 913	$ 1,144	$ 1,222	$ 894
Development	**4,346**	3,814	6,275	8,207	7,457
Other Americas					
Exploration	**81**	94	128	196	627
Development	**944**	1,631	2,048	3,226	2,306
Africa					
Exploration	**57**	187	370	666	340
Development	**1,136**	2,014	3,701	3,771	3,549
Asia					
Exploration	**99**	119	413	543	601
Development	**1,324**	1,866	3,924	4,363	4,907
Australia/Oceania					
Exploration	**79**	71	259	396	415
Development	**2,580**	3,733	6,715	7,182	6,611
Europe					
Exploration	**148**	37	108	245	309
Development	**121**	550	995	887	1,046
Total Consolidated Companies					
Exploration	**$ 1,193**	$ 1,421	$ 2,422	$ 3,268	$ 3,186
Development	**10,451**	13,608	23,658	27,636	25,876

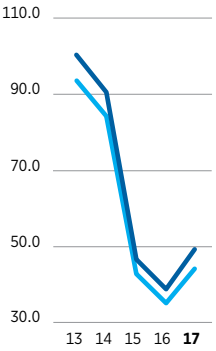
*Consolidated companies only. Excludes costs of property acquisitions.

Natural gas realizations
Dollars per thousand cubic feet



*Includes equity share in affiliates.

Liquids realizations
Dollars per barrel



*Includes equity share in affiliates.

downstream

grow earnings across the value chain and make targeted investments to lead the industry in returns

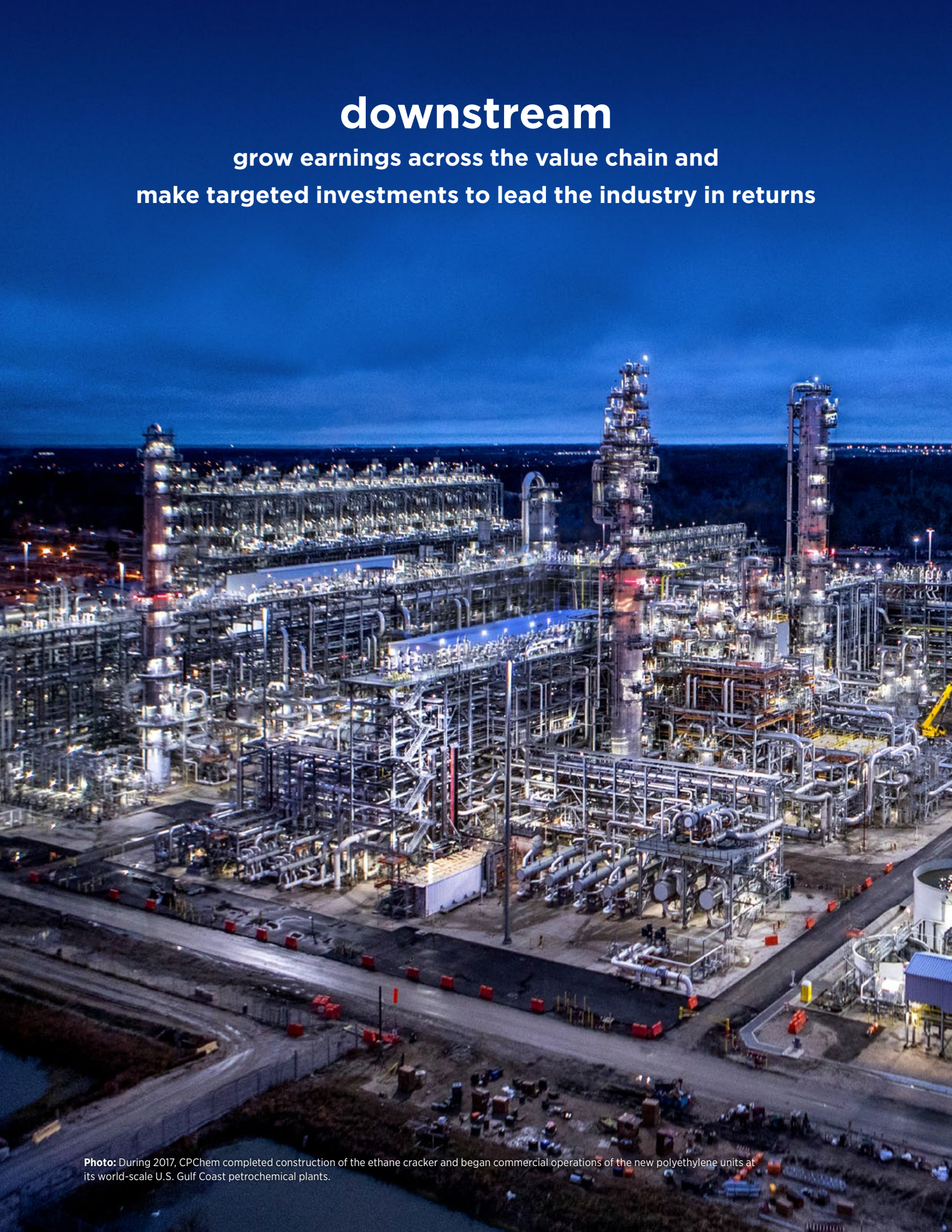


Photo: During 2017, CPChem completed construction of the ethane cracker and began commercial operations of the new polyethylene units at its world-scale U.S. Gulf Coast petrochemical plants.

highlights

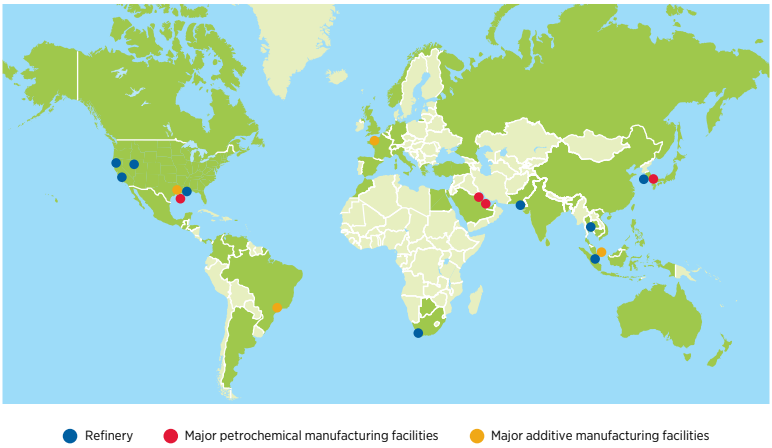
Downstream has a strong presence in the refining, marketing, trading and transportation of fuels and in the manufacturing and distribution of lubricants, additives and petrochemicals.

business strategies

Grow earnings across the value chain and make targeted investments to lead the industry in returns by:

- Sustaining world-class operational excellence.
- Driving earnings across the feedstock-to-customer value chain.
- Pursuing targeted growth opportunities.
- Creating enterprise value.

downstream portfolio overview



Fundamental to the company's competitive position and success is the focus on operational excellence in order to drive strong reliability and safety performance. The company continues to seek leading returns and to execute capital projects and strategic milestones with excellence. Efforts to grow earnings include aligning the highest-return markets and sales channels with manufacturing assets, achieving sustainable cost efficiencies, and applying innovative technologies. The company targets investments to strengthen leading fuels value chains and to selectively grow petrochemicals, additives and lubricants. Downstream plays a strategic role in Chevron's integrated portfolio, particularly in commercial support, processing of equity crudes, transfer of technology and organizational capabilities.

