

A SNAPSHOT OF
CHEVRON'S REALISED
AND FORECAST ECONOMIC
BENEFITS IN AUSTRALIA



Chevron's investment in Australia

Chevron's development of the Gorgon and Wheatstone natural gas projects, together with Chevron's other activities in Australia, will create enduring benefits that will help shape the Nation's economic future and spearhead Australia's growing importance as a global natural gas supplier.

The projects Chevron has invested in and its other activities in Australia¹ have already delivered direct and indirect economic benefits to the Australian economy. Over the period **2009 to 2014**, these include:

- More than **\$45 billion** has been committed to **Australian goods and services** to develop the Gorgon and Wheatstone Projects²
- Almost **1000 contracts** have been awarded to Australian companies to develop the Gorgon and Wheatstone Projects.
- Almost **19,000 workers** have been directly employed.
- More than **\$1 billion** has been invested in **research and development** in Australia.
- More than **\$53 million** has been invested into **universities and research institutes** to help build local academic excellence and research capability.
- Almost **\$300 million** has been committed to **community investments**, including \$250 million to critical and social infrastructure in Onslow associated with the Wheatstone Project.
- Nearly **\$1.6 billion** has been spent on **exploration** activities in Australia between 2009 and 2014, resulting in more than 25 offshore discoveries.

The projects Chevron has invested in and its other activities in Australia are expected to deliver significant long-term direct and indirect economic benefits to the Australian economy. Over the period **2009 to 2040**³, these include:

- More than **\$1 trillion** to the Gross Domestic Product (**GDP**) of Australia, nearly \$32 billion per year.
- Almost **150,000** full time equivalent (FTE) **job** years in Australia, nearly 5000 per year.
- **\$338 billion** to **Federal Government** revenue.
- More than **\$320 billion** added to **real incomes** in Australia, around \$10 billion per year.
- At full capacity, the Gorgon and Wheatstone Projects have the capacity to produce 500TJ/d of domestic gas (domgas), around **50 per cent** of current domgas supply in Western Australia.

In operations, for every Chevron job, another job will be created in Australia.

¹ Chevron's head office activities in Australia are managed through the Australian Business Unit.
















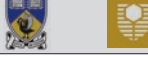

² Value of work done to first quarter 2015.

³ All economic forecasts are based on the period 2009-2040 and are based on indicative estimates as of January 2015.

Gorgon and Wheatstone

Chevron is leading a combined initial investment of **\$84 billion** in the Gorgon and Wheatstone natural gas projects and together these represent the largest single investment by a company in Australia's history.

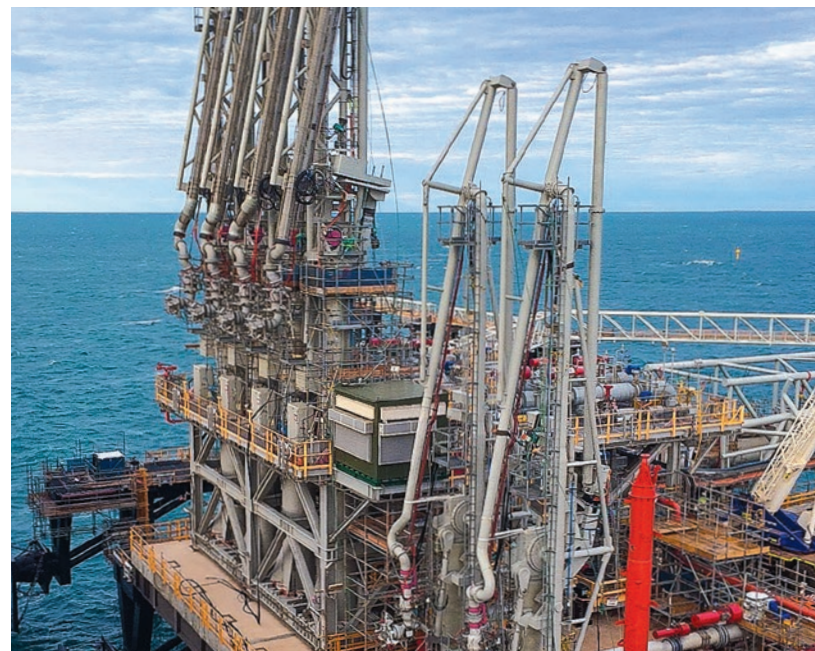
Chevron is a major Australian employer: Total Western Australian Workforces

Employer	Employees = 1000
 Chevron combined peak	
  Major supermarket chains (each)	
  Major iron ore producers (each)	
  Major fast food chains (each)	
 WA Police	
 Large hospitals (each)	
 Large universities (each)	

Note: Includes Chevron employees and contractors.
Source: ACIL Allen Consulting

Gorgon

- The construction of the Gorgon Project is the largest single investment by any private company or government in Australia.
- Since 2009, the Gorgon Project has committed more than \$34 billion on Australian goods and services.
- Since 2009, more than 700 contracts have been awarded to Australian companies as part of the development of the Gorgon Project.
- The Gorgon Project has directly employed more than 10,000 workers. Over the life of the Project it is expected more than 60,000 direct and indirect FTE jobs will be created in Australia, nearly 2000 jobs per year.
- The Gorgon Project is forecast to add more than \$440 billion to Australia's GDP, almost \$14 billion per year.
- At full capacity, Gorgon domgas can generate enough electricity to supply 2.5 million households, equivalent to all the households in Perth and Melbourne.



