McDep Associates Independent Stock Idea July 28, 2006

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Rating: Buy S&P 500: 1278 Intraday

Chevron Corporation Lagging a Little Lately

Symbol	CVX	Ebitda Next Twelve Months ending 6/30/07 (US\$mm)	37,830			
Rating	Buy	North American Natural Gas/Ebitda (%)	7			
Price (\$/sh)	65.81	Natural Gas and Oil Production/Ebitda (%)	75			
Pricing Date	7/28/06	Adjusted Reserves/Production NTM	10.9			
Shares (mm)	2206	EV/Ebitda	4.4			
Market Capitalization (\$mm)	145,000	PV/Ebitda	5.7			
Debt (\$mm)	22,000	Undeveloped Reserves (%)	30			
Enterprise Value (EV) (\$mm)	167,000	Natural Gas and Oil Ebitda (\$/boe)	29.00			
Present Value (PV) (\$mm)	216,000	Present Value Proven Reserves(\$/boe)	12.90			
Net Present Value (\$/share)	88	Present Value Proven Reserves(\$/mcfe)	2.20			
Debt/Present Value	0.10	Earnings Next Twelve Months (US\$/sh)	8.57			
McDep Ratio - EV/PV	0.77	Price/Earnings Next Twelve Months	8			
Dividend Yield (%/year)	3.2	Indicated Annual Dividend (US\$/sh)	2.08			
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.						

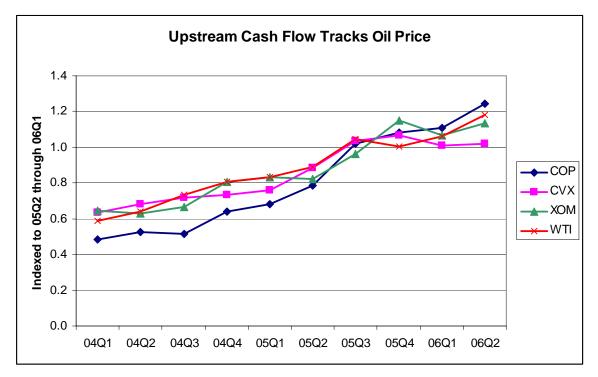
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.

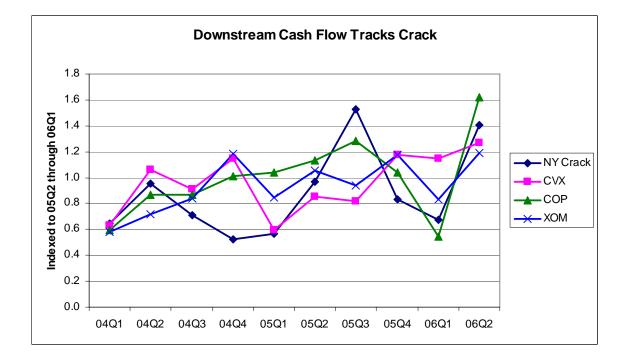
Summary and Recommendation

Buy-recommended **Chevron Corporation (CVX)** offers 34% appreciation potential to net present value of \$88 a share that presumes a long-term oil price of \$60 a barrel. The estimate was revised from \$84 a share on June 6 when we revised our oil price from \$50 a barrel. The current quote for six-year oil futures is \$74. Our vision for oil price in 2010 is \$150. Our caution in raising NPV less than oil price reflected our concern that in some countries the company would not get its proportionate share of higher commodity price. In the second quarter of 2006 reported on July 28, Chevron's upstream cash flow is lagging a little, but over ten quarters the company is keeping up (see chart). The same observation holds for downstream cash flow and refining margin (see chart). Meanwhile, financial risk is minimal indicated by a 0.10 ratio of debt to present value. Thus, an investment in Chevron stock offers participation in the outlook for oil price, natural gas price and refining margin on terms that seem favorable to us.

Kurt H. Wulff, CFA

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Please see disclosures on the final page.