2017 accomplishments

- Outperformed all personal safety targets (total-recordable-incident rate, days-away-from-work rate, and motor-vehicle-crash-rate) and outperformed the loss-of-containment incident target.
- Reported earnings of $5.2 billion, reflecting strong cost management in a solid margin environment.
- Realized proceeds of $1.7 billion from portfolio management activities, primarily from the sale of its Canada refining and marketing assets.
- Chevron Phillips Chemical Company (CPChem) began commercial operations of the two polyethylene units and achieved mechanical completion of its world-scale ethane cracker at the U.S. Gulf Coast Petrochemicals Project in Texas.
- Commissioned new carboxylate plant at the Singapore additives manufacturing plant.
- Completed construction and commissioning of gasoline clean fuels facilities and cogeneration plant at the Singapore Refinery.
- Advanced construction activity for the modernization project at the Richmond, California, refinery.
- Opened Chevron-branded retail stations in northwestern Mexico.

2018 outlook

The downstream business continues to focus on growing earnings and delivering leading returns. Key objectives include:

- Maintaining focus on safety and refinery reliability.
- Delivering cost management initiatives and efforts.
- Advancing projects that further enhance energy efficiency, high-value product yield and refinery feedstock flexibility. This includes start-up of the new hydrogen plants at the Richmond Refinery in California, as part of the refinery's ongoing modernization project.
- Progressing projects in the chemicals manufacturing business that add capacity and leverage market positions to capture global opportunities. This includes start-up of the new ethane cracker at CPChem's Cedar Bayou facility as part of the U.S. Gulf Coast Petrochemicals Project, and front-end engineering and design of GS Caltex's mixed-feed cracker olefins project.
- Pursuing opportunities to strengthen fuels value chains through targeted investment.
- Completing the sale of the southern Africa refining, marketing and lubricant assets.

Downstream financial and operating highlights

(Includes equity share in affiliates)

Dollars in millions	2017	2016
Earnings	**$ 5,214**	$ 3,435
Refinery crude oil inputs (Thousands of barrels per day)	**1,661**	1,688
Refinery capacity at year-end (Thousands of barrels per day)	**1,738**	1,793
U.S. gasoline and jet fuel yields (Percent of U.S. refinery production)	**66%**	65%
Refined product sales (Thousands of barrels per day)	**2,690**	2,675
Motor gasoline sales (Thousands of barrels per day)	**990**	1,013
Olefin and polyolefin sales (Thousands of metric tons per year)	**3,599**	3,631
Specialty, aromatic and styrenic sales (Thousands of metric tons per year)	**2,399**	2,449
Number of marketing retail outlets at December 31	**13,524**	13,809
Capital expenditures	**$ 2,190**	$ 2,072

refining and marketing

The company's refining and marketing activities are coordinated by two geographic businesses, Americas Products and International Products, each focused on optimizing the fuels value chain from crude to customer. The activities of each business include securing raw materials, manufacturing and blending products at its refineries, and selling finished products through its retail and commercial networks. The company has complex refining assets concentrated in the United States, Asia-Pacific and South Africa.

Chevron continues to leverage proprietary technology, incorporating its patented cleaning additive, Techron, in these markets in order to maintain a leading position in branded fuels.

Americas Products

The business serves retail and commercial customers in North America and Latin America through the world-class Chevron and Texaco brands. The company supplies customers at approximately 8,600 Chevron and Texaco-branded retail outlets and approximately 50 airports across these markets.

The Americas Products portfolio includes four wholly owned refineries in North America with a crude capacity of approximately 920,000 barrels per day. Many of these refineries have large hydroprocessing units that provide the flexibility to process a wide range of feedstocks into clean, high-value products. Chevron completed the sale of its refining and marketing assets in British Columbia and Alberta, Canada, in September 2017.

The network of service stations in Americas Products is supported and served by 30 proprietary fuel terminals. During 2017, the business sold a daily average of approximately 1.5 million barrels of gasoline and other refined products.

Photo: Work advanced in 2017 on the modernization project at the company's refinery in Richmond, California.

Improving refining flexibility, reliability and yield

During 2017, the company continued work on projects to improve refinery flexibility and reliability. At the Richmond, California, refinery, the modernization project continued to progress. The project scope includes replacement of some of the refinery's processing equipment with more modern technology that meets or exceeds some of the nation's toughest applicable environmental and safety standards. Start-up of the new hydrogen plant is scheduled for second-half 2018, and full operation of the project is expected in 2019. At the Salt Lake City, Utah, refinery, construction began for the alkylation retrofit project in July 2017. Project start-up is expected in 2020.

Photo: Chevron entered the Mexican retail market in August 2017.

Sustaining a focused marketing portfolio

Across the markets that Chevron serves in the United States and Latin America, the company enjoys strong market positions and continues to capture opportunities to grow market share of motor gasoline and diesel fuel under the premium Chevron and Texaco brands. In 2017, Chevron opened branded stations in northwestern Mexico. The company also expanded its gas rewards program with a leading grocery chain to increase coverage in the western United States and select Gulf Coast markets, and took the next steps in the growth of its successful ExtraMile convenience store brand through a joint venture to extend the brand across more of the western United States. These opportunities, coupled with the company's growth strategy, are expected to enable the Chevron and Texaco brands to maintain leading market positions.

International Products

The business provides premium-quality Caltex-branded fuel products to retail and commercial customers in Asia-Pacific, Africa and the Middle East.

The International Products business is anchored by three large refineries in South Korea, Singapore and Thailand. Other refinery assets are located in South Africa and Pakistan. The refinery network, including the company's share of affiliates, has a crude capacity of approximately 820,000 barrels per day.

The company and its affiliates serve customers at approximately 4,900 Caltex-branded retail outlets and approximately 50 airports in Asia-Pacific, Africa and the Middle East. The business sold a daily average of 1.2 million barrels of refined products in 2017.

Chevron signed an agreement for the sale of its interests in the Cape Town Refinery, along with the marketing and lubricants businesses in South Africa and Botswana in 2017. The sale is expected to close in 2018, pending local government approval.

Refineries strategically positioned

The refining assets are concentrated in Asia-Pacific and are well positioned to supply expected demand growth in this region. The 50 percent-owned Yeosu Refinery in South Korea remains one of the world's largest. The company's 60.6 percent-owned refinery in Map Ta Phut, Thailand, continues to supply high-quality petroleum products through the Caltex brand in the Thailand market.

In 2017, Singapore Refining Company (SRC), Chevron's 50 percent-owned joint venture, completed construction of gasoline clean fuels facilities and a cogeneration plant. The two trains at the cogeneration plant were commissioned in first-half 2017, enabling SRC to generate its own electricity and steam supply, improve energy efficiency, and significantly reduce greenhouse gas and sulfur oxide emissions. The gasoline clean fuels facilities enable SRC to produce higher-value gasoline that meets stricter emission standards.

Photo: Two trains at the Singapore Refining Company's cogeneration plant were commissioned in 2017.

Sustaining a focused marketing portfolio

The company continues to expand in selected growth markets by executing its strategic retail network plan focusing on investor trade class sites, strengthening its retail networks, improving fuels supply chains, and widening third-party partnerships and alliances.

lubricants

Chevron is among the leading global developers and marketers of lubricants and is a leading global producer of premium base oil, with a total capacity of approximately 58,000 barrels per day. The company provides high-quality lubricants products to meet the needs of commercial, industrial, consumer and marine customers. Lubricants and coolants are produced and marketed through the Havoline, Delo, Ursa, Meropa, Rando, Clarity and Taro product lines under three brands: Chevron, Texaco and Caltex.

