

Cabinda Gulf Oil Company Limited

2008 Corporate Responsibility Report



Human Energy™

Planting Seeds for the Future

A Message from Managing Director Alan Kleier



Since the 1950s, Chevron has been part of Angola's history, committed to building successful relationships and continuing operations even throughout the

difficult years of conflict. We are proud of our legacy in this remarkable country and truly appreciative of the partnerships that are the foundation of our progress together.

Today we have the privilege of participating in Angola's renaissance, working with the nation's energy industry, governments, local communities and NGOs during a time when opportunities for growth to benefit the people of Angola have never been greater.

In this Corporate Responsibility report, you will find many examples of how Chevron continues to demonstrate its commitment to the people of Angola, evidence of our firm belief in Angola's bright future and the power of partnership to create better lives through sustainable development, capacity building, education, training and healthcare.

We are inspired by the spirit of the people involved in all aspects of our Community Engagement efforts in Angola. I hope that in these pages you will see the progress that we have achieved and why we are so optimistic about the coming years.

Thank you for your interest in this report. Your thoughts and comments are most valued and welcome.

Sincerely,

Alan Kleier

Managing Director, Cabinda Gulf Oil Company Limited (CABGOC)

About Chevron in Angola

Chevron subsidiary Cabinda Gulf Oil Company Limited (CABGOC) ranks among Angola's top petroleum producers with total daily production of 534,000 barrels of liquids in 2008. With its partners, Chevron's investment in Angola is expected to exceed \$10 billion through 2010.

Chevron's history in Angola dates back to the 1950s when, after receiving the first offshore oil concession, Gulf Oil Company drilled its first well and began exploration of Block O. Angola's offshore industry was founded in 1966 with the discovery of the 96-1x well. First oil production from the inner fields of Malongo began in 1969 and the Malongo terminal was completed in Cabinda to receive and export Cabinda crude oil.

Today, Chevron has operating interests in Block O and Block 14. The company also has interests in Block 2, on the coast south of the Congo River, and in the onshore Fina- Sonangol-Texaco (FST) concession.

Block O

CABGOC is making steady progress in a major developmental program to significantly increase production in Block O by revitalizing fields and



Malongo Terminal

tying into existing infrastructure in the two main Areas, A and B.

Several major infrastructure projects are underway in Area A. They are major components of the Gas Management Project, expected to eliminate routine flaring of natural gas by re-injecting excess gas into the reservoir and maintaining reservoir pressure. Startup of the Takula Gas Processing Platform occurred in December 2008 and the Cabinda Gas Plant is scheduled to begin operations in the second half of 2009. The Takula and Malongo Flare and Relief Modification project (FARM) is scheduled to start up in stages beginning in the second half of 2009 and continuing into 2011.

The Greater Takula infrastructure, completed in 2008, increased



Benguela Belize Lobito Tomboco (BBLT) platform



Planting Seeds for the Future

Cabinda Gulf Oil Company's Social Development Strategy in Action



Tombua Landana platform

production and water treatment capacity with upgrade and debottlenecking of four offshore platforms and onshore treatment facilities.

In Area B, work continues on the Nemba Enhanced Secondary Recovery and Flare Reduction project with gas injection planned for 2010 and elimination of routine flaring in the Nemba Area planned for 2012. In addition, the Sanha Condensate Project is a continuation of the development of offshore Angola, Block O, Area B. The project provides facilities to eliminate all routine gas flaring in Block O, Area B via gas injection. The Sanha Condensate Project enables primary oil development of the Bomboco Field and the northern portion of the Sanha field. The project also will allow development of the Sanha gas cap via gas injection/cycling and recovery of condensate and liquefied petroleum gas (LPG).

Block 14

A decade ago, CABGOC became Angola's first deepwater operator with the startup of production from the Kuito field in Block 14. Chevron operates the concession with a 31 percent interest. In 2008, Block 14 produced 168,000 barrels of liquids per day from the Benguela, Belize, Lobito, Tomboco (BBLT); Kuito; and Landana fields.

Development of Tombua and Landana fields continued with installation of producing facilities late in 2008 for the \$3.8 billion deepwater project. First oil is expected in the second half of 2009. By 2011, Tombua Landana is expected to add another 100,000 barrels of oil per day (BOPD) to Angola's production. The newly fabricated platform topside is designed for 36,500 tons and will provide access to 38 well slots while allowing simultaneous production and drilling operations. A separate building, specially fabricated for the platform, will offer living accommodations for 120 people.

During 2008, Chevron continued development drilling of Benguela-Belize-Lobito-Tomboco (BBLT). The Offshore Energy Association named the Benguela Belize drilling and production platform "Project of the Year" in 2005. It was the industry's first application of compliant piled tower structural technology outside the Gulf of Mexico.

Since Chevron was awarded the exploration license for Block 14 in 1995, an aggressive exploration program has resulted in 11 discoveries that hold the promise of doubling production from Block 14 during the next decade.

Angola LNG Project

Chevron, alongside Sonangol, is co-leading construction of the Angola Liquefied Natural Gas (ALNG) plant. It is designed to develop and commercialize Angola's natural gas resources while at the same time reduce gas flaring. Gas will be transported by pipeline from offshore production facilities to the five-million-metric-ton per year onshore liquefaction plant located in Soyo in northern Angola. As the country's first liquefied natural gas project, ALNG is a cornerstone of Angola's plan to develop its natural gas resources. Construction of the plant Chevron will operate began in early 2008, with startup estimated in 2012. ALNG is expected to supply up to 125 million cubic feet a day of natural gas to Sonangol for domestic use to improve the lives of many Angolans.