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6/30/05 2005 3/31/06 6/30/06 9/30/06 1/2/31/06 2006E 6/30/07 Volume Natural Gas (mmcfd) U.S. 1.621 1.634 1.782 1.833 1.832 1.832 <td< th=""><th></th><th>Q2</th><th>Year</th><th>Q1</th><th>Q2</th><th>Q3E</th><th>Q4E</th><th>Year</th><th></th></td<>		Q2	Year	Q1	Q2	Q3E	Q4E	Year	
Natural Gas (mmcfd)U.S.1, 6211, 6341, 7821, 8321, 8321, 8321, 8321, 832Notal 21, 512, 5593, 1653, 2343, 2343, 2343, 2343, 234Total3, 7724, 2334, 9475, 0665, 0665, 0665, 066Otid (mbd)1, 7921, 8111, 8121, 8251, 8251, 8251, 8241, 826Natural gas (s/mcf)Henry Hub (S/mubu)6, 768, 658, 976, 816, 718, 827, 838, 872U.S.6, 8, 658, 976, 816, 718, 827, 838, 872U.S.6, 317, 433, 7483, 824, 014, 444, 014, 44Total gas & oil (S/bbl)3, 013, 783, 824, 014, 444, 014, 44Total gas & oil (S/bbl)4, 7485, 116, 1665, 276, 746, 55Oil (S/bbl)10, 1442, 2847, 2050, 8553, 4776, 4271, 1976, 72World wide44, 9047, 4854, 7161, 6665, 2767, 3062, 2967, 86Total gas & oil (S/bbl)10, 1442, 2847, 2050, 8553, 4756, 5352, 05World wide44, 9047, 4854, 7116, 6657 <th></th> <th></th> <th>2005</th> <th></th> <th>6/30/06</th> <th></th> <th>12/31/06</th> <th>2006E</th> <th>6/30/07</th>			2005		6/30/06		12/31/06	2006E	6/30/07
U.S. 1,621 1,634 1,782 1,832 1,832 1,832 1,832 Rest of World 2,151 2,599 3,165 3,234 3,234 3,234 3,234 3,234 Total 3,772 4,233 4,497 5,066 5,066 5,066 5,067 Oil (mbd) 1,792 1,811 1,819 1,825 1,825 1,825 1,826 Total gas & oil (mbd) 2,421 2,517 2,644 2,669 2,669 2,669 2,669 Price Natural gas (Smcf) Heary Hub (Smmbu) 6.76 8.65 8.97 6.81 6.71 8.82 7.83 8.72 U.S. 6.31 7.43 7.46 5.89 5.81 7.53 6.66 7.46 Rest of World 3.01 3.03 70.47 74.56 76.42 71.19 76.72 Worldwide 44.40 47.48 54.71 61.69 65.27 67.30 52.05 56.94 VY Harbor 3-2-1 (\$rbb1) 10.59 10.63 7.40 15.39 16.36 11.35	Volume								
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Natural Gas (mmcfd)								
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	U.S.	1,621	1,634	1,782	1,832	1,832	1,832	1,820	1,832
	Rest of World	2,151	2,599	3,165	3,234	3,234	3,234	3,217	3,234
Total gas & oil (mbd) 2,421 2,517 2,644 2,669 2,669 2,669 2,669 2,669 Price Natural gas (\$/mcf) .	Total	3,772	4,233	4,947	5,066	5,066	5,066	5,037	5,066
Price Natural gas (Smcf) Henry Hub (Smmbu) 6.76 8.65 8.97 6.81 6.71 8.82 7.83 8.72 U.S. 6.31 7.43 7.46 5.89 5.81 7.53 6.66 7.46 Rest of World 3.01 3.78 3.82 4.01 4.44 4.43 Total 4.43 4.83 5.11 4.57 4.66 5.54 4.97 5.55 Oil (S/bbl) WTI Cushing 53.05 56.31 63.33 7.40 7.456 76.42 71.19 76.72 Worldwide 44.90 47.48 54.71 61.69 65.27 67.30 62.29 67.86 Total gas & oil (S/bbl) 10.159 10.63 7.40 15.39 16.36 11.135 12.62 14.60 NY Harbor 3-2-1 (S/bbl) 10.59 10.271 11.24 1.133 4,707 5.285 10.271 Otal 7.321 31,387 8.957 10.245 10.959 </td <td>Oil (mbd)</td> <td>1,792</td> <td>1,811</td> <td>1,819</td> <td>1,825</td> <td>1,825</td> <td>1,825</td> <td>1,824</td> <td>1,825</td>	Oil (mbd)	1,792	1,811	1,819	1,825	1,825	1,825	1,824	1,825
