

**ChevronTexaco**

# Value Chain Integration



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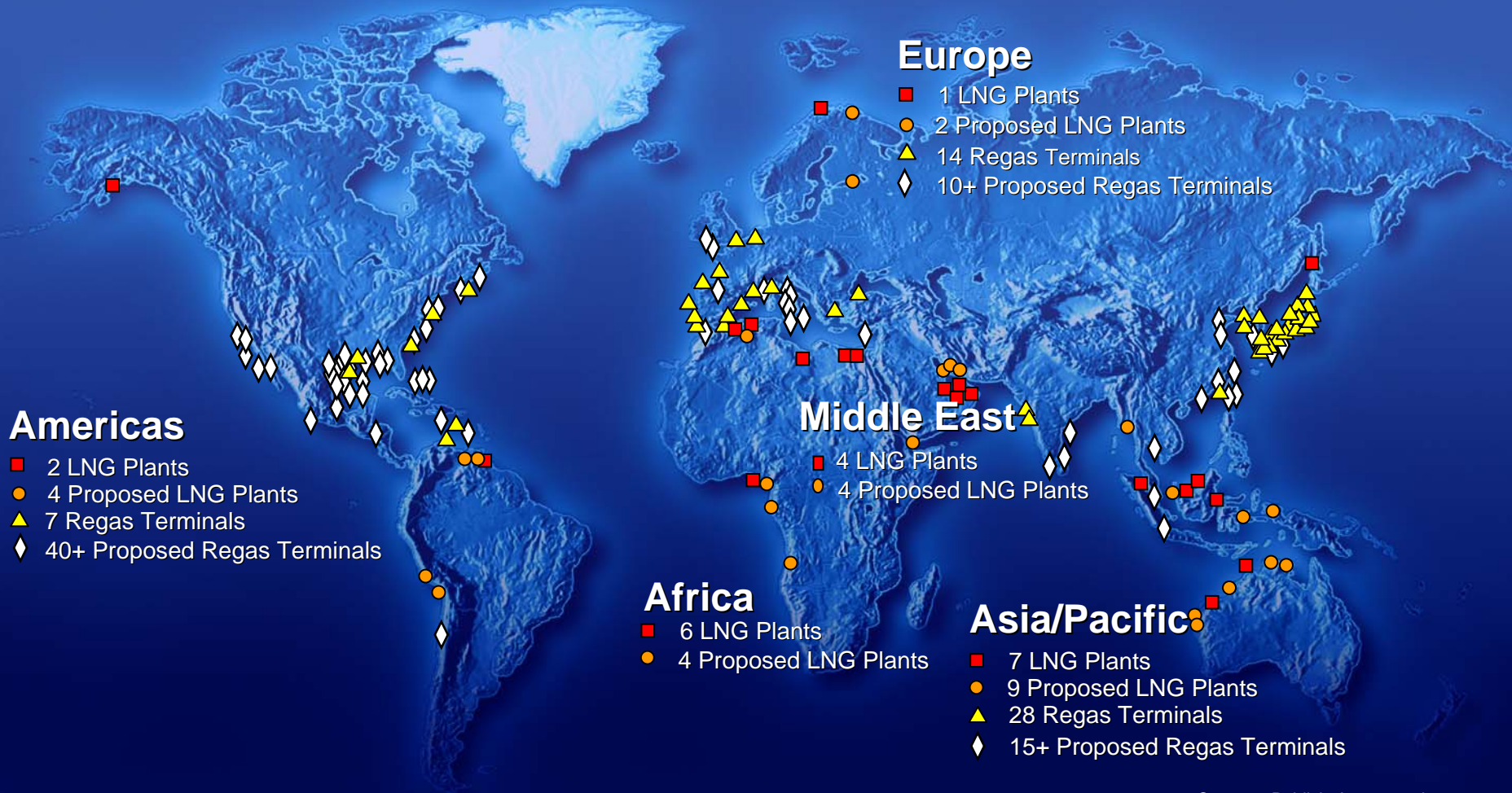
North American Regasification Ventures

ChevronTexaco Global Gas

April 12, 2005



# Existing and Proposed LNG Investments



# ChevronTexaco: Integrating The Natural Gas Value Chain

Objective – commercialize remote gas resources



Investments made along the value chain  
to maximize value

# ChevronTexaco Global Gas strategy



CVX Gas Resources

GTL

LNG

Regas Terminal



# LNG Shipping

## Integrating Control of Shipping into the LNG Value Chain Enhances Value through:

- Assuring Reliability and Safety of Operations
- Optimizing Trade via Destination Flexibility
- Capturing Value through Increased Fleet Efficiency



ChevronTexaco Operated Northwest Swan

# ChevronTexaco North American Regasification Capacity

## ● LNG Regas Terminal Projects

- Baja California
- Port Pelican
- Sabine Pass (capacity)
- Pascagoula

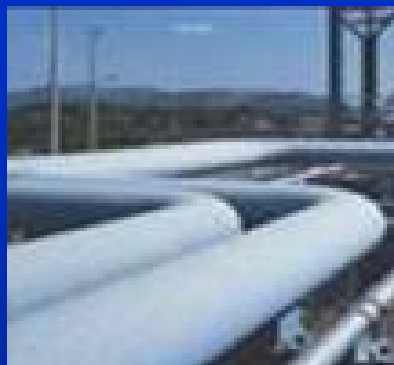
## Participation in the Regasification Link in the Value Chain:

- Assures market access
- Sendout flexibility
- Timing alignment w/ Upstream



# Downstream Value Chain Links

## Pipeline, Marketing & Market



### Pipelines

- Control of Operations & Safety
- Tariff Certainty & Control
- Capacity Flexibility

### Marketing & Trading

- Access to market upsides
- Provides liquidity needed to market large LNG volumes

# Value Chain Integration Critical for Success

Success will be measured by the ability to commercialize upstream natural gas resources in a safe, economic and timely manner



**Shipping:** safe operational management, destination flexibility & alignment of timing



**Regasification:** sendout flexibility, tariff control & timing



**Pipeline:** capacity flexibility, tariff control, operational management



**Marketing & Trading:** create market pull and retaining upside within CVX

Control of the chain mitigates risk, aligns timing and optimizes value

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