John S. Watson
Chairman and Chief Executive Officer

August 31, 2016

CLASSIFIED

Ms. Linnet F. Deily
Mr. Robert E. Denham
Dr. Alice P. Gast
Mr. Enrique Hernandez, Jr.
Gov. Jon M. Huntsman, Jr.
Mr. Charles W. Moorman, IV
Mr. John G. Stumpf
Dr. Ronald D. Sugar
Mr. Inge G. Thulin

We earned $437 million in July, up $2.1 billion from June, mostly due to the absence of last month's impairments and other charges. July results were impacted by a $3/bbl drop in Upstream liquids realizations and a 13 MBOED decline in worldwide net OEG production as lower costs resulted in lower entitlements in our production sharing contracts. Also, Downstream results were lower without the gain on the sale of our New Zealand business. We were cash flow neutral in July, excluding the $1.9 billion financing we contributed to our Tengizchevroil affiliate. On a year-to-date basis, reported losses totaled $1.8 billion and net production was 2.59 MMBOED, below the lower end of our external guidance. On a ratable basis, our capital and operating spend through July is tracking well relative to full-year targets.

Brent prices were volatile this month as market sentiment was driven more by a succession of headlines than by market fundamentals. Prices rose in response to talk about potential coordinated action by OPEC and Russia to freeze production levels, which resulted in the covering or settling of speculator short positions. Conversely, prices responded negatively to news of a conditional cease-fire agreement between the Niger Delta Avengers and the Nigerian government, continuing recovery in US drilling activity, and reports of a potential ramp up of Iraqi exports. We expect ample oil supply and high inventories to keep Brent within a $40-55 window over the remainder of the year.

Henry Hub prices were relatively firm in August ranging from $2.70-$2.90 as hot summer weather in the US continued to drive gas-powered electricity generation demand higher while gas production levels remained subdued. In addition to weather effects, base levels of gas-powered electricity production have also risen, confirming the structural shift away from coal-fired plants that is underway. With a continuation of supply and demand trends, a normal start to winter could bring inventories down below the 5-year historical average, potentially lifting prices above the $3.00 level by year-end.

We continue to make good progress on our project queue. On August 16, we achieved start-up of the Bangka project, a deepwater natural gas development in Indonesia. Gorgon Train 1 continues to ramp up and progress on the remaining two trains continues to go well. Maintenance activities at Angola LNG are moving ahead and we expect to restart LNG production around mid-September. Our Tengizchevroil affiliate successfully placed the first bond

Chevron Corporation
[redacted] San Ramon, CA 94583
Tel [redacted] Fax [redacted]
[redacted]@chevron.com

offering to support the execution of the Future Growth and Wellhead Pressure Management Project.

Our asset divestment program continues to move ahead. We recently reached an agreement to sell our natural gas liquids logistics system assets in south Louisiana to Phillips 66 Partners LP for $242 million. The sale is expected to close in the fourth quarter. On August 29, we closed the sale of a pipeline field office and storage tank in La Mirada, which is in Southern California, for $38 million.

I hosted a dinner with the Saudi Aramco Board this month where I had the opportunity to recognize our long-standing ties, reinforce our strong partnership and discuss their ongoing efforts to resolve their bilateral dispute with Kuwait over the Partitioned Zone.

Among the enclosures, I have included a brief summarizing the first half performance of our US Master Pension Trust. It outperformed its benchmark and the retirement plan remains fully funded on an IRS statutory basis. I have also included a brief that was discussed at the Public Policy Committee meeting in July that outlines policy issues in a number of key countries where we operate.

Next month, we will be in Australia where we will have the chance to tour the Gorgon and Wheatstone facilities and learn more about our efforts to build a robust, competitive LNG business in the strategic Asia-Pacific region. I'll share more details when I correspond with you again in a couple of weeks.

Best regards,

[redacted]

John S. Watson
Chairman and CEO
Chevron Corporation

Enclosures

cc: Mr. R. Hewitt Pate
Ms. Mary A. Francis

List of Enclosures

1. Revised 2016 Schedule of Board & Board Committee Meetings (changes are highlighted)
2. 2017 Schedule of Board & Board Committee Meetings
3. 2017 – 2020 Schedule of Board Meeting Dates
4. Chevron U.S. Master Pension Trust Performance Review Mid-Year 2016 (Ending June 30, 2016)
5. Public Policy Issues Brief
6. Analyst Reports – Reactions to Chevron and Competitors' 2Q16 Conference Call
7. July Performance Summary

CHEVRON CORPORATION
2016 SCHEDULE OF BOARD AND BOARD COMMITTEE MEETINGS

DATE	MEETING	TIME (PACIFIC)	LOCATION
January 26	Board Nominating and Governance Committee	1:30 p.m.	A4320
	Public Policy Committee/BN&GC (**joint session**)	2:30 p.m.	A4330
	Audit Committee	2:30 p.m.	Board Room
	Management Compensation Committee	4:30 p.m.	A4320
	Board ~~Briefing &~~ Dinner	**6:00 p.m.**	**Board Room**
January 27	**Board of Directors**	**7:00 a.m.**	**Board Room**
February 16	Board Nominating and Governance Committee (if needed) **-cancelled**	10:00 a.m.	Teleconference
February 24	Audit Committee--summary review of the Form 10-K (**all Directors invited at their option**)	8:00 a.m.	Teleconference
March 29	Board Nominating and Governance Committee	2:00 p.m. CT	Houston, TX
	Public Policy Committee	3:15 p.m. CT	Houston, TX
	Management Compensation Committee (senior executive bonuses)	4:30 p.m. CT	Houston, TX
	Board Dinner (Retiring Director)	**6:00 p.m. CT**	**Houston, TX**
March 30	**Board of Directors**	**7:00 a.m. CT**	**Houston, TX**
April 27	Audit Committee	7:00 a.m.	Teleconference
	Board of Directors (if needed) - cancelled	**9:00 a.m.**	**Teleconference**
May 2	Audit Committee	10:30 a.m.	Teleconference
May 24	Board Nominating and Governance Committee	4:30 p.m.	A4320
	Board Briefing & Dinner	**6:00 p.m.**	**Board Room**
May 25	**Breakfast Briefing**	**6:30 a.m.**	**Board Room**
	Annual Stockholders' Meeting	8:00 a.m.	Auditorium
	Board of Directors	**After Annual Mtg.**	**Board Room**
July 26	Audit Committee	2:30 p.m.	A4325
	Public Policy Committee	3:15 p.m.	A4330
	Management Compensation Committee	4:15 p.m.	A4320
	Board Nominating and Governance Committee	5:30 p.m.	A4325
	Board Briefing & Dinner	**6:30 p.m.**	**Board Room**
July 27	**Board of Directors**	**7:00 a.m.**	**Board Room**
August 3	Audit Committee	8:00 a.m.	Teleconference
September 2	Management Compensation Committee	9:00 a.m.	Teleconference
International Board Trip – September 23 – 30, 2016 – Australia			
September 28	**Board of Directors**	**8:00 a.m. AWT**	**Perth, Western Australia**
October 26	Audit Committee	7:30 a.m.	Teleconference
	Board of Directors (if needed)	**9:00 a.m.**	**Teleconference**
November 2	Audit Committee	8:00 a.m.	Teleconference
December 6	Board Nominating and Governance Committee	2:00 p.m.	A4320
	Audit Committee	2:30 p.m.	A4325
	Public Policy Committee	3:15 p.m.	A4330
	Management Compensation Committee	4:30 p.m.	A4320
	Board Briefing & Dinner	**6:00 p.m.**	**Board Room**
December 7	**Board of Directors**	**7:00 a.m.**	**Board Room**

- ***7:00 a.m. in-person Board meetings will end around noon.***
- ***9:00 a.m. telephonic Board meetings will end around 10:00 a.m.***

8/23/2016

CHEVRON CORPORATION
2017 SCHEDULE OF BOARD AND BOARD COMMITTEE MEETINGS

DATE	MEETING	TIME (PACIFIC)	LOCATION
January 24	Board Nominating and Governance Committee	2:00 p.m.	A4320
	Public Policy Committee/BN&GC (**joint session**)	2:45 p.m.	A4330
	Audit Committee	2:30 p.m.	Board Room
	Management Compensation Committee	4:45 p.m.	A4320
	Board Briefing & Dinner	**6:00 p.m.**	**Board Room**
January 25	**Board of Directors**	**7:00 a.m.**	**Board Room**
February 21	Board Nominating and Governance Committee (if needed)	10:00 a.m.	Teleconference
February 22	Audit Committee--summary review of the Form 10-K **(all Directors invited at their option)**	8:00 a.m.	Teleconference
March 28	Board Nominating and Governance Committee	2:00 p.m.	A4320
	Public Policy Committee	3:15 p.m.	A4330
	Management Compensation Committee	4:30 p.m.	A4320
	Board Briefing & Dinner	**6:00 p.m.**	**Board Room**
March 29	**Board of Directors**	**7:00 a.m.**	**Board Room**
April 26	Audit Committee	7:00 a.m.	Teleconference
	Board of Directors (if needed)	**9:00 a.m.**	**Teleconference**
May 3	Audit Committee	8:00 a.m.	Teleconference
May 30	Optional Field Tour – Frac Site	TBD	Midland, TX
	Board Nominating and Governance Committee	4:30 p.m. CT	Midland, TX
	Board Briefing & Dinner	**6:00 p.m. CT**	**Midland, TX**
May 31	**Board Briefing & Breakfast**	**6:30 a.m. CT**	**Midland, TX**
	Annual Stockholders' Meeting	8:00 a.m. CT	Midland, TX
	Board of Directors	**After Annual Mtg.**	**Midland, TX**
July 25	Board Nominating and Governance Committee	2:30 p.m.	A4320
	Audit Committee	2:45 p.m.	A4325
	Public Policy Committee	3:30 p.m.	A4330
	Management Compensation Committee	4:45 p.m.	A4320
	Board Briefing (Succession and Development Planning)	**6:00 p.m.**	**Board Room**
	Board Dinner	**7:00 p.m.**	**Executive Dining Rm**
July 26	**Board of Directors**	**7:00 a.m.**	**Board Room**
August 2	Audit Committee	8:00 a.m.	Teleconference
September 26	**Board Briefing & Dinner**	**6:00 p.m.**	**Board Room**
September 27	**Board of Directors**	**7:00 a.m.**	**Board Room**
October 25	Audit Committee	7:30 a.m.	Teleconference
	Board of Directors (if needed)	**9:00 a.m.**	**Teleconference**
November 1	Audit Committee	8:00 a.m.	Teleconference
December 5	Audit Committee	2:30 p.m.	A4325
	Board Nominating and Governance Committee	2:30 p.m.	A4320
	Public Policy Committee	3:30 p.m.	A4330
	Management Compensation Committee	4:45 p.m.	A4320
	Board Briefing (Succession and Development Planning)	**6: 00 p.m.**	**Board Room**
	Board Dinner	**7:00 p.m.**	**Executive Dining Rm**
December 6	**Board of Directors**	**7:00 a.m.**	**Board Room**

- ***7:00 a.m. in-person Board meetings will end around noon.***
- ***9:00 a.m. telephonic Board meetings will end around 10:00 a.m.***

08/23/2016

CHEVRON CORPORATION
2017 - 2020 SCHEDULE OF BOARD MEETINGS*

2017	***2018***	***2019***	***2020***
January 25	January 31	January 30	January 29
March 29	March 28	March 27	March 25
April 26 ***Teleconference (if needed)***	April 25 ***Teleconference (if needed)***	April 24 ***Teleconference (if needed)***	April 29 ***Teleconference (if needed)***
May 31 ***Annual Meeting***	May 30 ***Annual Meeting***	May 29 ***Annual Meeting***	May 27 ***Annual Meeting***
July 26	July 25	July 31	July 29
September 27	September 26	September 25	September 30
October 25 ***Teleconference (if needed)***	October 31 ***Teleconference (if needed)***	October 30 ***Teleconference (if needed)***	October 28 ***Teleconference (if needed)***
December 6	December 5	December 4	December 2

*Please note that Board meeting dates are subject to change as specified in advance by the Chairman and approved by the Board.