Commitment to Ethics

Throughout the world, Chevron's commercial investments are accompanied by a steadfast

commitment to conducting business in a manner that is both ethical and socially responsible. This commitment is known as The Chevron Way. It represents the company's promise to integrate social, economic and environmental considerations into its core practices and decision-making, and to maximize the positive impact its operations can have on the communities in which it operates. In Angola, The Chevron Way is evident in the company's social investments.

In 2008, Chevron and its partners, Sonangol, Total, ENI and Galp, contributed approximately \$22.1 million for community development projects, charitable donations and other activities in 15 of Angola's 18 provinces.

The goal of CABGOC's social investment strategy is to work effectively alongside partners in government and communities to create sustainable economic and social development by:

- › contributing to the reduction of the main causes of mortality and morbidity, especially for women and children.
- › helping to improve and expand access to quality primary, secondary and tertiary education.
- › contributing to the eradication of extreme poverty and hunger, and to diversification of the economy through small enterprise development, and agricultural and fisheries activities.
- › helping to develop capacities of government institutions and Angolan civil society organiza-

tions to improve service quality to Angola citizens.

- › helping to provide access to safe drinking water.

To achieve these goals, the company works in a participatory fashion with partners including governmental institutions, communities, civil society organizations, nongovernmental organizations (NGOs), and multilateral and bilateral institutions.

The synergies of these groups include discussions with communities to identify and prioritize projects, implementation, monitoring, evaluation expertise sharing and co-funding.

Activities also include employee volunteer projects, small one-time donations and disaster relief projects.

The Chevron Way *Getting Results the Right Way*

Vision

At the heart of The Chevron Way is the vision to be the global energy company most admired for its people, partnership and performance.

Values

Chevron's foundation is built on the values that distinguish the company and guide business conduct in a socially responsible and ethical manner with respect for the law, support for universal human rights, protection of the environment and benefit to the communities where Chevron operates.

The company's values are integrity, trust, diversity, ingenuity, partnership, protecting people and the environment, and high performance.

The Foundations: Health and Education

Partnering to Improve Lives

The Angola Partnership Initiative

Chevron launched the Angola Partnership Initiative (API) in 2002 to help the people of Angola recover from the devastation in the wake of a 27-year civil war. The company viewed API not only as an opportunity to contribute positively to Angola's future, but also as a chance to introduce new ideas on how to conduct community engagement programs.

During the first five years of the initiative, Chevron invested \$25 million and leveraged another \$31 million in matching funds and partnerships with national and multilateral development organizations. In 2007 and 2008, after all API funds had been committed,

Chevron, along with its stakeholders, evaluated the Initiative. The consensus was that API had exceeded all expectations. In response to recommendations from the comprehensive and participatory evaluation, Chevron has committed to API an additional \$14.25 million – \$2.85 million per year through 2012.

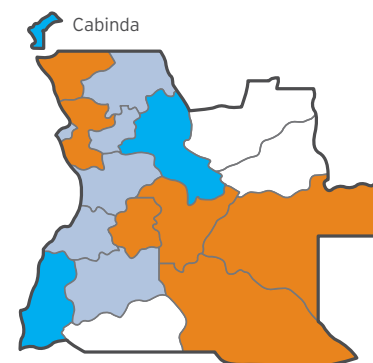
As a result of Chevron's experience with API, CABGOC has adopted a number of changes to the way it delivers social support, changing from:

- › a regional focus to a national focus
- › a philanthropic model of assistance to a long-term development model of assistance
- › a single donor acting alone to actively working in partnerships
- › a view that socio-economic programs are a responsibility

to understanding them as an investment

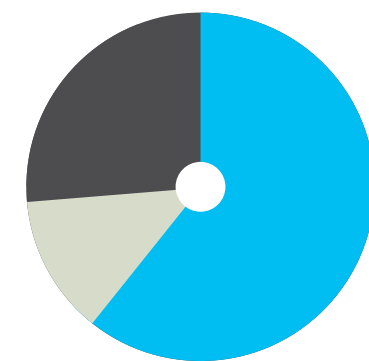
- › "expert-driven" development to participatory development
- › reactive project selection and passive project management to proactive project design and management

Corporate Responsibility in Angola



- Block 0 and Block 14
- API- Angola Partnership Initiative
- API, Block 0 and Block 14

Annual Expenditures by Proportion



- Block 0
- API/ Chevron Sole
- Block 14

Chevron's experience has shown that community participation is required to carry out successful community engagement programs and to set up sustainable structures for long-term development. This includes participation through processes established to gather and take into account stakeholder feedback from corporate leadership, government, donor partners, program-implementing partners and beneficiaries. API continues to concentrate on projects that contribute to income generation and improved livelihoods and to strengthen local ownership of projects to achieve the greatest impact and sustainability.

Building Healthy Lives

Since 1994, the company and its partners have consistently invested in the health sector as a critical area of Angola's development.

In 2008, CABGOC continued to support health improvement programs that complement the efforts of government and other institutions to reduce child mortality rates; improve health care for mothers and children; combat HIV/AIDS, malaria and tuberculosis; create a safe blood supply; and construct, rehabilitate and provide quality health care centers. In 2008, CABGOC's health programs reached nearly 582,000 people.



