

CHEVRON FØROYAR ApS

CVR-nr. 28 68 90 63

**Holbergsgade 14, 2. tv.
DK-1057 København K**

Annual Report for 2019

The Annual Report was presented and adopted at the Annual General
Meeting of the Company on

Chairman

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Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of Chevron Føroyar ApS for the period 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen,

Executive Board

Flemming Helgeland

Simon John Owens

Independent Auditor's Report

To the Shareholders of Chevron Føroyar ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Chevron Føroyar ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Kim Danstrup
State Authorised Public Accountant
mne32201

Lone Vindbjerg Larsen
State Authorised Public Accountant
mne34548

Company Information

Company

Chevron Føroyar ApS
Holbergsgade 14, 2. tv.
DK-1057 København K

CVR -nr. 28 68 90 63
Financial period: 1 January - 31 December
Incorporated: 21 April 2005
Financial year: 14th financial year
Municipality of reg. office: Copenhagen

Executive Board

Flemming Helgeland
Simon John Owens

Lawyers

Accura Advokatpartnerselskab
Tuborg Boulevard 1
DK-2900 Hellerup

Auditors

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Danske Bank
Holmens Kanal 2-12
DK-1092 København K

Management's Review

Main Activity

The Company's main activities are worldwide to grant and obtain loans within the group, to invest group funds, to act as holding company for investments in other group companies and to provide services to other group companies.

Subsequent Events

Since March 2020 Chevron is confronted with the consequences of the COVID-19 crisis. This crisis impacts society and has negative effects on businesses and supply chains.

In addition Chevron is confronted with the current low oil price, which will have a negative impact on the financial and operational results of the group.

In response to these market conditions Chevron Corporation announced that the 2020 capital spending plan will be reduced and that the share repurchase program is suspended. Chevron continues to execute its plans to reduce run-rate operating costs by year-end 2020.

To ensure as much as possible operational continuity and in response to COVID-19, the Company has adopted protective measures to reduce the risk of spreading the virus in the work force. Government requirements related to social distancing and others are respected at all times.

Crisis management teams have been established (globally and locally). They meet continuously to evaluate the impact of the situation on the workforce, demand and supply, as well as to take actions to support the supply chain as much as possible.

Due to the circumstances evolving rapidly, it is still too early to make a reliable estimate of the impact on the Company's results. The board of directors follows the situation closely and there are enough means to meet the Company's future obligations.

The COVID-19 outbreak has no impact on the annual accounts of the financial year ending on 31 December 2019.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Significant Events

The Company has been appointed as the tax administrator for the Danish joint taxation as of the year 2019. The financial position at 31 December 2019 of the Company and the result of the activities of the Company for the financial year for 2019 have not been affected by any other significant events.

Accounting Policies

Basis of preparation

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2019 is presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, all expenses are recognised in the income statement, including depreciation, amortisation and impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm to invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in the financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Accounting Policies

Income statement

Other external expenses

Other external expenses comprise expenses to administration and office expenses.

Financial income and expenses

Financial income and expenses comprise interests and realized and unrealized exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivable is recognised in receivables in the balance sheet in the event of overpayment, and current tax liabilities are recognised in short-term debt in the event of non-payment.

The Company is jointly taxed with certain Danish group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance sheet

Receivables

Receivables are recognised in the balance sheet at amortised cost, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Current liabilities

Other debt is recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest-bearing debt and of floating rate loans usually corresponds to nominal value.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognized in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Income Statement for the year 1 January 2019 - 31 December 2019

	Note	2019 DKK	2018 DKK
Other external expenses		-1,103,275	-205,988
Profit/loss before financial income and expenses		-1,103,275	-205,988
Financial income	2	354,350	0
Financial expenses	3	-14,661	-96,605
Profit/loss before tax		-763,587	-302,593
Tax on profit/loss for the year	4	109,900	54,441
Net profit/loss for the year		-653,686	-248,152
Distribution of profit			
Proposed distribution of profit			
Retained earnings		-653,686	-248,152
		-653,686	-248,152

Balance Sheet as at 31 December 2019

Assets

Note	2019 DKK	2018 DKK
Receivables from group enterprises	1,794,057	0
Corporation tax receivable from group enterprises	6,871,415	0
Tax receivables	41,800	54,441
Prepayments	15,760	0
Receivables	8,723,032	54,441
Cash and Cash equivalents	15,056,013	12,789,294
Current assets	23,779,045	12,843,735
Assets	23,779,045	12,843,735

Balance Sheet as at 31 December 2019

Liabilities and equity

	Note	2019	2018
		DKK	DKK
Share capital		1,200,000	1,200,000
Share premium account		0	46,300,000
Retained earnings		10,902,549	-34,743,765
Equity	5	12,102,549	12,756,235
Trade payables		4,430,430	25,000
Payables to group enterprises		484,552	62,500
Tax payables		6,761,515	0
Short-term debt		11,676,496	87,500
Debt		11,676,496	87,500
Liabilities and equity		23,779,045	12,843,735
Mention of significant events, which occurred after the end of the financial year	1		
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Notes to the Annual Report

1 Mention of significant event, which are occurred after the end of the financial year

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Crisis management teams have been established (globally and locally). They meet continuously to evaluate the impact of the situation on the workforce, demand and supply, as well as to take actions to support the supply chain as much as possible.

Due to the circumstances evolving rapidly, it is still too early to make a reliable estimate of the impact on the Company's results. The board of directors follows the situation closely and there are enough means to meet the Company's future obligations.

The COVID-19 outbreak has no impact on the annual accounts of the financial year ending on 31 December 2019.

	<u>2019</u> DKK	<u>2018</u> DKK
2 Financial income		
Exchange differences	354,350	0
Total Financial expenses	<u>354,350</u>	<u>0</u>
3 Financial expenses		
Interest paid	-14,661	-96,605
Total Financial income	<u>-14,661</u>	<u>-96,605</u>
4 Tax on profit/loss for the year		
Current tax for the year	109,900	54,441
Total Tax for the year	<u>109,900</u>	<u>54,441</u>

Notes to the Annual Report

5 Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2019	1,200,000	46,300,000	-34,743,765	12,756,235
Transfers within equity	0	-46,300,000	46,300,000	0
Net profit/loss for the year	0	0	-653,686	-653,686
Equity at 31 December 2019	1,200,000	0	10,902,549	12,102,549

The share capital consists of nominal DKK 1,200,000 shares. The shares are split into 100,000 A Shares and 1,100,000 B Shares and each category carry special rights.

6 Contingent liabilities

The Company is administration company for the Danish joint taxation. The Group's Danish companies are jointly and severally liable for tax on the Group's taxable income, ect. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc, for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

7 Related parties and ownership

Controlling interest

Basis

Chevron Global Energy Inc.

100% Controlling shareholder

c/o Corporation Service Company,
251 Little Falls Drive
Wilmington, DE19808, Delaware
United States

Chevron Corporation

Ultimate controlling shareholder

6001 Bollinger Canyon Road
San Ramon, CA 94583-2324
United States

Notes to the Annual Report

7 Related parties and ownership (continued)

Ownership

The following are recorded in the Company's register of holding 100 % of the capital:

Chevron Global Energy Inc.

c/o Corporation Service Company,
251 Little Falls Drive
Wilmington, DE19808, Delaware
United States

8 Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group and can be requested on below mentioned address:

Name

Place of registered office

Chevron Corporation

6001 Bollinger Canyon Road
San Ramon, CA 94583-2324, USA