



# Indonesia Fact Sheet

## Highlights of Operations

Chevron is a major partner in Indonesia's economy and an active member of the community.

Through our wholly owned subsidiary PT Chevron Pacific Indonesia, we are the largest producer of Indonesia's crude oil. We are searching for new crude oil and natural gas reserves from central Sumatra to offshore East Kalimantan. We continue to innovate with new technologies that are used to sustain and enhance production from existing reservoirs.

Our geothermal operations in Indonesia help make Chevron the largest producer of geothermal energy in the world.

Chevron sells lubricants in Indonesia through our subsidiary PT Chevron Oil Products Indonesia.

## Business Portfolio

### Exploration and Production

Chevron is Indonesia's largest oil producer, with total daily production averaging 442,000 barrels of liquids in 2011. Total average daily production of natural gas was 636 million cubic feet.

We operate in partnership with Indonesia's Executive Agency for Upstream Oil and Gas Business Activities (BPMIGAS) through production-sharing contracts (PSCs).

PT Chevron Pacific Indonesia (CPI) owns and operates the Rokan and Siak PSCs in Sumatra. Chevron also has operated interests in four offshore Indonesian PSC areas covering approximately 2.8 million acres (11,100 sq km) offshore in the Kutei Basin, including a 92.5 percent interest in the East Kalimantan PSC. In September 2011, Chevron reduced its interest in the other three to 72 percent in Makassar Strait, 62 percent in Rapak and 62 percent in Ganai.

Chevron has a 51 percent operating interest in the two onshore exploration blocks in West Papua—West Papua I and West Papua III.

Chevron has a 25 percent nonoperated working interest in the offshore South Natuna Sea Block B, northeast of the Rokan Block.

### Optimizing Potential in Sumatra

The majority of CPI's Sumatran production in 2011 came from fields in the Rokan PSC. Duri, the largest field, has been using steamflooding technology to improve production since 1985 and is one of the world's largest steamflood developments. In 2011, steam injection was deployed in 80 percent of the field.

We continued to implement projects designed to sustain production, increase recovery and improve reliability from existing reservoirs. In producing areas of the Duri Field, 212 production wells and 58 steam-injection and observation wells were drilled in 2011. Development also continued in the northern region of the field. Government approvals for construction contracts for the North Duri Development Area 13 expansion project are expected in mid-2012, with startup scheduled for 2013.

In the Minas Field, 50 production wells were drilled during 2011, and work continued toward optimizing the waterflood program there. In 2011, we made progress on a pilot project for a chemical injection process that could further improve recoverability of light oil in Minas and surrounding fields.

In 2011, six successful appraisal wells were drilled in the Kulin, Duri and Bekasap fields. In addition, two exploration wells were drilled. One, in the Sangsam East Prospect, was unsuccessful, and the other, in the Jorang Field, was still being evaluated as of early 2012. Appraisal drilling is planned in the Kulin and Bekasap fields for 2012.

### **Developing Resources in Kutei Basin**

In the Kutei Basin in East Kalimantan, most of the production in 2011 came from 14 offshore fields in the shelf area. Crude oil and natural gas produced from the northern fields are processed at the Chevron-operated Santan terminal.

In the deepwater area, Chevron made progress on the Gendalo-Gehem natural gas project. The project includes two separate hub developments, each with its own floating production unit, subsea drill centers, gas and condensate pipelines, and onshore receiving facility.

In 2010, the company [awarded major front-end engineering and design contracts](#) for the project. Maximum daily production from the project is expected to be 1.1 billion cubic feet of natural gas and 31,000 barrels of condensate.

In December 2011, Chevron completed front-end engineering and design for the deepwater Bangka Project and began the process for government approvals.

### **Moving Ahead in South Natuna Sea and West Papua**

Seven fields in South Natuna Sea Block B produce natural gas, and four fields produce crude oil.

In 2011, 2-D seismic data acquisition was completed for West Papua I and was under way for West Papua III. Processing of the seismic data is planned for 2012.