Fighting Disease

Chevron contributed \$5 million of its own funds to the Global Fund as part of its commitment to help the Angolan government fight malaria. Through a Global Fund Round 7 malaria grant, the Ministry of Health is establishing programs that will scale up malaria interventions throughout the country. This new malaria program will provide children under the age of five and pregnant women with anti-malaria treatments, known as Artemisinin-based Combination Treatments (ACTs) and will widely distribute long-lasting insecticide-treated nets (LLINs) to families to prevent them from contracting the disease. Chevron also conducted educational sessions on malaria prevention and distributed awareness materials to schools in Luanda during 2008 Malaria Day.

In Cabinda, CABGOC focused its **campaign against HIV/AIDS** on community outreach, education and activism. CABGOC organized a number of events and activities to coincide with World AIDS Day.



CABGOC encouraged participation from every level of society through a variety of events including live debates on local radio, seminars for more than a thousand high school students, workshops, a pedestrian march, sporting contests and collections of donations for those infected with AIDS or affected by its social and economic consequences.

The community outreach project also provided training opportunities to 27 new HIV/AIDS activists who will campaign against the disease throughout the year. The activists are nurses as well as church and NGO representatives. In addition, Chevron and partners in Block 0 supported free, voluntary HIV/AIDS testing, provided powdered milk to



Building a Future of Success

Providing a Broad Range of Opportunities



nearly 2,500 HIV-positive mothers and sponsored the first World HIV/AIDS Day Gala.

The **Cabinda and Caongo blood banks** served as models for the nation in providing safe blood transfusions and reliable laboratory testing. Through CABGOC's donations of consumables, equipment and provision of technical assistance, the company supported safe blood transfusions for 8,425 people in 2008. The facilities performed 26,457 tests for malaria, tuberculosis, hepatitis and other infectious diseases.

Reducing Child Mortality

With the goal of reducing the under-five mortality rate among children by two-thirds, CABGOC and

its Block O partners joined forces with the Angolan Ministry of Health and UNICEF in the **Wild Polio Virus (WPV) vaccination** campaign to immunize 472,000 children in Cabinda and Uige provinces.

Based on intensive collaboration with the Cabinda Provincial Health Department and Consaude, a local NGO, CABGOC and its Block O partners launched the **Integrated Management of Childhood Illnesses** program in Cabinda in 2008. Aimed at improving the training and performance of Cabinda health professionals in disease prevention and the treatment of sick children, the project will use two mobile clinics to reach rural areas, benefiting more than 17,000 children from Caongo and Belize municipalities.

Through API, Chevron contributed \$100,000 to **David Bernardino Pediatric Hospital** in Luanda. It also supported the training of health practitioners in basic and advanced life support, and the prevention, identification and treatment of infectious diseases that most frequently claim young lives. The hospital employs more than 700 people who help nearly 350 children a day.

Continuing Access to Quality Health care Facilities

Chevron and its Block O partners financed the construction of a new **health center in Macanga Grande**, an estimated 30 miles (50 kilometers) from Cabinda City. The center provides a laboratory,

an intensive care unit, pediatric and treatment wards, a pharmacy, surgery and vaccination rooms. Two furnished residences for nurses, a dining area, kitchen and laundry were also completed.

The center will provide all primary care services to approximately 3,000 people and treatment for malaria and tuberculosis patients. The center will also conduct regular vaccination campaigns and HIV/AIDS awareness sessions.

Providing Rural Communities with Clean Water

After an in-depth, sustainable livelihood assessment performed in partnership with Search for Common Ground in Cabinda in 2007, most communities in the northern part of the province identified access to potable water as their highest priority. In 2008, CABGOC and its Block O partners

decided to assist the communities by providing access to quality drinking water. A complete potable water system for more than 5,000 people living in the communities of Tshinsua, Macanga Grande, Mpuela and Tchafi is being built at a cost of nearly half a million dollars. In 2009, the program will expand, adding access to potable water to other communities.

Developing Educational Potential

Chevron and partners in Block O and Block 14 invested more than \$3.7 million in education projects and programs in 2008, benefiting nearly 10,000 students and teachers. Objectives of the investment are improving school enrollment, increasing the availability and skill of teachers, and expanding literacy for adults and children.

Improving Child Literacy

Through API, Chevron, in partnership with Discovery Channel and the Ministry of Education, continued to help improve the quality of teaching in Angola's elementary and secondary schools with support for the **Discovery Channel Global Education Partnership project (DCGEP)**. The education project began in 2003 in Cabinda, providing televisions, video equipment, educational programs, and resource and training guides for teachers and principals to apply technology in teaching and learning methods. In 2008, at 16 learning centers in five provinces, about 24,000 students participated in the program. In Luanda and Zaire, seven schools continued a three-year teacher-training program. Since its inception in Angola, DCGEP has benefited almost 57,000 students.



Education and Enterprise Development

Access to the Keys for Reducing Poverty

To complement the efforts of the Ministry of Education and its Provincial Department of Education (DPE), CABGOC and its Block O partners continued to support an innovative and interactive live radio program, **Aprenda Brincando (Learning by Playing)**. The program promotes learning through games and competitive quizzes to encourage learning in and out of the classroom. More than 1,320 children in Cabinda participated in 2008.

Making More Space and Reducing Class Size

In 2008, CABGOC and its partners continued to respond to community requests for additional classrooms by completing two new schools—the **Tshinsua School and Teachers' Residence**, and the **Yabi School and Teachers' Residence**, both in Cabinda, and now serving 1,920 students.

In addition, the partnership also completed construction of the **Cabinda Evangelic Boarding School**, the **Cabinda City Day Care Center** and the Cabinda Evangelic Administrative Building & Learning Center, together benefiting more than 2,000 children.

