

THOMAS P. DiNAPOLI  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

November 17, 2008

David O'Reilly, CEO  
c/o Office of the Corporate Secretary  
Chevron Corporation  
6001 Bollinger Canyon Road  
San Ramon, CA 94583

Dear Mr. O'Reilly:

As New York State Comptroller, I am the sole Trustee of the Common Retirement Fund ("Fund") whose portfolio includes more than 7.5 million shares of Chevron Corporation ("Chevron") valued at approximately \$556 million. As sole Trustee, I have a fiduciary duty to the one million members, retirees and beneficiaries of the New York State and Local Retirement System to protect and increase the Fund. I am writing to you to express my concerns about the company's ongoing litigation relating to its liability for oil-related pollution in Ecuador, liability that Chevron inherited through its merger with Texaco in 2001. My Office has a history of engagement with Chevron on this issue through correspondence, meetings, and filing shareholder resolutions.

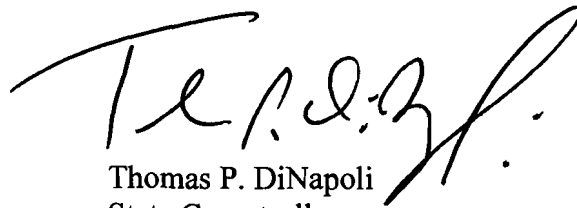
As a significant and long-term institutional investor, I am deeply concerned by Chevron's actions in litigating this case and the repercussions those actions will have on the company's finances. It appears that Chevron's strategy remains that of denying responsibility for the contamination and, instead, protracting the legal proceedings. I question whether that strategy best serves the company and its shareholders. According to the court-appointed expert, Professor Richard Cabrera, Chevron's potential liability in this litigation may be as high as \$16 billion. In addition, the cost of defending this litigation, coupled with reputational harm that has resulted from widespread negative publicity, creates an unacceptable – and avoidable – risk to the Fund's investment.

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I am also troubled by what I perceive as a lack of adequate disclosure of the potential financial liability Chevron is facing. It is my understanding that, until its 10-Q filing of May 2008, Chevron did not disclose the magnitude of its potential liability in the event of an adverse outcome.

I ask that you consider these concerns, and would appreciate hearing from you on this matter. I would be grateful for your response by December 15, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. P. DiNapoli', with a large, sweeping flourish extending from the end of the signature.

Thomas P. DiNapoli  
State Comptroller