### **Geothermal**

Chevron is the world's largest producer of geothermal energy and has major operations in Indonesia. Geothermal energy is created by the heat of the earth. It generates reliable power and emits almost no greenhouse gases.

Our subsidiary Chevron Geothermal manages two geothermal projects in Indonesia—Darajat and Salak, both on the island of Java. The Darajat project supplies geothermal steam, which generates 259 megawatts of electricity. All power from the Darajat site is sold directly to the national grid. Chevron holds a 95 percent operating interest in Darajat.

Chevron owns and operates the Salak project. It is one of the largest geothermal operations in the world, with a total operating capacity of 377 megawatts.

The combined output from our Darajat and Salak geothermal operations now produces sufficient renewable energy to supply approximately 4 million homes in Indonesia.

Chevron also operates and has a 95 percent interest in the North Duri Cogeneration Plant in Sumatra, which supplies up to 300 megawatts of electrical power to CPI as well as steam in support of CPI's Duri steamflood project.

Chevron has a 95 percent-owned and operated interest in the Suoh-Sekincau prospect in southern Sumatra. The Indonesian government issued Chevron a license to explore the area, and we have taken the first steps toward geological and geophysical assessment. If successful, additional development could potentially add about 200 megawatts to Chevron's geothermal portfolio.

### **Lubricants and Trading**

PT Chevron Oil Products Indonesia sells Caltex® lubricants across Indonesia through a distribution network. These products serve commercial, industrial, consumer and marine customers.

Through our trading operation in Singapore, Chevron also trades in crude oil, other feedstocks and finished petroleum products with Pertamina, Indonesia's government-owned oil and gas company. We also sell to licensed importers and distributors.

Chevron markets asphalt under the Caltex Asphalt™ brand.

## In the Community

In Indonesia, the expression *gotong royong* means offering assistance, sharing burdens and working with others. Throughout our more than 80 years in Indonesia, Chevron has embraced gotong royong by working with communities to provide disaster relief, including help with rebuilding; small business and enterprise development; education and vocational training, including buildings and equipment; health services; and environmental conservation. Our social investment programs have delivered approximately \$135 million in assistance.

### Education and Vocational Training

The first social investment program offered by PT Chevron Pacific Indonesia (CPI) took place in 1957, when CPI donated a building to house the first state senior high school, SMAN 1 in Pekanbaru, Riau.

CPI supports the education of the Sakai people, an indigenous tribe in Riau. CPI supplies books, provides incentives for teachers and offers educational grants to thousands of Sakai children through our Beasiswa Anak Asuh Sakai (Sakai Foster Children Scholarship) program. Since it began in 2001, the Darmasiswa Chevron Riau scholarship program has allowed 625 of Riau's brightest students to pursue higher education.

CPI built and sponsors two polytechnic schools to train Indonesian students for jobs in the industrial sector. Riau Caltex Polytechnic, the province's first polytechnic university, offers a curriculum to match the province's business needs and contribute to its economic growth. More than 1,147 students have graduated from the university. Our second such school, Politeknik Aceh, in Banda Aceh, was built with our partners in the long-term recovery effort following the 2004 tsunami. The first class of 140 students graduated in September 2011. Politeknik Aceh has a current enrollment of 540.

Chevron supports a range of educational programs:

- We started a school development program in East Kalimantan to provide schools in remote areas with teacher training and equipment.
- Since 2008, our educational SuperCamp program in West Java has benefited more than 500 students, with about 90 percent moving on to college.
- Our youth vocational training program offers courses in welding, automotive, heavy-equipment operation, carpentry and other trades.
- Our Newspaper in Education program helps enrich English instruction for more than 6,000 students and 750 teachers from nine provinces.
- Since 2006, as part of Chevron's global [University Partnership Program](#), we have provided our university partner, Bandung Institute of Technology, with graduate fellowship, distance learning and internship programs. We have also improved its lab facilities and created a guest lecture series.

