Nigeria Fact Sheet

Highlights of Operations

Chevron is the third-largest oil producer in Nigeria and one of its largest investors, spending more than $3 billion annually. The company operates under a joint-venture arrangement with the Nigerian National Petroleum Corporation and has assets on land, swamp and near-offshore concessions covering approximately 2.2 million acres (8,900 sq km) in the Niger Delta region.

Chevron also has extensive interests in deepwater Nigeria. The Agbami Field is one of Nigeria's largest deepwater discoveries. The company also has an interest in another deepwater development, the Usan project.

Chevron provides career opportunities for Nigerians hired as employees and workers who are under contract.

Business Portfolio

Exploration and Production

In 2011, total daily production in Nigeria averaged 516,000 barrels of crude oil (232,000 net), 343 million cubic feet of natural gas (142 million net) and 11,000 barrels of liquefied petroleum gas (4,000 net).

Through our principal subsidiary in Nigeria, Chevron Nigeria Ltd., we operate and hold a 40 percent interest in 13 concessions under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC).

Onshore and Near Offshore

Construction at the Olero Creek Flowstation project continued in 2011, with completion expected in 2013. Work to lay a new pipeline to transport natural gas from Abiteye to processing facilities at Escravos continued in 2011; completion is planned for the fourth quarter of 2012.

The Dibi Long-Term Project is designed to integrate the existing Early Production System facility, purchased in 2009, into a permanent flowstation. A final investment decision is expected in mid-2012.

We are continuing our shallow-water exploration work. In 2011, we reviewed 3-D seismic data collected from Oil Mining Lease (OML) 86 and OML 88.

Deep Water

Chevron has interests, ranging from 18 percent to 100 percent, in 10 deepwater blocks in offshore Nigeria.

Chevron operates the Agbami Field, which lies 70 miles (113 km) off the coast of the central Niger Delta region and spans 45,000 acres (182 sq km). Discovered in 1998, the Agbami Field is at a water depth of approximately 4,800 feet (1,463 m). Chevron has a 67.3 percent interest in the field.

Agbami is a subsea development with wells tied back to a floating production, storage and offloading (FPSO) vessel. A $1.9 billion 10-well development program is expected to provide crude oil production capacity to offset production decline. The first Phase 2 development well is scheduled to begin production in the second half of 2012. Drilling is expected to continue through 2014.

Chevron also has a 30 percent nonoperated working interest in the Usan Project, in 2,461 feet (750 m) of water, 62 miles (100 km) off the coast of the eastern Niger Delta region. Development plans call for subsea wells tied into an FPSO vessel. Development drilling and offshore installation work continued in 2011. Construction of the FPSO vessel, which has a maximum

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daily production capacity of 180,000 barrels of crude oil, was completed in April 2011, and the vessel was moored on location in October 2011. The field began production in the first quarter of 2012.

The Aparo Field and the Bonga SW Field share a common geologic structure and are planned to be developed jointly. The structure lies in 4,300 feet (1,311 m) of water, 70 miles (113 km) off the coast of the western Niger Delta region. The proposed development plan involves subsea wells tied back to an FPSO vessel. The project is expected to enter the front-end engineering and design phase in late 2012.

Chevron has nonoperated working interests of 20 percent and 27 percent in Oil Prospecting License (OPL) 214 and OPL 223, respectively. In OPL 214, drilling of the Nza and the Uge North wells began in the fourth quarter of 2011. Drilling of the Uge North well was completed in early 2012, and the results are being evaluated. In OPL 223, an exploration well in Owowo West is planned for the second half of 2012. Chevron operates and holds a 95 percent interest in the Nsiko discovery in OML 140, which lies in approximately 5,800 feet (1,768 m) of water, 90 miles (145 km) off the coast of the western Niger Delta region.

Natural Gas

Chevron is involved in natural gas projects in the western Niger Delta and Escravos areas, including the expansion of the Escravos Gas Plant (EGP), construction of the Escravos Gas-to-Liquids (EGTL) facility and the Sonam Field development.

Chevron operates and holds a 40 percent interest in the EGP development. The project is focused on eliminating routine flaring of natural gas associated with the production of crude oil. Construction of the pipelines and modifications to the production platforms continued through 2011. The $2.4 billion project is expected to be completed in 2016.

Chevron and the NNPC are developing the EGTL facility, an $8.4 billion 33,000-barrel-per-day gas-to-liquids project designed to process 325 million cubic feet per day of natural gas from the EGP expansion. Engineering, procurement and offsite fabrication are complete. Work on the project was more than 90 percent complete at the end of 2011. Chevron is the operator and has a 75 percent interest in the plant, which is scheduled for startup in 2013.