Ground breaking ceremonies marked the start of construction for a large primary school in an underprivileged neighborhood of Luanda. **Chimbikato School** will serve 1,500 students. The partners

also **funded the rehabilitation** of four more schools in Luanda, three in Cabinda and one in Huila, providing students with new chairs and desks, blackboards, fresh paint, playground equipment and other facility improvements and creating a better learning environment for more than 4,000 young children.

Increasing Teacher Availability and Skill

Key educational challenges facing Angola are an exponential increase in the number of students coupled with a lack of credentialed teachers. For nearly a decade, CABGOC and its Block O and Block 14 partners have invested to support the strategy of the Ministry of Education and the nongovernmental organization Ajuda de Desenvolvimento de Povo para Povo (ADPP) by financing the construction and

equipment provision for the **"School for the Teacher of the Future" (Escola do Futuro)**. In 2008, the partnership financed two new schools in Uige and Malange provinces to train 1,000 primary school teachers.

Through API, Chevron also launched a reading project for educational institutions at all levels. In its first year, CABGOC **donated nearly 1,000 books** to Instituto Superior de Ciências da Educação (ISCED) in Luanda.

Chevron sponsored the **Annual Conference of the National English Language Teachers Association (ANELTA)** with nearly a thousand teachers participating, 300 in the central conference in Luanda and more than 250 in each of the provincial conferences in Huambo, Benguela and Huila.



Reducing Poverty Through Enterprise Development

Alleviating poverty by helping Angolans develop small- and medium-sized enterprises (SMEs) is one of Chevron's objectives. It is accomplished by focusing on increasing access to micro-finance, improving access to qualified business support services and vocational training, and by improving the business environment to help new entrepreneurs thrive.

Providing Access to Finance

NovoBanco, a micro-finance institution, provides credit to small entrepreneurs and low-income households. Launched in 2004, the bank has extended over \$40 million in loans, reached over 30,000 entrepreneurs and increased net assets from \$10 million to \$27.1 million. In 2008, NovoBanco loaned \$10.6 million to 31,207 micro and small entrepreneurs with a 95 percent reimbursement rate. A highly visible success, the bank has gained attention from government and several other banks witnessing the potential of the micro, small and medium enterprise sector and spurring them to accelerate development of small credit funds.



Chevron was instrumental in developing NovoBanco. The company made an equity investment to establish the bank, provided \$1 million for technical assistance to the bank and persuaded the U.S. Agency for International Development (USAID) to match Chevron's technical assistance funds. In 2007, the Angolan bank, Banco Africano de Investimentos (BAI), bought out the original partners of NovoBanco, with the exception of Chevron. Currently, BAI owns 85.71 percent of the shares with Chevron holding the remaining 14.29 percent. The bank plans to expand its operations from 3 to 11 new branches within the next year.

Contributing Business Counsel and Training

In its second year of operations, the **Luanda Business Incubator**, Angola's first and only functioning



incubator hosted 24 enterprises and generated 14 new jobs. The incubator is currently funded by the **Angola Enterprise Program (AEP)**, a partnership with UNDP and the National Institute for Vocational Training (INEFOP) aimed at promoting the development of a diverse, robust, micro, small and medium enterprise sector in Angola. In 2008, the incubator provided 41 entrepreneurship training sessions that included marketing, cash flow management, basic finance, and business plan preparation.

The newly remodeled **Business Resources and Development Center** co-funded by AEP and the Ministry of Industry received more than 120 visitors and 450 visits to its Web site since opening in mid-2008. Local providers of **Business Services** from Huila, Benguela, Luanda and Cabinda provinces who work with micro

Creating Sustainable Economic Development

Progress Made Through Diversification, Creativity and Individual Effort



A Flourishing Entrepreneur

Ana Coumba owns Organizações Sandeleji, a company she and her husband started 15 years ago when their neighbors convinced them that a bakery was a good idea. In 2004, with a loan from NovoBanco, she purchased an oven and other equipment. With a second credit from the bank in 2006, she

grew her business by importing products from South Africa. Last year, she expanded again with the bank's help and signed a contract to become the primary cookie supplier to a major supermarket chain in Luanda. Her company earned almost \$70,000 in 2008 and expansion plans are under way.

"I started with two people working with me. Today, I have 28 employees on the payroll. No way would I have achieved this success without the help from NovoBanco."

Ana Coumba
Owner Organizações Sandeleji

and small enterprises completed 66 training sessions in an intensive program managed by KPMG to improve the service providers' business and managerial skills.

Chevron and the AEP also sponsored the **Third National Conference on Micro finance**, with more than 300 participants working toward creation of a national policy regarding micro-finance. The company also sponsored the **First National Conference on the Private**

Sector. The conference resulted in formation of the National Council of Business Associations.

Inauguration of **Sociedade Espirita Allan Kardec de Angola (SEAKA)** vocational center in Viana, Luanda province, took place in April 2008, and by year's end, 200 trainees who attended various professional courses received their diplomas. The center also launched three- to six-month pilot programs in carpentry, bakery and agriculture.

Innovating for Sustainability

In a unique model of sustainable business creation, CABGOC, Block O partners and the **Center for Orphans and Abandoned Young Girls (CAMEHA)** developed a financial and operational plan that helped grow the center's small bakery into a thriving business that now generates income and provides training for young women. In 2008, an intensive management capacity building program with CAMEHA helped the bakery triple its production and increase sales by 300 percent. With the financial success of the bakery, the orphanage no longer needs increasing levels of donations, and the future is more promising for girls who have acquired marketable skills.