Natural gas (\$/mcf)Henry Hub (\$/mnbtu)6.768.658.976.816.718.827.838.72U.S.6.317.437.465.895.817.536.667.46Rest of World3.013.193.783.824.014.414.014.48Total4.434.835.114.574.665.544.975.55Oil (\$/bb)5.516.667.66.271.1976.72Worldwide44.9047.4854.7161.6965.2767.3062.2967.86Total gas & oil (\$/bb)40.1442.2847.2050.8553.4756.5352.0556.94Ny Harbor 3-2-1 (\$/bbl)10.5910.637.4015.3916.3611.3512.6214.60Revenue (\$mm)Natural Gas1.1969829781.2704.4264.986U.S.9314.4321.1969829781.3134.7075.286Total1.5207.4542.2732.1062.1722.5829.13310.271Oil7.32131.3878.95710.24510.95911.24914.6145.201Other39.502159.35943.39441.18541.18541.98514.98516.74816.7139Total48.343198.20054.62453.53654.31655.866218.342222.612<	Total gas & oil (mbd)	2,421	2,517	2,644	2,669	2,669	2,669	2,663	2,669
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Price								
U.S.6.317.437.465.895.817.536.667.44Rest of World3.013.013.193.783.824.014.414.014.48Total4.434.835.114.574.665.544.975.55Oil (§/bbl)9.007.4854.7161.6965.2767.3062.2967.86Total gas & oil (§/bbl)40.1442.2847.2050.8553.4756.5352.0556.94NY Harbor 3-2-1 (§/bbl)10.5910.637.4015.3916.3611.3512.6214.60Revenue (smm)Natural GasU.S.9314.4321.1969829781.2704.4264.986Rest of World5893.0221.0771.1241.1931.3134.7075.286Total1.5207.4542.2732.1062.1722.5829.13310.271Oil7.32131.3878.95710.24510.95911.29941.46145.201Other39.502159.55943.39441.18541.18541.984167.748167.139Total48.343198.20054.62453.53654.81724.25327.242Other37.59015.05840.83438.35538.78539.585157.559157.559Exploration and Production5.30022.9006.2896.6897.06426.34128.230Other1.911	Natural gas (\$/mcf)								
Rest of World 3.01 3.19 3.78 3.82 4.01 4.41 4.01 4.48 Total 4.43 4.83 5.11 4.57 4.66 5.54 4.97 5.55 Oil (Sbb) WTI Cushing 53.05 56.31 63.33 70.47 74.56 76.42 71.19 76.72 Worldwide 44.90 47.48 54.71 61.69 65.27 67.30 62.29 67.86 Total gas & oil (Srbbl) 10.59 10.63 7.40 15.39 16.36 11.35 12.62 14.60 Revenue (Smm) Natural Gas U.S. 931 4.432 1,196 982 978 1,270 4.426 4.986 Rest of World 589 3.022 1,077 1,124 1,193 1.313 4.707 5.286 Other 39,502 159,359 43.394 41,185 41.61 45.201 Other 39,502 159,359 45.235 55.866 218.342 222.2	Henry Hub (\$/mmbtu)	6.76	8.65	8.97	6.81	6.71	8.82	7.83	8.72
Total 4.43 4.83 5.11 4.57 4.66 5.54 4.97 5.55 Oil (\$/bbl) WTI Cushing 53.05 56.31 63.33 70.47 74.56 76.42 71.19 76.72 Worldwide 44.90 47.48 54.71 61.69 65.27 67.30 62.29 67.86 Total gas & oil (\$/bbl) 10.59 10.63 7.40 15.9 16.36 11.35 12.62 14.60 Revenue (\$mm) NY Harbor 3-2-1 (\$/bbl) 10.59 10.63 7.40 15.9 16.36 11.35 12.62 4.986 Rest of World 589 3.022 1.077 1.124 1.193 1.313 4.707 5.286 Total 1.520 7.454 2.273 2.106 2.172 2.582 9.133 10.271 Oil 7.321 31.387 8.957 10.245 10.959 11.494 167.139 Total 48.343 198.200 54.624 53.356 54.316	U.S.	6.31	7.43	7.46	5.89	5.81	7.53	6.66	7.46
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Rest of World	3.01	3.19	3.78	3.82	4.01	4.41	4.01	4.48
WTI Cushing 53.05 56.31 63.33 70.47 74.56 76.42 71.19 76.72 Worldwide 44.90 47.48 54.71 61.69 65.27 67.30 62.29 67.86 Total gas & oil (\$\mathcal{bb}) 10.59 10.63 7.40 15.39 16.36 11.35 12.62 14.60 Revenue (\$mm) Natural Gas 10.59 10.63 7.40 15.39 16.36 11.35 12.62 14.60 Revenue (\$mm) Natural Gas 11.25 11.37 14.432 1,196 982 978 1,270 4,426 4,986 Rest of World 589 3,022 1,077 1,124 1,193 1,313 4,707 5,286 Total 1,520 7,454 2,273 2,106 2,172 2,582 9,133 10,271 Other 39,502 159,359 43,394 41,185 41,85 41,985 167,748 167,139 Total 8,375 39,585	Total	4.43	4.83	5.11	4.57	4.66	5.54	4.97	5.55
Worldwide 44.90 47.48 54.71 61.69 65.27 67.30 62.29 67.86 Total gas & oil (\$/bbl) 40.14 42.28 47.20 50.85 53.47 56.53 52.05 56.94 NY Harbor 3-2-1 (\$/bbl) 10.59 10.63 7.40 15.39 16.36 11.35 12.62 14.60 Revenue (\$mm) Natural Gas	Oil (\$/bbl)								