Chevron enables its base oil customers to optimize formulations worldwide by providing a consistent global product slate of premium base oils. Chevron's global supply network includes base oil manufacturing facilities at the refineries in Richmond, California; Pascagoula, Mississippi; and Yeosu, South Korea. It also includes 16 equity-blending facilities, multiple contract-blending facilities and distribution hubs.

Chevron continues to develop products to meet existing and future demand through strategic partnerships with original equipment manufacturers and advanced research at technology centers in the United States, Belgium and Singapore.

The company is well positioned to supply markets around the world and consistently meet customer needs safely and reliably. The focus continues to be on building distribution channels and the marketer network worldwide, with an emphasis on key growth markets in the Asia-Pacific and Americas regions. In December 2017, Chevron formed a joint venture with Ipiranga in Brazil, creating ICONIC Lubrificantes, one of the largest lubricants businesses in Latin America.

additives

Chevron's Oronite subsidiary is a world-leading developer, manufacturer and marketer of quality additives that improve the performance of lubricants and fuels. Oronite conducts research and development for additive component and blended packages to meet the increasingly demanding needs of engine and equipment performance, as well as more stringent regulatory requirements. At year-end 2017, Oronite manufactured, blended or conducted research and development at 10 locations around the world.

Oronite lubricant additives are blended with refined base oils to produce finished lubricants used primarily in engine applications, including passenger cars, heavy-duty diesel trucks, buses, ships, locomotives and motorcycles. Typically, several additive components, such as dispersants, detergents, oxidation, corrosion and rust inhibitors, and viscosity-index improvers, are combined to meet desired performance specifications. Specialty additives are also marketed for other applications, including power transmission fluids and hydraulic oils.

Oronite fuel additives are used to improve engine performance and extend engine life. The main additive applications are for blended gasoline and gasoline aftermarket products. Many fuel additive packages are unique and blended specifically to individual customer specifications, the most recognized being the additive package branded as Techron and used exclusively in Chevron, Texaco and Caltex fuels and in Techron Concentrate Plus fuel system cleaner. Fuel performance standards vary for customers throughout the world, and specific packages are tailored for each region's markets.

Expanding in key growth markets

Oronite has a strong foundation to support long-term international growth with its global manufacturing coverage and versatile cross-continent supply network. The majority of global volume growth is expected in Asia, where Oronite's Singapore plant is the largest additives manufacturing plant in the region.

A new carboxylate plant in Singapore was commissioned in November 2017. Carboxylate is an effective, sulfur-free detergent often used in high-performance additive packages. When combined with a similar unit in Gonfreville, France, Oronite's global carboxylate capacity has approximately doubled following the completion of this project.

Photo: The new carboxylate plant at the company's additives plant in Singapore was commissioned in November 2017.

In 2017, design work continued for a planned manufacturing plant in Ningbo, China, with a final investment decision expected in 2018.

petrochemicals

The company has a broad, worldwide, petrochemicals portfolio producing both olefins and aromatics. The company's petrochemical activities are conducted through two joint ventures, CPChem and GS Caltex.

CPChem

CPChem is a 50 percent-owned affiliate. It is one of the world's leading producers of olefins, polyolefins and alpha olefins and is a leading supplier of aromatics and polyethylene pipe, in addition to participating in the specialty chemical and specialty plastics markets. At year-end 2017, CPChem owned or had joint-venture interests in 30 manufacturing facilities and two research and development centers around the world.

Leveraging advantaged feedstock position

During 2017, CPChem completed construction of the ethane cracker and began commercial operations of the new polyethylene units at its world-scale U.S. Gulf Coast petrochemical plants. The U.S. Gulf Coast Petrochemicals Project includes an ethane cracker with an annual design capacity of 1.5 million metric tons of ethylene at the Cedar Bayou facility and two polyethylene units located in Old Ocean, Texas, with a combined annual design capacity of 1.0 million metric tons. Start-up of the polyethylene units was achieved in September 2017. Mechanical completion of the ethane cracker was achieved in December 2017, with commissioning activities continuing in first quarter 2018 and transition to full production expected during second quarter 2018. The project is expected to capitalize on advantaged feedstock sourced from shale resource development in North America.

Photo: Start-up of the polyethylene units was achieved at CPChem's U.S. Gulf Coast Petrochemicals Project in September 2017.

GS Caltex

Chevron also maintains an important role in the petrochemicals business through the operations of GS Caltex, a 50 percent-owned affiliate located in South Korea. GS Caltex is a leading manufacturer of petrochemicals, especially aromatics. With one of the largest single-facility aromatics plants in the world, the Yeosu complex has a production capacity of 2.8 million metric tons per year of aromatics, including benzene, toluene and xylene. These are base chemicals used to produce a range of products, including adhesives, plastics and textile fibers. GS Caltex also produces polypropylene, which is used to make automotive and home appliance parts, food packaging, laboratory equipment, and textiles. GS Caltex recently announced plans to design an olefins mixed-feed cracker facility to be located near the existing refining and aromatics facilities at Yeosu to further integrate with existing operations and to diversify into the growing olefins market.

supply and trading

The supply and trading operation provides commercial support to Chevron's global refining and marketing businesses by maximizing efficiencies in the sourcing of raw material and product movement, optimizing product sales, and managing market risk associated with holding physical positions in crude and finished products. The supply and trading operation also provides commercial support to Chevron's global upstream operations by maximizing the company's equity crude oil and natural gas revenues. Activities include the integration of equity crude from Chevron's upstream operations into the company's refining network and the commercialization of Chevron's equity liquefied natural gas (LNG) volumes.

transportation

The company's transportation businesses, including pipeline and shipping operations, are responsible for transporting a variety of products to customers worldwide. Transportation activities are aligned with the needs of the upstream, refining and marketing businesses.

Pipeline

Chevron owns and operates a network of crude oil, natural gas and product pipelines and other infrastructure assets in the United States. In addition, Chevron operates pipelines for its 50 percent-owned CPChem affiliate. The company also has direct and indirect interests in other U.S. and international pipelines.

Refer to pages 23 through 25 in the upstream section for information on the West African Gas Pipeline, the Baku-Tbilisi-Ceyhan pipeline, the Western Route Export Pipeline and the Caspian Pipeline Consortium.

Shipping

The company's marine fleet includes both U.S.- and foreign-flagged vessels. The U.S.-flagged vessels are primarily engaged in transporting refined products in the coastal waters of the United States. The foreign-flagged vessels transport crude oil, LNG, refined products and feedstocks in support of Chevron's global Upstream and Downstream businesses.

All six of the new LNG carriers in support of the company's growing LNG portfolio are in service, with the final two delivered in 2017.

In addition to providing marine transportation services, the company is staffed with a team of marine technical and operational professionals who are responsible for managing marine risk across the company. The team assists with marine project conceptual and feasibility studies, conducts marine project engineering and design work, and provides marine project construction and operations support.