Chevron continued its participation in **Junior Achievement**, the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. CABGOC employees volunteered 264 hours of their time to coach and mentor 119 students in the Junior Achievement program of the Catholic University of Angola.



Agriculture and Fishery: Moving From Subsistence to Commercial

To contribute to the diversification of Angola's economy, and to reduce poverty and hunger, Chevron, in partnership with several bilateral and multilateral institutions, developed objectives to promote economically and operationally sustainable agricultural and fishing projects. These projects encompass the spectrum of the value chain by teaching sustainable methods for production, processing and commercialization.

In 2008, Chevron and USAID continued expansion of the five-year ProAgro project, a key element in the API strategy. In Benguela province, 63 small-scale banana producers were trained to improve agronomic practices and to develop market opportunities for bananas. Using improved and locally adapted techniques, they planted 22 hectares of bananas, increasing yield by 40 percent. The project created 480 new jobs in Benguela alone. (See "A Pioneering Success Story.")

In Cabinda, Block O partners supported the **Alliance for Agri-Business Development (CADA)**, which provided 44 farmers with

seeds, fertilizers, pesticides and micro-credit to cultivate approximately 20 hectares of land. More than 1,360 farmers received technical assistance, including preparation of 82 business plans and crop production calendars. Their efforts yielded 161 metric

tons of fruits and vegetables and earned about \$8,050 in net profit for each farmer. **The Integrated Agriculture Project** in Huambo initiated late in 2008 is expected to improve banana, cassava, Irish and sweet potato production, and reduce seed importation.



A Pioneering Success Story

Carlos Marques is a banana producer in the Cavaco Valley, Benguela province. He is also the first participant in the ProAgro program in the region to receive a bank loan. Through the project, he successfully planted 15 hectares and completed a solid business plan that prompted Banco de Fomento Angola (BFA) to approve loaning him \$82,500 to grow his production. Because of his hard work, he has proven that, given the knowledge and tools, agribusiness owners can work with Angola's financial industry to build economically sustainable partnerships.

Carlos Marques
Banana Producer

Promoting Civil Society and Culture

Working to Achieve Nationwide Institutional Capacity

Building Capacity

A Vital Element in Achieving Sustainability

Building capacity is part of every community project Chevron supports. It is so important to achieving sustainability that the company has elevated capacity building to the status of an independent sector of development.

In partnership with the government and civil society organizations, the company is helping to develop the capacity of government institutions and Angolan civil society to achieve sustainable development nationwide. Partners range from government institutions, communities, civil society organizations, the United Nations, NGOs and the private sector. These synergies come from discussions on self-identification of projects, implementation, expertise and co-funding.

The Center for Development and Partnerships in Angola (CDPA)

is an association funded through API. The center started activities in January 2008, and since then, 38 high-level civil society and government professionals have attended training sessions organized by CDPA. The Angolan government selected the center to coordinate reviews and make proposals to improve various methodologies

used to create municipal profiles. More than 50 representatives from municipalities in Huambo province attended three workshops organized by CDPA on local governance strategies. Communication is vital in capacity building, and in 2008, CDPA launched its Web site (www.cdpa-angola.org) and bi-monthly publication called A Par.

The Municipal Development Program (MDP) is a pilot decentralization program that provides best practice models for creating participatory and inclusive local governance. Implemented in the provinces of Cabinda, Kuando, Kubango, Huambo and Bié, in partnership with the Ministry of Territory Administration, MDP is designed to benefit municipal and communal administrations, communities, community based organizations (CBOs), area development organizations, civil society organizations, traditional

authorities and indirectly, the provincial government. Through the program, local communities are enabled to prepare micro-projects based on self-identification and prioritization. In 2008, a number of development projects were submitted, and two MDP municipalities received \$2.5 million grants from the central government for social and infrastructure investment.

Chevron strengthened its partnership with Angola's National Institute of Public Administration (ENAD) when two of its instructors received leadership training at Chevron headquarters in San Ramon, California.

Through **Coastal Community Capacity Building and Conflict Resolution Awareness** in partnership with Search for Common Ground, 15 community workshops were held in 2008. Sustainable



livelihood assessments in the workshops enabled completion of sustainable livelihood assessments and prioritization of development needs. CABGOC and its Block O partners funded several community-selected projects including road rehabilitation. Most selected projects will be executed in 2009.

More than 75 journalists attended Chevron's **Media Workshops** on the oil industry held in Luanda and Cabinda.

Promoting Arts and Culture

Throughout the years, Chevron has been a major contributor to the promotion and development of Angola's art and culture. In 2008, the company's efforts included sponsorship of the following:

Estrelas ao Palco - a music contest aimed at finding new Angolan talent.

Afrrikanitha - sponsorship of a concert by Afrrikanitha, an Angolan jazz singer.

Matias Damásio - sponsorship of a new CD by this popular Angolan singer.

II Feira Internacional da Música e da Leitura - sponsorship of the International Music and Reading Fair in Luanda.

Philanthropic Donations

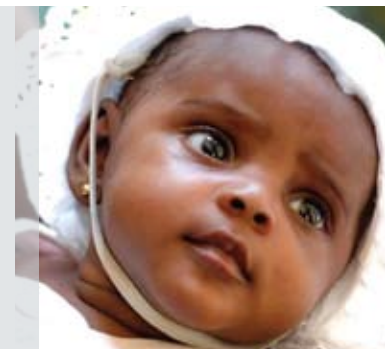
In 2008, charitable donations from Chevron, Block O and Block 14 partners totalled more than \$3.5 million. Human need was given a high priority, with donations going to the purchase of foodstuffs for institutions hosting orphans and other people in need. Supplies for hospitals, funding for conferences, small environmental projects, laboratory and research equipment, and sponsorship of soccer teams in Cabinda and Namibe provinces made up the wide range of other philanthropic contributions.

