

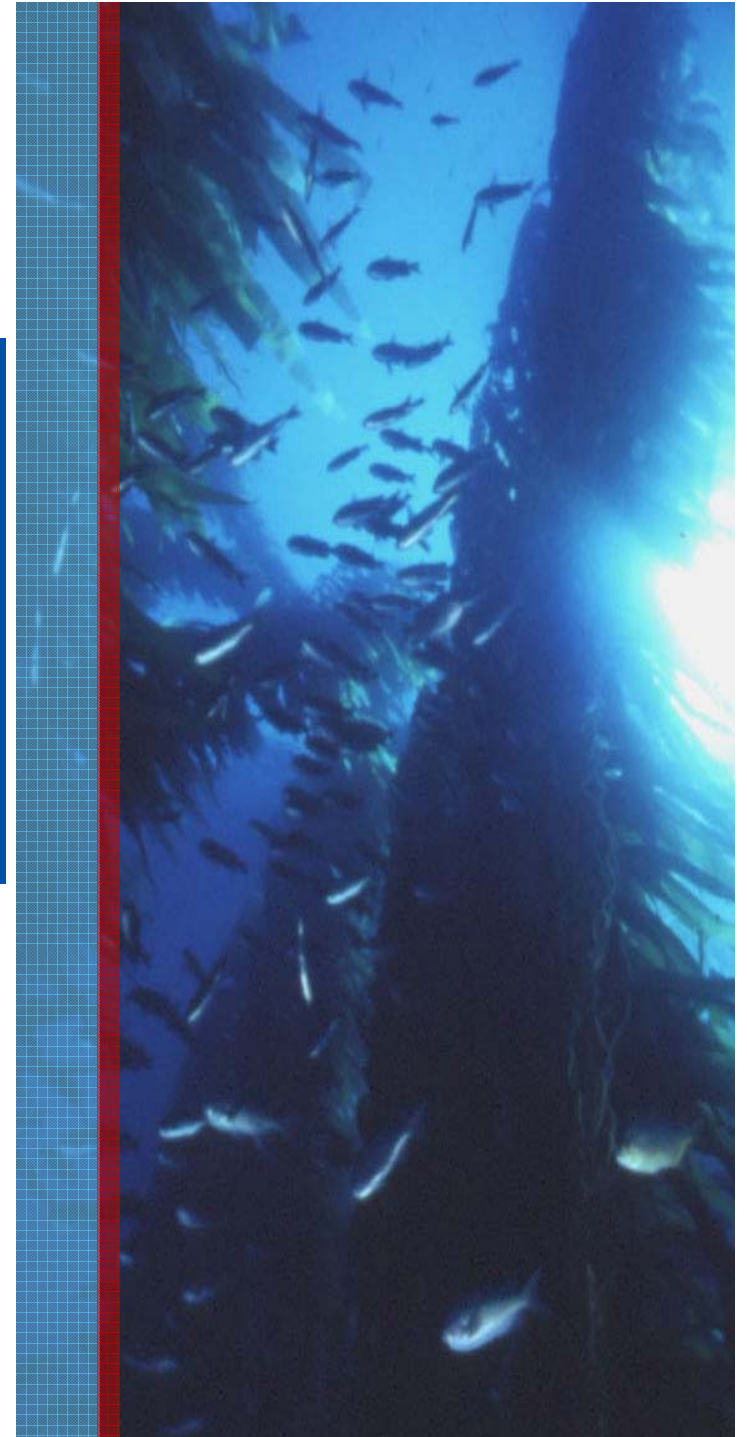


Deep Water Gulf of Mexico

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Merrill Lynch Global Energy Conference
November 7, 2007



Cautionary Statement



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Why Deep Water?

- Future oil demand is likely to remain strong
- Deep water is where the remaining big reserves are located
- Deep water drilling will account for 25% of offshore oil production by 2015, compared to just 9% now
- Innovative technologies will allow economic developments



