

ChevronTexaco in Papua New Guinea

- Chevron Niugini Limited (CNGL) commenced its PNG exploration activities in 1978. Oil in commercial quantities was discovered in 1985 and first oil produced from the Kutubu Project in 1992. Since then, the company has produced more than 300 million barrels of oil. Today the oil fields produce around 50,000 barrels of oil per day.
- CNGL and its Joint Venture Participants have invested US\$2.9 billion in PNG exploration, development and production activities.
- The project's physical infrastructure includes more than 60 producing wells, three processing facilities, a 260-kilometer pipeline, and a marine loading terminal. From 1992 to 2001, oil produced by CNGL has contributed in excess of K10.3 billion to PNG's Gross Domestic Product, accounting for around 28% of the country's exports.
- In addition, Consolidated Benefits to PNG from the Kutubu Project from 1991-2001 have been:
 - PNG Government Benefits K2.5 billion
 - Direct Landowner Cash Benefits K160 million
 - Landowner/District Non-cash Benefits K400 million
 - Provincial Government/Local Level Government Benefits K226 million
 - **Total K3.286 billion**
- Direct income of K2.5 billion from the Kutubu Project to the Papua New Guinea Government represents an average 18% of the total government revenue annually.
- ChevronTexaco will sell its PNG interests - including license areas at Kutubu (PDL2, PL2 – 19.4%); Moran Unit (PDL2 – 8.7%); Gobe Main (PDL4 – 19.4%); South East Gobe Unit (9.4%), (PL3 – 13.7%); PPL219 (25%); PRL2 (21.5%) and PRL3 (25%). CNGL is resigning as Operator of Kutubu, Moran, Gobe Main and South East Gobe oilfields.

Community development

- Through the Tax Credit Program, many community infrastructure projects have been built throughout the Southern Highlands and Gulf provinces. Projects include the Kikori and Pimaga health centres, Kikori station roads, Kagua, Moro and Erave police houses, police stations at Moro and Tari, SHP Administration Centre, and the Wandu Community School.
- Through the Community Development Initiatives (CDI) Foundation, CNGL and its Joint Venture Participants support community health and education, environmental sustainability and agricultural activities in the Southern Highlands and Gulf provinces. Collaboration between the Foundation and the World Wide Fund for Nature (WWF) ensures conservation and development efforts are integrated.
- The long-term vision for the CDI Foundation is to achieve a legacy of sustainable development among PNG rural communities that will last well beyond the life of oil and gas production in the area.
- Since 1994, WWF has been working with numerous local, national, and international partners to promote conservation and sustainable development within the 2.3 million hectare Kikori River catchment. With the support of CNGL, the Kikori Integrated Conservation and Development Project is developing and implementing a model of integrated conservation and development.

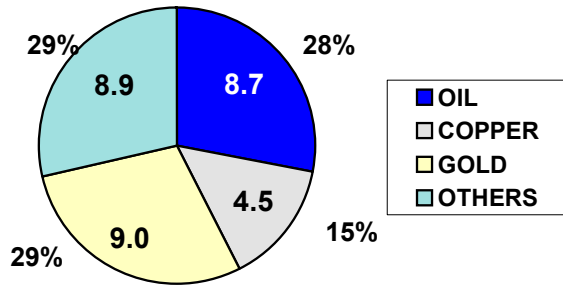
Employment & Training

- ChevronTexaco is proud of the role it has played in helping landowner companies become established and flourish in all aspects of business, from security to catering to civil construction work. These companies are well positioned to continue with the new operator and play a key role in the future oil and gas projects in PNG.
- ChevronTexaco is also proud of creating the positions of Instrument Technician and Production Technologist and achieving certification through the National Apprenticeship and Testing Board. These were the first licensed instrument technician and operator positions in all of PNG. The Chevron Shipping Cadet program has also been successful in training PNG citizens for work in the shipping industry.
- It is our belief that the skill sets and work processes ChevronTexaco helped develop for its employees, landowner companies and other contractors will help make the PNG oil and gas business successful for years to come.

For more information contact: Mike Casey on +675 322 5526 (PNG); Mob: +675 693 5181 or wcas@chevrontexaco.com
Media contact: James Pearson on +61 8 9216 4236 (Perth); Mob: 0417 905 383 (Australia) or jpb@chevrontexaco.com

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TOTAL PNG EXPORT VALUE
K31.1 billion 1992-2000

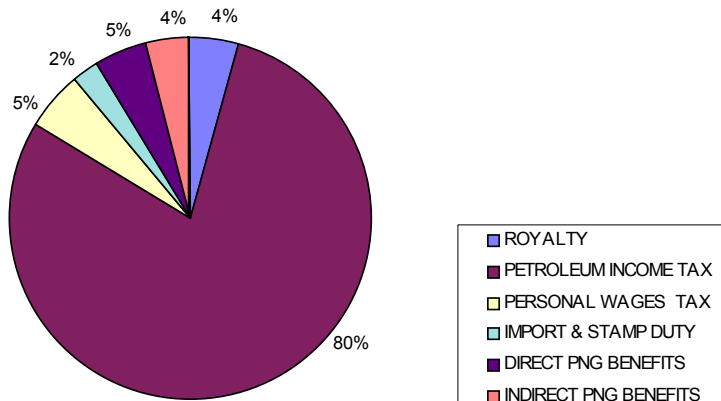


The Kutubu Project has contributed around 28% of PNG exports annually since production began in 1992.

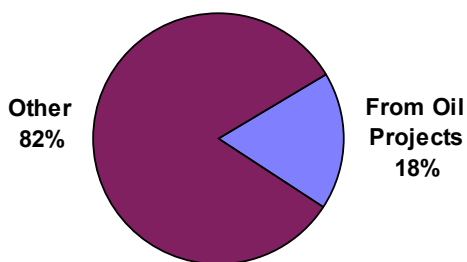
NB: Total percentages equal 101% due to rounding up.

CNGL and its Joint Venture Participants delivered most direct benefits to the PNG Government in the form of petroleum income tax, which alone was worth almost K2 billion.

OIL - PNG FINANCIAL BENEFITS
K2.4 billion 1990 - 1999



TOTAL GOVERNMENT REVENUE
K12.4 billion 1992 - 1999



Direct income to the PNG Government from the Kutubu Project represents an average 18% of total government revenue annually.

Map of ChevronTexaco Operations in Papua New Guinea