	WTI Cushing	53.05	56.31	63.33	70.47	74.56	76.42	71.19	76.72
NY Harbor 3-2-1 (\$/bbl) 10.59 10.63 7.40 15.39 16.36 11.35 12.62 14.60 Revenue (\$mm) Natural Gas U.S. 931 4.432 1.196 982 978 1.270 4.426 4.986 Rest of World 589 3.022 1.077 1.124 1.193 1.313 4.707 5.286 Total 1.520 7.454 2.273 2.106 2.172 2.582 9.133 10.271 Oil 7.351 31,387 8.957 10.245 10.959 11.299 41,461 45,201 Other 39.502 153,359 43,394 41,185 41,185 41,852 16.7748 16.7748 16.7748 16.7748 167,7139 27,242 Other 3,541 15,941 4.941 6.052 6.442 6.817 24,253 27,242 Other 3,759 151,658 40,834 38,355 38,785 39,585 157,559 157,559	Worldwide	44.90	47.48	54.71	61.69	65.27	67.30	62.29	67.86
Revenue (\$mm) Natural Gas	Total gas & oil (\$/bbl)	40.14	42.28	47.20	50.85	53.47	56.53	52.05	56.94
Natural GasU.S.9314,4321,1969829781,2704,4264,986Rest of World5893,0221,0771,1241,1931,3134,7075,286Total1,5207,4542,2732,1062,1722,5829,13310,271Oil7,32131,3878,95710,24510,95911,29941,46145,201Other39,502159,35943,39441,18541,18541,985167,748167,139Total48,343198,20054,62453,53654,31655,866218,342222,612Expense6,0526,4426,81724,25327,242Other3,54115,9414,9416,0526,4426,81724,25327,242Other3,500151,65840,83438,35538,78539,585157,559157,539Ebitda (\$mm)7,7012,5602,8302,4002,40010,1909,600Total Ebida7,21130,6018,8499,1299,0899,46436,53137,830Exploration and Production1,3205,9131,7881,8071,8007,2027,207Other0,9196,8896,6997,0177,39927,51629,563Interest104482134121121497484Ebit5,75222,2006,2936,8077,017 <t< td=""><td>NY Harbor 3-2-1 (\$/bbl)</td><td>10.59</td><td>10.63</td><td>7.40</td><td>15.39</td><td>16.36</td><td>11.35</td><td>12.62</td><td>14.60</td></t<>	NY Harbor 3-2-1 (\$/bbl)	10.59	10.63	7.40	15.39	16.36	11.35	12.62	14.60
U.S.9314,4321,1969829781,2704,4264,986Rest of World5893,0221,0771,1241,1931,3134,7075,286Total1,5207,4542,2732,1062,1722,5829,13310,271Oil7,32131,3878,95710,24510,95911,29941,46145,201Other39,502159,35943,39441,18541,18541,985167,748167,139Total48,343198,20054,62453,53654,31655,866218,342222,612Expense7,590151,65840,83438,35538,78539,585157,559157,539Ebitda (\$mm)7,7012,5602,8302,40010,1909,600Other1,9117,7012,5602,8302,40010,1909,600Total Ebitda7,21130,6018,8499,1299,0899,46436,53137,830Exploration1.396882652652651,0631,060Deprec., Deplet., & Amort.1,3205,9131,7881,8071,8071,8007,2027,207Other on cash5,75222,2006,2936,6867,27827,91929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)14,1164,003	Revenue (\$mm)								
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Natural Gas								
Total 1,520 7,454 2,273 2,106 2,172 2,582 9,133 10,271 Oil 7,321 31,387 8,957 10,245 10,959 11,299 41,461 45,201 Other 39,502 159,359 43,394 41,185 41,985 167,748 167,139 Total 48,343 198,200 54,624 53,536 54,316 55,866 218,342 222,612 Expense Production 3,541 15,941 4,941 6,052 6,442 6,817 24,253 27,242 Other 37,590 151,658 40,834 38,355 38,785 39,585 157,559 157,539 Ebitda (\$mm) Exploration and Production 5,300 22,900 6,289 6,689 7,064 26,341 28,230 Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089	U.S.	931	4,432	1,196	982	978	1,270	4,426	4,986
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Rest of World	589	3,022	1,077	1,124	1,193	1,313	4,707	5,286
