CHEVRON CORP. NYSE-CVX

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
117.59	10.3	(Trailing: 10.8 Median: 8.5)	0.56	3.6%	VALUE LINE

TIMELINESS	2	Raised 8/15/14
SAFETY	1	Raised 1/4/91
TECHNICAL	3	Lowered 11/7/14

BETA 1.10 (1.00 = Market)

2017-19 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+35%)	11%
Low	130	(+10%)	6%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	1	0	0	0	0	0	0	0
Options	0	1	0	0	2	0	0	2	0
to Sell	0	0	0	0	2	0	0	1	0

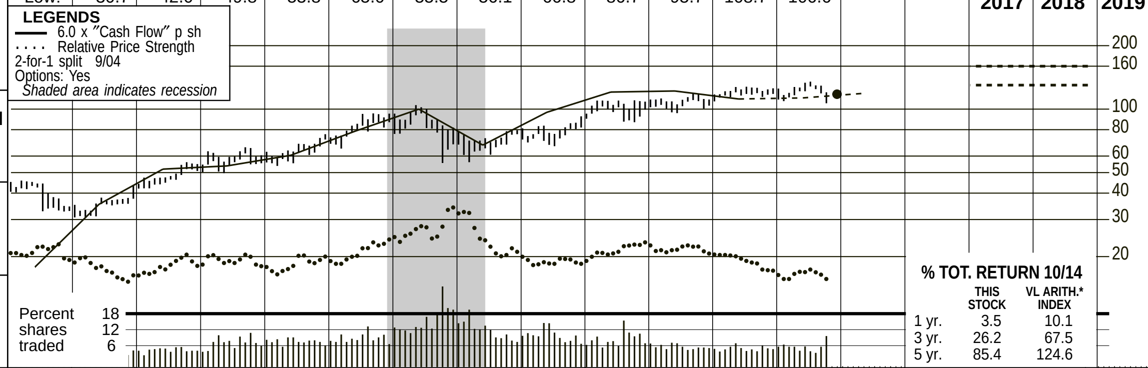
Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	824	771	742
to Sell	772	841	828
Hld's(000)	1219070	1195556	1218390

High:	43.5	56.1	66.0	76.2	95.5	104.6	79.8	92.4	110.0	118.5	127.8	135.1
Low:	30.7	42.0	49.8	53.8	65.0	55.5	56.1	66.8	86.7	95.7	108.7	106.6

Target Price Range

2017	2018	2019



% TOT. RETURN 10/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.5	10.1
3 yr.	26.2	67.5
5 yr.	85.4	124.6

1998	1999	2000	2001	2002	2003	2004	2005[A]	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
23.40	27.87	40.63	50.11	46.37	56.94	73.70	88.77	86.02	105.67	136.21	85.50	102.85	128.06	124.27	119.61	***116.85***	***119.00***	Sales per sh [A]	***137.30***
2.80	3.76	6.26	4.88	2.98	5.90	8.67	8.96	10.09	13.11	16.69	11.26	16.10	20.09	20.34	18.61	***18.90***	***19.85***	"Cash Flow" per sh	***23.95***
1.02	1.57	3.99	1.55	.54	3.48	6.28	6.54	7.80	8.77	11.67	5.24	9.48	13.44	13.32	11.09	***11.25***	***11.35***	Earnings per sh [B]	***14.50***
1.22	1.24	1.30	1.33	1.40	1.43	1.54	1.75	2.01	2.26	2.53	2.66	2.84	3.09	3.51	3.90	***4.21***	***4.56***	Div'ds Decl'd per sh [C]■	***5.20***
2.97	3.33	2.85	4.58	3.56	2.63	2.99	3.90	5.65	7.98	9.81	9.89	9.84	13.38	15.89	19.85	***18.85***	***18.90***	Cap'l Spending per sh	***19.20***
13.04	13.52	15.53	16.02	14.79	16.97	21.47	28.07	28.22	36.88	43.23	45.79	52.74	61.67	70.80	78.62	***83.30***	***83.80***	Book Value per sh	***98.70***
1306.1	1312.7	1283.1	2120.2	2136.3	2138.3	2107.1	2232.7	2442.7	2090.4	2004.2	2007.4	1992.5	1981.2	1946.7	1913.3	***1885.0***	***1870.0***	Common Shs Outst'g [D]	***1850.0***
39.9	28.6	10.6	28.8	NMF	10.2	7.6	8.8	8.1	9.4	7.3	13.4	8.2	7.5	8.1	10.9	***Bold figures are***		Avg Ann'l P/E Ratio	***10.0***
2.08	1.63	.69	1.48	NMF	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	***Value Line***		Relative P/E Ratio	***.65***
3.0%	2.8%	3.1%	3.0%	3.5%	4.0%	3.2%	3.0%	3.2%	2.7%	3.0%	3.8%	3.6%	3.1%	3.3%	3.2%	***estimates***		Avg Ann'l Div'd Yield	***3.4%***