Chevron Manages a World-Class Portfolio of Projects

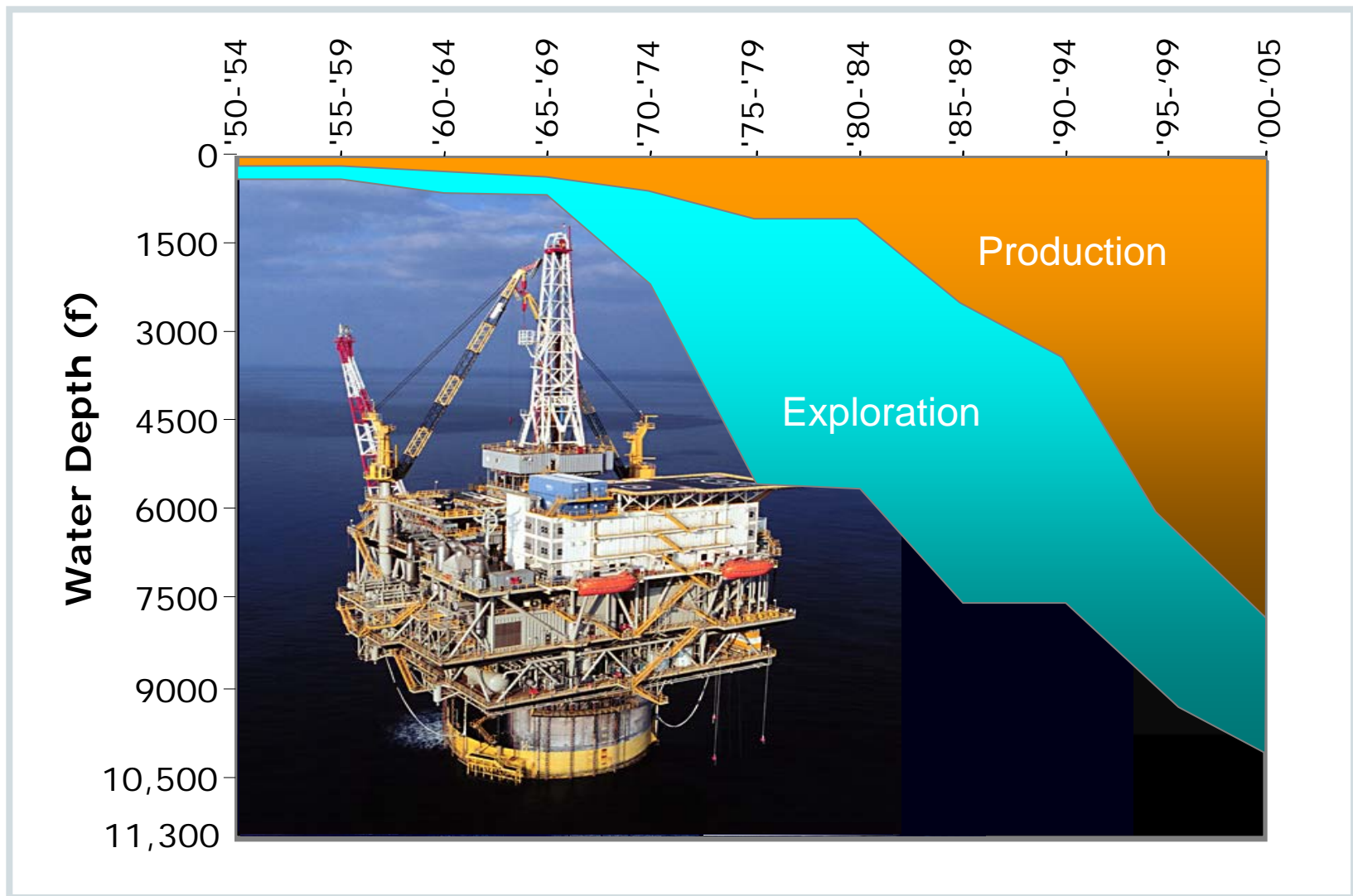




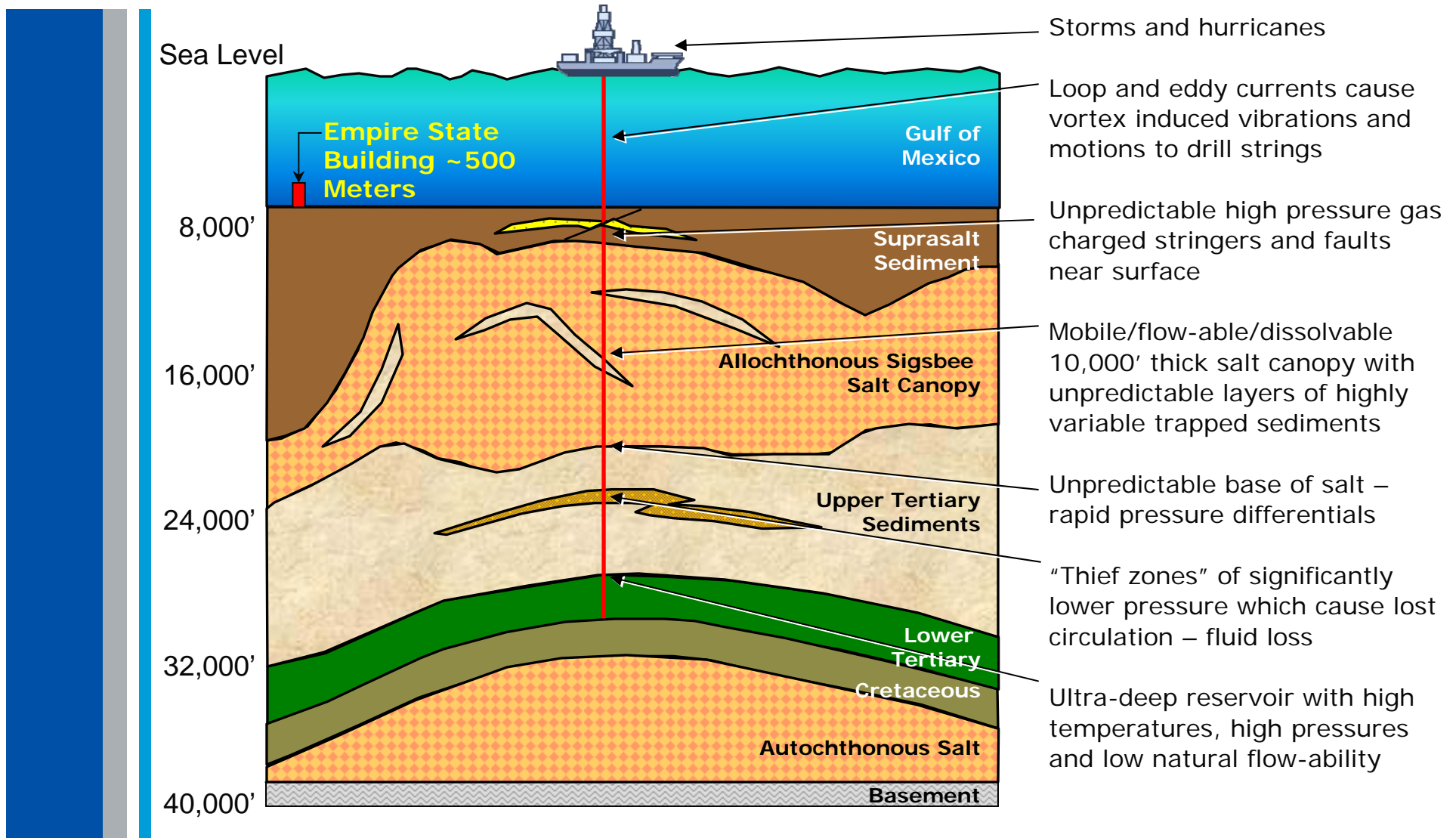
Chevron Manages a World-Class Portfolio of Projects and Deepwater Operations