7/14/16

CHEVRON U.S. MASTER PENSION TRUST
PERFORMANCE REVIEW MID-YEAR 2016 (ENDING JUNE 30, 2016)

Summary

The primary investment objectives of the Chevron U.S. Master Pension Trust Fund (Trust) are to:

- achieve the highest rate of total return within prudent levels of risk and liquidity;
- diversify and mitigate potential downside risk associated with the investments; and
- provide liquidity for benefit payments and portfolio management.

We prefund the Trust as required by the Employee Retirement Security Act (ERISA) or in certain situations where it provides economic advantages. Trust performance in the first half of 2016 outpaced its policy benchmark and the U.S. pension plan continues to be affordable.

Funded Status

The Chevron Retirement Plan is fully funded from an IRS statutory standpoint. On an accounting basis, the Projected Benefit Obligation (PBO) funded ratio of the Trust at June 30, 2016 was 80%, down 6% from December 31, 2015. The decrease in the funded ratio was primarily driven by a 71 basis point (bps) decline in the discount rate.

Chevron U.S. Master Pension Trust Funded Status

	June 30, 2016	December 31, 2015
Total Trust Assets ($MM)	10,283	10,274
Projected Benefit Obligation ($MM)	12,822	11,965
Funded Ratio:		
Assets to Liabilities, PBO (%)	**80**	**86**

The pension liability remains small relative to the Company's balance sheet and is projected to become smaller over time due to the high proportion of employees who elect lump sum distributions upon retirement.

Market Overview

In the first six months, U.S. long corporate fixed income, the diversified credit benchmark, and U.S. real estate gained 13.9%, 9.2%, and 5.1% respectively. Global equities also posted an increase of 1.4% in the year-to-date period. Historical market performance returns are shown in the following table.

Historical Market Performance (%)

		Trailing Periods (Annualized)		
	YTD	1 Year	3 Year	5 Year
Trust Policy Benchmark	**5.2**	**2.8**	**7.4**	**6.4**
U.S. Long Fixed Income	13.9	14.1	8.6	8.5
Diversified Credit	9.2	3.2	2.6	3.4
U.S. Real Estate	5.1	12.6	12.6	12.2
Global Equity	1.4	(3.9)	6.1	5.4

Trust Fund Performance

In the first half of the year, the value of the Trust assets increased by $9 million. The net change was driven by the following factors:

Change in Trust Value ($MM)	June-16
Return on Assets	608
Contributions	250
Benefit Payments	(845)
Administrative Fees	(4)
Net Change	**9**

As detailed in the table below, the Trust outperformed its policy benchmark by 71 bps year-to-date through June, driven by investment manager results (+57 bps) and asset allocation (+34 bps). The Trust also exceeded its policy benchmark for the 1-, 3- and 5-year trailing periods.

Trust Performance vs. Benchmark

		Trailing Periods (Annualized)		
	YTD	1 Year	3 Year	5 Year
Trust Performance (%)	5.90	3.27	8.23	7.03
Trust Policy Benchmark (%)	5.19	2.78	7.43	6.38
Excess Return (%)	**0.71**	**0.49**	**0.80**	**0.65**
▪ Relative Manager Performance (%) [1]	0.57	0.30	0.48	0.40
▪ Trust Asset Allocation Effect (%) [1]	0.34	0.44	0.31	(0.27)
▪ Residual (%) [1,2]	(0.20)	(0.25)	0.01	0.52

(1) Data sourced from Northern Trust attribution model
(2) Detailed attribution data unavailable prior to August 2011, resulting in more significant residuals in the 5-year trailing period

Investment Manager Performance

In aggregate, the Trust's investment managers outperformed their respective benchmarks in every asset class during the first half of the year, as described below.

Equity

The Trust's equity managers exceeded their relative benchmark by 0.10%, mainly reflecting security selection and defensive positioning by certain active managers.

Long Duration Fixed Income

The Trust's long duration fixed income managers outperformed their benchmarks by 0.57%, led by securities selection.

Diversified Credit

The Trust's diversified credit portfolio outperformed the benchmark by 0.98%, largely due to securities selection.

Real Estate

The Trust's U.S. real estate portfolio surpassed the benchmark by 0.16% due to the performance of a manager that engages in more developmental activities, which tends to perform well in a rising market.

A comparison of historical aggregate manager performance relative to benchmark, by major asset class, is shown in the table below.

Relative Manager Performance vs. Benchmark

		Trailing Periods (Annualized)		
	YTD	1 Year	3 Year	5 Year
Total Equity (%)	0.10	(0.74)	0.33	0.17
Long Duration Fixed Income (%) [1]	0.57	0.55	0.22	NA
Diversified Credit (%) [2]	0.98	0.67	NA	NA
U.S. Real Estate (%)	0.16	(0.04)	0.00	0.24

(1) The long duration fixed income portfolio began November 2011
(2) The diversified credit portfolio began March 2015

Asset Allocation

Outperformance due to asset allocation reflected the Trust's overweighting in real estate and a tilt toward low-volatility equity strategies in the year-to-date period.

Trust Asset Allocation

	Policy Ranges (% of Total)	Policy Benchmark (% of Total)	Actual Asset Allocation June 30, 2016 ($MM)	(% of Total)	December 31, 2015 ($MM)	(% of Total)
Total Equity	40 - 70	55	5,546	53.9	5,545	54.0
Fixed Income	20 - 40	30	3,130	30.5	3,052	29.6
Real Estate	0 - 15	10	1,399	13.6	1,493	14.6
Alternative Investments	0 - 5	0	52	0.5	53	0.5
Cash	0 - 25	5	156	1.5	130	1.3
Total Trust Assets			**10,283**	**100.1**	**10,274**	**100.0**

Trust Updates

In the first quarter of 2016, $250 million was contributed to the Trust. The contribution was invested in a manner consistent with targeted asset allocations. No further contributions are expected for the remainder of the year.

An Asset-Liability Modeling study (ALM) is completed annually to evaluate the plan's strategic asset allocations for opportunities to improve performance and reduce risk. Based on the results of the 2016 ALM, the Investment Committee approved a shift of 10% of plan assets into liquid alternative investment strategies, as part of an ongoing effort to reduce portfolio risk while maintaining a similar expected return. These strategies are defined as systematic investment approaches with demonstrated lower correlations to traditional asset classes (e.g., equities).

To accommodate the new strategies, the Committee also approved a change in the policy ranges as follows:

Trust Asset Allocation

	Previous Policy Ranges (% of Total)	New Policy Ranges (% of Total)
Total Equity	40 - 70	30 - 60
Alternative Investments	0 - 5	0 - 15

Funding of the new strategies is expected to be completed during the second half of 2016.

During the second quarter, the Trust completed the planned transition from State Street to Northern Trust for custody and related services. The decision to transition to Northern Trust was based on a Request For Proposal selection process, and is expected to result in annual savings of more than $2 million. Three international plans were also included in the transition from State Street to Northern Trust.

Public Policy Issues Brief
Government Affairs

Major Global Issues
Key Country Summaries

Board of Directors
Public Policy Committee

July 26, 2016

KEY COUNTRY SUMMARIES

Financial and Operating Statistics

		Net PP&E & Equity Investment (12/31/2015) [1]		3-Year C&E (2016-2018)		Upstream Production OEG (MBD, 2015)		Net Income (2015) [2]	
		$B	**%**	**$B**	**%**	**Net OEG**	**%**	**$B**	**%**
1.	United States	63.3	29.4	24.4	33.8	720	27.5	(2.4)	-
2.	Australia								
3.	Nigeria								
4.	Canada								
5.	Angola								
6.	Kazakhstan								
7.	Thailand	Redacted – Business Confidential (competitive financial information) (non-U.S.)							
8.	Indonesia								
9.	United Kingdom								
10.	South Korea								
All Other									
Total									

1. Investment reflects Book Value (not Fair Value)
2. Net Income includes interest and foreign exchange impacts, as well as operational earnings

The data contained in the chart and following one-pagers has not changed materially since the July 2015 update.

United States

Major Projects/Resource Plays

- Diverse upstream and downstream and chemical assets
- San Joaquin Valley California (heavy oil resources)
- Gulf of Mexico (shelf and deepwater)
- West Texas / SE New Mexico (shale, tight and conventional resources)
- Appalachian (shale resources)

Environment

In the final months of President Obama's term, the White House is continuing an aggressive agenda designed to cement the President's climate change and environmental legacy and build upon pledges made at the 2015 UN Climate Change Conference (COP21). As the November elections approach, the political landscape is highly polarized on energy and climate issues. The top two presidential candidates offer distinct visions on climate and energy policy. Presumptive Republican nominee Donald Trump has publicly questioned the science behind climate change and has vowed to "rein in" U.S. participation in the COP21. Presumptive Democratic nominee Hillary Clinton endorsed COP21 and pledged to reduce U.S. oil consumption by a third, cut methane emissions by 40-45% and boost energy efficiency.