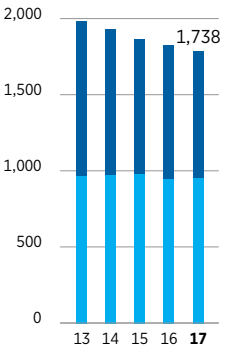
Refinery capacities and crude oil inputs

Year ended December 31

Thousands of barrels per day	Refinery capacity At December 31, 2017	Refinery crude oil inputs 2017	2016	2015	2014	2013
United States – Consolidated						
El Segundo, California	**269**	**251**	267	258	221	235
Kapolei, Hawaii[1]	**–**	**–**	37	47	47	39
Pascagoula, Mississippi	**340**	**349**	355	322	329	304
Richmond, California	**257**	**248**	188	245	229	153
Salt Lake City, Utah	**53**	**53**	53	52	45	43
Total United States – Consolidated	**919**	**901**	900	924	871	774
International – Consolidated						
Canada – Burnaby, British Columbia[2]	**–**	**40**	51	46	49	42
South Africa – Cape Town[3]	**110**	**68**	78	69	72	78
Thailand – Map Ta Phut	**165**	**152**	162	164	141	161
Total International – Consolidated	**275**	**260**	291	279	262	281
International – Equity Shares in Affiliates						
Australia – Brisbane (50%)[4]	**–**	**–**	–	12	50	44
Australia – Sydney (50%)[4]	**–**	**–**	–	–	39	56
New Zealand – Whangarei (12.7%)[5]	**–**	**–**	–	5	13	14
Pakistan – Karachi (7.5%)	**4**	**3**	3	3	4	4
Singapore – Pulau Merlimau (50%)	**145**	**127**	121	118	109	114
South Korea – Yeosu (50%)	**395**	**370**	373	361	342	351
Total International – Equity Share in Affiliates	**544**	**500**	497	499	557	583
Total International	**819**	**760**	788	778	819	864
Total Worldwide	**1,738**	**1,661**	1,688	1,702	1,690	1,638

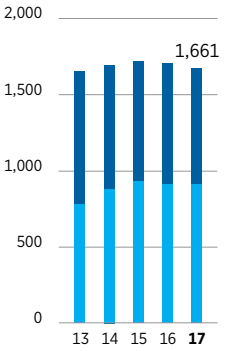
[1] Chevron sold its interest in this refinery in November 2016.
[2] Chevron sold its interest in this refinery in September 2017.
[3] Chevron holds a 75 percent controlling interest in the shares issued by Chevron South Africa (Pty) Limited, which owns the Cape Town Refinery. A consortium of South African partners, along with the employees of Chevron South Africa (Pty) Limited, own the remaining 25 percent.
[4] Chevron sold its interest Caltex Australia Limited in April 2015.
[5] Chevron sold its interest in this refinery in June 2015.

Refinery capacity at December 31
Thousands of barrels per day



*Includes equity share in affiliates.

Refinery crude oil inputs
Thousands of barrels per day



*Includes equity share in affiliates.

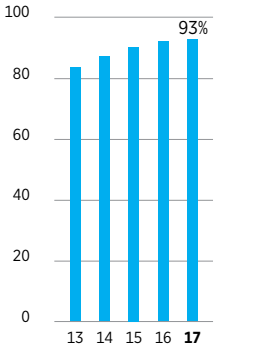
Refinery capacities at year-end 2017

Thousands of barrels per day	Chevron share of capacities[1] Atmospheric distillation[2]	Catalytic cracking[3]	Hydro-cracking[4]	Residuum conversion[5]	Lubricants[6]
United States – Consolidated					
El Segundo, California	**269**	**67**	**50**	**70**	**–**
Pascagoula, Mississippi	**340**	**86**	**97**	**98**	**25**
Richmond, California	**257**	**80**	**147**	**–**	**20**
Salt Lake City, Utah	**53**	**14**	**–**	**9**	**–**
Total United States – Consolidated	**919**	**247**	**294**	**177**	**45**
International – Consolidated					
South Africa – Cape Town	**110**	**22**	**–**	**12**	**–**
Thailand – Map Ta Phut	**165**	**41**	**–**	**–**	**–**
Total International – Consolidated	**275**	**63**	**–**	**12**	**–**
International – Equity Shares in Affiliates					
Pakistan – Karachi (7.5%)	**4**	**–**	**–**	**–**	**–**
Singapore – Pulau Merlimau (50%)	**145**	**24**	**18**	**17**	**–**
South Korea – Yeosu (50%)	**395**	**74**	**77**	**–**	**12**
Total International – Equity Share in Affiliates	**544**	**98**	**95**	**17**	**12**
Total International	**819**	**161**	**95**	**29**	**12**
Total Worldwide	**1,738**	**408**	**389**	**206**	**57**

[1] Capacities represent typical calendar-day processing rates for feedstocks to process units, determined over extended periods of time. Actual rates may vary depending on feedstock qualities, maintenance schedules and external factors.
[2] Atmospheric distillation is the first distillation cut. Crude oil is heated at atmospheric pressure and separates into a full boiling range of products, such as liquid petroleum gases, gasoline, naphtha, kerosene, gas oil and residuum.
[3] Catalytic cracking uses solid catalysts at high temperatures to produce gasoline and other lighter products from gas-oil feedstocks.
[4] Hydrocracking combines gas-oil feedstocks and hydrogen at high pressure and temperature in the presence of a solid catalyst to reduce impurities and produce lighter products, such as gasoline, diesel and jet fuel.
[5] Residuum conversion includes thermal cracking, visbreaking, coking and hydrocracking processes, which rely primarily on heat to convert heavy residuum feedstock to the maximum production of lighter boiling products.
[6] Lubricants capacity is based on dewaxed base oil production.

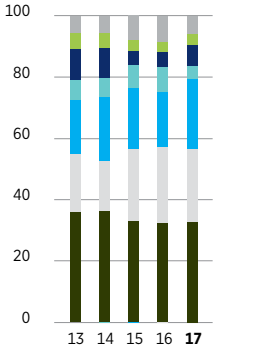
downstream operating data

Worldwide refinery crude distillation utilization*
Percent of average capacity



* Includes equity share in affiliates.

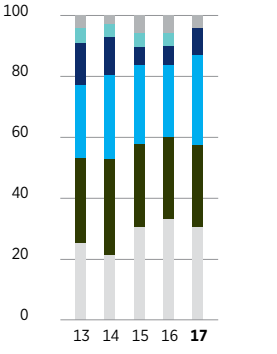
Sources of crude oil input for worldwide refineries*
Percentage of total input



Other · United States · Africa · South America · Mexico · Middle East · Asia-Pacific

* Consolidated companies only.

Sources of crude oil input for U.S. refineries*
Percentage of total input



Other · United States · Asia-Pacific · Middle East · Mexico · South America

* Consolidated companies only.

Refinery crude distillation utilization
(Includes equity share in affiliates)

Percentage of average capacity	Year ended December 31 2017	2016	2015	2014	2013
United States	**98.1**	93.4	96.1	90.9	81.1
Asia-Pacific	**92.1**	93.4	86.2	84.9	88.6
Africa-Pakistan	**62.1**	71.3	63.4	65.6	71.0
Other	**72.5**	91.9	83.7	89.9	76.3
Worldwide	**92.7**	92.0	89.8	86.8	83.5

Sources of crude oil input for worldwide refineries*

Percentage of total input	Year ended December 31 2017	2016	2015	2014	2013
Middle East	**32.8**	32.4	33.1	36.2	36.2
South America	**23.5**	24.9	23.3	16.3	18.5
United States	**23.0**	17.8	20.1	21.0	17.7
Asia-Pacific	**4.3**	8.1	7.4	6.3	6.6
Mexico	**6.8**	4.8	4.7	9.7	10.0
Africa	**3.5**	3.4	3.4	4.7	5.4
Other	**6.1**	8.6	8.0	5.8	5.6
Total	**100.0**	100.0	100.0	100.0	100.0

* Consolidated companies only.