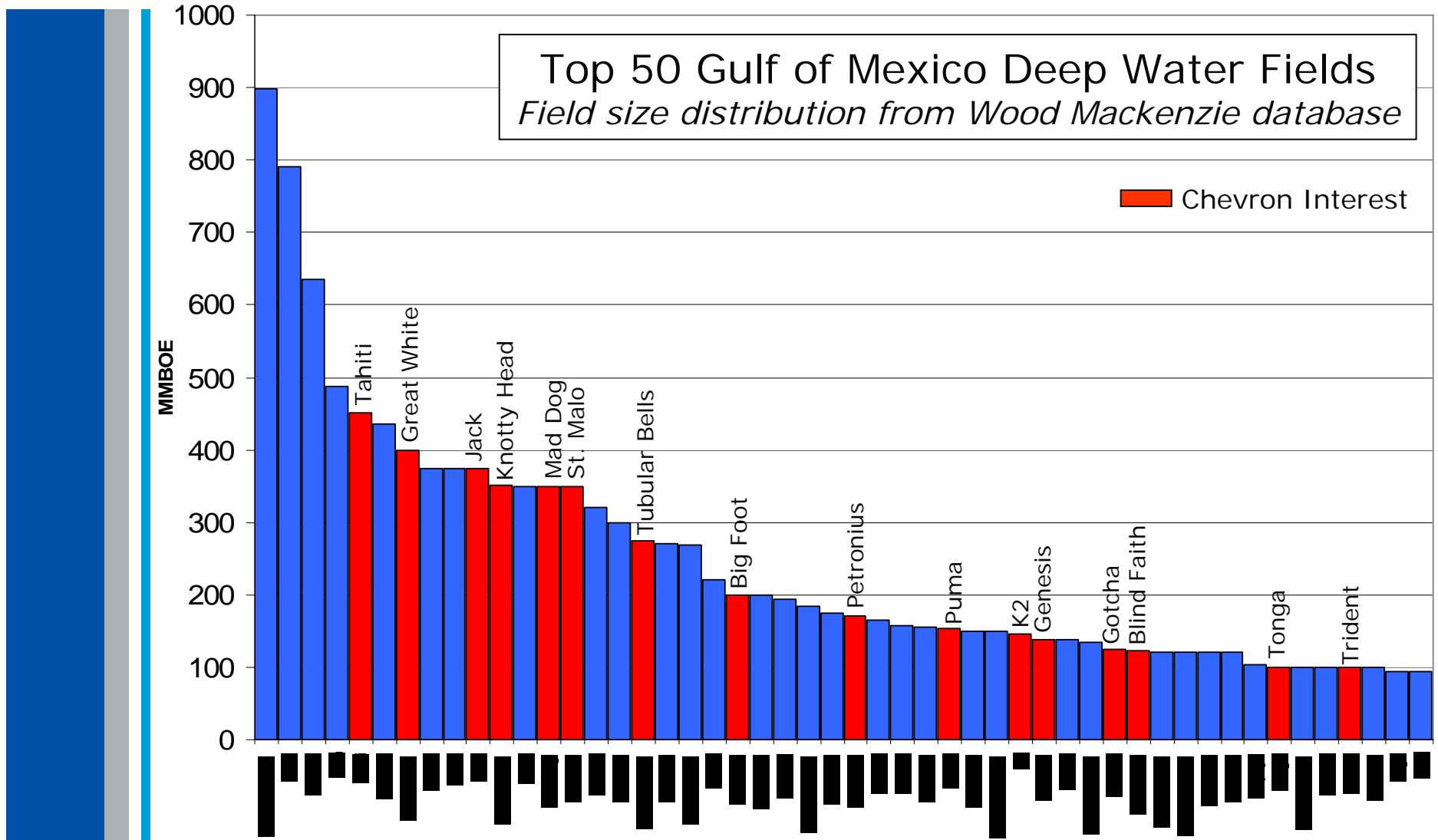
Industry Production from Deep Water is Moving Deeper at an Increasing Pace