Domestic Legislative/Regulatory Risk

The Obama Administration is using its remaining months to finalize key rulemakings related to the Climate Action Plan, safety and other environmental issues, as well as initiate potential future rulemakings with information collection requests. The Obama Administration's embedded framework could accelerate or impede the incoming Administration's regulatory agenda. On the Climate Action Plan front, the Supreme Court's stay of the Clean Power Plan may have motivated the White House to seek more stringent methane rules for new and existing sources through EPA and the Bureau of Land Management (BLM) in order to demonstrate continued commitment to GHG reductions. While this Administration did not pursue GHG regulations for the refining sector, refineries could be the next target for GHG regulations. On safety front, the Administration finalized its post-Macondo well control rule, which does not generally improve the safety of offshore oil and gas development beyond that provided by existing industry standards, rather it increases cost and may prevent some planned deepwater wells from being drilled. Litigation continues on several key Obama Administration rulemakings such as the Clean Power Plan and the Waters of the U.S. Justice Scalia's replacement could shift the ideology of the Court and subsequently impact future environmental litigation. Chevron advocacy Privileged – First Amendment

Privileged – First Amendment

External Stakeholders/Shareholder Action

Privileged – First Amendment

Geopolitical Risk

The Administration's foreign policy agenda remains dominated by (1) the crises in the Middle East and the fight against the Islamic State; (2) the rebalance to Asia, which included the President's well-received trip to Japan and Vietnam in May but is offset by rising tensions with China; and (3) EU issues, including the likelihood of extended Russia sanctions through the remainder of 2016. Although the Administration continues efforts to garner support for congressional ratification of the Trans-Pacific Partnership (TPP), the politicization of trade policy on the presidential campaign dims the outlook for its near-term approval. The U.K. vote to leave the EU has dimmed the outlook for further progress on the Transatlantic Trade & Investment Partnership (TTIP).

Revenue Transparency

The U.S. submitted its first Extractive Industries Transparency Initiative (EITI) report in December 2015, and may seek compliant status in 2017 following the release of the second report in December 2016. Tax reporting will be required for EITI compliance. The Securities and Exchange Commission released the final Dodd-Frank rule on June 27, 2016.

Privileged – First Amendment

Redacted – Business Confidential
(non-U.S. operation risk analysis)

Redacted – Business Confidential (non-U.S. operation risk analysis)

Canada

Redacted – Business Confidential (non-U.S. operation risk analysis)

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Redacted – Business Confidential (non-U.S. operation risk analysis)

Redacted – Business Confidential (non-U.S. operation risk analysis)

Redacted – Business Confidential (non-U.S. operation risk analysis)

United Kingdom

Redacted – Business Confidential (non-U.S. operation risk analysis)

Redacted – Business Confidential (non-U.S. operation risk analysis)

Redacted – Business Confidential (non-U.S. operation risk analysis)

Reactions to Chevron's 2Q 2016 Conference Call

Adjusted EPS was $0.50/diluted share vs. First Call consensus of $0.32, a 56% beat *(Note: excluding foreign exchange effects, EPS was $0.35/diluted share)*

Credit Suisse – "Moving In the Right Direction, Execution is Key" (Neutral / $105 [↑ from $100])
"Although cashflow in 2Q disappointed, CVX is moving in the right direction and reiterated the coverage of the 4.2% dividend by 2017. Capex is rolling down as projects are brought on line, cashflow should increase from these projects and a recovering oil market, opex is being structurally attacked, and the next wave of reinvestment e.g. the Permian, should have a better ratability and return than the large megaprojects which have encountered cost overruns and delays. CVX will be a better company when these steady long lived assets are on-stream, with a deep portfolio of low breakeven shale."

Jefferies – "Balanced cash cycle a 2017 event" (Buy / $116 [↑ from $114])
"We expect capital expenditures to fall off significantly after 2016 as major capital projects complete ($20b in 2017, guidance range of $17-22b). We expect that by 2017, Chevron can balance its cash cycle at $51/bbl; at the low end of capex guidance the break-even falls to $42/bbl. Chevron is positioned to generate the highest organic production growth amongst its peers, and it has the most dramatic cash cycle inflection in the sector... We expect that with leading production growth and a pristine balance sheet, the stock can trade at a 10%+ premium to peers on these metrics, which we expect will materialize as the company delivers its major projects."

Bank of America Merrill Lynch – "Treading Water" (Neutral / $115 [↑ from $110])
"Outside of the external disruptions, all the moving parts to achieving management's target of cash flow neutrality in 2017 are intact. At the operating level, CVX is on track with several major project starts in 2016 while a number of hiccups are seemingly past the worst...We believe CVX's oil leverage is an advantage versus Supermajor peers, as our base case calls for a recovery to $80 Brent by 2019. Cash flow may also be underappreciated as deferred taxes reverse through the early stages of a commodity rebound allowing perhaps for a faster recovery in the balance sheet."

Wolfe – "I'm lost in a forest" (Outperform / $110)
"In short we were confused and struggled with what to make of this result...but overall, Chevron is less dependent on refining than XOM, has higher oil price leverage, has much stronger growth over the next two years, has a better long term resource position, led by a strong combination of Permian, Gulf of Mexico, Kazakhstan, and Australian LNG, has a bigger disposal program, and a smaller production base, with a higher yield. We think the asset sales look material and the kind of assets that can get sold in line with Chevron's targets. The combination of growth at accretive margins, high oil leverage, low refining, and strong chemicals should serve to deliver a cashflow neutrality at $52/bbl by 2017 such as the company promises. Again, you come back to the imperative that the mega-project ramp successfully and sustain performance."

JP Morgan – "Another Tough FCF Quarter, But Long-Term Story Still Intact" (Overweight / $113)
"Looking to 2017, the company wouldn't provide too much color on the old 2.9-3.0mboe/d 2017 production target, but noted potentially higher base decline rates and asset sale impacts (JPMe 2.865mmboe/d). In addition, CVX noted they are tracking slightly below the $25B C&E budget for 2016 (JPMe $24B) with opportunity to come in below the $17-22B target in 2017-18 as well...CVX has an attractive global asset base, with the potential for top-tier production growth and margins versus global integrated peers, in our view. While FCF is currently negative as the Australian LNG investment phase peaks, a potential multi-year improvement could be ahead as these projects move into production mode and capex comes down materially. While sentiment has improved over the past few months, project execution is still a key issue for investors, where 2016 could prove to be a key turning point."

Howard Weil – "Reports 2Q16 Results" (Sector Outperform / $114)
"Not a bad quarter considering most IOC peers are posting results below Street expectations and given outages in Nigeria and Canada stemming from wildfires...the slide presentation suggests production in '16 will trend toward the lower end of the guidance range of 0-4% growth. That said, CAPEX this year is also trend toward the bottom-end of the guidance range. We would expect momentum heading into '17 based on recent start-ups at Gorgon, Angola LNG and the third train at Chuandongbei."

Reactions to Chevron's 2Q 2016 Conference Call

Piper Jaffray (formerly Simmons) – "Delivery Remains a Concern, but Reasons for Optimism" (Neutral / $110 [↓from $113])
"Despite a headline EPS beat, this was a tough quarter, characterized by weak cash flow (again) and a downward production guidance revision. Yet while 2Q results could further inflame concern over execution and delivery, there are reasons for optimism: 1H'16 cash flow has been severely impacted by unique items that should partially reverse over 2H; although production growth has frustratingly proven illusory the last 4 years, CVX is on the cusp of meaningful growth; capex is tracking below guidance; execution risk is receding; and short-cycle investment opportunities are superior to close peers."

UBS – "Now Expects 2016 Volumes Near Bottom of Guidance Range" (Neutral / $108 [↑ from $104])
"CVX now expects 2016 volumes to be near the bottom of its 0-4% YoY growth guidance range, below consensus of 2.68 MMBOED and prior UBSe of ~2.67 MMBOED…Notably, CVX also guided to December production of 2.65 - 2.70 MMBOED, potentially indicating downside risk to 2017 production guidance of 2.9-3.0 MMBOED."

Morgan Stanley–"2Q16 Results In-Line: Volumes and Capex Guided Lower" (Equal Weight / $111 [↓from $112])
"Recently sanctioned Tengiz Future Growth Project /Wellhead Pressure Management Project (FGP/WPMP) was a focus of the conference call. In our view, investors are concerned on relative project returns and capex per flowing bbl. On costs, we believe that $6.2Bn "contingency and escalation" piece of the $36.8Bn overall budget is likely aggressive (that is likely will end up being much smaller), given the project is >50% engineered and 85% of equipment is on order at the time of sanction. We expect costs have been conservatively estimated to beat expectations both of Street and Khazakstan government. [In addition,] CVX noted it sees it [asset sales] as "back end loaded, with more occurring in 2017 than this year." This conservative outlook is consistent with what we are hearing from other sellers seeking to monetize assets outside of US on-shore."

RBC Capital – "Tengiz Unease" (Sector Perform / $105 [↑ from $104])
"Weak production in 2Q16 combined with asset sales and turnarounds makes us skeptical on CVX's 2016-2017 production guidance… We do think CVX's December 2016 production guidance of 2.65-2.70 mmboe/d is achievable, but we also see significant doubt around CVX's 2017 target of 2.9-3.0 mmboe/d. Capex is a much better story, and dividend coverage is on track. CVX's 1H16 capex totaled $12.0 billion. This should make CVX's soft guidance of $25 billion very easy to hit (RBCCMe $23.6 billion). We also see CVX in a position to make good on its promise to cover its dividend with cash flow in 2017, and we think CVX could do this with a mid-$50s Brent price.

CVX's management received several questions around the economics of Tengiz (RBCCMe ~$65 breakeven), which we agree are somewhat questionable given its cost metrics ($142K/boepd and $18/boe), a long lead time (2022 start) and concession expiry (2033). However, CVX noted that it has an excellent understanding of the Tengiz reservoir, so it is a lower risk project, and the $36.8 billion cost includes $6.2 billion in contingencies. We think CVX likely sees potential upside in production, downside in cost, and a very high probability of a contract extension, which validates the project."

Deutsche Bank – "Solid performance in a Challenging Quarter" (Buy / $120)
"While the bar was relatively low for Chevron into the quarter, the company checked the necessary boxes and delivered a solid result in challenging conditions… With execution risk appearing to move into the background going forward, and our expectations for a continuing recovery in crude into 2017, we expect a significantly improving cash balance into 2017 to serve as a tailwind for the stock. On the cost side, capital spend is anticipated to fall below the prior low-end of guide of $25Bn, while momentum continues to build on reducing opex (expect a downward trajectory through 2H16). Anticipated project ramps and an unwinding of $1Bn in working capital by YE16 provide further visibility into improving cash flow dynamics."

Evercore ISI – "Results In Line; Progress on Costs" (Buy / $106)
"Chevron's E&P business represents 80% of earnings and capital employed. ROCE declined from 28% to 1% during the past decade despite flat oil and gas prices. The driver: a 235% rise in E&P capital employed but a 90% decline in profits. Management must enhance ROCE and EVA in this business or corporate valuation will continue to languish, in our opinion. Investor sponsorship will likely remain weak in this scenario. While management highlights a "pathway to higher returns", stated ROCE goals in E&P are not available. Higher market value would likely be attained if performance measures, which tie to intrinsic market value, were employed, i.e. ROCE and EVA."