CAPITAL STRUCTURE as of 9/30/14
Total Debt $25709 mill. **Due in 5 Yrs** $2108 mill.
LT Debt $23601 mill. **LT Interest** $396.6 mill.
Includes $255 million capitalized leases.
(13% of Cap'l)

Leases, Uncapitalized Annual rentals $406.4 mill.
Pension Assets-12/13 $6.12 bill. **Oblig.** $8.88 bill.

Pfd Stock None
Common Stock 1,887,029,199 shs.
as of 10/31/14
MARKET CAP: $222 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
155300	198200	210118	220904	273005	171636	204928	253706	241909	228848	***220270***	***222500***	Sales ($mill) [A]	***254000***
17.0%	16.1%	19.1%	18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	***23.0%***	***23.0%***	Operating Margin	***25.0%***
4935.0	5913.0	7506.0	8708.0	9528.0	12110	13063	12911	13413	14186	***14400***	***15900***	Depreciation ($mill)	***17510***
13328	14099	17138	18688	23931	10483	19024	26895	26179	21423	***21205***	***21225***	Net Profit ($mill)	***26825***
35.1%	44.0%	46.4%	41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	***42.5%***	***43.0%***	Income Tax Rate	***44.0%***
8.6%	7.1%	8.2%	8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	***9.6%***	***9.5%***	Net Profit Margin	***10.6%***
9708.0	9325.0	7895.0	5579.0	4447.0	11005	19829	19634	21508	16015	***17300***	***17700***	Working Cap'l ($mill)	***21050***
10217	12131	7679.0	6070.0	6083.0	10130	11289	9812.0	12065	20057	***25700***	***26000***	Long-Term Debt ($mill)	***28300***
45230	62676	68935	77088	86648	91914	105081	122181	137832	150427	***157000***	***165900***	Shr. Equity ($mill)	***182600***
24.7%	19.4%	22.7%	22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	***11.5%***	***11.0%***	Return on Total Cap'l	***12.0%***
29.5%	22.5%	24.9%	24.2%	27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	***13.5%***	***13.0%***	Return on Shr. Equity	***14.5%***
22.3%	16.5%	18.5%	18.0%	21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	***8.5%***	***8.0%***	Retained to Com Eq	***9.5%***
24%	27%	26%	26%	22%	51%	30%	23%	26%	35%	***37%***	***40%***	All Div'ds to Net Prof	***37%***

CURRENT POSITION ($MILL.)	2012	2013	9/30/14
Cash Assets	21913	16516	14590
Receivables	20997	21782	22634
Inventory (LIFO)	6144	6809	7308
Other	6666	7134	7078
Current Assets	55720	52241	51610
Accts Payable	22776	23210	23812
Debt Due	127	2126	2108
Other	11309	10890	10873
Current Liab.	34212	36226	36793

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Sales	9.5%	2.5%	*1.5%*
"Cash Flow"	15.5%	8.0%	*3.5%*
Earnings	21.0%	6.0%	*2.5%*
Dividends	9.5%	9.0%	*7.0%*
Book Value	16.0%	14.5%	*6.0%*