Partial List of Recipients

- APPA - Associação Africana dos Países Produtores de Petróleo
- Angola a Ler
- Associação de Geofísicos de Angola
- Comissão Nacional Angolana - Congresso Mundial sobre Petróleo
- Associação Mwankazi Mwene
- Associação Rádio Rangel (Luanda)
- Atlético Desportivo do Namibe
- Hospital de Cacongo (Cabinda)
- Caritas
- Centro Ortopédico de Reabilitação de Viana
- Fundanga
- Fundo Lwini
- Grupo Amizade
- Lar para Crianças Abandonadas
- Igreja Metodista Unida
- Irmãs Benedictas Missionárias de Cacucaco
- Lar Kuzola
- Grupo de Aconselhamento sobre Minas (MAG)
- Missão Feminina de Malembo
- Missão Feminina do Negage
- Missão Masculina de Cacongo
- Missionárias Reparadoras do Sagrado Coração de Jesus
- Museu de História Natural
- Nossa Senhora das Dores
- Pequena Semente
- Renascer e Crescer
- Salesianos de D.Bosco
- Sociedade Espirita Alan Kardec de Angola (SEAKA)
- Sociedade de Engenheiros de Petróleo
- Sporting Club de Cabinda
- Câmara de Comércio Estados Unidos-Angola

Human Energy

The Greatest Resource



Developing People

CABGOC is Angola's largest international oil industry employer with more than 2,900 Angolan nationals who account for 86 percent of the CABGOC's total workforce. Angolans fill 73 percent of the company's professional and managerial roles.

Angolans also hold key management positions on Chevron's Southern Africa Leadership Team, including general manager of Policy, Government and Public Affairs, general manager of Legal and Negotiations, manager of Joint Ventures, general manager of Human Resources, manager of Medical, and manager of Health, Safety and Environment. Angolans



also manage Information Technology and Security Departments positions.

Attracting and Retaining a Competitive Workforce

In order to maintain a capable, confident and productive workforce, CABGOC strives to expand career opportunities for its Angolan workforce through education, training and job development.

During 2008, Chevron hired 238 new Angolan employees, maintaining its position as Angola's largest international oil industry employer. New hires came from local universities and the job market, as well as through participation in international recruiting events in Brazil and Portugal, and through information sessions with the Faculty

of Engineering of Agostinho Neto University.

In 2008, 59 employees left the company, fewer than two percent of the total national workforce, with retirement the largest cause of attrition.

Training and Development: The Key to Opening the Doors of Opportunity

The company focuses on having the right people with the right skills in the right place at the right time to meet the needs of ongoing operations and to deliver major capital projects.

New employees receive initial "onboarding" and "New to Chevron" training sessions as well as English language train-

ing. Experienced workers receive leadership and technical development opportunities to continually grow in their professions and build careers rich with variety and personal growth. Chevron also maintains ongoing leadership development, language and computer training programs.

Working Abroad - Internationalization

Chevron is developing employees who will play important roles in the company's projects and joint ventures around the world as well as in Angola. More than 60 Angolans now work at Chevron operations in other countries including Brazil, Canada, Chad, China, Nigeria, South Korea, Thailand, the United Kingdom, the United States and Venezuela.



Training Abroad

Chevron provides overseas study scholarships to attend institutions in South Africa, the United Kingdom and the United States, as well as numerous short-term training opportunities in Angola and abroad. In 2008, 380 national employees attended training overseas.



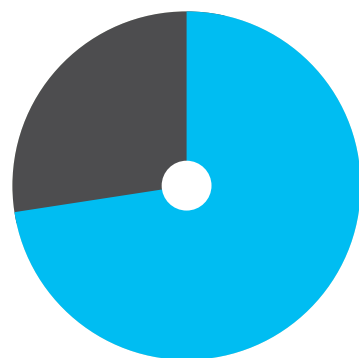
A Commitment to Building Careers

With eyes focused on the future, CABGOC continues to prove its firm commitment to provide training and opportunity for Angolan national employees. More than two years before startup, CABGOC began hiring and training new Angolan employees to operate the massive, technologically sophisticated deepwater Tombua Landana platform scheduled to start up in 2009. During a two-year training program, 23 employees received basic training on Tombua Landana's operation followed by another year of advanced training at CABGOC's learning and development center in Malongo. The first year of training took place in the United States at Chevron's Employee Resource Training Center (ERTC) in Lafayette, Louisiana, part of the company's Gulf of Mexico Business Unit. Training included working trips to the company's U.S. deepwater platforms, Genesis and Petronious, a compliant tower platform much like Tombua Landana, and 14 weeks of English language immersion classes.

"Personnel requirements are so great in Angola that we are expanding the Malongo training facilities to accommodate future staffing needs."

Wayland Christensen
Tombua Landana Superintendent

Total CABGOC Permanent Professional and Supervisory Positions
December 2008 - Total 1,655



● Professional Angolans 72.6%
● Expatriates 27.4%



Expanding Angolan-Owned Business

Programs to Build Careers and Opportunities to Grow Industrial Capability

Horizons and Pathways Programs - Developing Employee Competency

One of the main goals of Chevron's Strategic Plan is to strengthen organizational capability. This will ensure that the company has the resources, expertise and transfer of knowledge to effectively meet its future business needs.