Sources of crude oil input for U.S. refineries*

Percentage of total input	Year ended December 31 2017	2016	2015	2014	2013
South America	**30.3**	32.9	30.3	21.2	25.2
Middle East	**27.1**	27.1	27.1	31.4	27.8
United States – excluding Alaska North Slope	**22.1**	20.0	20.6	22.5	18.1
United States – Alaska North Slope	**7.4**	3.6	5.5	5.0	6.0
Mexico	**8.8**	6.3	6.1	12.6	13.6
Asia-Pacific	**–**	4.3	4.7	4.3	5.0
Other	**4.3**	5.8	5.7	3.0	4.3
Total	**100.0**	100.0	100.0	100.0	100.0

* Consolidated companies only.

Refinery production of refined products*

Thousands of barrels per day	Year ended December 31 2017	2016	2015	2014	2013
United States					
Gasoline	**444**	450	439	413	387
Diesel/Gas oil	**183**	188	205	184	166
Jet fuel	**210**	197	197	196	172
Fuel oil	**31**	34	38	43	46
Other	**128**	120	127	115	97
Total United States	**996**	989	1,006	951	868
International					
Gasoline	**88**	102	94	87	90
Diesel/Gas oil	**96**	110	105	97	107
Jet fuel	**26**	28	27	25	29
Fuel oil	**28**	31	26	26	29
Other	**30**	32	38	30	32
Total International	**268**	303	290	265	287
Worldwide					
Gasoline	**532**	552	533	500	477
Diesel/Gas oil	**279**	298	310	281	273
Jet fuel	**236**	225	224	221	201
Fuel oil	**59**	65	64	69	75
Other	**158**	152	165	145	129
Total Worldwide	**1,264**	1,292	1,296	1,216	1,155

* Consolidated companies only.

Refined product sales

Year ended December 31

Thousands of barrels per day	2017	2016	2015	2014	2013
United States					
Gasoline	**625**	631	621	615	613
Diesel/Gas oil	**179**	182	215	217	195
Jet fuel	**242**	242	232	222	215
Fuel oil	**48**	59	59	63	69
Other[1]	**103**	99	101	93	90
Total United States	**1,197**	1,213	1,228	1,210	1,182
International[2]					
Gasoline	**365**	382	389	403	398
Diesel/Gas oil	**490**	468	478	498	510
Jet fuel	**274**	261	271	249	245
Fuel oil	**162**	144	159	162	179
Other[1]	**202**	207	210	189	197
Total International	**1,493**	1,462	1,507	1,501	1,529
Worldwide[2]					
Gasoline	**990**	1,013	1,010	1,018	1,011
Diesel/Gas oil	**669**	650	693	715	705
Jet fuel	**516**	503	503	471	460
Fuel oil	**210**	203	218	225	248
Other[1]	**305**	306	311	282	287
Total Worldwide	**2,690**	2,675	2,735	2,711	2,711

[1] Other primarily includes naphtha, lubricants, asphalt and coke.
[2] Includes share of equity affiliates' sales: **366** 377 420 475 471

Natural gas liquid sales

(Includes equity share in affiliates)

Year ended December 31

Thousands of barrels per day	2017	2016	2015	2014	2013
United States	**109**	115	127	121	125
International	**64**	61	65	58	62
Total	**173**	176	192	179	187

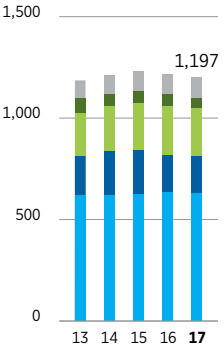
Marketing retail outlets[1,2]

At December 31

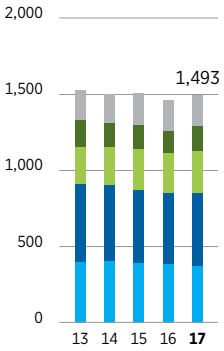
	2017		2016		2015		2014		2013	
	Company	**Other**	Company	Other	Company	Other	Company	Other	Company	Other
United States	**321**	**7,422**	325	7,489	366	7,493	380	7,550	405	7,648
Canada	**–**	**–**	137	43	138	41	150	20	161	5
Latin America	**29**	**857**	38	773	48	716	62	679	76	627
Asia-Pacific	**133**	**1,400**	146	1,430	174	1,529	204	1,530	343	1,439
Africa-Pakistan	**183**	**651**	187	642	191	633	343	1,023	418	1,003
Total	**666**	**10,330**	833	10,377	917	10,412	1,139	10,802	1,403	10,722

[1] Excludes outlets of equity affiliates totaling 2,528, 2,599, 2,651, 4,436 and 4,509 for 2017, 2016, 2015, 2014 and 2013, respectively.
[2] Company outlets are motor vehicle outlets that are company owned or leased. These outlets may be either company operated or leased to a dealer. Other outlets consist of all remaining branded outlets that are owned by others and supplied with branded products.

U.S. refined product sales
Thousands of barrels per day

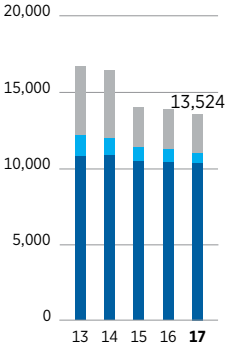


International refined product sales*
Thousands of barrels per day



* Includes equity share in affiliates.

Marketing retail outlets
Number of outlets



downstream operating data

CPChem plant capacities and products at year-end 2017[1]

	CPChem share of capacity by product[2]							
Thousands of metric tons per year	Benzene	Cyclohexane	Ethylene	Normal alpha olefins	Polyethylene	Propylene	Styrene	Other[3]
United States – Wholly Owned								
Baytown, Texas (Cedar Bayou)	–	–	835	1,060	980	465	–	√
Borger, Texas	–	–	–	–	–	–	–	√
Conroe, Texas	–	–	–	–	–	–	–	√
Old Ocean, Texas (Sweeny)	–	–	1,990	–	1,000	395	–	–
Orange, Texas	–	–	–	–	440	–	–	–
Pasadena, Texas	–	–	–	–	985	–	–	–
Pascagoula, Mississippi	725	–	–	–	–	–	–	√
Port Arthur, Texas	–	480	855	–	–	350	–	–
Eight other locations	–	–	–	–	–	–	–	√
Total United States – Wholly Owned	725	480	3,680	1,060	3,405	1,210	–	√
United States – Affiliates								
Allyn's Point, Connecticut (50%)	–	–	–	–	–	–	–	√
Hanging Rock, Ohio (50%)	–	–	–	–	–	–	–	√
Joliet, Illinois (50%)	–	–	–	–	–	–	–	√
Marietta, Ohio (50%)	–	–	–	–	–	–	–	√
St. James, Louisiana (50%)	–	–	–	–	–	–	475	–
Torrance, California (50%)	–	–	–	–	–	–	–	√
Total United States – Affiliates	–	–	–	–	–	–	475	√
Total United States	725	480	3,680	1,060	3,405	1,210	475	√
International – Wholly Owned								
Belgium, Beringen	–	–	–	–	–	–	–	√
Belgium, Tessenderlo	–	–	–	–	–	–	–	√
Total International – Wholly Owned	–	–	–	–	–	–	–	√
International – Affiliates								
China, Jinshanwei (40%)	–	–	–	–	60	–	–	–
Colombia, Cartagena (50%)	–	–	–	–	–	–	–	√
Qatar, Mesaieed (49%)	–	–	255	200	395	–	–	–
Qatar, Ras Laffan (49%)	–	–	340	–	–	–	–	–
Saudi Arabia, Al Jubail (50%)	425	180	105	–	–	75	375	√
Saudi Arabia, Al Jubail (35%)	–	–	425	35	385	155	–	√
Singapore (50%)	–	–	–	–	200	–	–	–
Total International – Affiliates	425	180	1,125	235	1,040	230	375	√
Total International	425	180	1,125	235	1,040	230	375	√
Total Worldwide	1,150	660	4,805	1,295	4,445	1,440	850	√

[1] Includes CPChem's share of equity affiliates.
[2] Capacities represent typical calendar-day processing rates for feedstocks to process units, determined over extended periods of time. Capacities may vary from actual depending on feedstock qualities, maintenance schedules and external factors.
[3] Other includes paraxylene, polyalphaolefins, polypropylene, polystyrene, performance pipe and specialty chemicals.

