CHEVRON CORP. NYSE-CVX

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
90.01	16.0 (Trailing: 19.5 / Median: 8.5)	0.89	4.8%

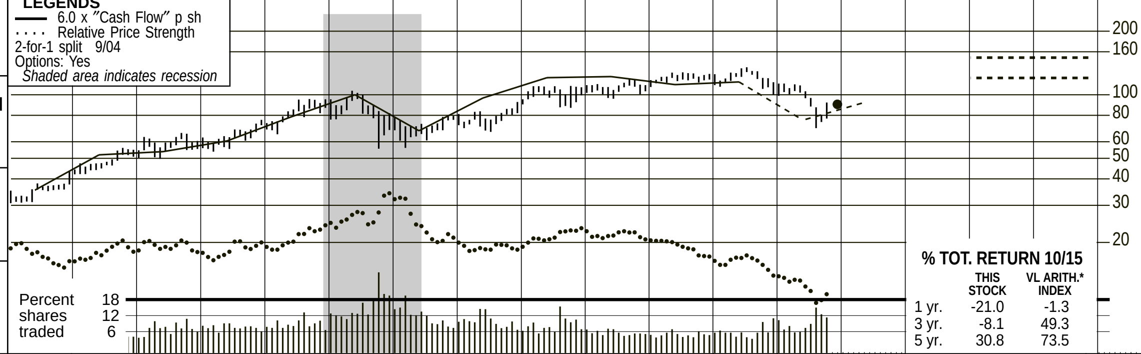
VALUE LINE

TIMELINESS **5** Lowered 10/23/15
SAFETY **1** Raised 1/4/91
TECHNICAL **3** Raised 12/4/15
BETA 1.15 (1.00 = Market)

High:	56.1	66.0	76.2	95.5	104.6	79.8	92.4	110.0	118.5	127.8	135.1	113.0
Low:	42.0	49.8	53.8	65.0	55.5	56.1	66.8	86.7	95.7	108.7	100.1	69.6

Target Price Range
2018 | 2019 | 2020

LEGENDS
6.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 9/04
Options: Yes
Shaded area indicates recession



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+65%)	*17%*
Low	120	(+35%)	*11%*

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	1	0	0	4	0
Options	0	0	0	0	0	0	0	1	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2014	1Q2015	2Q2015
to Buy	905	882	879
to Sell	799	829	793
Hld's(000)	1192093	1183461	1165295

% TOT. RETURN 10/15

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-21.0	-1.3
3 yr.	-8.1	49.3
5 yr.	30.8	73.5

1999	2000	2001	2002	2003	2004	2005[A]	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	112.74	*75.50*	*87.85*	Sales per sh [A]	*127.80*
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	19.17	*12.65*	*15.45*	"Cash Flow" per sh	*22.85*
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	10.14	*4.15*	*6.80*	Earnings per sh [B]	*13.50*
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	*4.28*	*4.44*	Div'ds Decl'd per sh [C]■	*5.20*
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	18.83	*16.15*	*14.10*	Cap'l Spending per sh	*14.20*
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	83.07	*82.95*	*85.40*	Book Value per sh	*94.95*
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	1880.2	*1867.0*	*1885.0*	Common Shs Outst'g [D]	*1870.0*
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	11.9	*Bold figures are*		Avg Ann'l P/E Ratio	*10.0*
1.63	.69	1.48	NMF	.58	.40	.47	.44	.50	.44	.89	.52	.47	.52	.61	.63	*Value Line*		Relative P/E Ratio	*.65*
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%	3.5%	*estimates*		Avg Ann'l Div'd Yield	*3.9%*

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
198200	210118	220904	273005	171636	204928	253706	241909	228848	211970	*140990*	*165600*	Sales ($mill) [A]	*239000*
16.1%	19.1%	18.5%	19.3%	18.2%	22.3%	24.0%	24.9%	22.2%	23.2%	*13.5%*	*16.0%*	Operating Margin	*25.0%*
5913.0	7506.0	8708.0	9528.0	12110	13063	12911	13413	14186	16793	*15900*	*16300*	Depreciation ($mill)	*17510*
14099	17138	18688	23931	10483	19024	26895	26179	21423	19241	*7750*	*12820*	Net Profit ($mill)	*25245*
44.0%	46.4%	41.9%	44.3%	43.4%	40.7%	43.5%	43.5%	40.3%	38.3%	*38.0%*	*40.0%*	Income Tax Rate	*42.0%*
7.1%	8.2%	8.5%	8.8%	6.1%	9.3%	10.6%	10.8%	9.4%	9.1%	*5.5%*	*7.7%*	Net Profit Margin	*10.6%*
9325.0	7895.0	5579.0	4447.0	11005	19829	19634	21508	16015	17772	*17700*	*18000*	Working Cap'l ($mill)	*21050*
12131	7679.0	6070.0	6083.0	10130	11289	9812.0	12065	20057	24028	*35400*	*35400*	Long-Term Debt ($mill)	*28300*
62676	68935	77088	86648	91914	105081	122181	137832	150427	156191	*154900*	*161000*	Shr. Equity ($mill)	*177600*
19.4%	22.7%	22.6%	26.0%	10.6%	16.6%	20.6%	17.7%	12.8%	11.0%	*3.5%*	*7.5%*	Return on Total Cap'l	*12.0%*
22.5%	24.9%	24.2%	27.6%	11.4%	18.1%	22.0%	19.0%	14.2%	12.3%	*5.0%*	*8.0%*	Return on Shr. Equity	*14.0%*
16.5%	18.5%	18.0%	21.7%	5.6%	12.7%	17.0%	14.0%	9.3%	7.2%	*NMF*	*3.0%*	Retained to Com Eq	*8.5%*
27%	26%	26%	22%	51%	30%	23%	26%	35%	41%	*103%*	*65%*	All Div'ds to Net Prof	*39%*

