



Chevron

THE MARKET

Originally derided as a “horseless carriage” when it was invented more than 100 years ago, the automobile soon captured the public imagination and transformed daily life. This worldwide love affair with the automobile has created an ever-expanding market for not only the fuels and products to keep cars running, but for the network of retailers — service stations and convenience stores — that form the structure for supplying the consumers.

From the first oil wells found in Pennsylvania, California, and Texas in the second half of the 19th century to today’s exploration operations that span the globe, energy companies like Chevron Corp. supply the refined petroleum products that keep our nation — and the world — moving. Chevron-branded products and services, such as the industry-leading Techron® deposit control additive for gasoline and Chevron credit cards, as well as Chevron convenience stores, have become an established part of the automotive products market. But they’re also found in many other industries as well, including marine, aviation, and lubricants.

ACHIEVEMENTS

As part of the family of brands of Chevron Corp., which is the second-largest U.S.-based energy company and the fifth-largest in the world, the Chevron brand can be found at more than 8,000 retail outlets in 29 U.S. states, primarily in the West, South, Southwest, and in Western Canada.

Chevron’s proprietary gasoline additive, Techron®, is widely recognized throughout the industry as providing unsurpassed intake system cleanliness on vital engine parts, helping to provide improved vehicle driving performance, optimal fuel economy, and reduced

emissions. And the company’s retail network — encompassing self-serve pumps with FastPay® technology, computerized point-of-sale terminals, and a satellite communication network — supports Chevron’s position as one of the top-three gasoline marketers in the United States.

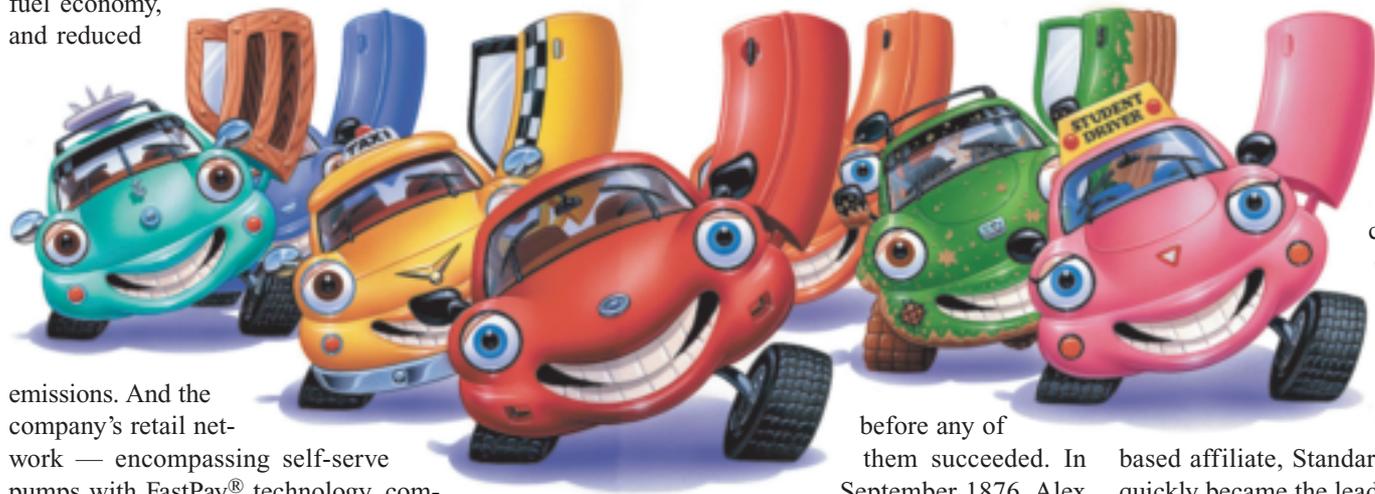


HISTORY

In the 1860s, spurred by memories of the gold rush, hordes of prospectors descended on California seeking another kind of bounty — black gold or oil. It took more than ten years

Susana Mountains of San Joaquin County yielded a greater find when Mentry brought Pico No. 4 in as a gusher, establishing California as an oil-producing state. CSOW’s production made it an attractive candidate for acquisition by a company with the financial acumen and capability to bring the products to market. That organization was Pacific Coast Oil Company (PCO), Chevron’s earliest predecessor, which acquired CSOW in 1879.

Meanwhile, John D. Rockefeller’s Standard Oil (New Jersey) conglomerate had established a San Francisco-based affiliate, Standard Oil Co. (Iowa), which quickly became the leading marketer on the U.S. West Coast. By 1900, Standard (New Jersey) acquired PCO, adding production to its preeminent position in marketing. Six years later, it fully integrated the operations of PCO and Iowa



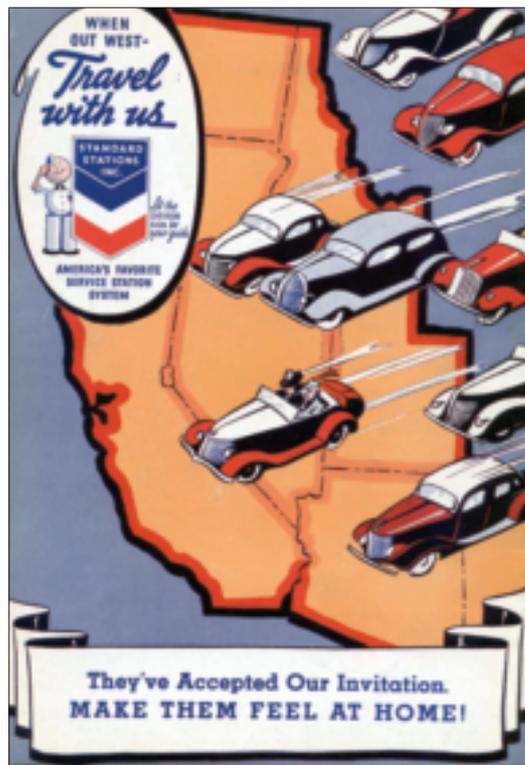
before any of them succeeded. In September 1876, Alex

Mentry of California Star Oil Works (CSOW) overcame rattlesnakes, wasps, mud, and underbrush to strike oil in California’s Pico Canyon. A year later, this remote portion of the rugged Santa

Standard to create Standard Oil Co. (California). Over the next two decades, Standard Oil (California) became the marketing leader in its five-state West Coast area, driven by strong brand awareness, aggressive marketing, and an impressive roster of products, including Royal Crown gasoline and Zerolene motor oil.

