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PREVIEW | Executive Deal Summary | April 12, 2019

CHEVRON ACQUIRES ANADARKO FOR \$50B

HIGHLIGHTS:

- This corporate acquisition is the sixth largest Oil & Gas deal by enterprise value so far
- Anadarko operates primarily in the US onshore and US GoM (together United States) as well as in Mozambique, Algeria, Ghana, Canada, Colombia, Peru and South Africa (International)
- Chevron's strategic rationale for the transaction is expansion of its shale and tight oil resources, most notably in the Permian Basin, the addition of complementary deepwater assets in the Gulf of Mexico and the addition of Anadarko's world-class Mozambique LNG assets to its substantial global portfolio
- The acquisition boosts Chevron's 4Q18 production by 22% (701,000 boe/d) to pro-forma 3.78 MMboe/d, close to that of rival international supermajors ExxonMobil (4.01 MMboe/d) and Shell (3.79 MMboe/d) and well above BP (2.63 MMboe/d)

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United States Overview

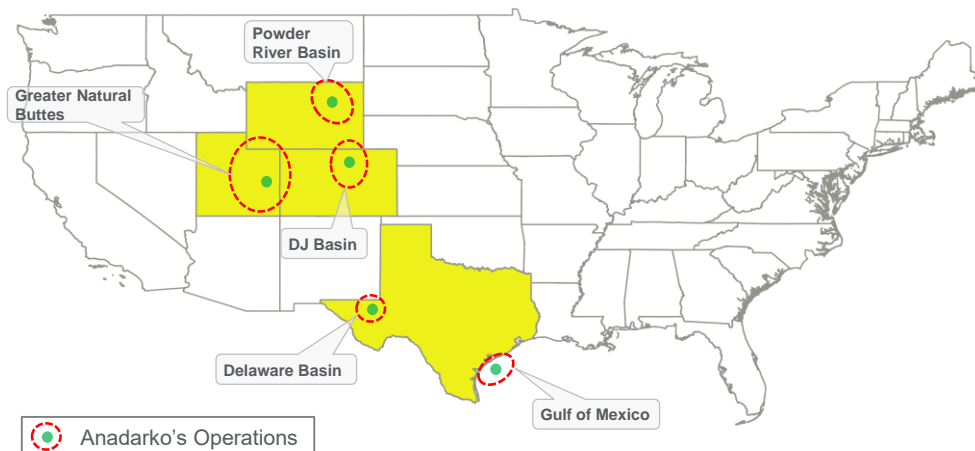
Chevron has agreed to acquire Anadarko for \$33 billion due to shareholders (\$65 per share) with 75% equity and 25% cash, or 0.3869 shares of Chevron stock and \$16.25 in cash for each Anadarko share. The assumption of net debt of \$15 billion and the \$2 billion book value of a non-controlling interest brings the total transaction value to \$50 billion

The Chevron offer represents a 39% premium to Anadarko's closing price of \$46.80/share on April 11, 2019 but is 14% below the company's peak 52 week closing price of \$75.47/share on July 10, 2018

The deal significantly increases Chevron's U.S. output by 66% from 858,000 boe/d to 1.45 MMboe/d and boosts the U.S. percentage of total output from 28% to 38%. In contrast, ExxonMobil produced 1.01 MMboe/d in the U.S. in 2018, 25% of total output

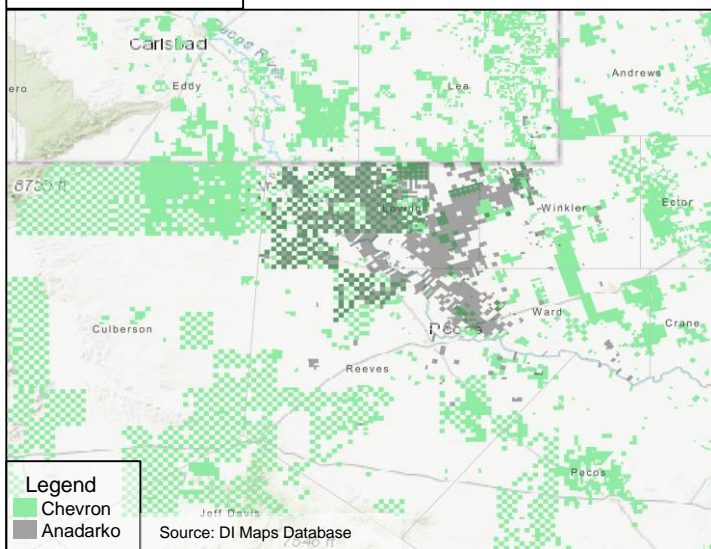
Highlights:

- Operates primarily in the US onshore and US GoM (together United States)
- **US Onshore** includes Delaware basin, DJ basin, Powder River basin and Greater Natural Buttes (Eastern Utah)
- **Delaware basin:** Located in Loving Co., Reeves Co., Ward Co., and Winkler Co., TX and covers **240,000 net acres (590,000 gross)**
- **Gulf of Mexico:** Holds working interest in **231** blocks including the Horn Mountain, Marlin, Holstein, Caesar Tonga, Constellation and Lucius projects as well as the K2 Complex
- 1P Reserves as of 31-Dec-2018: **~1.473 billion BOE** (~45% oil, ~37% gas, ~18% NGL, ~90% United States, ~10% International)
- **701 MBOE/d** (~65% US Onshore, ~20% GoM, ~15% International) of total sales volume during Q4-2018
- Anadarko holds **55.5%** stake in Western Gas Midstream Partners (WES)
- 2018 Consolidated Adjusted EBITDAX - **\$7.432 billion**

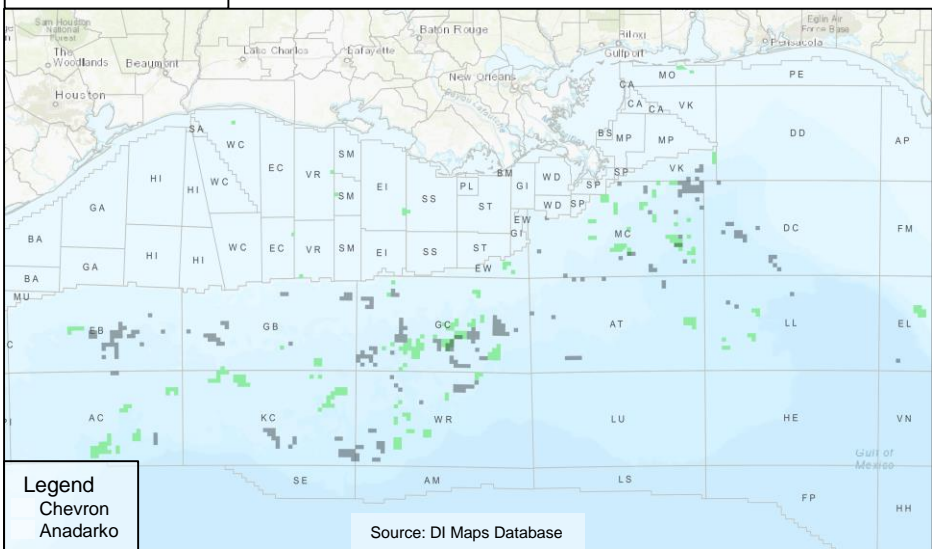


Pro-Forma Acquisition – Combined Key Metrics

Delaware Basin

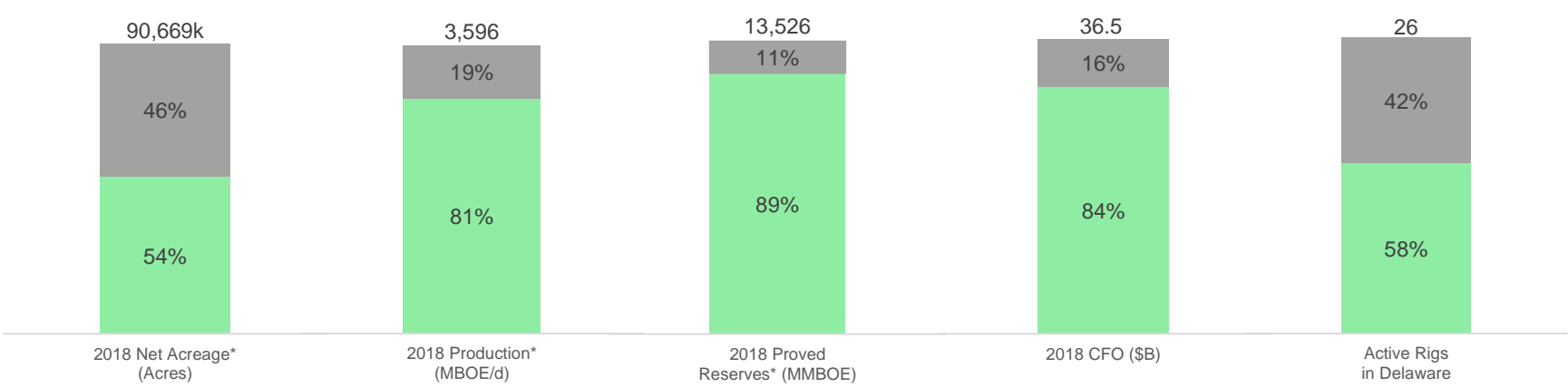


Gulf of Mexico



Legend
Chevron
Anadarko

Pro-Forma Acquisition



*Values reflected for US as well as International Operations

Data Source: Chevron 2018 10-K, Anadarko 2018 10-K and DI Webapp

Permian Basin: Delaware

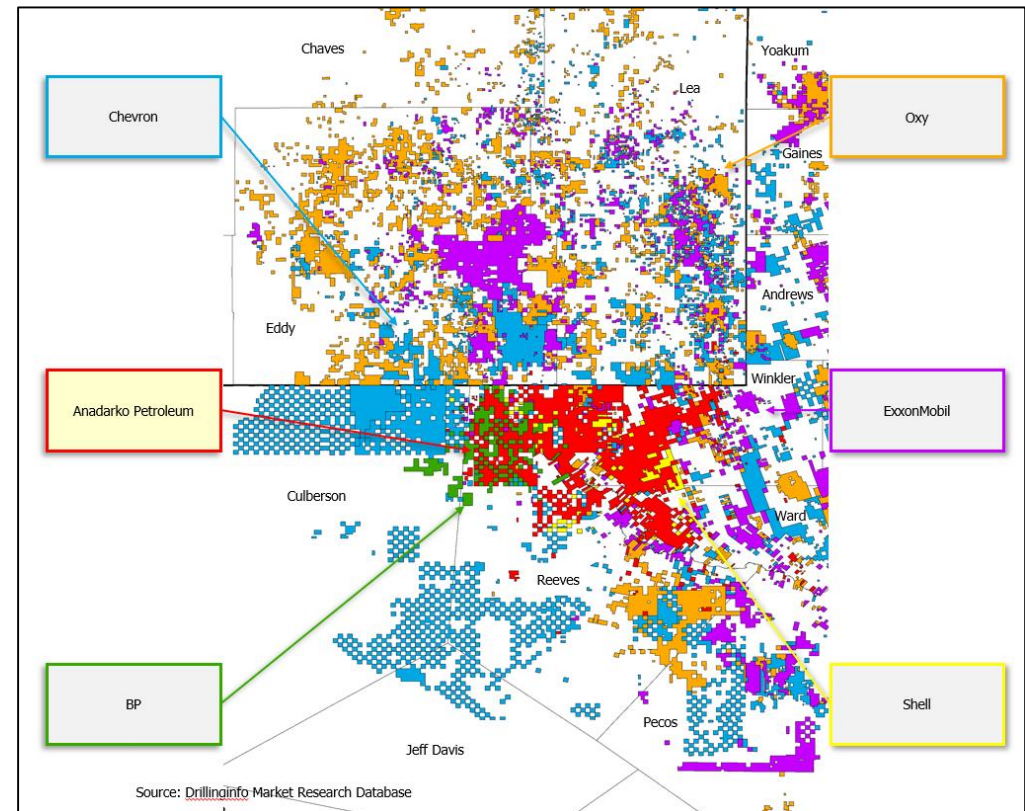
Anadarko's Delaware acreage is in the heart of Chevron's holdings in the basin, creating a 75-mile-wide corridor that allows for more efficient long-lateral development and operational efficiencies