Other 39,502 159,359 43,394 41,185 41,185 41,985 167,748 167,139 Total 48,343 198,200 54,624 53,536 54,316 55,866 218,342 222,612 Expense	Total	1,520	7,454	2,273	2,106	2,172	2,582	9,133	10,271
Total 48,343 198,200 54,624 53,536 54,316 55,866 218,342 222,612 Expense Production 3,541 15,941 4,941 6,052 6,442 6,817 24,253 27,242 Other 37,590 151,658 40,834 38,355 38,785 39,585 157,559 157,539 Ebitda (\$mm) Exploration and Production 5,300 22,900 6,289 6,299 6,689 7,064 26,341 28,230 Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089 9,464 36,531 37,830 Exploration 139 688 268 265 265 1,063 1,060 Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,800 7,202 7,207 Other non cash 5,548 21,718 6,159 6,686 <td< td=""><td>Oil</td><td>7,321</td><td>31,387</td><td>8,957</td><td>10,245</td><td>10,959</td><td>11,299</td><td>41,461</td><td>45,201</td></td<>	Oil	7,321	31,387	8,957	10,245	10,959	11,299	41,461	45,201
Expense Production 3,541 15,941 4,941 6,052 6,442 6,817 24,253 27,242 Other 37,590 151,658 40,834 38,355 38,785 39,585 157,559 157,539 Ebitda (\$mm)	Other	39,502	159,359	43,394	41,185	41,185	41,985	167,748	167,139
Production 3,541 15,941 4,941 6,052 6,442 6,817 24,253 27,242 Other 37,590 151,658 40,834 38,355 38,785 39,585 157,559 157,539 Ebitda (\$mm) Exploration and Production 5,300 22,900 6,289 6,299 6,689 7,064 26,341 28,230 Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089 9,464 36,531 37,830 Exploration 139 688 265 265 265 1,063 1,060 Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,800 7,202 7,207 Other on cash	Total	48,343	198,200	54,624	53,536	54,316	55,866	218,342	222,612
Other 37,590 151,658 40,834 38,355 38,785 39,585 157,559 157,539 Ebitda (\$mm) Exploration and Production 5,300 22,900 6,289 6,299 6,689 7,064 26,341 28,230 Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089 9,464 36,531 37,830 Exploration 139 688 268 265 265 1,063 1,060 Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,800 7,202 7,207 Other non cash 500 250 250 255 255 1063 1,060 Interest 104 482 134 121 121 497 484 Ebt 5,648 21,718 6,159 6,686 6,896 7,278 27,019 29,079	Expense								
Ebitda (\$mm) Exploration and Production 5,300 22,900 6,289 6,299 6,689 7,064 26,341 28,230 Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089 9,464 36,531 37,830 Exploration 139 688 268 265 265 265 1,063 1,060 Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,800 7,202 7,207 Other non cash 5,752 22,200 6,293 6,807 7,017 7,399 27,516 29,563 Interest 104 482 134 121 121 497 484 Ebt 5,648 21,718 6,159 6,686 6,896 7,278 27,019 29,079 Income Tax 1,977 7,601 2,156 2,340 2,414 2,547 9,457	Production	3,541	15,941	4,941	6,052	6,442	6,817	24,253	27,242
Exploration and Production5,30022,9006,2896,2896,6897,06426,34128,230Other1,9117,7012,5602,8302,4002,40010,1909,600Total Ebitda7,21130,6018,8499,1299,0899,46436,53137,830Exploration1396882682652652651,0631,060Deprec., Deplet., & Amort.1,3205,9131,7881,8071,8071,8007,2027,207Other non cash50025050025050025025,64821,7186,1596,6866,8967,27827,01929,079Interest104482134121121121497484Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)2,77211,7243,4583,2725,2479,45710,178Unallocated(161)(672)(188)(18)5552,2102,206Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%51%51%51%<	Other	37,590	151,658	40,834	38,355	38,785	39,585	157,559	157,539