Reactions to Competitors' 2Q 2016 Conference Calls

ExxonMobil – July 29, 2016 (Adjusted EPS of $0.41/diluted share vs. First Call consensus of $0.64, 36% miss)

"We ascribe most of the shortfall in earnings and cashflow to disruptions in Canada/Nigeria…XOM has a large and diverse portfolio and the priorities seem relatively clear – investing in low cost LNG, shale, in-situ oil sands technology, Guyana, chemicals and making continuous improvements in refining, while selling non-core assets. We can't fault the strategy…However, a $400bn company should not be generating less cashflow than the capex and dividend program, albeit at $42/bbl oil. We find XOM embedding one of the higher oil prices in the Majors, even after giving credit with a higher multiple for their lower cost of capital, long duration cashflow streams and execution. Oil demand is growing and oil supply is falling but it will take time for oil markets to fully rebalance. As the Permian/STACK rocks improve and as oil prices improve in 2Q17, purer plays offer more potential."
– Credit Suisse (Underperform)

"Despite XOM's track record of relative resilience through the downturn, 2Q proved to be particularly difficult. While Chemicals remained a relative bright spot, weaker than expected production volumes (Canada, Nigeria, European Gas) and upstream realizations (particularly International gas) drove a significant E&P miss ($294m vs. DBe $1,056m), while better than expected US refining couldn't offset weakness abroad. Project execution continues to distinguish the company from its peers, and resource adds, both organic (Liza) and inorganic (InterOil) continue to high-grade the portfolio, however, relative valuation and preference for greater oil leverage keep us at Hold."
– Deutsche Bank (Hold)

"But today, XOM missed. And if refining stays weak, and oil prices around $50/bbl or lower, which could happen if demand fails, we have a major problem. Any less capex and surely volumes will start declining. The base here is so big, massive ongoing capex is required to offset declines…Chevron has growth, we believe, but we do not see any at XOM. We believe the stock has been strong largely on index reweighting, and the "yield hog" trade, but the former will not be sustained, and the latter may be threatened by dividend sustainability questions, on what anyway is a relatively low yield, given the risk." *– Wolfe (Underperform)*

"…the reaction to a seemingly material earnings miss was not deserved, in our view, given a backdrop that was a series of one-off issues that distorted the quarter but also a relatively robust cash flow story that in a depressed oil environment, resulted in only a modest cash burn in the quarter. Specifically XOM's upstream earnings were hit by downtime at its oil sands in Canada on wild fires and as a result of force majeure in Nigeria during 2Q16. At the operating level, XOM continues to successfully execute multiple new project starts, which is the key to an underlying investment that ultimately drives a favorable step change in unit profitability. This hasn't changed, and while see the shares within sight of fair value at $80 oil, we do not believe 2Q16 materially changes the outlook."
– Bank of America Merrill Lynch (Neutral)

BP – Jul 26, 2016 (Adjusted EPS of $0.23/diluted share vs. First Call consensus of $0.28, 18% miss)

"BP's 1H16 results continued to show persistent FCF shortfalls – leaving dividends organically uncovered and dependent on rising oil prices as well as further capex cuts...While BP quotes $50-55/bbl oil prices required for FCF breakeven by 2017, our model suggests this increases to >$60/bbl once taking into account additional ~$1.8bn oil spill payments…We remain generally concerned that asset disposals may dilute shareholders via either pro-cyclical sales of E&P assets or the erosion of the remaining cash flow stability and vertical integration benefits if disposal programmes become overly skewed towards Midstream and / or Downstream. We believe investors continue to be reluctant accepting these dilution risks." *– Bank of America Merrill Lynch (Underperform)*

"We recognise that change is needed and subsequently transforming a company the size of BP is far from easy. Yet the progress the company is making across corporate, upstream and downstream has been substantial and it is evident to us that there is more to come…with cash costs over the past 12 months now $5.6bn below 2014 levels, capex for 2016 set to come in under the previous guidance from $17bn and the next wave of new production imminent, it does appear that BP is setting the foundations for a meaningful improvement in free cash flow over the 2017-2020 period. The changes being made should not be underestimated with the company set to cover capex and dividends from organic cash flow at $50-$55/bl as soon as next year." *– Barclays (Overweight)*

Reactions to Competitors' 2Q 2016 Conference Calls

"Net income may have been modestly shy of depressed consensus expectations but H1'16 operating cash flow after adjusting for Macondo and working capital movements at least supports BP's ambition of balancing its cash cycle at $50-55/bbl in 2017. Combined with recent project announcements, the economics of which we would argue are genuinely attractive our sense is that BP is doing very much as its CEO continues to advise - managing its scarce capital wisely. Of course in a commodity world that is still rebalancing there remain significant uncertainties and risks. Confidence in BP's ability to rebalance and commitment to income suggest the yield is too generous."
– Deutsche Bank (Buy)

"Operationally, BP continues to make progress on cost reduction, and we continue to see upside beyond its targets in this area…Some service companies have recently highlighted they would be unwilling to give any more price concessions given the pressure they have faced over the last eighteen months. Interestingly, and at odds with this, BP noted they see more room for cost deflation. It's unclear whether these two opposing sides are apples-to-apples comparisons, however it does highlight the challenges across the industry at current commodity prices - with both sides likely generating returns below the cost of capital. Further, while BP admitted a sustained increase in commodity pricing would put pressure on cost reduction plans, they effectively see 75% of the recent cost reduction as structural, and 25% as market led." *– RBC Capital (Market Perform)*

Shell – July 28, 2016 (Adjusted EPS of $0.26/diluted share vs. First Call consensus of $0.47, 45% miss)

"With RDS's BG acquisition driving organic volume growth and FCF accretion increasing into 2017-20, we believe RDS's message of capital discipline is more sustainable than elsewhere. We forecast organic dividend coverage assuming <$60/bbl next year and <$50/bbl by 2020. As a result, we believe RDS's ~7% dividend yield is mispriced. We reiterate our Buy rating although we cut our PO from 2,350p to 2,230p to reflect weaker than expected 2Q16 results. These results –although disappointingly weak – do in our view not distract from RDS's investment case for significant restructuring rewards." *– Bank of America Merrill Lynch (Buy)*

"All of our analysis supports the thesis that the management has enough levers to pull in terms of disposals, capex and opex in order to respond to a lower oil price environment to both reduce debt and maintain the existing dividend…there was perhaps an air of inevitability that 2Q would be disappointing, given the issues in Canada, Nigeria and the normal seasonality of the Shell business...Losses in the upstream were greater than expected and reflected the combination of a number of one-off issues and the still early phases of BG integration and cost-cutting. The reality is that Shell has always been a very seasonal business, and in a transition year for the company, incorporating the BG assets' quarterly earnings are going to be volatile, but ultimately a rebalancing of the cash equation is happening, and despite the 2Q earnings, Shell is, in our view, heading in the right direction."
– Barclays (Overweight)

"RD Shell maintained the capex guidance of $29b for 2016. We believe that this guidance has room to come down especially given the lower H1 run-rate…RD Shell has averaged a Q2 beat of 1% so these results are below that average. This is the first quarter where BG Group's contribution is fully consolidated (part contribution in Q1) into RD Shell's financial statements. We believe that weaker than expected operating cash flow ($4.8b – adjusted for WC) in the quarter will be a source of concern for the investors." *– JPMorgan (Neutral)*

"Shell 2Q16 results were disappointing in many areas, not the least of which was weak cash flow generation. Net debt ballooned to $75b as a result, with net debt/capitalization reaching 28%. We believe Shell has many levers to pull to generate strong financial performance, but they were sorely missing in the first full quarter of BG consolidation." *– Jefferies (Buy)*

Reactions to Competitors' 2Q 2016 Conference Calls

Total – July 28, 2016 (Adjusted EPS of $0.90/diluted share vs. First Call consensus of $0.74, 22% beat)

"Despite delivering one of the most resilient sets of earnings and sector leading return on capital since the start of the year, Total's share price has underperformed the European Oils sector by 5%. Realistically the company is delivering on everything it has said it would – capex next year is set to be 40% below the peak, opex is still falling, projects are coming on stream and the group should be able to cover a 100% cash dividend in a sub $60/bl world in 2017. These are all positive factors, but the challenge for Total is how does it differentiate itself in a period when other companies are about to hit their own harvest phase?...We continue to see the shares as undervalued…yet there are others in the sector that for now still appear more attractively valued hence our Equal Weight rating."
– Barclays (Equal Weight)

"Total is one of our preferred picks amongst the Super Majors. The trajectory of upstream volumes is turning positive which we consider 'relatively' lower risk. Considering its superior growth profile combined with its decreasing capital intensity and more aggressive self-help measures, we expect it to create a business that is more competitive than peers with its sustainable cash cycle being fit for the fifties over time – this assumes a reserve replacement type capex profile." *– Credit Suisse (Outperform)*

"Total continues to deliver well, with the company targeting being able to fully pay the dividend in cash in 2017 at US$60/bl Brent oil prices, and therefore aims to drop the scrip dividend in that environment. The E&P business is delivering growth, with volumes up 5% yoy in 2Q. We continue to see the company as being well positioned, with a strong downstream, strong upstream growth, and high capex flexibility as the large projects which will drive volume growth come into production over the coming 2-3 years." *– Goldman Sachs (Buy)*

"2Q16 results were impressive and the outlook generally encouraging as good progress is made on cost cutting and reshaping the portfolio. In general we like the direction of travel at Total and we would view this stock as a low-risk commodity play. However, we would look for a more attractive entry point before taking a pro-active stance…While we still assume the scrip is offered, 2017 organic cash flow should balance capital spending and the dividend at our $58/bbl Brent est." *– Jefferies (Hold)*

Chevron

Performance Summary

July 2016

CONFIDENTIAL

Performance Summary Purpose and
Notice Related to Selective Disclosure and Insider Trading

This Performance Summary report is prepared to assist the company's "chief operating decision maker" (i.e., the company's Executive Committee) in monitoring the financial performance of the company's upstream and downstream "reportable segments" [terms as defined in FASB ASC 280 “Segment Reporting (ASC 280)”]. This report is also provided to the Board of Directors to assist in its oversight role in monitoring the financial results of the company's reportable segments.