Deep Water Gulf of Mexico Technical Challenges in Drilling



Chevron continues to have a strong position in Deep Water discovered fields



Chevron's Deepwater Gulf of Mexico Portfolio

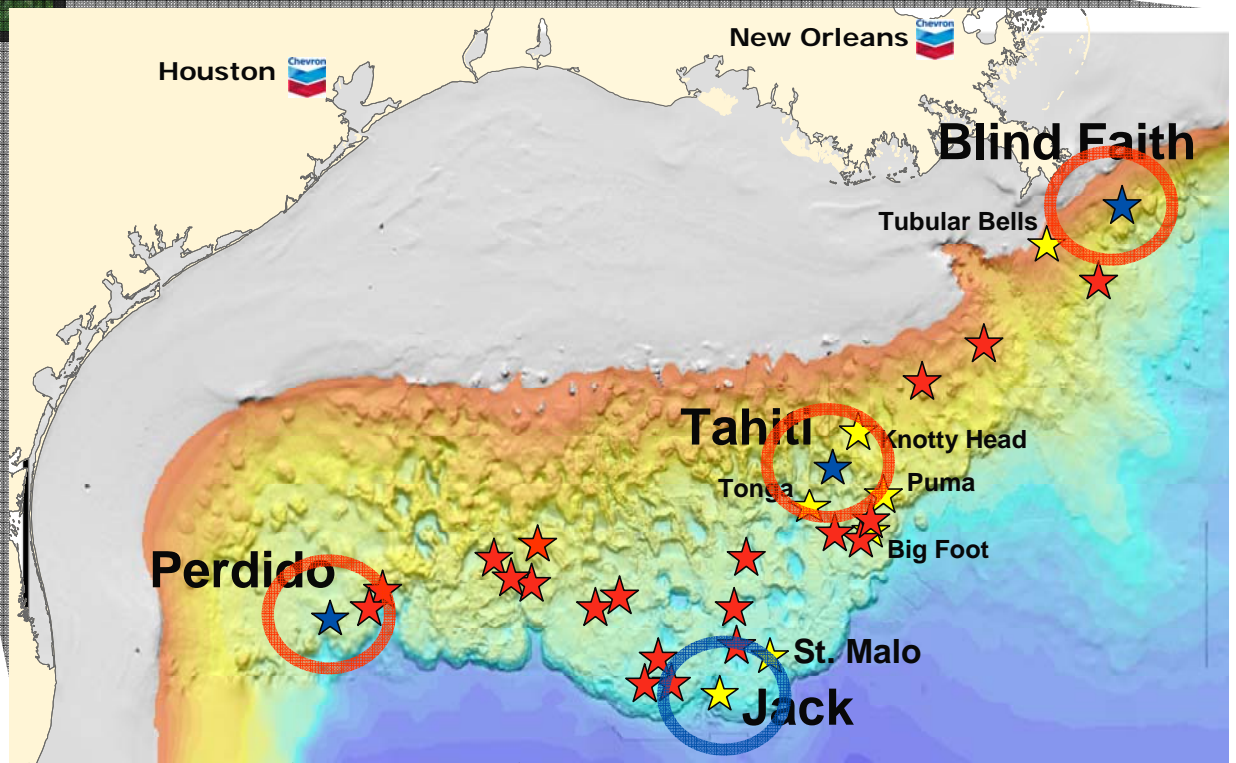


Tahiti Development

Blind Faith Development

Perdido Fold Belt Development

Jack Discovery



★ Exploration 2007 -2010 ★ Appraisal ★ Major Capital Projects

Major Capital Projects – Gulf of Mexico

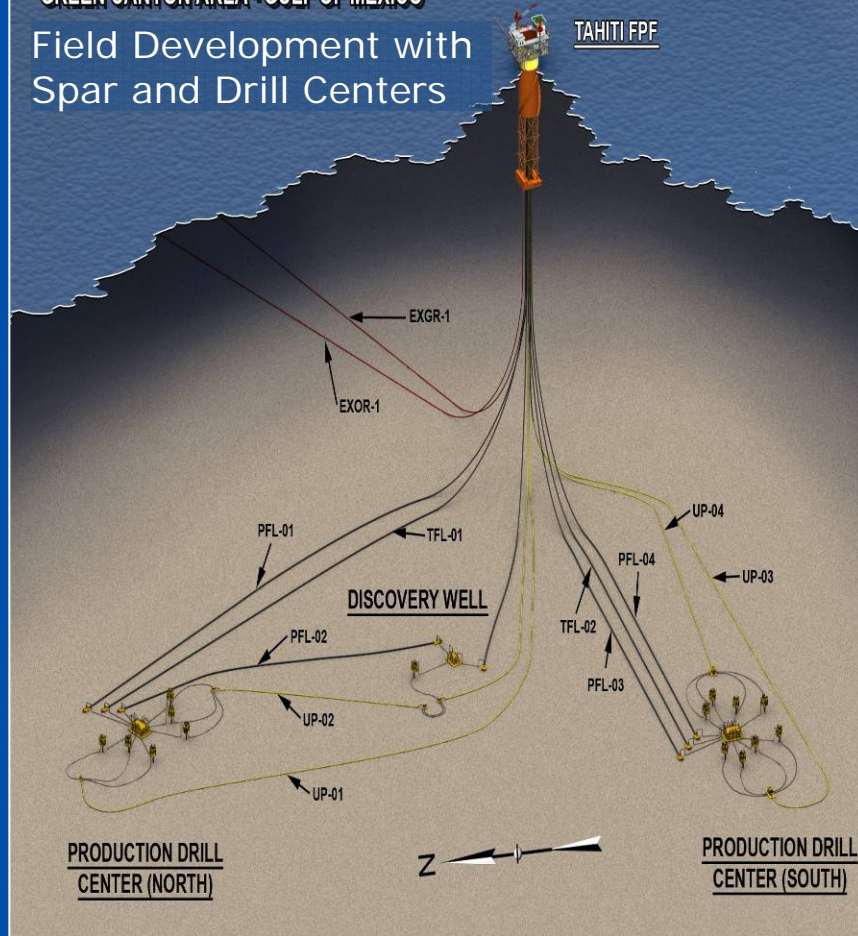
Tahiti Field Development



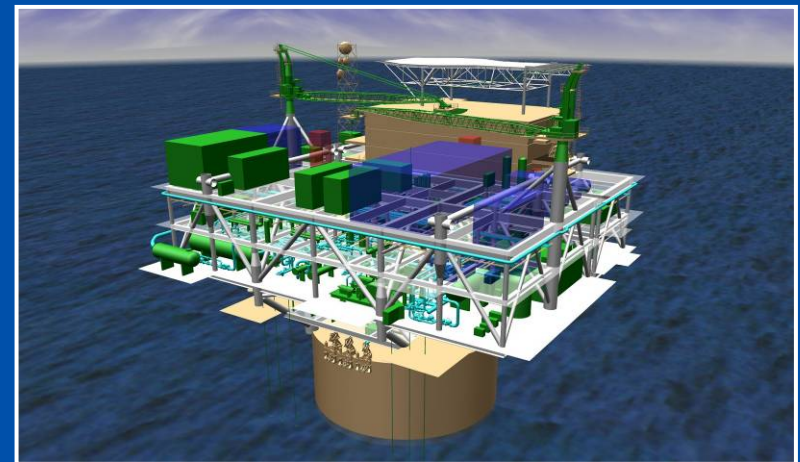
TAHITI FIELD DEVELOPMENT

GREEN CANYON AREA - GULF OF MEXICO

Field Development with Spar and Drill Centers



- CVX operated (58%)
- Total capital: \$3.5 Billion
- 2 subsea drill centers producing to a truss Spar
- Water Depth: 4000'
- 125 MBOPD/70 MMCFD peak production
- 400-500 MMBOE potentially recoverable
- Current Activity: Hull moved to Corpus Christi and finishing the well completions



