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News Release

FOR IMMEDIATE RELEASE

Chevron Questions Business License Tax *Company Also Announces Indefinite Delay in Construction Project*

RICHMOND, CA. February 26, 2009 –Today, Chevron filed a lawsuit to resolve whether the new alternative business license tax calculation imposed on the Chevron Richmond Refinery and other Richmond-based manufacturers by the recently enacted Measure T violates state and federal law.

Measure T amended the city's business license tax and - effective for 2009 - requires Chevron to pay an annual business license tax based on the value of crude oil processed at Chevron's Richmond Refinery. "A new business license tax negatively impacts not only current Richmond businesses such as the Chevron Refinery and other manufacturing businesses, but also businesses considering locating in Richmond," said Mike Coyle, Chevron Richmond Refinery General Manager.

Chevron also announced today that due to the continuing uncertain regulatory environment along with global economic downturn and reduced product demand, the company will indefinitely delay the construction of its Continuous Catalyst Reformer (CCR) Project.

"Given these fundamental issues, along with the delays and increased costs resulting from the lengthy permitting process, the construction of the CCR does not make sense at this time," said Coyle. The CCR is one of four components of Chevron's recently permitted Energy and Hydrogen Renewal Project at the Richmond Refinery and is used to improve the octane of gasoline.

"We have been a part of the fabric of the City of Richmond for over 100 years and we take pride in being a long-time member of the community," said Coyle. "We are pleased to work with the city to resolve a number of important issues in Richmond like the Bay Trail and the Utility Users Tax. However, it is also appropriate that we take steps to help ensure the competitiveness and the long-term viability of manufacturing activities in Richmond."

About the Chevron Richmond Refinery

The Chevron Richmond Refinery is located on 2,900 acres 25 miles from San Francisco and produces high quality transportation fuels created for the San Francisco Bay Area and Northwest United States. We take pride in our commitment to serving our community, conducting safe operations, and protecting the environment. With a capacity to process 240,000 barrels of crude oil per day, Chevron Richmond

Refinery makes gasoline for passenger cars, jet fuel for airplanes, and diesel fuel for trucks and trains. In addition to producing transportation fuels, the refinery produces a variety of lubricating oils which are distributed through the Western United States. Chevron Richmond Refinery is the largest producer of base oils, the main component of lubricant blends, on the West Coast.

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