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CHEVRON CORPORATION
PERFORMANCE SUMMARY

July 2016

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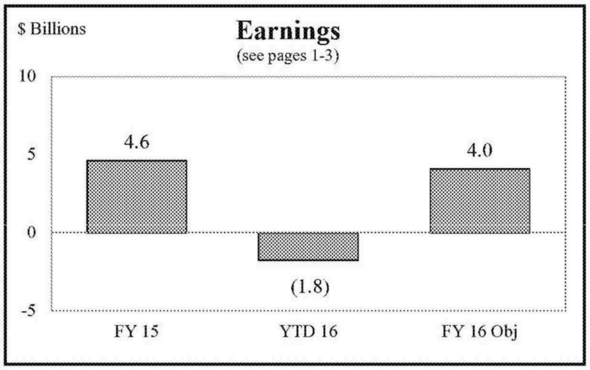
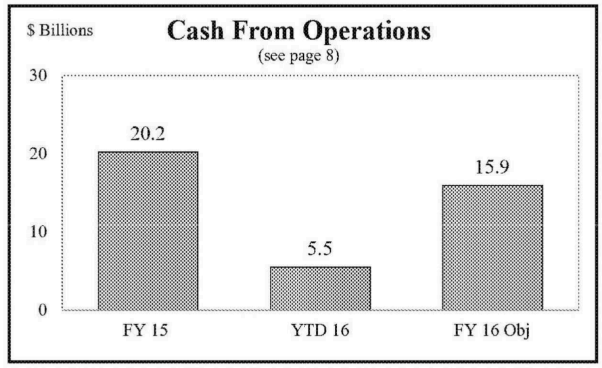
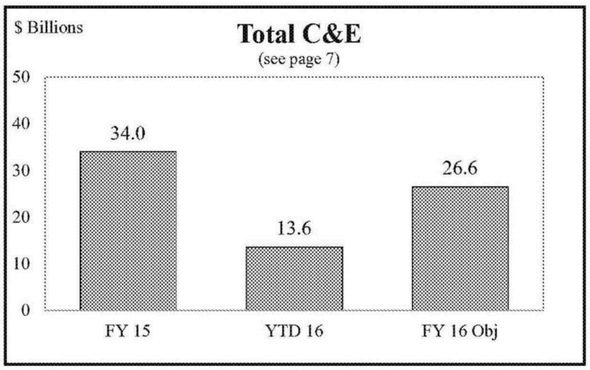
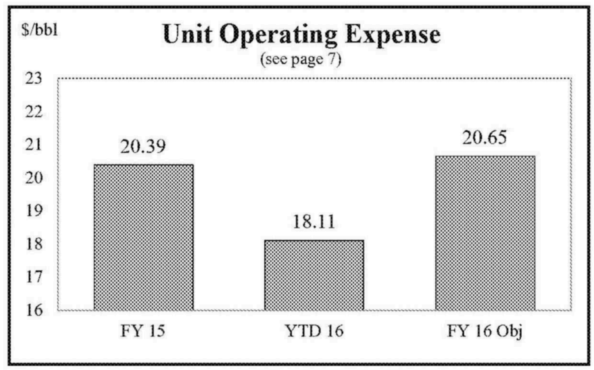
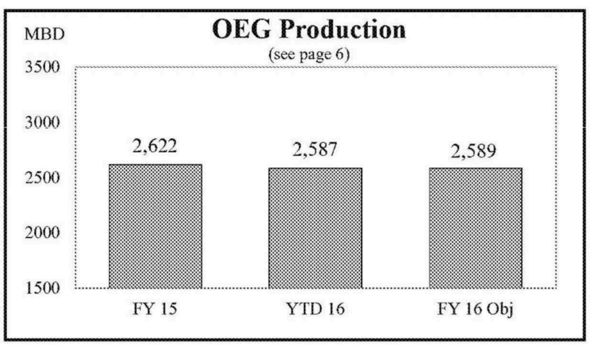
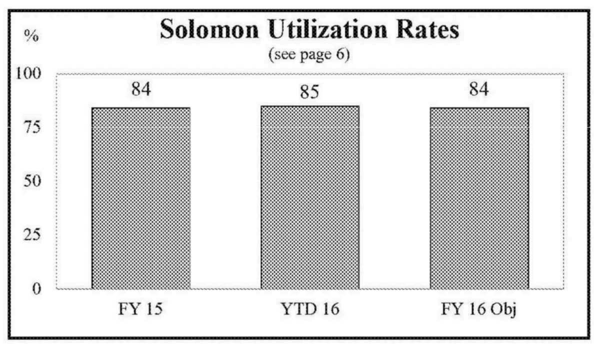


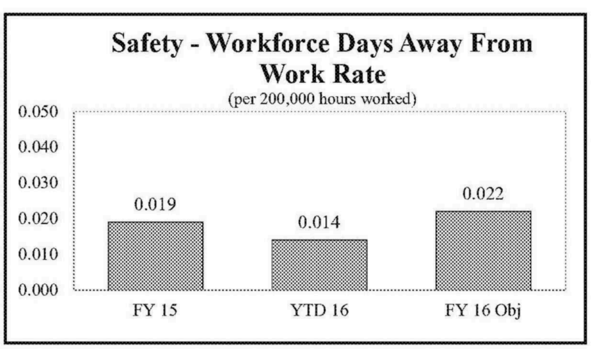












Earnings

July 2016 $ Millions - After Tax	May 2016	Jun 2016	Jul 2016	Monthly Change	YTD 2016	2016 Obj	% of Objective
Upstream - U.S.	(139)	(573)	(54)	519	(2,017)	(690)	200+
- International	265	(1,521)	21	1,542	(1,937)	3,136	-
TOTAL UPSTREAM	**126**	**(2,094)**	**(33)**	**2,061**	**(3,954)**	**2,446**	-
Downstream - U.S.	123	270	274	4	1,058	1,582	67
- International	185	529	303	(226)	1,531	1,896	81
TOTAL DOWNSTREAM	**308**	**799**	**577**	**(222)**	**2,589**	**3,478**	**74**
ALL OTHER	**(32)**	**(360)**	**(107)**	**253**	**(393)**	**(1,882)**	**21**
TOTAL EARNINGS	**402**	**(1,655)**	**437**	**2,092**	**(1,758)**	**4,042**	-
Basic Earnings Per Share	$0.21	($0.88)	$0.23	$1.11	($0.94)	$2.15	-
Diluted Earnings Per Share	$0.21	($0.88)	$0.23	$1.11	($0.94)	$2.14	-
ROCE (%)[1]	**2.6**	**(10.1)**	**2.8**		**(1.5)**	**2.2**	
Memo:							
Impact of Asset Sales	1	443	22		450	740	

[1] Capital Employed equals the sum of stockholders' equity, total debt, and noncontrolling interests.

JULY 2016 vs. JUNE 2016

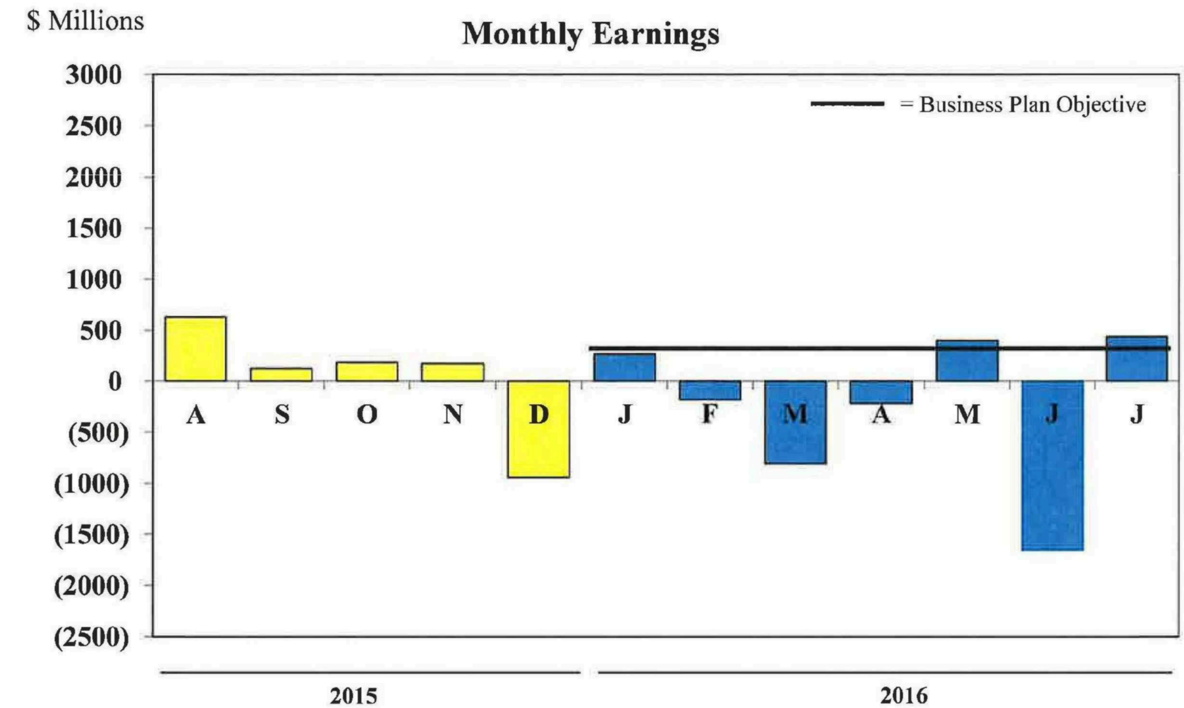
Earnings were up $2,092 MM in July on the absence of asset impairments and unfavorable tax-related items at multiple locations. The absence of asset sale gains and unfavorable foreign exchange effects, partly offset.

- **U.S. Upstream** earnings rose $519 MM on the absence of asset impairments and reduced operating expense. Unfavorable tax impacts and lower liquid realizations, partly offset.
- **International Upstream** earnings climbed $1,542 MM, reflecting the absence of asset impairments and unfavorable tax-related impacts. Unfavorable foreign exchange effects, partly offset.
- **U.S. Downstream** results grew $4 MM reflecting higher Trading results. Lower margins and absence of favorable tax items, partly offset.
- **International Downstream** earnings fell $226 MM on the absence of an asset sale gain. Favorable foreign exchange effects and stronger Trading results, partly offset.
- **All Other** net charges declined $253 MM between periods primarily on a favorable swing in tax-related items and the absence of environmental reserve additions.

YTD 2016 vs. OBJECTIVE 2016

Year-to-date losses of $1,758 MM were $5,800 MM short of the full-year Objective, reflecting below-Plan realizations and asset impairments at various locations. Lower operating expense and higher Upstream liftings, partly offset.