Major Capital Projects – Gulf of Mexico Tahiti Spar Transported to Texas

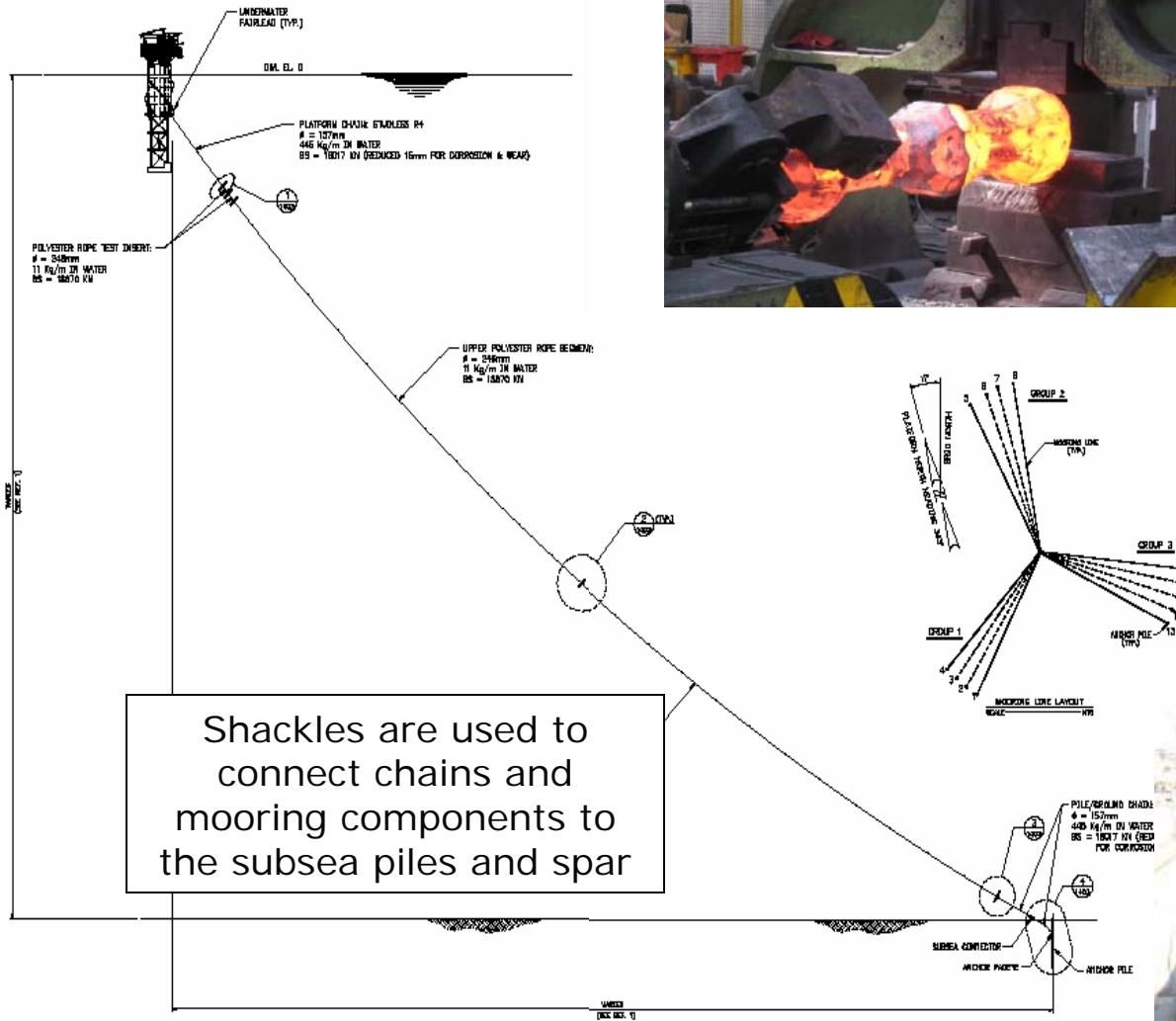


Major Capital Projects – Gulf of Mexico

Tahiti Shackles



Shackle diameter = 7.5 – 8.5 inches
 Shackle weight = 2100 – 2800 pounds

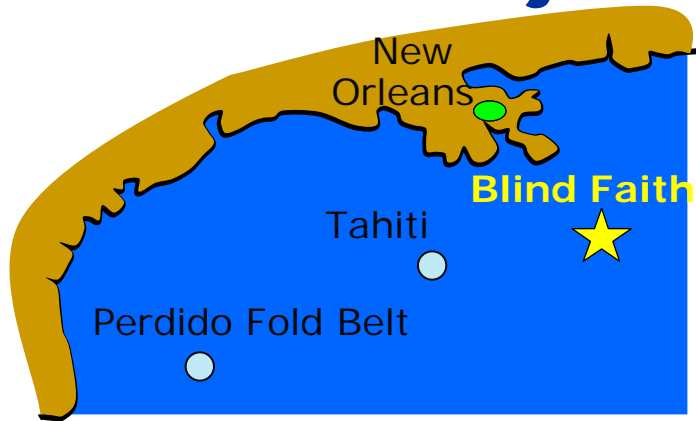