In late 2011, a final investment decision was made for the $1.7 billion development of the Sonam Field. The 40 percent-owned and operated project is designed to use the EGP facilities to deliver 215 million cubic feet of natural gas per day to the domestic gas market and produce a total of 30,000 barrels of liquids per day. First production is expected in 2016.

Chevron operates and holds a 40 percent interest in six fields collectively referred to as the Onshore Area. In 2003, civil unrest in the area resulted in vandalism of the compression infrastructure. The Onshore Asset Gas Management project is designed to restore these facilities and supply 125 million cubic feet of natural gas per day to the Nigerian domestic gas market. Construction continued in 2011. Startup is scheduled for late 2012.

With a 36.7 percent interest, Chevron is the largest shareholder in the West African Gas Pipeline Company Limited, which owns and operates the 421-mile (678-km) West African Gas Pipeline. The pipeline supplies Nigerian natural gas to customers in Benin, Ghana and Togo for industrial applications and power generation and has the capacity to transport 170 million cubic feet of natural gas per day.

Chevron holds a 20 percent nonoperated interest in the Assa-North/Ohaji South Development in OML 53. The project would supply natural gas to the domestic market. Development alternatives are being evaluated.

In the Community

Chevron takes seriously its role as a member of the community in Nigeria and is active in many projects promoting health, economic development and education.

Chevron Nigeria Ltd. (CNL) provides communities near its operations with power and drinking water—in some cases, directly from company facilities. In some communities, we have purchased and installed generators and provided fuel and maintenance.
Responding to Needs of the Niger Delta

In 2011, Chevron announced we were joining the U.S. Agency for International Development in contributing $50 million to the Niger Delta Partnership Initiative (NDPI) Foundation, which Chevron established to address the socioeconomic challenges facing the area. Chevron's $25 million commitment is drawn from a $50 million endowment we created in 2010 to launch the NDPI Foundation.

Since 2005, Chevron has provided funding to the Niger Delta Development Commission, a government agency tasked with developing the region.

In 2005, CNL adopted a new approach to community engagement in the Niger Delta to improve local participation in determining the needs our programs should address. This model, called the Global Memorandum of Understanding, gives communities a greater role in managing their development through newly created Regional Development Councils. CNL signed the agreements with eight councils.

The objective is to bring peace and stability to areas where Chevron operates. Together, the memorandums have generated approximately 200 projects in more than 400 communities, villages and chiefdoms and benefited some 600,000 community members.

Promoting Technology as a Tool for Progress

To boost Nigerian technical expertise, Chevron teamed with local partners to establish the country's first Advanced Technology Center for Subsurface Studies in 2002.

Chevron also funded the Biotechnology Center of the Federal University of Technology in Yola, in northeastern Nigeria. The two-story, nine-laboratory facility is designed to help Nigeria use scientific advances to increase food production and reduce disease.

Fighting HIV/AIDS in Nigeria

Chevron helps fight the spread of HIV/AIDS in Nigeria. We directed $5 million of the $30 million we contributed to the Global Fund to Fight AIDS, Tuberculosis and Malaria to Nigeria's National Agency for the Control of AIDS.

We supported the World Federation for World Peace when it conducted a free teens program of AIDS prevention seminars for secondary schools in Nigeria.

Chevron built and donated a center at St. Kizito Clinic in Lekki, Lagos, to fight tuberculosis and other infections common to HIV/AIDS patients. With our Agbami Field partners, we commissioned seven chest clinics and donated them to hospitals across the country.

CNL is a co-chair of the Nigerian Business Coalition Against HIV/AIDS, which was created to pool resources and efforts from the private and public sectors.

CNL has donated essential drugs to five hospitals in four states and funds for the development of four clinics in the creeks of the Niger Delta.

Supporting Public Health

CNL supports the Riverboat Clinic, a mobile health service that serves communities along the Escravos and Benin rivers in the western Niger Delta. The boat, launched in 2001, provides treatment for free to local communities.

The Roll Back Malaria initiative focuses on helping pregnant women and children under the age of 5. CNL launched the program in 2006 and provides financial and volunteer support for groups that work to improve communities in 10 states.
Helping Students and the Needy

Chevron grants scholarships to secondary school and college students. Along with our partners in the Agbami Field, we launched the Agbami Medical and Engineering Professionals Scholarship. In 2010, the partners donated science laboratories to eight secondary schools. And by 2011, the program had been extended to 10 more states, giving aid to approximately 3,300 students.

With our partners, we also donated 11,000 geology books to 10 Nigerian universities.

