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## Chevron Condemns Illegitimate Decision by Ecuador Appellate Court

SAN RAMON, Calif., January 3, 2012 – Chevron Corporation (NYSE: CVX) today announced there has been an adverse ruling by the panel of three temporary judges presiding over appellate proceedings in the Provincial Court of Justice of Sucumbíos in Lago Agrio, Ecuador in an environmental lawsuit involving Texaco Petroleum Company, upholding a lower court's ruling from February 2011.

Chevron continues to seek recourse through legal proceedings outside of Ecuador. In the arbitration proceedings Chevron instituted against Ecuador in The Hague under the U.S.-Ecuador Bilateral Investment Treaty, the Tribunal issued an order on February 9, 2011 requiring Ecuador to take all measures at its disposal to prevent enforcement of the Lago Agrio judgment until further order of the Tribunal. The Tribunal also recorded that if it were established that any judgment made by an Ecuadorian court in the Lago Agrio case was a breach of an obligation Ecuador owed to Chevron as a matter of international law, any loss arising from the enforcement of such judgment (within and without Ecuador) may be losses for which Ecuador would be responsible to Chevron under international law. Chevron also is pursuing an action in the U.S. District Court for the Southern District of New York against the Lago Agrio plaintiffs' representatives for violations of the federal racketeering statute, common-law fraud, and other relief based upon the overwhelming evidence of their fraud and corruption.

In response to the ruling, Chevron issued the following statement:

"Today's decision is another glaring example of the politicization and corruption of Ecuador's judiciary that has plagued this fraudulent case from the start. The Lago Agrio judgment was procured through a corrupt and fraudulent scheme, much of which was captured on film and memorialized in the plaintiffs' representatives' own emails and correspondence. Their misconduct includes fabricating expert reports, manufacturing evidence, bribing and colluding with court officials, waging a campaign of intimidation against judges, and even ghostwriting parts of the verdict itself.

"Evidence of these crimes has been provided to Ecuador's courts and prosecutors, but authorities there have taken no corrective actions. In the United States, however, no less than eight federal judges have found that the trial in Ecuador has been marred by the fraud and misconduct of the plaintiffs' representatives. And an international Tribunal presiding in the Permanent Court of Arbitration in The Hague has ordered Ecuador to take all measures at its disposal to suspend enforcement of the Lago Agrio judgment within and without Ecuador.

"Chevron does not believe that the Ecuador ruling is enforceable in any court that observes the rule of law. The company will continue to seek to hold accountable the perpetrators of this fraud."

### Background

Information on Chevron's appeal can be found [here](#). Chevron is defending itself against false allegations that it is responsible for environmental and social harms in the Amazon region of Ecuador. Chevron has never

conducted oil production operations in Ecuador, and its subsidiary, Texaco Petroleum (TexPet), fully remediated its share of environmental impacts arising from its participation in an oil producing consortium with Petroecuador prior to 1992. After the remediation work was certified by all agencies of the Ecuadorian government responsible for oversight, TexPet received a complete release from Ecuador's national, provincial and municipal governments prior to being acquired by Chevron in 2001. Petroecuador was the majority owner of the consortium in which TexPet participated until 1992 and has been the sole owner of greatly expanded oil operations in the former concession area over the past two decades. Last month, Petroecuador announced it will complete its remediation of the sites it is responsible for at a cost of \$70 million. This figure stands in contrast to the multi-billion dollar judgment affirmed today.

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