Shackles are used to connect chains and mooring components to the subsea piles and spar



Major Capital Projects – Gulf of Mexico


Blind Faith Project




Topsides construction in Texas

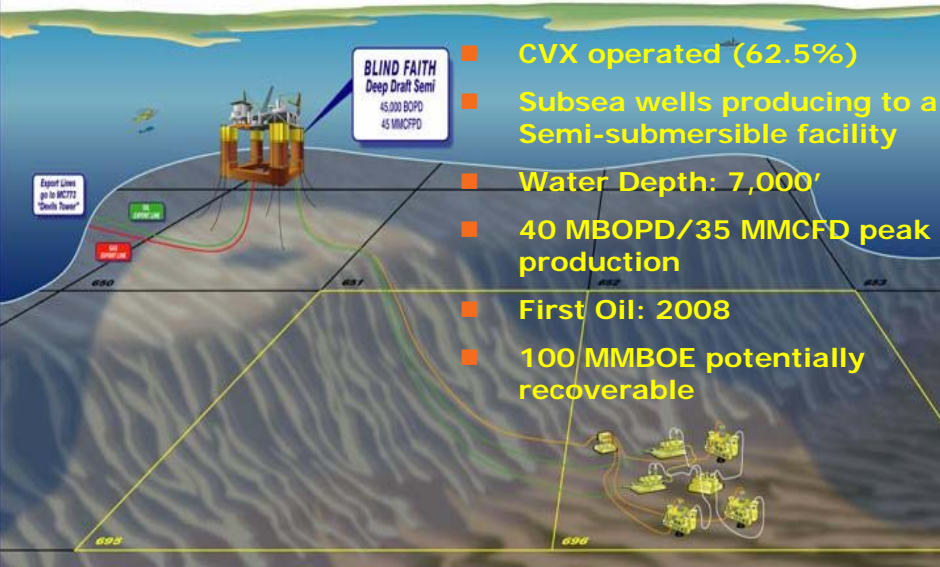


Hull fabrication in Finland



BLIND FAITH FIELD DEVELOPMENT PLAN



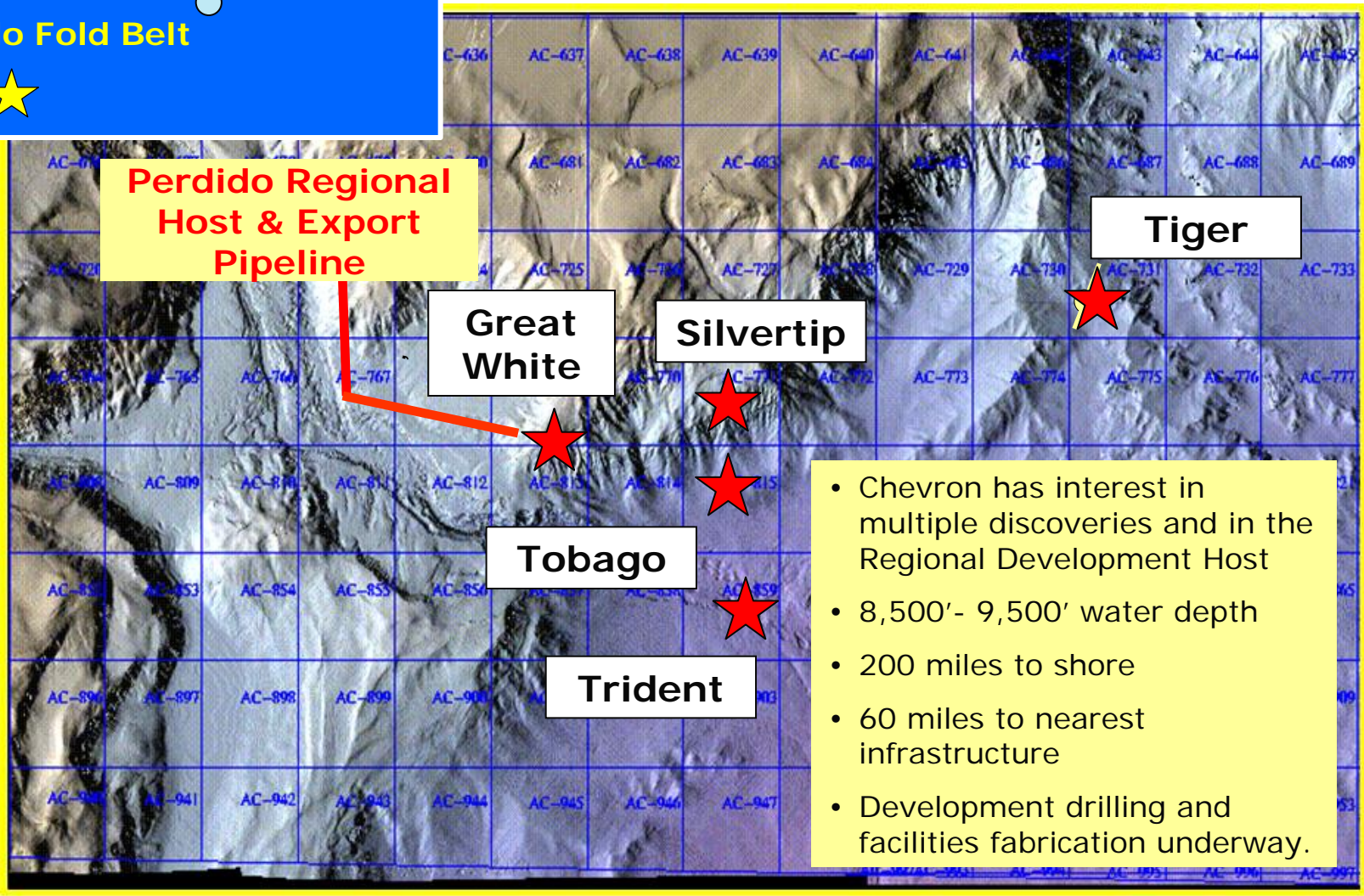
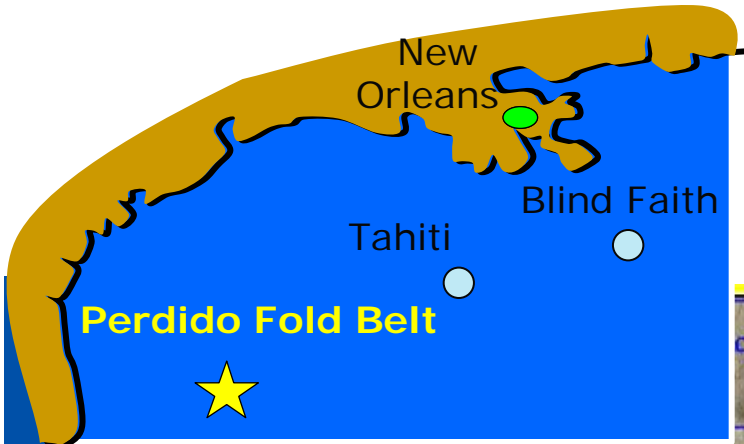