- **U.S. Upstream** losses of $2,017 MM were $1,327 MM below the full-year Objective, primarily reflecting below-Plan realizations and asset impairments. Higher liftings and reduced operating expense, partly offset.
- **International Upstream** losses of $1,937 MM were $5,073 MM below the full-year Objective, as below-Plan realizations, asset impairments and unfavorable tax-related impacts more than offset lower operating expense and higher liquid liftings.
- **U.S. Downstream** earnings of $1,058 MM were 67% of Objective on stronger margins, reduced operating expense, and higher volumes. An asset impairment and lower Trading and Chemical results, partly offset.
- **International Downstream** earnings of $1,531 MM were 81% of Objective, reflecting the timing of asset sales and reduced operating expense.
- **All Other** results of $393 MM were above Objective primarily on various tax-related benefits.



Brent ($/bbl)	46.64	47.61	48.56	44.29	38.11	30.69	32.48	38.49	41.48	46.88	48.33	45.10
HH ($/mcf)	2.77	2.64	2.37	2.07	1.83	2.30	2.00	1.67	1.88	1.89	2.44	2.80

Monthly Earnings

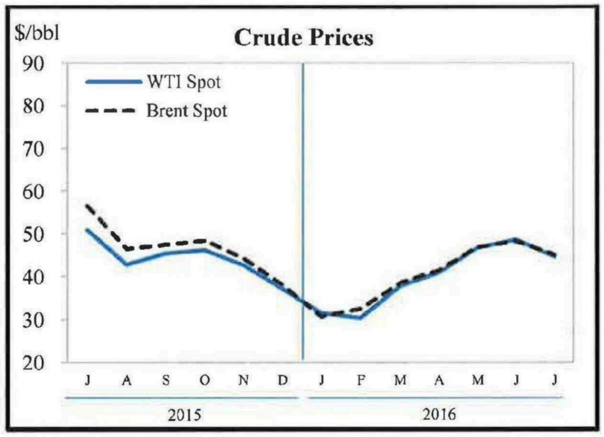
$ Millions	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	YTD 2016
U.S. Upstream	(199)	(321)	(124)	(529)	(1,301)	(226)	(222)	(402)	(402)	(139)	(573)	(54)	(2,017)
Int'l Upstream	394	(242)	160	339	94	39	(128)	(519)	(92)	265	(1,521)	21	(1,937)
TOTAL UPSTREAM	**195**	**(563)**	**36**	**(190)**	**(1,207)**	**(187)**	**(350)**	**(921)**	**(494)**	**126**	**(2,094)**	**(33)**	**(3,954)**
U.S. Downstream	402	273	102	205	189	246	111	(110)	145	123	270	274	1,058
Int'l Downstream	107	466	97	308	111	319	133	37	25	185	529	303	1,531
TOTAL DOWNSTREAM	**509**	**739**	**199**	**513**	**300**	**565**	**244**	**(73)**	**170**	**308**	**799**	**577**	**2,589**
ALL OTHER	**(75)**	**(49)**	**(50)**	**(150)**	**(40)**	**(113)**	**(77)**	**188**	**106**	**(32)**	**(360)**	**(107)**	**(393)**
TOTAL EARNINGS	**629**	**127**	**185**	**173**	**(947)**	**265**	**(183)**	**(806)**	**(218)**	**402**	**(1,655)**	**437**	**(1,758)**

Prices

	May	Jun	Jul	Mo/Mo Chg	Year-to-Date 2015	Year-to-Date 2016	2016 Obj	% of Obj
Brent Spot ($/bbl)	46.88	48.33	45.10	(3.23)	57.68	40.57	60.00	68
WTI Spot ($/bbl)	46.73	48.73	44.69	(4.04)	52.98	40.33	54.60	74
Henry Hub Spot ($/MCF)	1.89	2.44	2.80	0.36	2.82	2.13	3.00	71
U.S. Upstream Gas Sales Price ($/MCF)	1.28	1.24	2.11	0.87	2.07	1.38	2.30	60

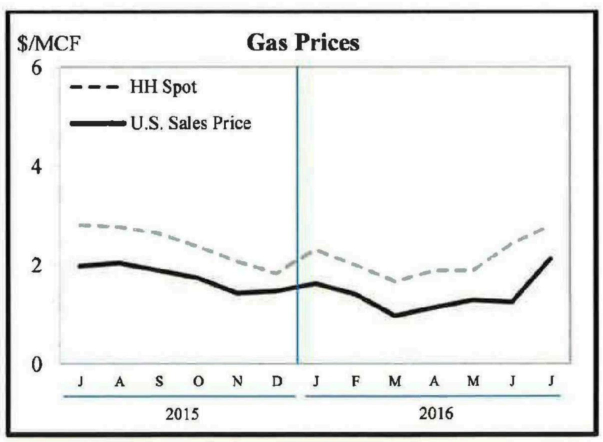
CRUDE PRICES

- Crude prices fell in July with Brent settling to $45.10/bbl, representing a decline from June of $3.23/bbl. The drop in price was the first monthly decrease since January 2016.
- Concerns about growing global crude and product inventories negatively impacted prices, an indication that markets are not rebalancing as quickly as expected.
- WTI prices decreased $4.04/bbl in July to $44.69/bbl as U.S. oil rig counts continued to increase. The Brent-WTI spread essentially remained flat at $0.41/bbl.
- Through August 12th, MTD average Brent was down $2.62/bbl, while WTI prices fell $2.73/bbl.



NATURAL GAS PRICES

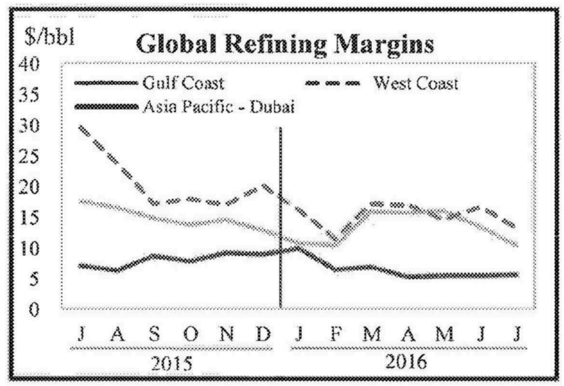
- The average spot price for Henry Hub rose 15% to $2.80/MCF in July, as electricity generation from natural gas surpassed the previous record high set in July 2015, driven by consumption alternating from coal-to-gas and hotter weather.
- Henry Hub Bid-Week price was $2.92/MCF in July, decreasing to $2.67/MCF in August.
- Through August 12th, MTD average Henry Hub spot prices were $2.83/MCF, up $0.03/MCF from July.



GLOBAL REFINING MARGINS[1]

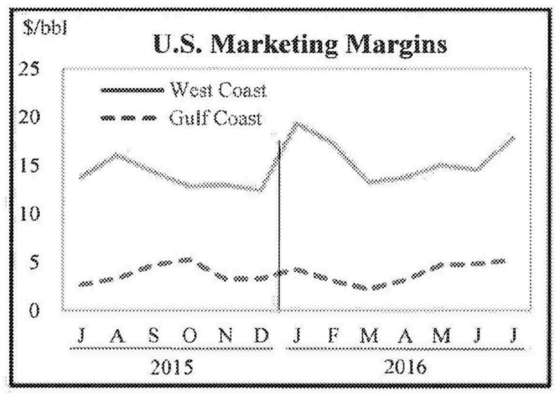
- The **Gulf Coast refining margin** fell $2.87/bbl to $10.47/bbl in July on rising inventories and weaker exports reflecting increased market supply.
- The **West Coast refining margin** declined $3.54/bbl to $13.23/bbl in July as inventories rose amid stable operations, ongoing imports, and steady demand.
- The **Asia Pacific refining margin** was up $0.19/bbl to $5.65/bbl in July led by fuel oil on fewer imports.

[1] U.S. regional refining indicator margins are used for internal purposes to estimate margin potential using market prices and planned refinery input and output volumes.



U.S. MARKETING MARGINS

- The **West Coast marketing margin** climbed $3.25/bbl to $17.78/bbl in July supported by favorable market conditions and increased RIN benefits.
- The **Gulf Coast marketing margin** grew $0.35/bbl to $5.23/bbl in July on higher RIN benefits.

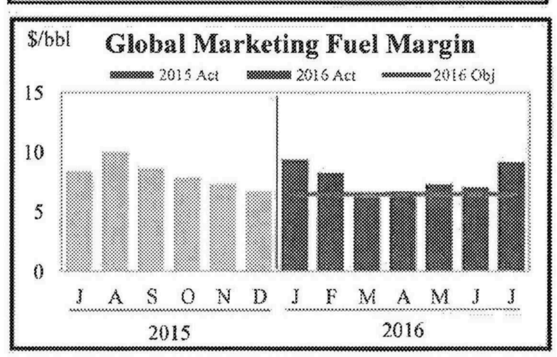


INTERNATIONAL MARKETING MARGINS

- The **Asia Pacific marketing margin** rose $0.55/bbl to $8.41/bbl in July as product costs fell faster than prices.

GLOBAL MARKETING FUEL MARGIN

- The realized Global Marketing Fuel Margin increased to $9.18/bbl in July, $2.71/bbl above the 2016 Objective of $6.47/bbl.
- The Global Marketing Fuel Margin is the gross margin realized on petroleum product sales. It excludes non-fuel sources and represents a worldwide average based on the weighted average of sales in each region.



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NET OEG PRODUCTION

U.S. OEG production rose 33 MBD between months reflecting the absence of a prior period adjustment in the MidContinent and new production from the MidContinent and the Gulf of Mexico.

Year-to-date OEG production was 43 MBD above Objective primarily on the timing of planned asset sales.

International OEG production fell 47 MBD between months reflecting unfavorable net-PSC effects in Indonesia and Azerbaijan, planned downtime at Angola LNG, and unplanned downtime in Nigeria. Higher demand in Thailand, and the absence of planned downtime in multiple regions, partly offset.

Year-to-date OEG production was 44 MBD below Objective driven by timing of new production and unplanned downtime primarily in Australia and the Partitioned Zone. Positive price-related PSC impacts and stronger performance, partly offset.

Net OEG Production

(MBD)	Jun	Jul	YTD	% of Obj
U.S.	674	707	694	107
International				
Angola	139	123	124	85
Argentina	24	25	25	96
Australia	105	122	96	62
Azerbaijan	44	31	37	132
Bangladesh	108	99	113	104
Brazil	17	16	17	74
Canada	86	96	87	114
China	30	28	26	93
Colombia	20	20	22	100
Republic of Congo	26	25	26	93
Denmark	23	21	21	95
Indonesia	190	165	203	112
Kazakhstan	416	407	419	107
Nigeria	229	208	247	98
Philippines	29	28	27	113
Middle East (PZ)	2	-	-	0
Thailand	231	255	245	101
Trinidad	14	13	14	88
U.K.	55	62	59	97
Venezuela	59	59	60	90
Other	25	23	25	125
Total International	1,872	1,825	1,894	98
Total OEG Production	**2,546**	**2,533**	**2,587**	**100**

TOTAL REFINED PRODUCT SALES

U.S. refined product sales fell 25 MBD between months led by gas oil on lower diesel production at Richmond. Gasoline also contributed with fewer Gulf Coast spot sales and the absence of an export cargo.