### Health Services

Chevron supports programs that fight HIV/AIDS and other diseases, improve health care, and support health education, with special emphasis on mothers and children.

We provided \$5 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria for HIV/AIDS programs in Indonesia. The Global Fund worked with the government of Indonesia to provide testing, counseling, health care and education.

We also helped establish the "I Wanna Live" HIV/AIDS awareness campaign for middle school and high school students and teachers in West Java. More than 100 students from the region were selected and trained as program ambassadors or agents of change. The campaign has reached more than 25,000 youngsters.

Chevron also works with local government and other organizations to improve maternal and newborn health services in 10 villages in Riau and East Kalimantan. A program targeted at health center workers, volunteers and midwives offers training in maternal and child health and helps create support for mothers-to-be within their villages.

Several other public health initiatives have helped build clinics in remote areas of West Java, provide medical services to the Sakai people in Duri, supply artificial limbs to disabled people in Balikpapan and fund treatment for underprivileged children with facial deformities.

### **Small Business and Micro Enterprise Development**

Chevron supports programs that offer training in agriculture, fisheries and small business development. The Local Business Development program, launched in 2001, helps small companies and cooperatives in Sumatra, East Kalimantan and West Java develop into reliable, professional and competitive suppliers of goods and services, thus boosting the local economy. Over the past five years, more than 3,300 contracts have been awarded and approximately 9,000 jobs have been created. Chevron has purchased more than \$48 million in goods and services under the program.

In East Kalimantan and West Java, Chevron and our partners have created a community-based enterprise development program. The program offers loans through a micro finance institution and provides business management training to small business groups and cooperatives.

In Salak and Darajat, West Java, Chevron helped establish a local farmers association in several villages. The farmers turned idle land into fields producing abundant crops. Basic agricultural management assistance also was provided to sheep breeders in Darajat, West Java. In our Salak geothermal operations, we also promote conservation efforts to prevent further exploitation of the forest and support small- and medium-size enterprises by offering training to improve farming practices.

In East Kalimantan, we created the Coastal Community Empowerment program to support sustainable economic development in local coastal communities and the region by offering workshops in seaweed cultivation, fishpond production and other skills.

### **Disaster Relief and Rehabilitation**

Chevron has been quick to step in to help communities recover and rebuild after natural disasters.

In 2009, many parts of West Sumatra and West Java were affected by a series of devastating earthquakes. Using the experience we gained from our relief efforts following previous disasters in Indonesia, we launched the Chevron Earthquake Recovery Initiative.

We set up a \$1.8 million school rehabilitation program and partnered with national and local governments and nongovernmental organizations to rebuild four severely damaged schools in West Java and West Sumatra. A state-run elementary school in Padang Pariaman, West Sumatra, was rebuilt with money donated by our employees and matched by the company. In Padang, West Sumatra, we rebuilt a state-run vocational high school. The new earthquake-resistant building was designed with access for the handicapped and can shelter 2,200 people during a tsunami.

### **Chevron Aceh Recovery Initiative**

Following the 2004 tsunami, which hit Indonesia particularly hard, Chevron responded to the needs of victims in Aceh and Nias with the Chevron Aceh Recovery Initiative. We contributed approximately \$15 million for immediate relief and longer-term rehabilitation initiatives.

One of the initiative's long-term programs focused on providing vocational skills and economic development opportunities for residents of Aceh through Riau Caltex Polytechnic and Politeknik Aceh. Soon after the tsunami, a three-month program at Riau Caltex Polytechnic provided training in road and home construction, electrical installation, and computer applications. About 80 percent of the graduates are now employed in Aceh, and several have started their own businesses, employing others.

Chevron also supports the Business Startup Establishment project in Aceh. It is working to create 6,000 jobs by offering micro financing, training and business planning support for local entrepreneurs.

## Record of Achievement

Chevron's relationship with Indonesia can be traced back more than 80 years.