The acquired output increases Chevron's Permian output by approximately 50% and makes it the largest producer in the basin (152 MMboe in 2018)

The acquisition will cut the annual Permian production growth rate Chevron has to generate to reach its goal of 900,000 b/d in 2023 from 24% to 17%

Highlights:

- Located in Loving Co., Reeves Co., Ward Co., and Winkler Co., TX and covers **240,000 net acres (590,000 gross)**
- Production during Q4-2018: **127 MBOE/d (~59% oil, ~20% NGL, ~21% gas)**
- Anadarko turned **186 operated wells** to sales in 2018 in the basin, with 56 turned to sales in Q4-2018
- **33 wells spud** by Anadarko through **7 average operated rigs** in Q4-2018
- Anadarko's Capital investments in Q4-2018: **\$280 million**



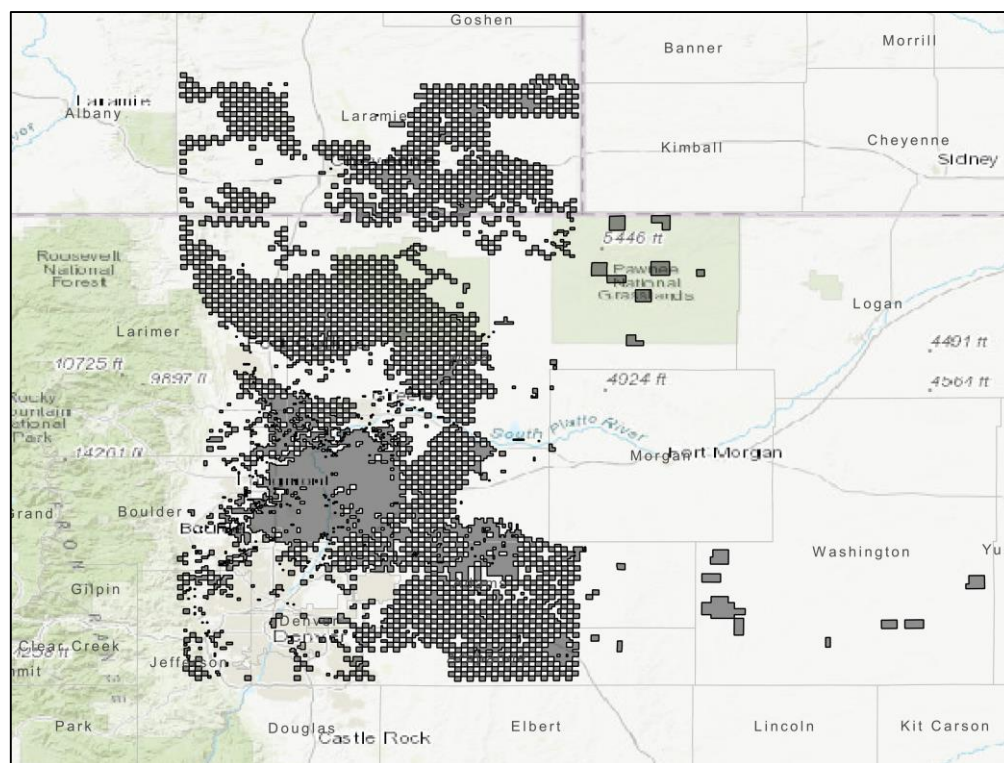
DJ Basin

Anadarko's acquisition brings a 460,000 net acre position in the DJ Basin including 400,000 contiguous acres with low royalties and established infrastructure that generated nearly half of its 2018 production

Anadarko's contiguous core DJ position is an extremely strong fit with Chevron's existing acreage making this a unique opportunity for Chevron to build scale for efficient development.