Other 1,911 7,701 2,560 2,830 2,400 2,400 10,190 9,600 Total Ebitda 7,211 30,601 8,849 9,129 9,089 9,464 36,531 37,830 Exploration 139 688 268 265 265 265 1,063 1,060 Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,807 1,800 7,202 7,207 Other non cash 500 250 250 255 255 255 2563 265 29,563 Interest 104 482 134 121 121 121 497 484 Ebt 5,648 21,718 6,159 6,686 6,896 7,278 27,019 29,079 Income Tax 1,977 7,601 2,156 2,340 2,414 2,547 9,457 10,178 Net Income (\$mm) Exploration and Production 2,772 11,724 3,458 3,272 Unallo	Ebitda (\$mm)								
Total Ebitda7,21130,6018,8499,1299,0899,46436,53137,830Exploration1396882682652652651,0631,060Deprec., Deplet., & Amort.1,3205,9131,7881,8071,8071,8007,2027,207Other non cash50025025077,39927,51629,563Ebit5,75222,2006,2936,8077,0177,39927,51629,563Interest104482134121121121497484Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)Exploration and Production2,77211,7243,4583,272710,178Unallocated(161)(672)(188)(18)117,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%51%	Exploration and Production	5,300	22,900	6,289	6,299	6,689	7,064	26,341	28,230
Exploration1396882682652652651,0631,060Deprec., Deplet., & Amort.1,3205,9131,7881,8071,8071,8007,2027,207Other non cash500250250250250250250250250Ebit5,75222,2006,2936,8077,0177,39927,51629,563Interest104482134121121121497484Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)Exploration and Production2,77211,7243,4583,27254.5754.5754.57Unallocated(161)(672)(188)(18)54.5754.5754.5754.5754.5754.57Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Other	1,911	7,701		2,830	2,400		10,190	9,600
Deprec., Deplet., & Amort. 1,320 5,913 1,788 1,807 1,807 1,800 7,202 7,207 Other non cash 500 250 250 250 250 250 250 250 250 250 250 29,563 29,563 29,563 29,563 211 121 121 121 497 484 Ebt 5,648 21,718 6,159 6,686 6,896 7,278 27,019 29,079 Income Tax 1,977 7,601 2,156 2,340 2,414 2,547 9,457 10,178 Net Income (\$mm) Exploration and Production 2,772 11,724 3,458 3,272 10,178 10,60 3,064 733 1,092 10,178 10	Total Ebitda	7,211	30,601	8,849	9,129	9,089	9,464	36,531	37,830
Other non cash 500 250 Ebit 5,752 22,200 6,293 6,807 7,017 7,399 27,516 29,563 Interest 104 482 134 121 121 121 497 484 Ebt 5,648 21,718 6,159 6,686 6,896 7,278 27,019 29,079 Income Tax 1,977 7,601 2,156 2,340 2,414 2,547 9,457 10,178 Net Income (\$mm) Exploration and Production 2,772 11,724 3,458 3,272 7017 7,310 17,562 18,902 Unallocated (161) (672) (188) (18) 717,562 18,902 Shares (millions) 2,086 2,158 2,224 2,206	Exploration	139	688	268	265	265	265	1,063	1,060
Ebit5,75222,2006,2936,8077,0177,39927,51629,563Interest104482134121121121497484Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)Exploration and Production2,77211,7243,4583,2725555Other1,0603,0647331,092555	Deprec., Deplet., & Amort.	1,320	5,913	1,788	1,807	1,807	1,800	7,202	7,207
Interest104482134121121121121497484Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)2,77211,7243,4583,2721112117,56218,902Unallocated(161)(672)(188)(18)17,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%51%52%51%	Other non cash			500	250				