Wheatstone

- The \$29 Billion Wheatstone Project is one of the largest investments in Australia's history and involves a similar initial capital expenditure to the National Broadband Network.
- Since 2011, the Wheatstone Project has committed more than \$11 billion on Australian goods and services.
- Since 2011, around 300 contracts have been awarded to Australian companies as part of the development of the Wheatstone Project.
- The Wheatstone Project has directly employed more than 7,000 workers. Over the life of the Project it is expected more than 30,000 direct and indirect FTE jobs will be created in Australia, nearly 1000 jobs per year.
- The Wheatstone Project is forecast to add more than \$180 billion to Australia's GDP, nearly \$6 billion per year.
- At full capacity, Wheatstone domgas can generate enough electricity to supply 1.8 million households, equivalent to all the households in Perth and Brisbane.



Chevron's other activities in Australia

- Collectively, the North West Shelf (NWS) Project participants, of which Chevron is a 1/6th participant, have invested more than \$34 billion in onshore and offshore oil and gas facilities over the life of the project.
- The NWS Project is expected to contribute \$55 billion to direct government revenue, including \$10.5 billion in royalties.
- The NWS Project is forecast to add \$392 billion to Australia's GDP, around \$12 billion per year.
- The NWS Project is forecast to create 50,000 direct and indirect FTE jobs in Australia, around 1500 per year.
- Chevron's head office activities in Australia are forecast to add around \$3.2 billion to Australia's GDP.

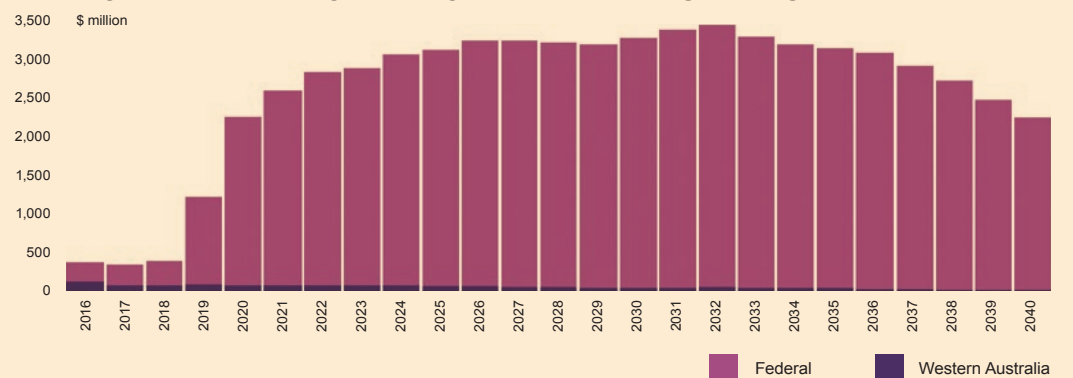


Taxation⁴

The projects Chevron has invested in and its other activities in Australia are expected to significantly bolster government revenue between **2009** and **2040**:

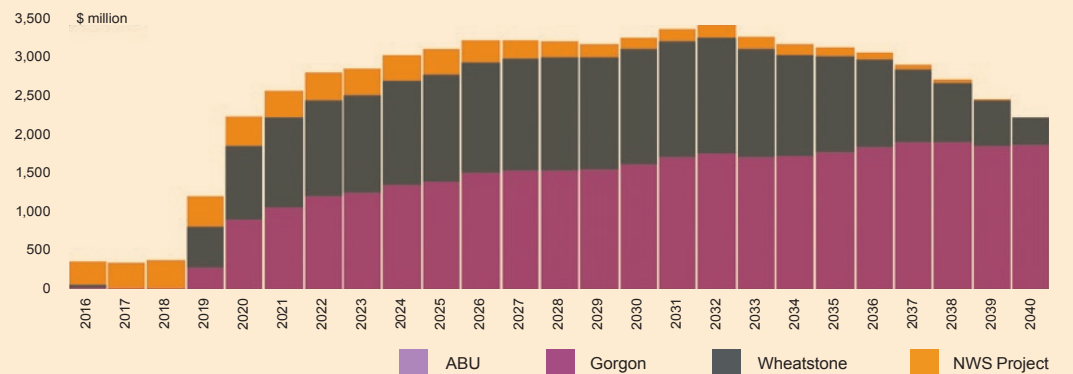
- Total taxation⁵ as a result of the Gorgon, Wheatstone and NWS projects and operating the Australian Business Unit, is forecast to contribute \$355 billion to state and federal government revenue.
- Direct taxation from the Gorgon, Wheatstone and NWS projects and operating the Australian Business Unit, is forecast to contribute \$166 billion to state and federal government revenue.
- As a part owner of the Gorgon, Wheatstone and NWS projects and in operating the Australian Business Unit, Chevron is expected to directly contribute around \$68 billion to state and federal government revenue. (In nominal dollars⁶, this equates to an expected direct contribution from Chevron of around \$118 billion).
- The Gorgon and Wheatstone Projects combined are expected to directly incur taxes of around \$110 billion between 2009 and 2040:
 - The Gorgon Project is expected to incur federal taxes of around \$69 billion.
 - The Wheatstone Project is expected to incur federal taxes of around \$39 billion.
- The NWS Project is expected to incur federal taxes of around \$44 billion and pay \$10.5 billion in royalties.