Highlights:

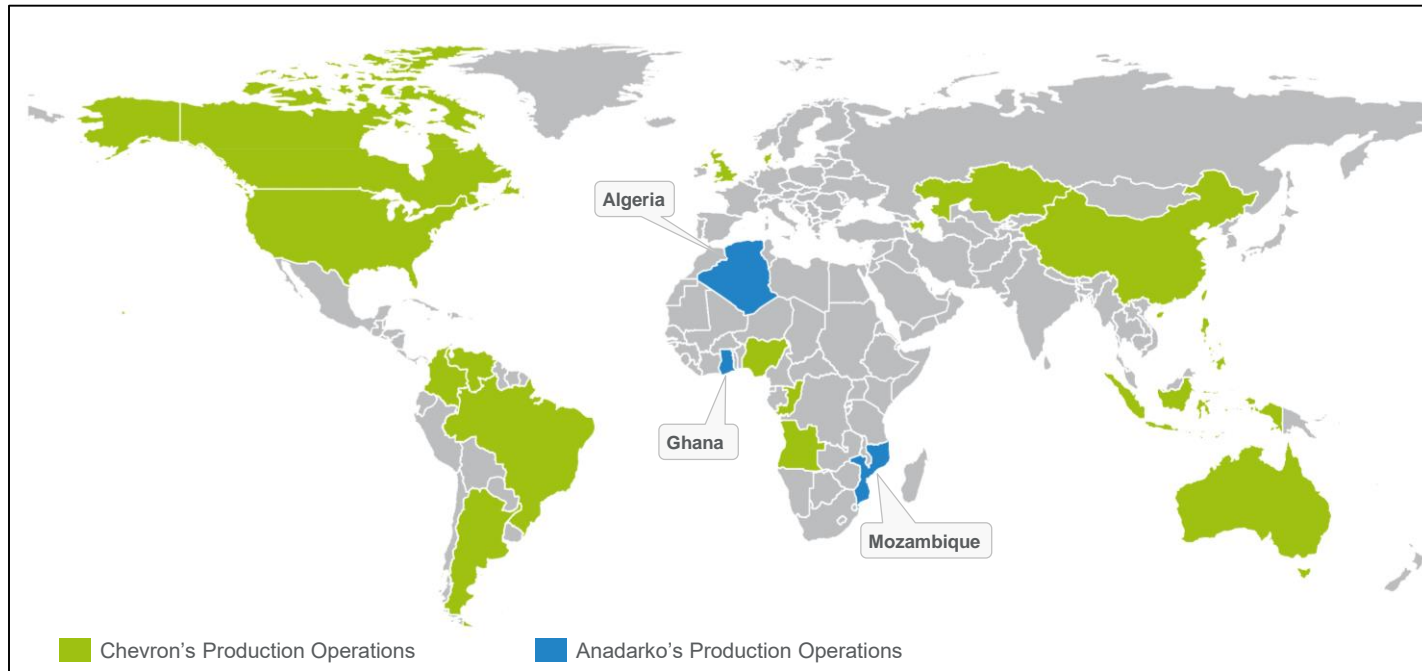
- Located primarily in Weld Co., Adams Co., and Arapahoe Co., CO and also in Laramie Co., WY
- Production during Q4-2018: **272 MBOE/d (~37.5% oil, ~22.5% NGL, ~40% gas)**
- Anadarko turned **278 operated wells** to sales in 2018 in the basin, with 50 turned to sales in Q4-2018
- **56 wells** spud by Anadarko through **3 average operated rigs** in Q4-2018
- Anadarko's Capital investments in Q4-2018: **\$262 million**



■ Anadarko's DJ acreage

International Overview

The Western Gas interest is valued at \$8.6 billion based on Anadarko's proportional ownership of 55.5% and the prior-day closing price
Mozambique LNG development project is valued at \$2.97 billion based on the price Exxon paid Eni for its 25% stake in Mozambique Area 4



Highlights:

- Located in Mozambique, Algeria, Ghana, Canada, Colombia, Peru and South Africa
- **In Mozambique**, Anadarko holds **26.5%** operated WI in Offshore Area 1 with FID expected in H1-2019
- 1P Reserves as of 31-Dec-2018: **~147.3 million BOE**
- Production during Q4-2018: **102 MBOE/d (~96% oil, ~4% NGL, ~65% Algeria, ~35% Ghana)**
- Anadarko's Capital investments in Q4-2018: **70 million (~47% West Africa, ~38.5% Mozambique, ~13% Algeria, ~1.5% Colombia)**



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This is a preview of the full report.

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