International refined product sales decreased 48 MBD between months on lower South Africa spot sales and weaker market demand in Asia.

Trading refined product sales climbed 24 MBD between months on higher gasoline term and spot sales in Asia.

Total Refined Product Sales

MBD	Jun	Jul	YTD	% of Obj
U.S.				
Mogas	665	646	633	105
Jet fuel	262	271	250	115
Gas oil	178	153	172	84
Fuel oil	17	18	17	121
Other	96	105	97	105
U.S. Total[1]	**1,218**	**1,193**	**1,169**	**103**
International				
Mogas	187	176	192	105
Jet fuel	114	119	121	108
Gas oil	208	182	210	102
Fuel oil	34	23	27	108
Other	48	48	55	83
Affiliates	368	363	366	99
International Total[1]	**959**	**911**	**971**	**101**
Trading	**601**	**625**	**546**	**109**

[1] Excludes Trading

SOLOMON UTILIZATION RATES

Utilization increased at Richmond and El Segundo on the absence of unplanned downtime. Pascagoula also contributed on increased intermediate purchases and consumption, coupled with the absence of unplanned slowdown.

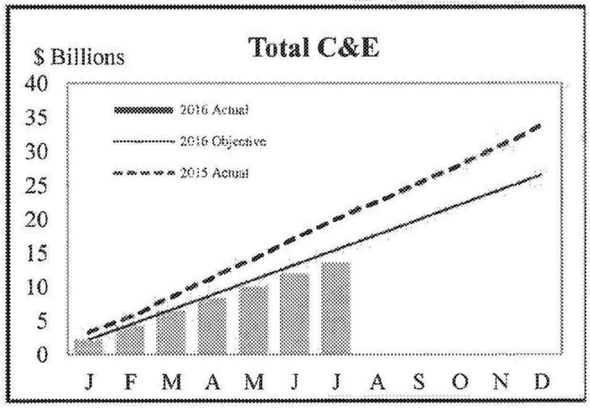
Solomon Utilization Rates

%	Jun	Jul	YTD	% of Obj
Richmond	88	91	85	110
El Segundo	84	87	84	102
Pascagoula	88	92	80	99
Cape Town	79	78	75	94
Star Petroleum	95	95	94	99
Singapore Refining	92	91	91	102
GSC - Caltex	90	91	88	100
Global Refining	88	90	85	101

Capital & Exploratory Expenditures and Operating Expense

C&E EXPENDITURES

- **Worldwide** July year-to-date capital and exploratory expenditures (including affiliates) of $13,581 MM were 51% of the full-year Objective. Cash capital and exploratory expenditures of $11,573 MM were 52% of the full-year Plan.



- The pace of cash and affiliate expenditures was below Plan across all business segments.

C&E

$ Millions	Jun	Jul	YTD 2016	2016 Obj	% of Obj
Upstream	1,729	1,421	12,409	23,966	52
Downstream	155	153	1,082	2,198	49
Other	17	15	90	390	23
Total C&E	**1,901**	**1,589**	**13,581**	**26,554**	**51**
Affiliates	303	304	2,008	4,422	45
Cash C&E	**1,598**	**1,285**	**11,573**	**22,132**	**52**

OPERATING EXPENSE

- **July year-to-date** unit operating expense was $18.11/bbl, $2.54/bbl below Objective.

- **Absolute dollars** were $1,961 MM below ratable Objective, reflecting various cost cutting initiatives and the timing of spend.

- **Volumes** were 10.5 MMbbls above Plan on higher volumes in the Downstream.

Operating Expense

	YTD 2016		FY 2016 Obj		% of $MM
	$MM	$/bbl	$MM	$/bbl	Obj
Upstream	7,707	16.69	14,932	18.81	52
North America	2,744	16.34	4,918	18.32	56
Asia Pacific	2,004	12.87	4,287	15.79	47
Europe, Eurasia, Middle East	793	20.87	1,642	23.94	48
Africa, Latin America	1,868	18.69	3,411	19.02	55
Downstream & Chemicals	**5,718**	**15.13**	**10,855**	**17.20**	**53**
Americas Products	3,666	-	6,732	-	54
International Products	926	-	1,856	-	50
Other	1,126	-	2,267	-	50
Midstream[1]	**1,411**	-	**2,515**	-	**56**
Other	369	-	1,126	-	33
Total OPEX	**15,205**	**18.11**	**29,428**	**20.65**	**52**

[1] Excludes Trading

CASH FLOW

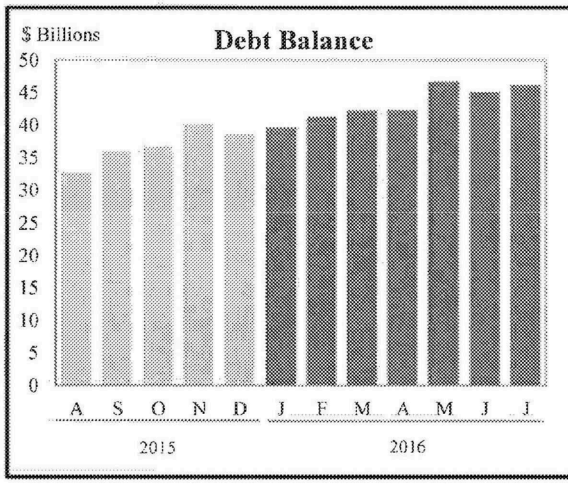
- July year-to-date **Cash from Operations** was $5.5 billion.
- **Working Capital/Other** consumed $5.2 billion reflecting a reduction in long term liabilities, lower accounts and taxes payable, higher accounts receivable, and a decrease in accrued liabilities. A reduction in prepaid & other short term assets, partly offset.
- **Uses of cash** through July totaled $17.5 billion with cash C&E expenditures of $11.6 billion, dividend payments of $4.0 billion, and TCO financing of $1.9 billion.
- **Cash flow** through July consumed $10.6 billion. Debt balances rose by $7.6 billion, while the cash balance decreased by $3.0 billion.

Cash Flow

$ Billions	Year 2015	Year 2016	2016 Obj
Earnings	**4.6**	**(1.8)**	**4.0**
DD&A	21.0	12.5	19.3
Working Capital/Other	(5.4)	(5.2)	(6.1)
Cash from Operations	**20.2**	**5.5**	**17.2**
Asset Sales Proceeds	5.7	1.4	5.6
Available Cash	**25.9**	**6.9**	**22.8**
Cash C&E Spending	(30.6)	(11.6)	(22.1)
TCO Financing	0.0	(1.9)	(1.3)
Dividends	(8.0)	(4.0)	(8.2)
Share Repurchases	0.0	0.0	0.0
Uses of Cash	**(38.6)**	**(17.5)**	**(31.6)**
Total Cash Flow	**(12.7)**	**(10.6)**	**(8.8)**
Change in Debt	10.8	7.6	3.4
Net Change in Cash	**(1.9)**	**(3.0)**	**(5.4)**
Cash Balance	11.3	8.3	5.9
Debt Balance	38.6	46.2	42.0

DEBT

- **Debt balances** of $46.2 billion at the end of July were up $7.6 billion from December 2015.
- **Commercial Paper debt** increased $1.5 billion to $9.7 billion.
- The **debt ratio** rose 3.9% from December 2015 to 24.1%.



Debt Components

$ Billions	12/31/15	7/31/16	Change
Commercial Paper	8.2	9.7	1.5
Current Portion L/T	1.5	1.8	0.3
Other S/T	0.0	0.0	0.0
Tax Exempt Bonds	3.2	3.2	0.0
L/T Debt	25.7	31.5	5.8
Total Debt	**38.6**	**46.2**	**7.6**
Debt Ratio %	20.2	24.1	3.9

Balance Sheet Comparison

Chevron Corporation
Consolidated Balance Sheet
($ Millions)

Assets	December 31, 2015	July 31, 2016 (unaudited)	Change
Cash and Cash Equivalents	11,022	7,936	(3,086)
Time Deposits	-	-	-
Marketable Securities	310	326	16
Accounts and Notes Receivable	12,860	13,731	871
Inventories	6,334	6,361	27
Prepaid Expense & Other Current Assets	3,904	3,238	(666)
Total Current Assets	**34,430**	**31,592**	**(2,838)**
Long-Term Receivables	2,412	2,425	13
Investments and Advances	27,110	29,733	2,623
Properties, Plant and Equipment, At Cost	340,277	340,161	(116)
Accumulated DD&A	(151,881)	(155,553)	(3,672)
Net Properties, Plant and Equipment	188,396	184,608	(3,788)
Goodwill	4,588	4,581	(7)
Deferred Charges and Other Assets	6,155	6,931	776
Assets Held for Sale	1,449	3,216	1,767
Total Assets	**264,540**	**263,086**	**(1,454)**
Liabilities and Equity			
Short-term Debt	4,927	6,608	1,681
Accounts Payable	13,516	12,761	(755)
Accrued Liabilities	4,833	6,489	1,656
Federal and Other Taxes on Income	1,073	525	(548)
Other Taxes Payable	1,118	1,021	(97)
Total Current Liabilities	**25,467**	**27,404**	**1,937**
Long-term Debt	33,542	39,491	5,949
Capital Lease Obligations	80	67	(13)
Deferred Credits & Other L-T Obligations	23,465	22,719	(746)
Deferred Income Taxes	20,165	18,931	(1,234)
Reserves For Employee Benefit Plans	7,935	7,558	(377)
Total Liabilities	**110,654**	**116,170**	**5,516**
Common Stock	1,832	1,832	-
Capital in Excess of Par Value	16,330	16,462	132
Retained Earnings	181,578	173,812	(7,766)
Accumulated Other Comprehensive Loss	(4,291)	(3,956)	335
Deferred Compensation and Benefit Plan Trust	(240)	(240)	-
Treasury Stock	(42,493)	(42,162)	331
Total Chevron Corporation Stockholders' Equity	**152,716**	**145,748**	**(6,968)**
Noncontrolling Interests	1,170	1,168	(2)
Total Equity	**153,886**	**146,916**	**(6,970)**
Total Liabilities and Equity	**264,540**	**263,086**	**(1,454)**

JULY 31, 2016 vs. DECEMBER 31, 2015

ASSETS

- **Current Assets** fell $2,838 MM from December 2015 on reduced cash and cash equivalents and prepaid expense & other current assets. A rise in accounts and notes receivable, partly offset.

- **Non-Current Assets** grew $1,384 MM from December 2015, reflecting an increase to investments and advances and current year capital and exploratory expenditures. Current year asset sales and impairments, partly offset.

