

INVESTOR STATEMENT ON CHEVRON AND AGUINDA V. TEXACO

May 2011

The undersigned shareholders of Chevron (the “Company”) collectively represent \$156 billion in assets under management. We are long term shareholders of Chevron stock.

We urge Chevron to use the *Aguinda v. Texaco* verdict earlier this year to take a fresh look at its options to address Texaco’s legacy in the Ecuadorian rainforest.

In February 2011, the Ecuadorian Provincial Court found Chevron liable for \$18 billion in compensatory and punitive damages for polluting vast areas of the Amazonian rainforest from oil drilling and its waste products. This is an historically high judgment comparable in size only to BP’s promised \$20 billion compensation fund for the victims of its 2010 Gulf of Mexico oil spill.

Chevron has appealed *Aguinda* in Ecuador and the Company’s public statements since the verdict assert management’s intention to challenge it at every opportunity in every available forum. While Chevron has obtained a preliminary injunction from the U.S. District Court in Manhattan barring the enforcement of an Ecuadorian court judgment in the *Aguinda* case, we question whether this injunction could be enforced outside the United States to prevent seizures of Chevron’s assets based abroad even if the injunction survives appeal.

The original lawsuits that were later consolidated into *Aguinda* were brought nearly two decades ago; since that time, Chevron has suffered grave reputational damage from its attempts to defend Texaco’s limited pollution remediation efforts. Chevron has admitted in sworn legal statements that the company is at risk of “irreparable injury to [its] business reputation and business relationships” from potential enforcement of the Ecuadorian court judgment¹. In fact, much injury has already occurred and grows more severe every day that the company delays the adoption of a new approach to this case.

In failing to negotiate a reasonable settlement prior to the Ecuadorian court’s ruling against the company, we believe that Chevron displayed poor judgment that has led investors to question whether our Company’s leadership can properly manage the array of environmental challenges and risks that it faces. We call upon Chevron to fully disclose to shareholders the risks to its operations and business from the potential enforcement of the *Aguinda* verdict. We also call upon the Company to reevaluate whether endless litigation in the *Aguinda* case is the best strategy for the Company and its shareholders, or whether a more productive approach, such as reaching an equitable negotiated settlement, could be employed to protect shareholder investments and prevent any further reputational harm due to protracted litigation.

International Brotherhood of Teamsters General Fund

Signed,

American Federation of Labor – Congress of Industrial Organizations

Batirente (Canada)

Boston Common Asset Management

Catholic Health Partners

Catholic Healthcare West

Christopher Reynolds Foundation

International Brotherhood of Teamsters General Fund

Laidlaw Foundation

Mercy Investment Services

¹ Declaration of Chevron Deputy Comptroller Rex Mitchell in support of Chevron Corporation Motion for a Preliminary Injunction, filed 2/5/11, p. 4.

Missionary Oblates of Mary Immaculate
New York State Office of the Comptroller
Oneida Trust
Oxfam America
Pinnacle Investment Advisors
School Sisters of Notre Dame Cooperative Investment Fund
Sisters of Notre Dame of Toledo, OH
Sisters of St. Joseph of Springfield, MA
Spring Water Asset Management
Trillium Asset Management Corporation
Unitarian Universalist Association
United Food and Commercial Workers International Union, CLC
Zevin Asset Management, LLC