In 1924, we took our first significant step in Asian exploration and production in Indonesia when Standard Oil Co. of California (Socal), which later became Chevron, dispatched a geological expedition to the island of Sumatra. In 1936, the holdings became part of N.V. Nederlandsche Pacific Petroleum (later, PT Chevron Pacific Indonesia [CPI]), a joint venture between The Texas Co. (later Texaco) and Socal.

Five years later, we drilled into the formation that would become the Duri Field. Steamflood technology was first applied to the field in 1985, and now Duri is one of the world's largest enhanced-recovery steamflood projects. In 1944, a well near the village of Minas became the largest oil field ever discovered in Southeast Asia. Production began after Indonesia won independence in 1952.

In the 1990s, we expanded operations to include electric power generation, relying on geothermal power production. In 2007, Darajat III was recognized as the world's largest project registered under the U.N. Clean Development Mechanism. And in 2009, Darajat III received Certified Emission Reduction certificates from the U.N. agency managing the Clean Development Mechanism.

## National Recognition

Chevron is regularly honored for the quality of our operations in Indonesia.

In 2011, we received awards and recognition from several Indonesian ministries and national professional associations:

- Zero Accident awards from the Ministry of Manpower and Transmigration
- Best of the Best Award for Occupational Health, Safety Management, Environmental Management from the Ministry of Energy and the Mineral Resources Directorate General of Mineral, Coal and Geothermal
- Environmental Management Green and Gold awards from the Ministry of Environment Resources
- Best of the Best and Platinum awards for HIV/AIDS Prevention and Treatment Program in the Workplace from the Ministry of Manpower and Transmigration
- Commitment on HIV/AIDS Prevention award from the Coordinating Minister for People's Welfare

## Environment

Protecting people and the environment and conducting our operations reliably and efficiently are integral components of [The Chevron Way](#). We place the highest priority on the health and safety of our workforce and protection of our assets and the environment.

Chevron supports Indonesia's national parks, conservation areas and other environmental programs around the country. In East Kalimantan, we helped establish the Berau Marine Protected Area. To help promote ecotourism, we worked with National Geographic Indonesia to produce a map of marine ecosystems in the Berau Islands. This area includes Derawan Island, home of the endangered green turtle.

We play an active role in rehabilitating the Telaga Sari Urban Forest in Balikpapan by supporting the Educational Forest Center and taking part in tree plantings.

In West Java, we collaborate with nongovernmental organizations concerned about the environment, biodiversity and conservation. With Wildlife Trust/Yayasan PEKA (Indonesian Nature Conservation Concern Foundation), we promoted community awareness about the importance of conservation and biodiversity while also creating opportunities for economic growth.

We also work with nongovernmental organizations to improve the environmental awareness of local people in Mount Halimun-Salak National Park. Using concealed cameras in the forest, we help monitor the presence and condition of endangered species, such as the Javanese leopard, the Owa Jawa monkey and the Javan hawk-eagle.

Together with the Mount Halimun-Salak National Park and Raptor Sanctuary partnership network, we established the Suaka Elang (Raptor Sanctuary). This sanctuary has bird rescue operations and educates the public about these birds of prey and their habitats. In Riau, we support a migratory raptor inventory on Rupaat Island.

In late 2011, in collaboration with Mount Halimun-Salak National Park, Kehati Foundation and local nongovernmental organizations, we established the Green Corridor Initiative, a five-year program to restore degraded forest areas that connect the Mount Salak conservation area and Mount Halimun National Park. This program aims to plant 250,000 trees in five years. The initiative also provides economic development opportunities for communities near our Salak geothermal operations.

## Economy

Chevron's day-to-day operations and capital investments contribute to Indonesia's economy. Salaries and wages paid to Chevron workers exert an important multiplier effect. We provide jobs for approximately 7,000 employees and 32,000 business partner employees. About 97 percent of employees and managers are Indonesian.

More than 1,000 Indonesian Chevron employees have completed U.S.-based assignments as part of their professional development and to learn new technical skills. Transfer of technology is an integral part of Chevron operations as Indonesian employees learn how to use new technologies from around the world.

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

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