



**Chevron Corporation**  
Policy, Government and Public Affairs  
Post Office Box 6078  
San Ramon, CA 94583-0778  
[www.chevron.com](http://www.chevron.com)

# News Release

**FOR IMMEDIATE RELEASE**

## **CHEVRON ISSUES INTERIM UPDATE FOR FOURTH QUARTER 2012**

**SAN RAMON, Calif., January 10, 2013** – Chevron Corporation (NYSE: CVX) today reported in its interim update that earnings for the fourth quarter 2012 are expected to be notably higher than third quarter 2012. Upstream results are projected to be higher between sequential quarters, reflecting increased gains on asset transactions and higher liftings. Downstream earnings in the fourth quarter are also expected to be higher, largely reflecting a positive swing in timing effects, despite a sharp decline in industry refining margins.

### **Basis for Comparison in Interim Update**

This interim update contains certain industry and company operating data for the fourth quarter 2012. The production volumes, realizations, margins and certain other items in the report are based on a portion of the quarter and are not necessarily indicative of Chevron's full quarterly results to be reported on February 1, 2013. The reader should not place undue reliance on this data.

Readers are advised that portions of the commentary below compare results for the first two months of the fourth quarter 2012 to full third quarter 2012 results, as indicated.

### **UPSTREAM**

The table that follows includes information on production and price indicators for crude oil and natural gas for specific markets. Actual realizations may vary from indicative pricing due to quality and location differentials and the effect of pricing lags. International earnings reflect actual liftings, which may differ from production due to the timing of cargoes and other factors.

		2011	2012				
		4Q	1Q	2Q	3Q	4Q thru Nov	4Q thru Dec
<b><u>U.S. Upstream</u></b>							
<b>Net Production:</b>							
Liquids	MBD	447	456	461	440	467	n/a
Natural Gas	MMCFD	1,290	1,170	1,186	1,184	1,261	n/a
Total Oil-Equivalent	MBOED	661	651	659	637	676	n/a
<b>Pricing:</b>							
Avg. WTI Spot Price	\$/Bbl	93.98	103.00	93.34	92.25	88.21	88.22
Avg. Midway Sunset Posted Price <sup>1</sup>	\$/Bbl	107.83	112.01	102.72	100.71	98.32	98.59
Nat. Gas-Henry Hub "Bid Week" Avg.	\$/MCF	3.55	2.73	2.21	2.81	3.25	3.40
Nat. Gas-CA Border "Bid Week" Avg.	\$/MCF	3.74	2.96	2.40	2.46	2.96	3.37
Nat. Gas-Rocky Mountain "Bid Week" Avg.	\$/MCF	3.35	2.56	1.88	2.91	3.15	3.56
<b>Average Realizations:</b>							
Crude	\$/Bbl	105.37	108.37	103.91	97.34	97.61	n/a
Liquids	\$/Bbl	100.65	101.93	97.46	90.77	91.11	n/a
Natural Gas	\$/MCF	3.62	2.48	2.17	2.63	3.14	n/a
<b><u>International Upstream</u></b>							
<b>Net Production:</b>							
Liquids	MBD	1,369	1,338	1,317	1,249	1,335	n/a
Natural Gas	MMCFD	3,658	3,849	3,894	3,778	3,900	n/a
Total Oil Equivalent	MBOED	1,980	1,980	1,965	1,879	1,986	n/a
<b>Pricing:</b>							
Avg. Brent Spot Price <sup>2</sup>	\$/Bbl	109.35	118.60	108.29	109.50	110.38	110.08
<b>Average Realizations:</b>							
Liquids	\$/Bbl	101.33	110.03	99.21	98.20	100.06	n/a
Natural Gas	\$/MCF	5.55	5.88	6.10	6.03	5.94	n/a

<sup>1</sup> As of second quarter 2012, Avg. Midway Sunset Posted Price is based on the average of four companies' posted prices to better reflect realizations. Prior to second quarter 2012, the price is based only on the Chevron average posting.

<sup>2</sup> The Avg. Brent Spot Price is based on Platts daily assessments, using Chevron's internal formula to produce a quarterly average.

U.S. net oil-equivalent production increased 39,000 barrels per day during the first two months of the fourth quarter, reflecting recovery from the impacts of Hurricane Isaac and an increase in production associated with recently acquired acreage in the Permian Basin. International net oil-equivalent production during the first two months of the fourth quarter increased 107,000 barrels per day, mainly due to the absence of planned maintenance in Kazakhstan and the United Kingdom.