The Horizons Program, a competency-based employee development program is designed for employees with less than five years of experience in **Petro-**

leum Engineering, Drilling and Completion, Earth Science, Facilities Engineering, Information Technology, Supply Chain Management, and Health, Environment and Safety (HES).

Under the program, participants receive three assignments within five years. At the end of 2008, 160 CABGOC employees participated in the program, each with a designated mentor.

The objective of this learning and development program is to develop competency more quickly and to attract and retain the brightest and best university talents. Horizons enhances on-the-job training and ensures that all new hires receive cross-functional training and a minimum number of days of technical training related to their function.

In 2008, more than 400 employees with more than five years of experience participated in the company's Pathways program. Pathways is designed to expand the technical, commercial and professional skills of employees in Global Upstream, Gas and Corporate Business Development, and, in turn, the long-term capability of Chevron.

The focus of Pathways is expanding individual competencies and strengths, highlighting areas for potential growth, and creating career development plans, activities and opportunities that ensure a highly capable twenty-first century workforce.

Scholarship Programs

Each year, Chevron grants educational scholarships to qualified

Angolan Firms Participating in the Tombua Landana Project*

Sonamet, Lobito: supplied boat landings, barge bumpers, the flare boom and pipe deck as well as function and system-integration testing for the subsea center and manufacture of the export pipeline end termination skids and rigid jumpers.

Socotherm, Luanda: applied all flow-line coatings and insulation at its new manufacturing plant.

Algoa, Luanda: manufactured the flowline end termination skids.

Angloflex, Lobito: manufactured the umbilical system connecting the platform to the sub-sea center.

Seven Seas Angola, Luanda: installed the steel pipelines, flowline jumpers, connectors and umbilicals.

*Partial list

employees and their children. In 2008, six employees and 25 children of employees received scholarships. In addition, 370 employees benefited from Chevron's Education Assistance Program by attending courses at various local and international universities.

Local Content: Strengthening Angolan-Owned Businesses

Chevron is committed to supporting and developing Angolan-owned businesses, which in turn will supply services, goods and materials at a competitive price, while stimulating sustainable economic growth. The company's objective is to expand its supplier network by purchasing from local companies that can provide innovative, cost-

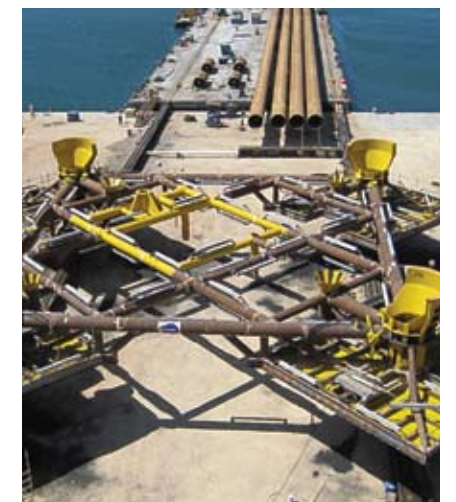
effective solutions with a focus on quality, safety and reliability.

In 2008, CABGOC continued to expand its supplier network to contribute to the development of local business capabilities through local procurement of services and materials. For the Tombua Landana development project alone, work performed locally represents about \$250 million in direct value to the Angolan economy.

In 2008, CABGOC executed a contract with Angolan firm RARE Petrochemical for the provision of maintenance, repairs and operations (MRO) materials (pipe, valves, fittings, flanges, electrical, safety supplies and mill tools), establishing an "in-country" integrated supply company. RARE imports, owns and manages a bonded warehouse sufficiently supplied with MRO materials to meet CABGOC's operational needs. The contract is a five-year, perfor-

mance-based contract with an estimated value of \$150 million.

RARE Petrochemical is a subsidiary of the RARE Group, and 63 percent of its shares are Angolan-owned. The Rare Group has been operating in Africa since 1976, has advanced to a leading position in the mining industry, and is expanding its presence in the oil and gas market.



Operating with Excellence

Protecting People and the Environment

Operating With Excellence Is The Chevron Way

Chevron's commitment to operational excellence (OE) is embodied in the The Chevron Way's value

of protecting people and the environment. OE is defined as the systematic management of safety, health and the environment with reliability and efficiency. OE objectives are integrated at all levels of Chevron's global enterprise by the Operational Excellence Management System (OEMS).

Workplace Health

CABGOC acts with understanding of the clear link between operating with excellence and maintaining the health and safety of employees, their families and the communities in which the company operates.

CABGOC provides free comprehensive health care to all of its employees and their immediate families, with approximately 65,000 people visiting company clinics in 2008.

In addition to extending its campaign against malaria to local communities, CABGOC again achieved positive results among employees and dependents by reducing the number of malaria cases by 60 percent since the company intensified its campaign in 2004.

Efforts against malaria included:

- › widespread educational campaign with posters, videos, pamphlets and peer educator groups
- › malaria telephone hotline for all employees
- › distribution of 90,000 long-lasting insecticide-impregnated window and door curtains

- › distribution of 17,000 long-lasting insecticide-impregnated bed nets
- › introduction of new anti-malaria medications

CABGOC's internationally recognized **HIV/AIDS program** continued with greater focus on outreach and education. At more than 173 Voluntary Counseling and

Testing (VCT) sessions, more than 100,000 condoms were distributed. Among employees, 70 percent volunteered for HIV testing. In 2008, there was not one case of mother-to-child HIV transmission among Chevron employees and dependents.