CAPITAL STRUCTURE as of 9/30/15
Total Debt $35876 mill. **Due in 5 Yrs** $455 mill.
LT Debt $35421 mill. **LT Interest** $412.3 mill.
Includes $243 million capitalized leases.
(19% of Cap'l)

Leases, Uncapitalized Annual rentals $398.9 mill.
Pension Assets-12/14 $6.17 bill. **Oblig.** $8.43 bill.

Pfd Stock None
Common Stock 1,867,278,923 shs.
as of 10/30/15
MARKET CAP: $168 billion (Large Cap)

CURRENT POSITION ($MILL.)	2013	2014	9/30/15
Cash Assets	16516	13215	13239
Receivables	21782	24234	25312
Inventory (LIFO)	6809	10144	9856
Other	7134	7098	7063
Current Assets	52241	54691	55470
Accts Payable	23210	23965	24326
Debt Due	2126	2087	455
Other	10890	10867	10839
Current Liab.	36226	36919	35620

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Sales	7.5%	1.5%	*1.0%*
"Cash Flow"	12.5%	7.0%	*3.0%*
Earnings	13.0%	6.0%	*2.5%*
Dividends	10.5%	9.5%	*5.0%*
Book Value	16.0%	13.0%	*3.5%*

Cal-endar	QUARTERLY SALES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	60705	62608	58044	60552	241909
2013	56818	57369	58503	56158	228848
2014	53265	57938	54679	46088	211970
2015	34558	40357	34315	*31760*	*140990*
2016	*39000*	*40700*	*42900*	*43000*	*165600*

Cal-endar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.85	10.14
2015	1.37	.30	1.09	*1.39*	*4.15*
2016	*1.50*	*1.65*	*1.80*	*1.85*	*6.80*

Cal-endar	QUARTERLY DIVIDENDS PAID [C]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.07	4.21
2015	1.07	1.07	1.07	1.07	

BUSINESS: Chevron Corp. is the world's fourth-largest oil company based on proven reserves. Daily 2014 gross production: crude oil & NGLs, 2.609 mill. barrels; natural gas, 5.267 bill. cubic feet. Net proved reserves, 12/14: oil, 6.925 bill. bbls.; natural gas, 23.065 trill. cu. ft. Avg. 5-yr. finding costs: $5.17 a barrel (vs. ind. avg. $4.21). 5-yr. reserve replacement rate: 89% (vs. ind. avg. 95%). Est. pv of reserves: $183.4 bill. Product sales: 2.77 mill. bbls./day. Has 4,067 owned/leased stations, mainly in the U.S. Has about 71,780 emplys. Off. & Dir. own 0.8% of stock; BlackRock, 6.3%; State Street, 5.8%; Vanguard, 5.6% (4/15 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 third-quarter results weren't quite as bad as expected. Production was down slightly due to asset sales and the natural decline of mature fields. Sales were $4 billion lower than we expected, but share net came in at $1.09, compared to our estimate of $0.95. Downstream earnings held up better than we anticipated, partially offsetting the big drop in Upstream profits. The huge downdraft in Upstream earnings was solely the result of lower crude oil and natural gas prices. The stock is untimely.

Chevron continues to retrench. About $11 billion worth of less productive assets has been sold, and another $10 billion is likely to be divested over the next few years. Capital investments are being cut back substantially, and the annual run rate is liable to be about $20 billion over the next three to five years. About 10% of the workforce is being shed (7,000 employees), and further cuts in SG&A are likely. These moves are an attempt to shore up earnings over what is widely expected to be a prolonged period of low oil and gas prices.

The stock has recuperated almost 30% since our September report. In late September, the equity made a big upward move as oil prices temporarily rose and short positions were covered. In addition, it appears as if investors were looking further down the road. Chevron should finally get its Australian liquid natural gas projects up and running over the next 18 months. These projects are expected to help restore cash flow. In addition, CVX has a joint venture with Phillips 66 (PSX) called Chevron Phillips Chem, or CP Chem. This partnership is designed to reduce CVX's dependency on oil and gas and looks to have pleased Wall Street. Lastly, management appears to be more determined than ever to rein in its capital spending so that operating cash flow covers capex and dividends. This is called cash neutrality, and has been something investors have long called for.

This is a good time to buy this high-quality stock for the long haul. Efforts to achieve operational diversity and cash neutrality are to be applauded and should, along with the Australian natural gas ventures, yield greater profits by 2018-2020.

Jeremy J. Butler *December 4, 2015*

(**A**) Sales exclude (consumer) petroleum & chemicals excise taxes. 2005 sales figures restated to account for UNOCAL merger.
(**B**) Based on diluted shares. Incl. nonrecur. loss of $1.41: '01. Next earnings report due mid-Feb. (**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	80
Price Growth Persistence	50
Earnings Predictability	55