Olefin, polyolefin, specialty, aromatic and styrenic sales

(Represents equity share in CPChem and GS Caltex)

	Year ended December 31				
Thousands of metric tons per year	**2017**	2016	2015	2014	2013
Olefin and polyolefin sales	**3,599**	3,631	3,837	3,814	3,645
Specialty, aromatic and styrenic sales	**2,399**	2,449	2,555	2,792	2,767

technology

Photo: Drones are used to efficiently monitor operations and the environment, improving data quality while reducing health and safety risk.

technology

At Chevron, technology is not about following the latest trends. It is about leveraging ways to find, develop, produce and deliver energy more efficiently, economically, reliably, safely and sustainably.

Technology differentiates the company's performance. It is used strategically to solve challenges and meet business goals. Chevron's venture capital arm scouts for emerging technologies, with an eye toward the future. The company also develops proprietary solutions, securing its intellectual property while sharing ideas that matter beyond its own portfolio, boosting the safety and sustainability of the industry at large. Chevron's culture of innovation is defined by technical expertise, emerging and information technology, data and engineering to meet the needs of its complex operations – and the changing times.

The company has always focused on ingenuity and implementing technology solutions in a strategic way. Today Chevron is becoming increasingly agile in the way it harnesses, analyzes and uses its vast data stores. Its embrace of technology across the portfolio showed business results in 2017, and it remains positioned to take these achievements further into the future.

Safety, reliability and sustainability Chevron leverages technology to make the company safer and more efficient, as it uses data to better prepare against incidents and find new ways to make its operations more predictable while protecting its people and the environment.

In 2017, the company pioneered the use of snake-arm robots to carry out offshore pressure vessel inspection, a global first. This technology enables pressure vessel inspections to be completed without the need for a human to enter the vessel. The project culminated in a world-first offshore trial on a Chevron asset in the U.K. North Sea. As well as demonstrating the snake-arm robot's capabilities to work in such a harsh environment, the deployment assesses current capabilities and future needs for long-term operation of robotic equipment offshore.

Photo: The world-first offshore trial of snake-arm robot technology to carry out offshore pressure vessel inspection occurred on a Chevron asset in the U.K. North Sea in 2017.

Also in the U.K. North Sea, teams have utilized recent advancements in digital integration technologies to develop and deploy a tool that links low-frequency asset integrity data with live process conditions and chemical management system information to provide employees with a comprehensive, real-time view of equipment health.

During 2017, Chevron expanded its use of drones, thermal imaging, real-time data analytics and remote camera technology to protect equipment and prevent incidents across its upstream and downstream businesses.

The company's sustained focus on leveraging engineered safeguards and technology has led to continued improvements in safety performance.

Chevron remains focused on improving the personal safety of its workforce. At the Tengiz Field in Kazakhstan, an artificial intelligence face-tracking technology is being utilized to detect driver distraction and fatigue and alert drivers to potentially hazardous conditions. This deployment is currently being scaled to 1,500 vehicles.

Chevron Oronite's additive plant in Singapore has implemented a technology that tracks the movement of personnel in safety-sensitive areas. The program uses radio frequency identification (RFID) technology embedded in special tags carried by employees and wireless access points that detect and monitor the tags.

At the company's Permian Basin operations in the midcontinent United States, expanded use of water recycling technologies have helped conserve the region's fresh water resources. In 2017, over 99 percent of the water used for the company's unconventional resources hydraulic fracturing operations was from non-potable sources.

Photo: Chevron's water recycling technologies help to conserve fresh water resources in the Permian Basin.

Cost reduction and efficiency The company is applying technology to reduce costs and preserve margins, always asking if the standard way is the best way, and inviting new ways of thinking about traditional ways of operating.

In 2017, Chevron commissioned its first predictive maintenance system aboard 12 company-operated ships to monitor diesel generators, electrical distribution and main engines. In addition to preventing unplanned downtime, this technology calculates remaining useful life of equipment and informs operators of machinery conditions so maintenance can be executed at the most opportune times.

Improving energy efficiency remains a Chevron priority. Facility design specifications are continuously updated to reflect improvements in technology, and in 2017, higher efficiency technologies, such as direct drive motors and improved gas turbine designs, were included in the routine refresh of Chevron engineering specifications. Chevron's El Segundo Refinery in California completed an energy assessment, resulting in changes in operating and maintenance procedures as well as equipment modifications, generating a two percent improvement in the Refinery Energy Index. As a result of such efforts, a Solomon global industry benchmarking study published in 2017 revealed Chevron's refining network to be among the most energy efficient of Chevron's top competitors. The study included more than 100 facilities.

Photo: Chevron's El Segundo Refinery is among the most energy efficient refineries in the industry.

Capital efficiency Across the Chevron portfolio, capital is scrutinized and deployed strategically. Technology helps the company profitably deliver new sources of energy to the world throughout the commodity price cycle.

In 2017, the company's drilling experts in the Permian Basin used a proprietary performance improvement process called MAXDRILL to identify optimum drill bits, bottom-hole assemblies and drilling parameters to maximize penetration rates, reduce cycle time and project costs. On the Hayhurst pads where this technology was applied, the process resulted in an average decrease of approximately 35 percent in overall well drilling time for the curve and lateral section. Following these successes, the process was extended to several other pads operating in the Midland Corridor, resulting in similar improvements.

Chevron advanced its deepwater technology in 2017 as well. The company completed the world's first installation of rotating buoyancy modules to mitigate the impact of high temperatures on subsea pipeline movement in the U.S. Gulf of Mexico. This technology was deployed in 2017 at the Tahiti Vertical Expansion Project. This innovative solution is a more efficient, lower-cost approach to managing subsea pipeline movement threats.

New solutions are being developed to improve investment efficiency across Chevron's deepwater portfolio, including subsea gas compression technologies that support innovative subsea architecture for increased recovery and extending tieback distances beyond 60 miles (97 km) for oil assets and 100 miles (161 km) for gas assets so that new developments can leverage existing infrastructure.

Improving yields and recovery The technologies Chevron deploys enable new life from old fields and greater yields from its downstream and chemicals businesses.

In the tight rock space, Chevron developed and deployed a high-resolution stratigraphic framework and workflow enabling improvement of mineralogic trend predictions and the selection of optimal horizontal well landing zones across the Delaware Basin. This allows for the reliable prediction of rock properties that are associated with strong well performance.

Chevron's fifth generation Isodewaxing catalyst has now been installed in three facilities, including Chevron's Richmond and Pascagoula lubricant base oil plants, and is performing well, with a significant improvement in yield, life and tolerance for feed contaminants. This catalyst enabled record-setting U.S. equity base oil production in second-half 2017.

Following the development of a novel liquid polymer for the Captain Field, Chevron successfully injected the polymer into two wells at designed rates. Good polymer injectivity is critical for the success of polymer flooding. This new technology has the potential to positively impact the future of chemical enhanced oil recovery operations across the company.

Photo: Chevron successfully injected novel liquid polymer into two wells in the Captain Field in the U.K. North Sea with positive production response.

