

Chevron Corporation

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Chevron edges lower as Q1 revenue, profit miss on lower production

Chevron Corp. (NYSE:CVX), the world's third-largest oil company, inched down in midday trading after missing first-quarter revenue and earnings estimates.

The shares were down 0.1 percent to \$124.77 at 3:22 p.m. in New York.

The company also announced an increase in the quarterly dividend of 7 percent to \$1.07 per share.

Net income dropped 27 percent to \$4.5 billion, or \$2.38 per share, in the three months ended March 31, from \$6.2 billion, or \$3.18 per share, in the year-earlier period, the San Ramon, California-based said in a statement today.

Analysts on average had predicted earnings of \$2.51 per share.

Revenue declined 6.2 percent to \$49.03 billion, missing consensus estimates of \$53 billion.

The decrease was primarily due to lower crude oil realizations, whose negative effect was slightly curbed by higher natural gas price realizations. The company has missed revenue estimates for nine consecutive quarters now.

"Our first quarter earnings were down from a year ago," Chief Executive Officer John Watson said in the statement, "primarily due to lower prices and volumes for crude oil. Crude prices were tempered by global economic factors, while our current year production volumes were affected by weather-related, unplanned downtime, particularly in Kazakhstan.

Chevron and other major oil companies are struggling to maintain production as they drain oil and gas from their fields around the world. At the same time, the cost of exploring new fields is rising as they have to venture into more extreme and remote conditions to access hydrocarbons.

Profits are getting squeezed as these costs rise, because average oil prices have been roughly flat for about three years.

In the first quarter of this year, Chevron's oil and gas production fell 2 percent worldwide. In the U.S., production fell 4 percent as higher production of oil and gas in New Mexico and western Pennsylvania were more than offset by normal field declines elsewhere.

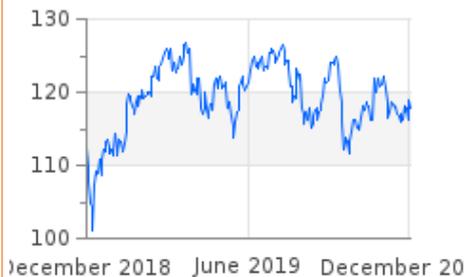
Overseas, where Chevron produces the vast majority of its oil and gas, production fell 2 percent. Increased production from projects on Nigeria and Angola was offset by field declines and weather-related shut-downs in Kazakhstan.

The average price Chevron fetched for its crude oil fell 3 percent both in the U.S. and abroad as oil prices around the world slipped slightly.

Price: 117.96

Market Cap: \$223.05 billion

1 Year Share Price Graph



Share Information

Code: CVX

Listing: NYSE

52 week	High	Low
	127.31	100.22

Sector: Oil & Gas

Website: www.chevron.com

Company Synopsis:

Chevron is one of the world's largest upstream and downstream oil and gas companies with operations across the globe. The company also has interests in rare earth minerals, coal, chemicals and power.

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Brent crude futures, the benchmark for more than half the world's oil, declined by 4.2 percent to an average of \$107.92 a barrel during the quarter, according to Bloomberg. U.S. gas prices climbed 35 percent to average \$4.712 per million British thermal units during that period.

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