Care for the Environment

Chevron supports the Lekki Conservation Centre. The 190-acre (0.8-sq-km) sanctuary for the flora and fauna of the Lekki Peninsula is the only refuge of its kind in the Lagos area. Every year, thousands of schoolchildren and their teachers visit the site.

In 2005, Chevron established a postgraduate research scholarship for doctoral students in environment and conservation. We also host the annual S.L. Edu Memorial Lecture to promote environmental management awareness.

We also provide funding to the Nigerian Conservation Foundation.

Record of Achievement

Chevron began doing business in Nigeria in 1913, when Texaco® products were first marketed in the country.

Following the Nigerian Indigenization Decree of 1978, which was designed to raise the level of Nigerian participation in business, Chevron divested 40 percent of its shareholdings to the Nigerian public while retaining 60 percent equity in Chevron Oil Nigeria PLC.

In 1996, we built our 103,000-barrel state-of-the-art storage terminal and loading facility in Apapa.

Our energy exploration and production work began more than 40 years ago.

In 1963, American Overseas Petroleum Ltd.—which later became Texaco Overseas (Nigeria) Petroleum Co.—discovered oil at the Koluama Field, offshore Nigeria. In that same year, Chevron Nigeria Limited (CNL) started drilling near the Escravos River and found the Okan Field.

Discovered in 1998, the Agbami Field is one of the largest deepwater discoveries in Nigeria’s history.

Health, Environment and Safety

Nigeria is one of three African countries participating in the Arrive Alive program pioneered by Chevron. The program is making significant strides toward eliminating traffic deaths and injuries in the communities where we work. The Arrive Alive Road Safety Initiative achieved its first major success by recommending revised motorcycle laws to address the serious problems posed by motorcycle taxis in Lagos State. The program also has provided helmets for motorcycle riders.

The 46-year-old Okan Platform, among others, was upgraded with a focus on improved pollution prevention measures and safety systems.

CNL is a founding member of the Technical Committee of the Clean Nigeria Association, a second-tier oil spill response organization, established in 1981. Chevron continues to hold a leadership position in the association.

Chevron has restored 15 abandoned land drill sites and 35 burrow pits and has decommissioned nine abandoned land wells, with work continuing on other sites. Nigerian contractors are engaged for the restoration work, reflecting CNL’s ongoing commitment to using local workers and encouraging others to do the same.
Chevron is working across its operations to eliminate routine flaring and venting in line with company requirements and local regulations. Since 1997, when Escravos Gas Plant 1 was commissioned, followed by Plant 2 in 2001, Chevron has advanced various flare-elimination projects to minimize environmental impact while increasing economic benefits. Plant 3A accepted its first gas in 2010. All new developments are being designed with a zero-flare philosophy.

**Awards**

In 2003, CNL won the U.S. State Department's Award for Corporate Excellence. The company was praised for its work in Nigeria for, among other things, airlifting more than 2,000 community members to safety in 2003 during ethnic conflict in the Niger Delta, setting up the Riverboat Clinic and our HIV/AIDS prevention efforts.

The Nigerian Conservation Foundation honored CNL in 2002 with its Award for Environmental Excellence and again in 2010 with its Environmental Stewardship Award.

CNL was recognized in 1999 with the Nigerian Environmental Protection Agency's Environmental Excellence Award.

In 2006, CNL received a Corporate Good Environment Health Practice Award from the Environmental Health Officers Registration Council of Nigeria. The award was given for the company's "commitment to responsible environmental stewardship" in Nigeria.

**Economy**

Besides the jobs and capital investments created by Chevron's large day-to-day operations, major economic benefits for the community are expected from the West African Gas Pipeline, the Escravos gas-to-liquids project, the Escravos Gas Plant 3A and related projects.

CNL started a partnership with the Lagos Business School to develop local contractors who can better fulfill the needs of the oil industry. Several training sessions have been held in the states of Lagos and Warri. CNL also has invested in instructing Nigerian college students in the use of computer-aided design.

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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**

This page from Chevron.com contains forward-looking statements relating to Chevron’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “budgets” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-
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Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemical margins; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of equity affiliates; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's net production or manufacturing facilities or delivery/transportation networks due to war, accidents, political events, civil unrest, severe weather or crude oil production quotas that might be imposed by the Organization of Petroleum Exporting Countries; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental statutes, regulations and litigation; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets and gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading "Risk Factors" in Chevron's Annual Report on Form 10-K for the year ended December 31, 2011. In addition, such statements could be affected by general domestic and international economic and political conditions. Unpredictable or unknown factors not discussed in Chevron's Annual Report on Form 10-K for the year ended December 31, 2011 could also have material adverse effects on forward-looking statements.

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