Chevron Earnings Fall

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NEW YORK (AP) — Chevron profit fell 32 percent in the fourth quarter on lower oil and gas production and lower prices for refined fuels relative to the cost of crude.

Chevron Corp. reported Friday net income of $4.93 billion on revenue of $53.95 billion for the final three months of 2013. That's down from net income of $7.25 billion on revenue of $56.25 billion during the same period of 2012.

The nation's second-biggest oil company earned $2.57 per share, a penny less than analysts polled by FactSet had expected. Chevron shares were down 3 percent to $112.93 as the market opened.

Chevron had signaled that results would be relatively weak in a recent update for investors, and the company met those diminished expectations, says Brian Youngberg, an analyst at Edward Jones. He called the results "not disappointing, but more like mediocre."

Despite the U.S. oil and gas boom, Chevron's domestic production fell 4 percent in the quarter as increases in Pennsylvania and Texas were offset by declining production in older fields. Chevron's international production fell 3 percent in the quarter.

Chevron, based in San Ramon, California, has been championed by investors in recent years for providing the best growth among major integrated oil companies. But growth stalled last year and the company said Friday that production would rise less than 1 percent in 2014. Better growth is now expected in 2015 and 2016.

This even though Chevron spent $41.9 billion on new projects around the world in 2013, a record for the company, up from $34.2 billion in 2012.

Youngberg says while it's frustrating to see the growth pushed back, he does expect it to come.

"(Chevron) was hitting on all cylinders for quite a while there, but since the fall they've lagged," he said.

Chevron's refining earnings fell 58 percent compared with a year ago, because the prices received for refined fuels and chemicals were low compared to the cost of the crude oil used to make them.

Refining margins did improve slightly compared to the third quarter, however, which suggests the market may be improving for Chevron.

For all of 2013, Chevron earned $21.42 billion, or $11.09 per share on revenue of $220.16 billion. That's down from net income of $26.18 billion, or $13.32 per share, on revenue of $230.59 billion in 2012.

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