Safety Performance

CABGOC remains committed to holding the safety of its employees and contractors as the first priority with the goal of incurring zero safety incidents. The workplace safety record of 2008 puts CABGOC's performance in the "world-class" category. Four times during the year, the company reached the milestone of five million workforce hours without a day-away-from-work incident.

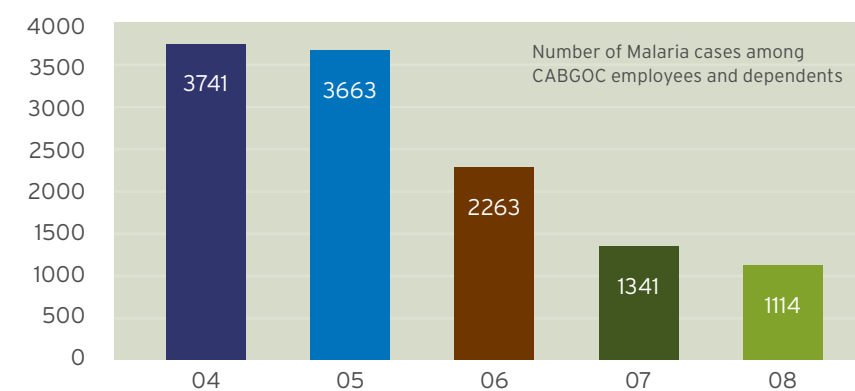


Delivering a Major Milestone for a Major Capital Project

For the Malongo Terminal Oil Export Pipeline (MTOE) project, the company and its partners commissioned Socotherm Angola to produce concrete-coated pipe for a new pipeline from the Malongo tank farm to two new offshore loading berths. Subcontracting to pipe supplier, Corbus Tubes, Socotherm became the first Angolan company to attempt large-scale, concrete-weight coating. Socotherm's manufacturing needs led to the expansion of the Sonils pipe yard in Luanda and construction of a new concrete-coating facility. Investment on the project was more than \$20 million and created more than 200 jobs for Angolan nationals who successfully completed the commission, coating 2,444 joints of pipe, each joint weighing approximately 20 tons.



Workplace Malaria Prevention Program
2004 - 2008



Guarding the Future

Acting Today for Generations to Come

Protecting the Environment

Demonstrating that Chevron places a high value on environmental accountability and climate change issues, the company has adopted an environmental performance standard to drive operational excellence in the management of routine flaring and venting in its operations.

There is no routine flaring in CABGOC-operated Block 14.

The Sanha Condensate Project eliminates approximately half of the flaring in Block O. Averaging 50,000 barrels of crude oil, condensate and liquefied petroleum gas per day, the project reinjects associated gas into the reservoir, helping CABGOC achieve its goal of reducing flaring from its Angolan operations in Block O.

The company has other major capital projects completed or

under construction to manage surplus gas via reservoir injection, infrastructure expansion and relief system modification for safety.

These projects are:

› Takula Gas Processing Platform (TGPP)

This 5,800-ton topsides platform will add 100 million standard cubic feet per day (mmscfd) of compression capacity as well as gas sweetening and dehydration facilities to collect and process surplus gas from the Takula Area. Surplus gas will be reinjected in Malongo North and West fields.

› Block 14 Gas Injection

Surplus gas from Block 14 is transported via high-pressure pipeline to the Malongo West Field in Block O where it is injected in the gas cap for pressure maintenance while eliminating routine flaring in Block 14.

› Cabinda Gas Plant (CGP)

This project is designed to eliminate routine flaring onshore at the Malongo terminal and will have gas-processing capacity of 25 mmscfd.

› Flare and Relief System Modification (FARM)

This project will modify relief systems on 14 existing platforms to gather flared surplus gas and route to compression. Additionally, 10 new flare booms with burner tips and pilots designed for efficiency will be installed to handle non-routine flaring.

› Nemba Flare Reduction Project (Nemba FRD)

This project will collect the low-pressure surplus gas currently vented by routing it through first-stage compressors to boost the pressure to enter the reservoir injection system.

To ensure that operations have no impact on Cabinda's fisheries, CABGOC conducted fish-tissue collection and sampling. For the **Cabinda Fisheries Assessment project**, CABGOC collaborated with the National Institute for Fisheries Research (INIP) and the Cabinda Directorate of Agriculture,

Fisheries, Environment and Rural Development. Results of analysis of edible tissue samples showed that fish from Cabinda Bay are well within healthy test ranges.

CABGOC demonstrates its respect for the biodiversity of the environment and the need for community collaboration by continuing to

protect the endangered sea turtles and their habitat on the three-kilometer stretch of beach in front of the Malongo operations base in Cabinda. Annually, from late September to mid-March during nesting season, Chevron scientists tag the turtles, locate nests and count successful hatchlings of Olive Ridley, Green and Leatherback turtles. Members of Cabinda's fishing community and CABGOC environmental engineers together protect the nests. Since 2002, they have observed at least 700 nests and 5,300 hatchlings.

Emergency Response Preparedness

Chevron continues rigorous environmental protection practices including regular drills in case of fire or spill. In 2008, CABGOC conducted 62 training sessions in emergency response, 125 fitness sessions and 17 drills. The Malongo Fire Brigade trained every Saturday for two hours. High-angle and confined-space rescue training, a 140-hour course, was completed by 22 trainees. Seven CABGOC employees also completed the four-day gas detector training and certification course. The company also acquired a landing craft for oil spill response.

CABGOC regularly monitors produced water from areas of oil operations, consistently meeting Ministry of Petroleum discharge performance standards for produced water discharge.



Cabinda Gulf Oil Company



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