- CVX operated (62.5%)
- Subsea wells producing to a Semi-submersible facility
- Water Depth: 7,000'
- 40 MBOPD/35 MMCFD peak production
- First Oil: 2008
- 100 MMBOE potentially recoverable





Perdido Fold Belt



Perdido Regional Host & Export Pipeline

Great White

Silvertip

Tiger

Tobago

Trident

- Chevron has interest in multiple discoveries and in the Regional Development Host
- 8,500'- 9,500' water depth
- 200 miles to shore
- 60 miles to nearest infrastructure
- Development drilling and facilities fabrication underway.

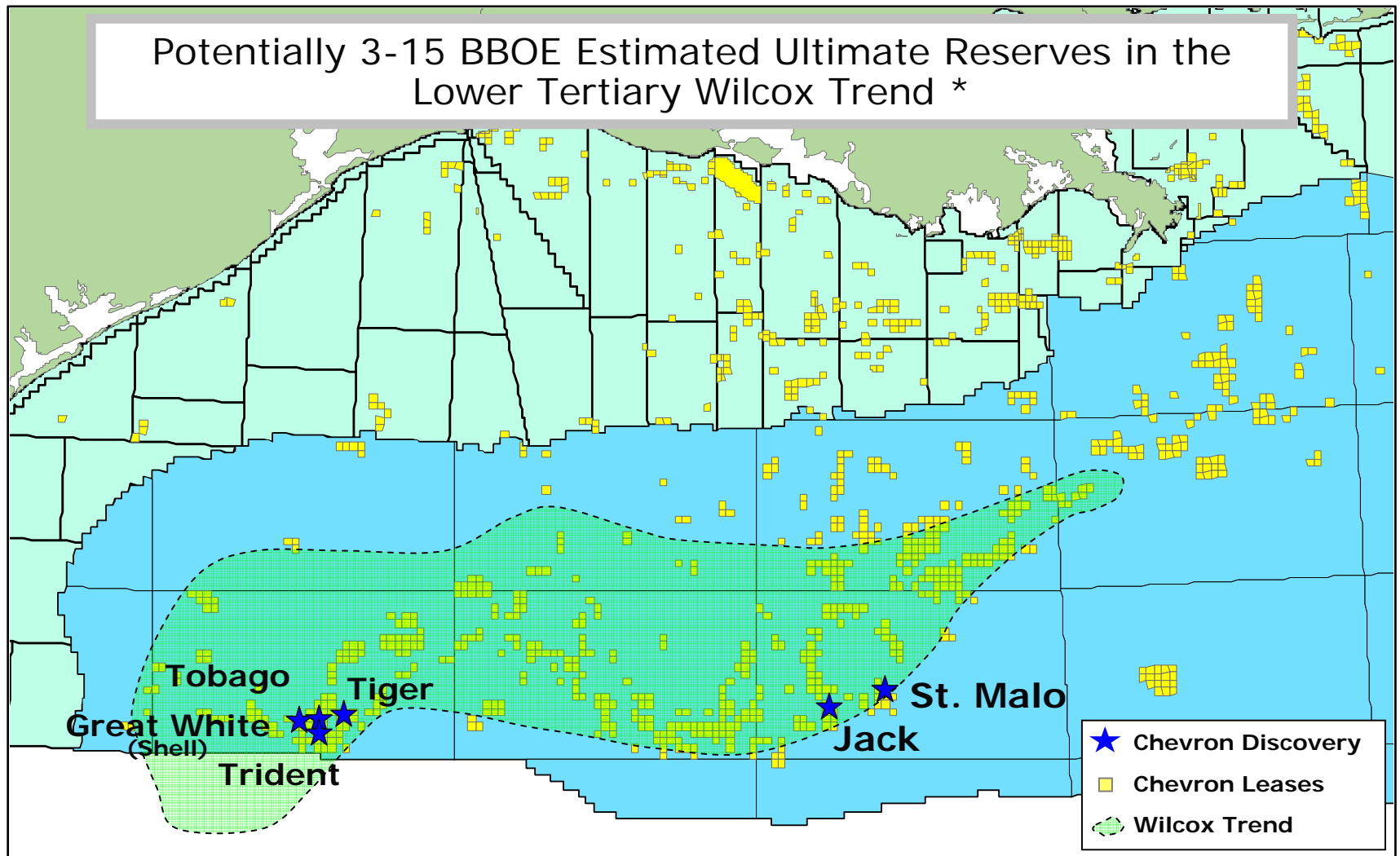
10 Miles





Chevron Wilcox Discoveries

Emerging Lower Tertiary Trend



Emerging Lower Tertiary Trend

Jack #2 Well Test Results



- Drilled to a total depth of 28,175 feet
- Completed and tested in 7,000 feet of water, and more than 20,000 feet under the sea floor
- During the test, sustained a flow rate of more than 6,000 barrels of crude oil per day
- Testing represented approximately 40 percent of the total net pay measured in the well





Deep Water GOM Wells are among the Most Technically Challenging in the World

Examples where we push the envelope...

- Deepest successful well test in the U.S. Gulf of Mexico with Jack 2 (28,175'), a well situated in 7,000 feet (2,135 meters) of water and extending more than 20,000 feet (6,100 meters) beneath the seafloor