Exploration and moving resources to production At Chevron, emerging technologies provide a competitive advantage and transform the way it searches for, characterizes, and develops its tight rock, deepwater, heavy oil and conventional assets.

Chevron continues to be an industry leader in advanced subsurface imaging, modeling and reservoir property estimating in support of prospect generation, exploration, field development and reservoir management. The company integrates rapid advances in commercial seismic data acquisition and processing with proprietary imaging capability, well information, reservoir models, regional geology knowledge and high-performance computing to move its diverse resource base to production.

Digital technologies Digital technologies play an ever-increasing role in enabling Chevron's business strategies. By effectively leveraging emerging technologies, the company is improving speed and quality of decision making and increasing revenue while lowering costs and business risk.

In 2017, Chevron established an Enterprise Data Science program driving the use of data analytics across the company. In the Permian Basin, data scientists and hydraulic fracturing experts have created a data lake with more than 6 million well attributes and applied advanced analytics to isolate several predictive parameters, contributing to more effective well completions and improved well productivity.

In 2017, the company announced a strategic partnership that allows Chevron to leverage cloud technologies and accelerate the application of analytics and high-performance computing.

Technology Ventures Chevron Technology Ventures supports Chevron's upstream and downstream segments by addressing key needs and integrating innovative, externally developed technology solutions in the areas of emerging materials, water management, information technology, power systems and production enhancement. In 2017, the company managed more than $325 million in venture capital investments and introduced or deployed more than 15 new technologies across the enterprise.

glossary of energy and financial terms

energy terms

Acreage Land leased for crude oil and natural gas exploration and production.

Additives Specialty chemicals incorporated into fuels and lubricants that enhance the performance of the finished product.

Barrels of oil-equivalent A unit of measure to quantify crude oil, natural gas liquids and natural gas amounts using the same basis. Natural gas volumes are converted to barrels on the basis of energy content. See *oil-equivalent gas* and *production*.

Condensate Hydrocarbons that are in a gaseous state at reservoir conditions, but condense into liquid as they travel up the well bore and reach surface conditions.

Development Drilling, construction and related activities following discovery that are necessary to begin production and transportation of crude oil and/or natural gas.

Enhanced recovery Techniques used to increase or prolong production from crude oil and natural gas reservoirs.

Exploration Searching for crude oil and/or natural gas by utilizing geological and topographical studies, geophysical and seismic surveys, and drilling of wells.

Gas-to-liquids (GTL) A process that converts natural gas into high-quality liquid transportation fuels and other products.

Liquefied natural gas (LNG) Natural gas that is liquefied under extremely cold temperatures to facilitate storage or transportation in specially designed vessels.

Liquefied petroleum gas (LPG) Light gases, such as butane and propane, that can be maintained as liquids while under pressure.

Natural gas liquids (NGLs) Separated from natural gas, these include ethane, propane, butane and natural gasoline.

Oil-equivalent gas The volume of natural gas needed to generate the equivalent amount of heat as a barrel of crude oil. Approximately 6,000 cubic feet of natural gas is equivalent to one barrel of crude oil.

Oil sands Naturally occurring mixture of *bitumen* (a heavy, viscous form of crude oil), water, sand and clay. Using hydroprocessing technology, bitumen can be refined to yield synthetic oil.

Petrochemicals Compounds derived from petroleum. These include: aromatics, which are used to make plastics, adhesives, synthetic fibers and household detergents; and olefins, which are used to make packaging, plastic pipes, tires, batteries, household detergents and synthetic motor oils.

Production *Total production* refers to all the crude oil (including synthetic oil), NGLs and natural gas produced from a property. *Net production* is the company's share of total production after deducting both royalties paid to landowners and a government's agreed-upon share of production under a PSC. *Liquids production* refers to crude oil, condensate, NGLs and synthetic oil volumes. *Oil-equivalent production* is the sum of the barrels of liquids and the oil-equivalent barrels of natural gas produced. See *barrels of oil-equivalent, oil-equivalent gas* and *production-sharing contract*.

Production-sharing contract (PSC) An agreement between a government and a contractor (generally an oil and gas company) whereby production is shared between the parties in a prearranged manner. The contractor typically incurs all exploration, development and production costs, which are subsequently recoverable out of an agreed-upon share of any future PSC production, referred to as cost recovery oil and/or gas. Any remaining production, referred to as profit oil and/or gas, is shared between the parties on an agreed-upon basis as stipulated in the PSC. The government may also retain a share of PSC production as a royalty payment, and the contractor typically owes income tax on its portion of the profit oil and/or gas. The contractor's share of PSC oil and/or gas production and reserves varies over time, as it is dependent on prices, costs and specific PSC terms.

Refinery utilization Represents average crude oil consumed in fuel and asphalt refineries for the year, expressed as a percentage of the refineries' average annual crude unit capacity.

Reserves Crude oil and natural gas contained in underground rock formations called reservoirs and saleable hydrocarbons extracted from oil sands, shale, coalbeds and other nonrenewable natural resources that are intended to be upgraded into synthetic oil or gas. *Net proved reserves* are the estimated quantities that geoscience and engineering data demonstrate with reasonable certainty to be economically producible in the future from known reservoirs under existing economic conditions, operating methods and government regulations and exclude royalties and interests owned by others. Estimates change as additional information becomes available. *Oil-equivalent reserves* are the sum of the liquids reserves and the oil-equivalent gas reserves. See *barrels of oil-equivalent* and *oil-equivalent gas*. The company discloses only net proved reserves in its filings with the U.S. Securities and Exchange Commission. Investors should refer to proved reserves disclosures in Chevron's *Annual Report on Form 10-K* for the year ended December 31, 2017.

Resources Estimated quantities of oil and gas resources are recorded under Chevron's 6P system, which is modeled after the Society of Petroleum Engineers' Petroleum Resource Management System, and include quantities classified as proved, probable and possible reserves, plus those that remain contingent on commerciality. *Unrisked resources*, *unrisked resource base* and similar terms represent the arithmetic sum of the amounts recorded under each of these classifications. *Recoverable resources, potentially recoverable volumes* and other similar terms represent estimated remaining quantities that are expected to be ultimately recoverable and produced in the future, adjusted to reflect the relative uncertainty represented by the various classifications. These estimates may change significantly as development work provides additional information. At times, *original oil in place* and similar terms are used to describe total hydrocarbons contained in a reservoir without regard to the likelihood of their being produced. All of these measures are considered by management in making capital investment and operating decisions and may provide some indication to stockholders of the resource potential of oil and gas properties in which the company has an interest.

Shale gas Natural gas produced from shale rock formations where the gas was sourced from within the shale itself. Shale is very fine-grained rock, characterized by low porosity and extremely low permeability. Production of shale gas normally requires formation stimulation such as the use of *hydraulic fracturing* (pumping a fluid-sand mixture into the formation under high pressure) to help produce the gas.

Synthetic oil A marketable and transportable hydrocarbon liquid, resembling crude oil, that is produced by upgrading highly viscous or solid hydrocarbons, such as extra-heavy crude oil or oil sands.

Tight oil Liquid hydrocarbons produced from shale (also referred to as shale oil) and other rock formations with extremely low permeability. As with shale gas, production from tight oil reservoirs normally requires formation stimulation such as hydraulic fracturing.

Unconventional oil and gas resources Hydrocarbons contained in formations over very large areas with extremely low permeability that are not influenced by buoyancy. In contrast, conventional resources are contained within geologic structures/stratigraphy and float buoyantly over water. Unconventional resources include shale gas, coalbed methane, crude oil and natural gas from tight rock formations, tar sands, kerogen from oil shale, and gas hydrates that cannot commercially flow without well stimulation.