Ebt5,64821,7186,1596,6866,8967,27827,01929,079Income Tax1,9777,6012,1562,3402,4142,5479,45710,178Net Income (\$mm)Exploration and Production2,77211,7243,4583,272111Other1,0603,0647331,0921111Unallocated(161)(672)(188)(18)1117,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Ebit	5,752	22,200	6,293	6,807	7,017	7,399	27,516	29,563
Income Tax 1,977 7,601 2,156 2,340 2,414 2,547 9,457 10,178 Net Income (\$mm) Exploration and Production 2,772 11,724 3,458 3,272 1 1,092 Other 1,060 3,064 733 1,092 1 </td <td>Interest</td> <td>104</td> <td>482</td> <td>134</td> <td>121</td> <td>121</td> <td>121</td> <td>497</td> <td>484</td>	Interest	104	482	134	121	121	121	497	484
Net Income (\$mm) II,724 3,458 3,272 Other 1,060 3,064 733 1,092 Unallocated (161) (672) (188) (18) Total 3,671 14,116 4,003 4,346 4,482 4,731 17,562 18,902 Shares (millions) 2,086 2,158 2,224 2,206 2,206 2,206 2,210 2,206 Per share (\$) 1.76 6.54 1.80 1.97 2.03 2.14 7.95 8.57 Ebitda Margin (E&P) 60% 59% 56% 51% 51% 51% 52% 51%	Ebt	5,648	21,718	6,159	6,686	6,896	7,278	27,019	29,079
Exploration and Production2,77211,7243,4583,272Other1,0603,0647331,092Unallocated(161)(672)(188)(18)Total3,67114,1164,0034,3464,4824,73117,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Income Tax	1,977	7,601	2,156	2,340	2,414	2,547	9,457	10,178
Other 1,060 3,064 733 1,092 Unallocated (161) (672) (188) (18) Total 3,671 14,116 4,003 4,346 4,482 4,731 17,562 18,902 Shares (millions) 2,086 2,158 2,224 2,206 2,206 2,206 2,210 2,206 Per share (\$) 1.76 6.54 1.80 1.97 2.03 2.14 7.95 8.57 Ebitda Margin (E&P) 60% 59% 56% 51% 51% 51% 52% 51%	Net Income (\$mm)								
Unallocated(161)(672)(188)(18)Total3,67114,1164,0034,3464,4824,73117,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Exploration and Production	2,772	11,724	3,458	3,272				
Total3,67114,1164,0034,3464,4824,73117,56218,902Shares (millions)2,0862,1582,2242,2062,2062,2062,2102,206Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Other	1,060	3,064	733	1,092				
Shares (millions) 2,086 2,158 2,224 2,206 2,206 2,206 2,210 2,206 Per share (\$) 1.76 6.54 1.80 1.97 2.03 2.14 7.95 8.57 Ebitda Margin (E&P) 60% 59% 56% 51% 51% 51% 52% 51%	Unallocated	(161)	(672)	(188)	(18)				
Per share (\$)1.766.541.801.972.032.147.958.57Ebitda Margin (E&P)60%59%56%51%51%51%52%51%	Total	3,671	14,116	4,003	4,346	4,482	4,731	17,562	18,902
Ebitda Margin (E&P) 60% 59% 56% 51% 51% 52% 51%	Shares (millions)	2,086	2,158	2,224	2,206	2,206	2,206	2,210	2,206
		1.76	6.54	1.80	1.97	2.03	2.14	7.95	8.57
Tax Rate 35% 35		60%	59%	56%	51%	51%	51%		
	Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%

Chevron Next Twelve Months Operating and Financial Estimates

Please see disclosures on the final page.

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McDep Associates Independent Stock Idea July 28, 2006

	NTM Ebitda (US\$mm)	Adjusted <u>R/P</u>	PV/ <u>Ebitda</u>	Present Value <u>(US\$mm)</u>		
North American Natural Gas	2,260	6.3	6.2	14,000	6%	
Rest of World Natural Gas	2,400	12.9	8.8	21,000	10%	
Oil	23,570	11.1	5.2	123,000	57%	
Downstream	9,600		6.0	58,000	27%	
	37,830	10.9	5.7	216,000	100%	
Debt (US\$mm)					22,000	
Net Present Value (US\$mm)						
Shares (mm)						
Net Present Value - Standard Estimate (US\$/sh)						
Net Present Value - Approximation by Correlation (US\$/sh)						

Chevron Corporation Functional Cash Flow and Present Value

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