- New drilling depth record (34,189') for the U.S. Gulf of Mexico at Knotty Head
- World record for successfully drilling a well in the deepest water depth (10,011') in the Perdido Fold Belt

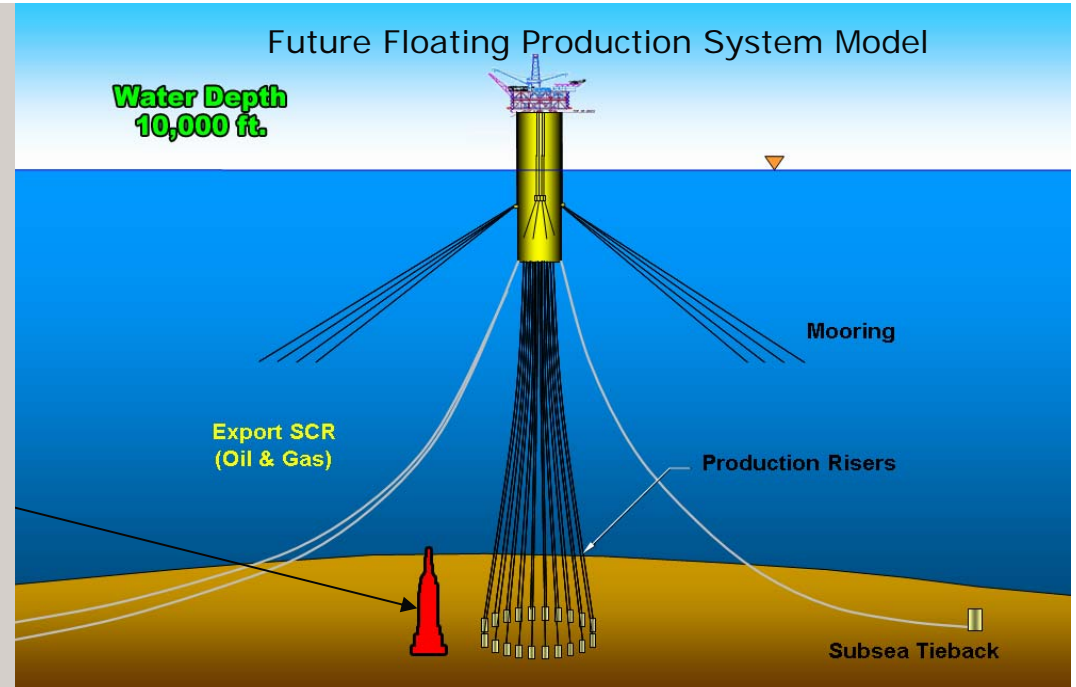
Deep Water Technology Breakthrough New Deep Water Drillship

- Most advanced drilling capabilities
- Dynamically positioned, with double-hull
- Two drilling systems in a single derrick
- Stronger and more efficient top drive so wells can be drilled deeper
- Other unique features will target drilling wells up to 40,000 feet of total depth
- Variable deckload of over 20,000 metric tons; capable of drilling in water depths of up to 12,000 feet



Transocean's Discoverer Clear Leader

Deep Water Facilities/Infrastructure Meeting Future Technology Challenges



- Reliability of Facilities/Systems
- Flow Assurance of Product
- Long Distance Tiebacks
- Well Intervention Cost Reduction



Summary



Deepwater is a complex, risky, and costly environment. Many technical challenges remain to be solved.

Chevron is focused on finding solutions and providing the needed creativity and collaboration.

- Capable People
- World Class Safety Performance
- Innovative Technology
- Strong Partnerships

Questions?

