

## **International Arbitration Tribunal Finds Chevron Not Liable For Environmental Claims in Ecuador**

SAN RAMON, Calif., September 18, 2013 – An international arbitration tribunal yesterday issued a Partial Award in favor of Chevron (NYSE: CVX) and its subsidiary, Texaco Petroleum Company (TexPet). The Tribunal found that the Settlement and Release Agreements that the government of Ecuador entered into with TexPet released TexPet and its affiliates of any liability for all public interest or collective environmental claims. The Lago Agrio plaintiffs' lawyers have repeatedly admitted, and the relief in the Lago Agrio judgment makes clear, that their claims are exclusively collective and not individual. The arbitration stems from the government of Ecuador's interference in the ongoing environmental lawsuit against the company and its courts' failure to administer justice in a trial that has been marred by multiple instances of fraud.

"The game is up. This award by an eminent international tribunal confirms that the fraudulent claims against Chevron should not have been brought in the first place. It is now beyond question that efforts by American plaintiffs lawyers and the government of Ecuador to enforce this fraudulent judgment violate Ecuadorian, U.S., and international law," said Hewitt Pate, Chevron vice president and general counsel. "Continuing to support this fraud only increases the government of Ecuador's growing liability to Chevron and we urge Ecuador to reconsider its position and pursue a more responsible course."

Convened under the authority of the U.S.-Ecuador Bilateral Investment Treaty and administered by the Permanent Court of Arbitration at The Hague, the Tribunal found that the Settlement and Release Agreements that the Government of Ecuador entered into with TexPet in 1995 and 1998 released TexPet and its affiliates of any liability for all public interest or collective environmental claims. In its decision, the Tribunal found that: 1) Chevron and TexPet are "Releasees" under the 1995 Settlement Agreement and the 1998 Final Release; 2) Chevron can invoke and enforce its contractual rights as a Releasee; and 3) the Government settled all public interest or collective environmental claims, including collective claims asserted by third parties.

This Award comes after the Tribunal's February 2013 finding that Ecuador is in breach of its obligation to "take all measures necessary to suspend or cause to be suspended the enforcement" of the Lago Agrio judgment—an obligation that the Tribunal had imposed on Ecuador in 2011, and reinforced and expanded in 2012, but which Ecuador has continuously ignored. In prior rulings, the Tribunal put the Republic of Ecuador on notice that if Chevron's arbitration ultimately prevails, "any loss arising from the enforcement of (the judgment) may be losses for which the (Republic) would be responsible to (Chevron) under international law."

The next arbitration hearing regarding the collusion between the Ecuadorian courts and the Lago Agrio plaintiffs and their lawyers is scheduled for January 2014.

Chevron filed the international arbitration claim against the government of Ecuador on September 23, 2009, claiming violations of Ecuador's obligations under the United States-Ecuador Bilateral Investment Treaty, investment agreements, and international law. Chevron's subsidiary, TexPet, participated until 1992 as a minority member of a consortium that explored for and produced oil under contracts with Ecuador and Ecuador's government-owned oil company, Petroecuador. Through the arbitration, Chevron seeks to hold Ecuador accountable for the denial of justice that occurred through the Lago Agrio court's actions during the litigation and the issuance of the fraudulent \$19 billion judgment.

Chevron Corporation is one of the world's leading integrated energy companies, with subsidiaries that conduct business worldwide. The company is involved in virtually every facet of the energy industry. Chevron Corporation's subsidiaries explore for, produce and transport crude oil and natural gas; refine, market and distribute transportation fuels and lubricants; manufacture and sell petrochemical products; generate power and produces geothermal energy; provide energy efficiency solutions; and develop the energy resources of the future, including biofuels. Chevron Corporation is based in San Ramon, California. More information about Chevron is available at [www.chevron.com](http://www.chevron.com).

source: Chevron Corporation

18/09/2013