Cal-endar	QUARTERLY SALES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	60341	68948	64432	59985	253706
2012	60705	62608	58044	60552	241909
2013	56818	57369	58503	56158	228848
2014	53265	57938	54679	***54388***	***220270***
2015	***55600***	***57000***	***55700***	***54200***	***222500***

Cal-endar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3.09	3.85	3.92	2.58	13.44
2012	3.27	3.66	2.69	3.70	13.32
2013	3.18	2.77	2.57	2.57	11.09
2014	2.36	2.98	2.95	***2.96***	***11.25***
2015	***2.70***	***2.80***	***3.00***	***2.85***	***11.35***

Cal-endar	QUARTERLY DIVIDENDS PAID [C]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.68	.72	.72	.72	2.84
2011	.72	.78	.78	.81	3.09
2012	.81	.90	.90	.90	3.51
2013	.90	1.00	1.00	1.00	3.90
2014	1.00	1.07	1.07		

BUSINESS: Chevron Corp. is the world's fourth-largest oil company based on proven reserves. Daily 2013 gross production: crude oil & NGLs, 1.811 mill. barrels; natural gas, 4.813 bill. cubic feet. Net proved reserves, 12/13: oil, 7.112 bill. bbls.; natural gas, 24.098 trill. cu. ft. Avg. 5-yr. finding costs: $5.44 a barrel (vs. ind. avg. $4.15). 5-yr. reserve replacement rate: 92% (vs. ind. avg. 102%). Est. pv of reserves: $176.2 bill. Product sales: 4.51 mill. bbls./day. Has 4,034 owned/leased stations, mainly in the U.S. Has abt. 125,070 emplys. Off. & Dir. own 0.8% of stock; BlackRock, 6.1%; State Street, 5.4%; Vanguard, 5.4% (4/14 proxy). Chairman and CEO: John S. Watson. Inc.: DE. Addr.: 6001 Bollinger Canyon Rd., San Ramon, CA 94583. Tel.: 925-842-1000. www.chevron.com.

Chevron's operating margin expanded in the third quarter. Although sales fell 6.5%, to $54.7 billion, share net rose 15%, to $2.95. This was mainly thanks to wider margins on refined products due to lower input costs (oil) and gains from derivative instruments. Chevron is oil-weighted, and lower oil prices combined with a flat production figure resulted in the decreased revenue tally.

We look for much of the same in the final quarter. Combined oil and gas production may be a little better than the third quarter as we head into the harsher months of the year, particularly if we get a colder-than-normal winter. Margins on refined products should continue strong, especially as GDP growth ought to be better than last year's fourth quarter.

Chevron is one of the leading spenders when it comes to capital investments. As of September 30th, it had spent $31 billion. Much of this was used to develop the natural gas liquids operation as well as explore deeper regions of the Gulf of Mexico. CVX is also exploiting the huge natural gas fields of The Gorgon and Wheatstone in Australia, and the Permian Basin in the southern U.S. By yearend, CVX ought to have spent in excess of $42 billion on these endeavors. The idea is to create a more balanced commodity pipeline, one where gas and condensates constitute a larger portion of total production. Too, Chevron wants to ensure it has maintained its market share when global demand for energy improves.

In the meantime, we don't look for share net and cash flow to increase at the same high rate as in the past. The older fields have matured and been depleted, and it will be a while before the newer fields yield noticeable benefits. Rising costs at large LNG projects in Australia won't help. Good refining margins should aid earnings and cash flow, though.

This timely and high-quality stock is a solid addition to a well-rounded portfolio. The higher-than-average dividend payout should be amply supported by strong finances, which should also cover ongoing high capital spending needs. The stock's price pullback since our September report renders improved total return potential to 2017-2019.

Jeremy J. Butler *December 5, 2014*

(A) Sales exclude (consumer) petroleum & chemicals excise taxes. 2005 sales figures restated to account for UNOCAL merger.
(B) Based on diluted shares. Excl. nonrecur. loss: '98, $0.48. Incl. nonrecur. loss of $1.41: '01. Next earnings report due early February.
(C) Dividends historically paid on or about 10th of March, June, September, and December. ■ Dividend reinvestment plan available.
(D) In millions, adj. for stock split.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	60