CHEVRON DIRECT TAXATION AND ROYALTY PAYMENT ESTIMATES BY TAX



Note: Taxation payments are estimates based on ACIL Allen's forecast of exchange rates and oil prices. All values expressed in real dollars.
Source: ACIL Allen Consulting

CHEVRON DIRECT TAXATION AND ROYALTY PAYMENT ESTIMATES BY PROJECT



Note: Taxation payments are estimates based on ACIL Allen's forecast of exchange rates and oil prices. All values expressed in real dollars.
Source: ACIL Allen Consulting

⁴ Future taxation estimates have been calculated based on ACIL Allen's assumptions of oil prices and foreign exchange rates and Chevron's estimates of production. All taxes are quoted in current prices.

⁵ Total taxation includes direct taxation and indirect taxation from multiplier impacts.

⁶ Nominal dollars are dollars that are expressed in the actual dollars that are spent or earned in each year including inflation effects. Nominal taxation values have been referred to as this is the actual dollar amount the projects are expected to pay over the specified time period.

Glossary of key economic terms

All economic impact results are presented in terms of the direct plus the indirect (or flow on) impact of Chevron's activities. This indirect impact is often referred to as the multiplier effect. This indirect impact embodies the effect of changes in demands from other industries which is caused when the initial impact from the construction and operations of a new project leads to more spending in the economy which creates more income and taxes which leads to further spending and so on.

Real economic output

Real economic output is a measure of the output generated by an economy over a period of time (typically a year). It represents the total dollar value of all goods and services produced over a specific time period and is considered a measure of the size of the economy. At a national level, real economic output is referred to as Gross Domestic Product (GDP).

Real income

Real income is a measure of the welfare of residents in an economy or the increase in ability to purchase goods and services and to accumulate wealth.

Real employment and FTE job years

Real employment is the number of net full time equivalent job years created as a result of a project, including the direct and indirect (flow on) employment as a result of a project. A job year is the employment of one full time equivalent (FTE) person for one year. Alternatively it can be expressed as one 0.5 FTE person for two years.

Real and nominal dollars

- Nominal dollars are dollars that are expressed in the actual dollars that are spent or earned in each year including inflation effects.
- Real dollars have been adjusted to exclude any inflationary effects and therefore allow better comparison of economic impacts in different years. Over time, price inflation erodes the purchasing power of a dollar thereby making the comparison of a dollar of income in 2040 with a dollar of income in 2015 invalid. Adjusting nominal dollars into real dollars overcomes this problem.
- The nominal taxation value has been included in this executive summary as this is the actual dollar amount the Chevron is expected to pay between 2009 to 2040.

Major assumptions

- All data are based on indicative estimates as of January 2015.
- All data are presented in calendar years and Australian dollars.
- All data are presented in real dollars.
- Economic impacts were estimated using Computable General Equilibrium modelling.
- Economic modelling estimates the direct plus the multiplier/indirect/flow on impact.

Data sources and limitations

Company data was primarily sourced from Chevron and its contractors. Where data was not available, ACIL Allen derived data.

Construction employment

Construction workforces are likely to be slightly underestimated due to data reporting limitations.

Taxation

- All taxation estimates are presented in real dollars unless otherwise stated and are indicative as of January 2015. They include adjustments for publicly known changes to government fiscal policy.
- Estimates of company taxation, PRRT taxation estimates, excise payments and other royalty payments associated with the Gorgon, Wheatstone and NWS projects were supplied by Chevron based on ACIL Allen's oil price and exchange rate forecasts. The exception is the company taxation associated with the NWS Project which was calculated by ACIL Allen.
- ACIL Allen has calculated all other taxation based on published taxation rates.
- All total (direct and indirect) taxation payments associated with the economic impact of the projects were estimated by ACIL Allen using Computable General Equilibrium modelling.
- Total Project taxation estimates should be treated with some caution as they do not take into account any debt deductions of joint venture partners except for Chevron as ACIL Allen was unable to identify what these might be. Payments should be considered as guides only as actual payments are dependent on future oil prices, commercial company specific information and future policy settings.