Wells Oil and gas wells are classified as either exploration or development wells. *Exploration wells* are wells drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil and gas in another reservoir. *Appraisal wells* are exploration wells drilled to confirm the results of a discovery well. *Delineation wells* are exploration wells drilled to determine the boundaries of a productive formation or to delineate the extent of a find. *Development wells* are wells drilled in an existing reservoir in a proved oil- or gas-producing area. *Completed wells* are wells in which drilling work has been completed and that are capable of producing. *Dry wells* are wells completed as dry holes, that is, wells not capable of producing in commercial quantities.

financial terms

Capital employed The sum of Chevron Corporation stockholders' equity, total debt and noncontrolling interests. Average capital employed is computed by averaging the sum of capital employed at the beginning and end of the year.

Cash flow from operating activities Cash generated from the company's businesses; an indicator of a company's ability to fund capital programs and stockholder distributions. Excludes cash flows related to the company's financing and investing activities.

Current ratio Current assets divided by current liabilities.

Debt ratio Total debt, including capital lease obligations, divided by total debt plus Chevron Corporation stockholders' equity.

Earnings Net income attributable to Chevron Corporation as presented on the Consolidated Statement of Income.

Goodwill An asset representing the future economic benefits arising from the other assets acquired in a business combination that are not individually identified and separately recognized.

Interest coverage ratio Income before income tax expense, plus interest and debt expense and amortization of capitalized interest, less net income attributable to noncontrolling interests, divided by before-tax interest costs.

Margin The difference between the cost of purchasing, producing and/or marketing a product and its sales price.

Net debt to capital ratio Total debt less the sum of cash and cash equivalents, time deposits, and marketable securities, as a percentage of total debt plus Chevron Corporation's stockholders' equity.

Return on capital employed (ROCE) Ratio calculated by dividing earnings (adjusted for after-tax interest expense and noncontrolling interests) by average capital employed.

Return on stockholders' equity Ratio calculated by dividing earnings by average Chevron Corporation stockholders' equity. *Average Chevron Corporation stockholders' equity* is computed by averaging the sum of the beginning-of-year and end-of-year balances.

Return on total assets Ratio calculated by dividing earnings by average total assets. *Average total assets* is computed by averaging the sum of the beginning-of-year and end-of year balances.

Total stockholder return The return to stockholders as measured by stock price appreciation and reinvested dividends for a period of time.

additional information

publications and other news sources

Additional information relating to Chevron is contained in its *2017 Annual Report* to stockholders and its *Annual Report on Form 10-K* for the fiscal year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission. Copies of these reports are available on the company's website, www.chevron.com, or may be requested by writing to:

Chevron Corporation
Investor Relations
6001 Bollinger Canyon Road, A3140
San Ramon, CA 94583-2324
925 842 5690
Email: invest@chevron.com

The *2017 Corporate Responsibility Report* is scheduled to be available in May 2018 on the company's website, www.chevron.com, or may be requested by writing to:

Chevron Corporation
Policy, Government and Public Affairs
6001 Bollinger Canyon Road, Building G
San Ramon, CA 94583-2324

For additional information about the company and the energy industry, visit Chevron's website, www.chevron.com. It includes articles, news releases, speeches, quarterly earnings information and the Proxy Statement.

legal notice

As used in this report, the terms "Chevron," "the company" and "its" may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or to all of them taken as a whole, but unless the context clearly indicates otherwise, the term should not be read to include "affiliates" of Chevron, that is, those companies accounted for by the equity method (generally owned 50 percent or less) or investments accounted for by the cost method. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

trademark notice

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

This 2017 Supplement to the Annual Report of Chevron Corporation 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," "pursues," "may," "could," "should," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities" 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 or shares or the delay or failure of such transactions to close based on required closing conditions; the potential for 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 impact of the 2017 U.S. tax legislation on the company's future results; 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 19 through 22 on the company's *2017 Annual Report on Form 10-K*. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.

Certain terms, such as "unrisked resources," "unrisked resource base," "recoverable resources" and "original oil in place," among others, may be used in this report to describe certain aspects of the company's portfolio and oil and gas properties beyond the proved reserves. For definitions of, and further information regarding, these and other terms, see the "glossary of energy and financial terms" on pages 50 and 51 of this report.

As used in this report, the term "project" may describe new upstream development activity, individual phases in a multiphase development, maintenance activities, certain existing assets, new investments in downstream and chemicals capacity, investments in emerging and sustainable energy activities, and certain other activities. All of these terms are used for convenience only and are not intended as a precise description of the term "project" as it relates to any specific governmental law or regulation.

This publication was issued in March 2018 solely for the purpose of providing additional Chevron financial and statistical data. It is not a circular or prospectus regarding any security or stock of the company, nor is it issued in connection with any sale, offer for sale of or solicitation of any offer to buy any securities. This report supplements the *Chevron Corporation 2017 Annual Report* to stockholders and should be read in conjunction with it. The financial information contained in this *2017 Supplement to the Annual Report* is expressly qualified by reference to the *2017 Annual Report*, which contains audited financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other supplemental data.

chevron history

1879
Incorporated in San Francisco, California, as the Pacific Coast Oil Company.

1900
Acquired by the West Coast operations of John D. Rockefeller's original Standard Oil Company.

1911
Emerged as an autonomous entity – Standard Oil Company (California) – following U.S. Supreme Court decision to divide the Standard Oil conglomerate into 34 independent companies.

1926
Acquired Pacific Oil Company to become Standard Oil Company of California (Socal).

1936
Formed the Caltex Group of Companies, jointly owned by Socal and The Texas Company (later became Texaco), to combine Socal's exploration and production interests in the Middle East and Indonesia and provide an outlet for crude oil through The Texas Company's marketing network in Africa and Asia.

1947
Acquired Signal Oil Company, obtaining the Signal brand name and adding 2,000 retail stations in the western United States.

1961
Acquired Standard Oil Company (Kentucky), a major petroleum products marketer in five southeastern states, to provide outlets for crude oil from southern Louisiana and the U.S. Gulf of Mexico, where the company was a major producer.

1984
Acquired Gulf Corporation – nearly doubling the company's crude oil and natural gas activities – and gained significant presence in industrial chemicals, natural gas liquids and coal. Changed name to Chevron Corporation to identify with the name under which most products were marketed.

1988
Purchased Tenneco Inc.'s U.S. Gulf of Mexico crude oil and natural gas properties, becoming one of the largest U.S. natural gas producers.

1993
Formed Tengizchevroil, a joint venture with the Republic of Kazakhstan, to develop and produce the giant Tengiz Field, becoming the first major Western oil company to enter newly independent Kazakhstan.

1999
Acquired Rutherford-Moran Oil Corporation. This acquisition provided inroads to Asian natural gas markets.

2001
Merged with Texaco Inc. and changed name to ChevronTexaco Corporation. Became the second-largest U.S.-based energy company.

2002
Relocated corporate headquarters from San Francisco, California, to San Ramon, California.

2005
Acquired Unocal Corporation, an independent crude oil and natural gas exploration and production company. Unocal's upstream assets bolstered Chevron's already-strong position in the Asia-Pacific, U.S. Gulf of Mexico and Caspian regions. Changed name to Chevron Corporation to convey a clearer, stronger and more unified presence in the global marketplace.

2011
Acquired Atlas Energy, Inc., an independent U.S. developer and producer of shale gas resources. The acquired assets provide a targeted, high-quality core acreage position, primarily in the Marcellus Shale.

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