Flush with the acquisition of Pacific Oil Co. in 1926, the company reincorporated as Standard Oil Co. of California, or Socal. In the 1930s, Socal formed three joint ventures that sparked its international expansion. Two involved exploration rights extending from the deserts of Saudi Arabia to the jungles of Indonesia. The third involved the birth of a historic partnership with The Texas Co. (later, Texaco) to form California Texas Oil Co., Ltd., or Caltex, with marketing operations from Africa to Asia and a small refinery in Bahrain that would become the first of a widespread global network.

In the decades that followed, the company continued to focus on global operations, from the development of the Minas and Duri fields in Sumatra to construction of the 1,068-mile Trans-Arabian pipeline in Saudi Arabia. The company also pursued growth through partnerships, including the acquisition of Standard Oil Co. (Kentucky) in 1961 and the merger with Gulf Oil Corp. in 1984. The Gulf merger gave rise to a new corporate name, Chevron Corp., which was derived from the chevron-shaped logo Socal had been using on products for decades and under which it



operated in many U.S. locations. The change reflected the brand's powerful association in the public's mind with quality, value, and service.

In the years ahead, as petroleum companies engaged increasingly in megaprojects, they became more prone to seek partners to share capital and risk. In 2001, Chevron Corp. and Texaco Inc., two long-standing partners, agreed to a historic merger that created today's Chevron Corp.

THE PRODUCT

Chevron's quality products are designed to keep vehicles running efficiently and include Chevron with Techron[®] gasoline and Chevron diesel fuels,



plus coolants, transmission fluids, and a full range of lubricants for passenger cars and diesels.

Since 1973, all three major U.S. auto manufacturers have used Chevron[®] gasolines to help their new engines pass the U.S. Environmental Protection Agency's tough 50,000- and 100,000-mile emissions system durability tests. And with

TECHRON[®]

the introduction in 1995 of Techron[®], Chevron gasolines continued to offer great engine performance with the lowest possible deposit-related engine emissions.

RECENT DEVELOPMENTS

In May 2004, Chevron became the first marketer to have its gasolines approved as meeting performance criteria set by BMW, General Motors, Honda, and Toyota for "TOP TIER Detergent Gasoline" — a standard for gasoline detergency significantly higher than that established by the U.S. Environmental Protection Agency. All grades of Chevron gasoline with the Techron[®] additive meet the "TOP TIER Detergent Gasoline" criteria. In December 2004, Chevron also became the first marketer in Canada to have its gasolines approved as meeting the TOP TIER standard.

PROMOTION

For much of its history, the company's advertising focus was on the superior quality of Chevron's product line, whether the medium was print, billboards, or television. In recent decades, this approach has combined with corporate advertising that focuses on the company's values. One memorable U.S. corporate campaign, launched in 1985, was titled "People Do" and featured the company's efforts to protect the environment near its facilities. From artificial reefs in Florida to raptor perches in Wyoming to the preservation of butterfly habitats in California, the 16-year campaign became familiar to television viewers in the United States, accompanied by magazine advertisements.

In May 1995, Chevron launched one of its longest-lasting, and endearing, marketing promotions: the Chevron Toy Cars. Quirky and playful, the appealing automobiles "talk" about the "concerns, hopes, and dreams" of cars everywhere and subtly promote the company's high-quality products.

From the original Sam Sedan and Wendy Wagon (both now retired) to Maddie Mudster, the latest addition to the fleet, the Chevron Cars — now numbering three dozen — have proven extremely popular among children of all ages. There is even a Chevron Toy Cars Web site — an enjoyable and educational learning environment for children, parents, and educators alike.

BRAND VALUES

Built on a foundation of integrity and trust, Chevron's core brand values encompass the attributes of diversity, partnership, high performance, responsibility, and growth. Chevron Corp. commits its employees to protect people and the environment through leadership, safety, advocacy, conservation, and community outreach.

More than 70 years ago, Socal adopted as its company symbol a three-bar chevron based on an ancient design motif identified with rank and service. The symbol came to be so strongly linked to the company products and service stations that in 1984 "Chevron" became the corporate name. Even before the introduction of the Chevron logo, the company's products — such as Red Crown gasoline and Zerolene motor oil — were brands synonymous in the public mind with quality, value, and service. Those same attributes are more than just a representation of the organization; they are a promise to customers.

THINGS YOU DIDN'T KNOW ABOUT CHEVRON

- In 1903, Chevron's predecessor, the Pacific Coast Oil Company, completed California's first major pipeline, linking the Kern River Field to the Richmond refinery — a distance of almost 300 miles.
- Chevron's Seattle sales manager John McLean created the world's first "service station" in 1907.
- The company introduced the world's first premium-quality, fully compounded industrial oil in 1957.
- In 1954, Socal became the first energy company in the world to develop an effective detergent additive for gasolines; three years later, it developed the first detergent for diesel fuels.