LIABILITIES & EQUITY

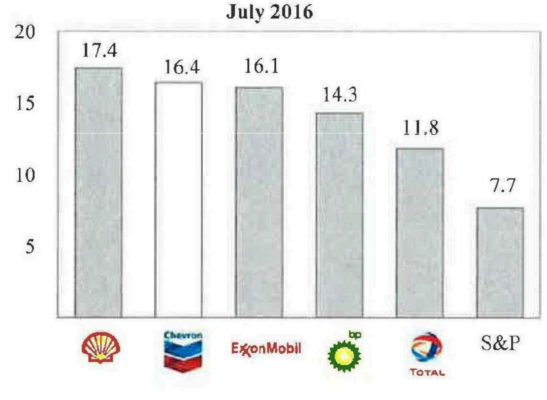
- **Current Liabilities** were $1,937 MM higher than December 2015 on elevated short-term debt and accrued liabilities. Lower accounts payable, and federal and other taxes on income, partly offset.

- **Non-Current Liabilities** were up $3,579 MM compared to December 2015, driven by a rise in long-term debt. A reduction in deferred income taxes, deferred credits & other long term obligations, and reserves for employee benefit plans, partly offset.

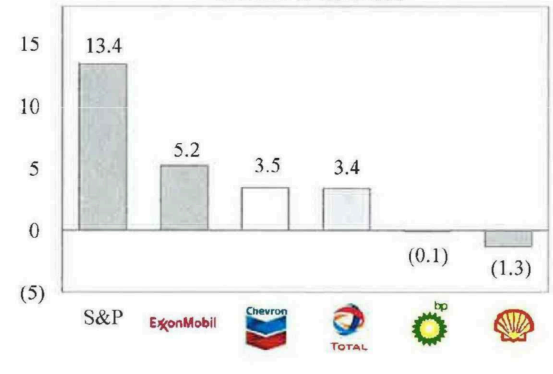
- **Total Equity** decreased $6,970 MM from December 2015 primarily reflecting dividends of $6.0 billion and a net loss of $1.8 billion.

TOTAL SHAREHOLDER RETURN %

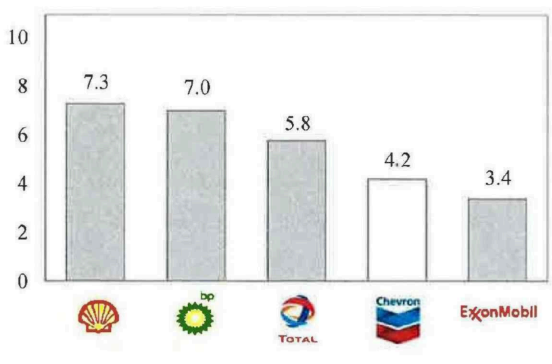
Year-to-Date
July 2016



Rolling Five Year Annualized:
8/1/2011 to 7/31/2016



Current Dividend Yield %
July 2016



Dividends and Cash Flow from Operations
($ Millions)

	Dividends [1] 2Q16 Actuals	Cash Flow from Operations 2Q16 Actuals	Div. as a % of Cash Flow from Operations
RD Shell [2]	3,783	2,292	165
Chevron	2,002	2,531	79
ExxonMobil	3,133	4,519	69
Total [2]	1,655	2,882	57
BP [2]	1,878	3,883	48

[1] Dividend reflects the cash and scrip share components combined.

[2] Includes 2Q16 cash equivilent proxy of scrip dividends paid in lieu of cash dividends for RDS (1.3B), BP (0.7B) and TOT (0.5B).

Stock Prices and Dividends

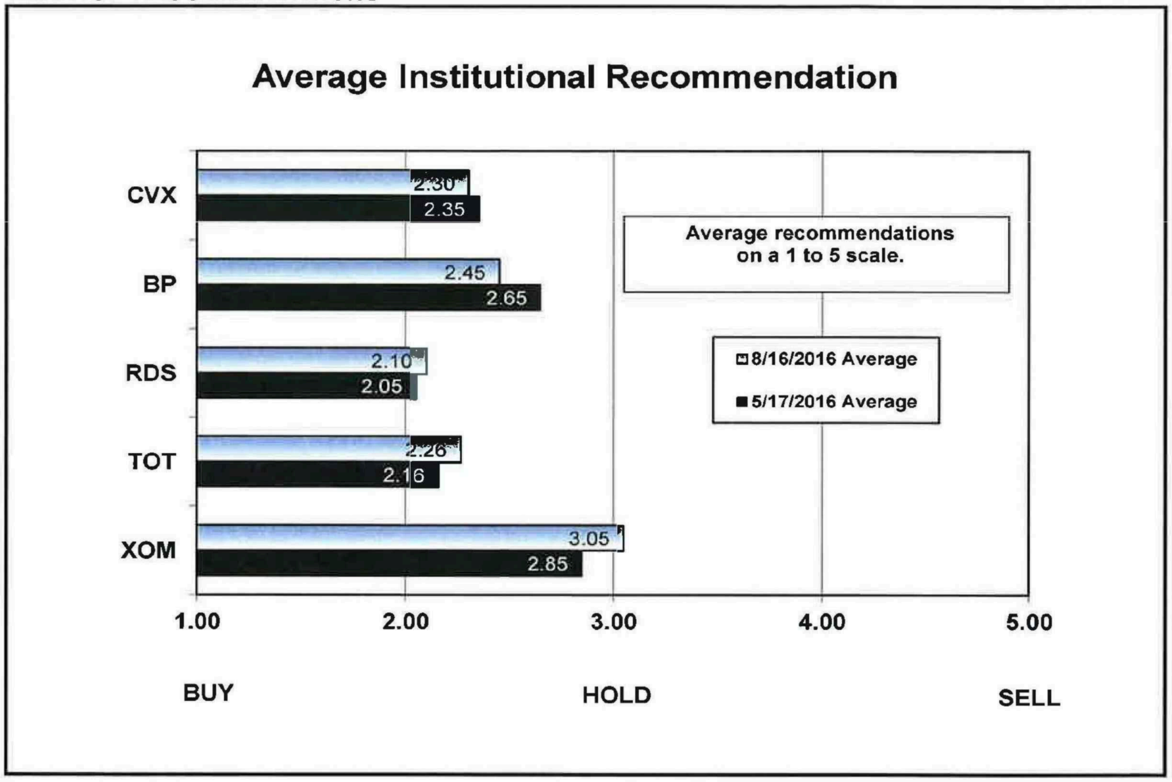
	52-week Intraday Stock Prices as of 7/31/2016				Dividends				
Company	High	Low	Close	Fwd P/E[3]	Current Dividend	Yield %[4] at 7/31	Last Change Period	Last Change % Action[5]	5-yr Div CAGR
Chevron	107.58	69.58	102.48	83.7	1.07	4.2	2Q14	7.0	6.5
BP	37.53	27.01	34.40	33.0	0.60	7.0	4Q14	2.6	7.4
ExxonMobil	95.55	66.55	88.95	39.5	0.75	3.4	2Q16	2.7	9.8
RD Shell	59.16	35.80	51.79	32.2	0.94	7.3	2Q14	4.4	2.3
Total	52.34	39.05	48.10	13.9	0.69	5.8	2Q14	3.4	(3.0)
S&P 500	2,177.09	1,810.10	2,173.60	18.2	-	2.1	-	-	11.7

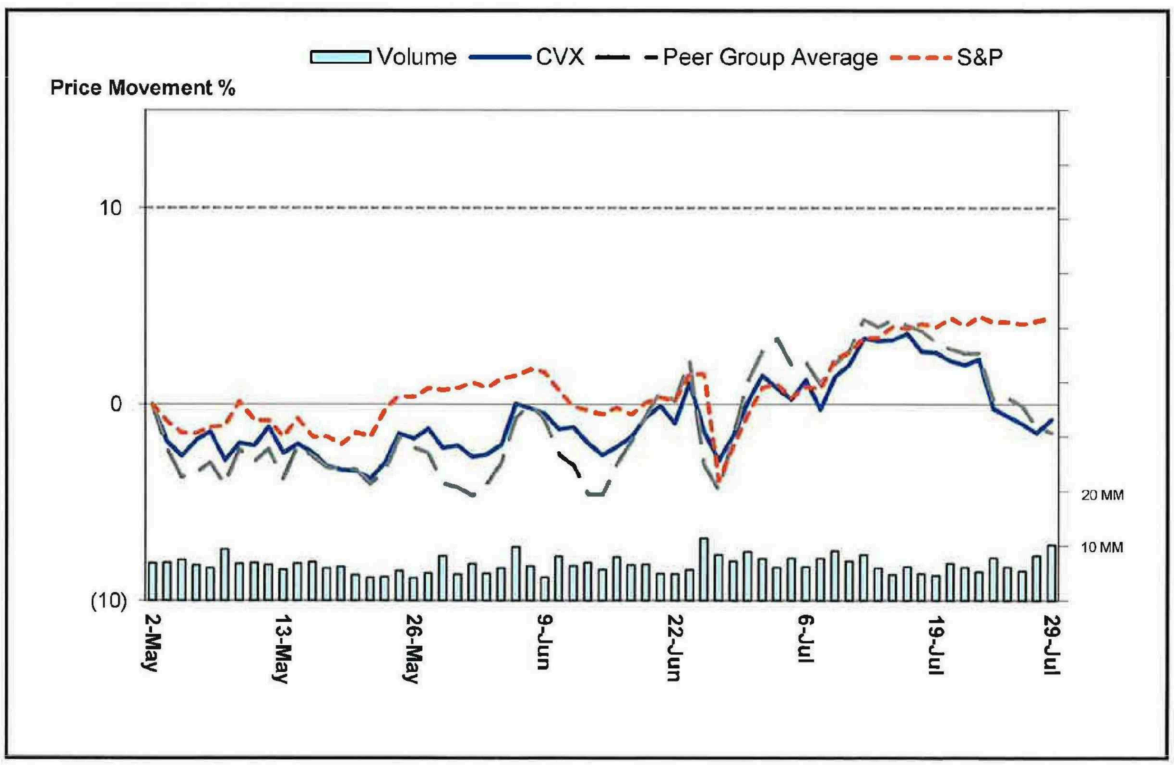
[3] Trailing 20-day average closing price divided by ThomsonOne consensus EPS estimate for FY2016.

[4] Current quarter per-share dividend rate (annualized) as a % of month-end price.

[5] TOT's Dividend "% Action" based on announcement in euros, all others in USD. TOT's % Action on USD basis is (15.4)% due to FX.

ANALYST RECOMMENDATIONS





Prepared by:
Corporation Comptroller's
Financial Reporting & Analysis

If you have any questions, please contact:
Jennifer Chau
CTN: [redacted]
email: [redacted]@chevron.com