International upstream earnings in the fourth quarter are expected to include a gain of approximately \$1.4 billion from a previously announced asset exchange in Australia, compared to a gain of \$600 million in the third quarter associated with the sale of an equity interest in the Wheatstone project.

U.S. crude oil realizations increased \$0.27, to \$97.61 per barrel during the first two months of the fourth quarter, consistent with the typical monthly lag on pricing in the Gulf of Mexico. International liquids realizations increased \$1.86, to \$100.06 per barrel. U.S. natural gas realizations increased \$0.51 to \$3.14 per

thousand cubic feet, while international natural gas realizations decreased \$0.09 to \$5.94 per thousand cubic feet during the first two months of the fourth quarter.

## **DOWNSTREAM**

The table that follows includes industry benchmark indicators for refining and marketing margins. Actual margins realized by the company will differ due to crude and product mix effects, planned and unplanned shutdown activity and other company-specific and operational factors.

		2011	2012			
		4Q	1Q	2Q	3Q	4Q thru Nov
						4Q thru Dec
<b><u>Downstream</u></b>						
<b>Market Indicators:</b>	\$/Bbl					
<u>Refining Margins</u>						
U.S. West Coast – Blended 5-3-1-1		14.45	19.64	21.32	24.37	23.45
U.S. Gulf Coast – Maya 5-3-1-1		11.84	20.56	24.89	28.19	24.15
Singapore – Dubai 3-1-1-1		8.77	9.73	9.30	10.77	7.59
<u>Marketing Margins</u>						
U.S. West – Weighted DTW to Spot		5.39	4.16	10.14	5.74	9.76
U.S. East – Houston Mogas Rack to Spot		4.35	3.90	5.10	3.99	4.98
Asia-Pacific / Middle East / Africa		5.65	4.75	6.98	6.08	6.63
<b>Actual Volumes:</b>						
U.S. Refinery Input	MBD	763	926	928	779	702
Int'l Refinery Input <sup>1</sup>	MBD	805	779	870	909	918
U.S. Branded Mogas Sales	MBD	515	505	521	519	511

<sup>1</sup> As of June 2012, Star Petroleum Refining Company crude-input volumes are reported on a consolidated basis. Prior to June 2012, crude-input volumes are reported on a net interest basis.

For the full fourth quarter, U.S. and international refining margins decreased significantly compared to third quarter 2012. International marketing margins also declined, while U.S. marketing margins improved from the previous quarter.

During the first two months of the fourth quarter, U.S. refinery crude-input volumes decreased by 77,000 barrels per day compared to the third quarter, driven primarily by the continued shutdown of the Richmond, California refinery crude unit. A return to normal operations at the Pascagoula, Mississippi refinery post Hurricane Isaac partly offset the decrease. International refinery crude-input volumes increased 9,000 barrels per day compared to the third quarter.

## **ALL OTHER**

The company's general guidance for the quarterly net after-tax charges related to corporate and other activities is between \$300 million and \$400 million. Due to the potential for non-ratable accruals related to income taxes, pension settlements, environmental and other matters, actual results may significantly differ from the guidance range. Total net charges for the fourth quarter are expected to be notably higher than the general guidance range.

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## **NOTICE**

**Chevron's discussion of fourth quarter 2012 earnings with security analysts will take place on Friday, February 1, 2013, at 8:00 a.m. PST. A webcast of the meeting will be available in a listen-only mode to individual investors, media, and other interested parties on Chevron's website at [www.chevron.com](http://www.chevron.com) under the "Investors" section. Additional financial and operating information will be contained in the Earnings Supplement that will be available under "Events & Presentations" in the "Investors" section on the website.**

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

*This interim update 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 such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "budgets," "outlook" 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 interim update. 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 chemical margins; 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 equity affiliates; 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 production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments required by existing or future environmental regulations and litigation; significant investment or product changes required by existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading "Risk Factors" on pages 29 through 31 of the company's 2011 Annual Report on Form 10-K. In addition, such results could be affected by general domestic and international economic and political conditions. Other unpredictable or unknown factors not discussed in this interim update could also have material adverse effects on forward-looking statements.*