

ELEMENTS

CHEVRON PHILLIPS CHEMICAL COMPANY LP (CHEVRON PHILLIPS CHEMICAL)

Your Health, Wealth and Career



Chevron Phillips Chemical offers you a comprehensive, competitive Total Rewards program. You have seen information about this program — known as My Total Advantage Benefits — in previous communications. This program is designed to help you achieve your goals in three key areas:

HEALTH	Comprehensive health (medical, dental, EAP), life and disability insurance benefits and the resources to achieve overall wellness.
WEALTH	Competitive base pay and bonus opportunities, plus retirement benefits to help you prepare for a secure financial future — the Retirement (Pension) Plan, 401(k) Savings and Profit-Sharing Plan and Retiree Reimbursement Account.
CAREER	On-site learning and development opportunities, training and tuition reimbursement.

Chevron Phillips Chemical wants you to take full advantage of all that the Company offers. This newsletter focuses on providing you with more information on your Chevron Phillips Chemical Wealth benefits and directs you to the resources available to help answer your questions. Why provide a whole newsletter about your Wealth benefits? Because we've heard from you on several occasions that this segment of your Total Rewards can be confusing and difficult to understand ... and it is! That's why we want to help unravel some of the mystery so you are prepared to maximize your wealth accumulation opportunities.

HOW CHEVRON PHILLIPS CHEMICAL HELPS YOU ACCUMULATE WEALTH



Your Chevron Phillips Chemical Wealth benefits and additional wealth sources work together to help provide you with financial security now (if needed) and at retirement.

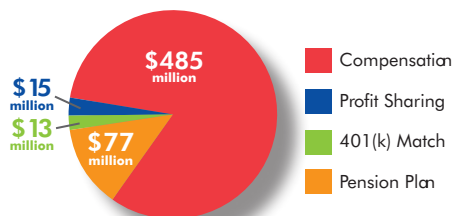
WEALTH BENEFITS AT A GLANCE	
Compensation	<ul style="list-style-type: none"> Salary and incentives that let you spend some now and save some for later
Retirement (Pension) Plan	<ul style="list-style-type: none"> Plan designed to supplement Social Security benefits and personal savings based on your salary and years of service Company makes all contributions; no cost to you
401(k) Savings and Profit-Sharing Plan	<ul style="list-style-type: none"> Plan designed to give you the opportunity to save for the future on a tax-deferred and/or after-tax basis The Company matches your contributions at \$0.75 for each \$1 you save up to 6% of pay, helping you to share financial responsibility for retirement with Chevron Phillips Chemical Profit-sharing contributions paid by the Company to reward you for Company performance; these contributions are also tied to the amount you save to further encourage you to participate (awarded 9 out of 9 years, from 2% to 7%)
Retiree Reimbursement Account (RRA)	<ul style="list-style-type: none"> The Company sets aside money to supplement retirement income for eligible retirees Used to pay qualified medical expenses and premiums Company-funded based on years of continuous service; no cost to you
ADDITIONAL WEALTH SOURCES	
Social Security	<ul style="list-style-type: none"> Government plan designed to provide a basic benefit at retirement The Company matches your required Social Security contributions Benefit based on career average earnings and age when benefits begin
Personal Savings	<ul style="list-style-type: none"> Your opportunity to supplement your Social Security, pension, 401(k) and RRA income in retirement

When you add up all the Wealth benefits you receive from Chevron Phillips Chemical — competitive base pay and incentive pay, a retirement benefit that can provide 35% - 50% replacement of your pre-retirement income in retirement, plus 401(k) savings and profit-sharing contributions that may be able to replace another 50% — the benefits of working at Chevron Phillips Chemical are clear.

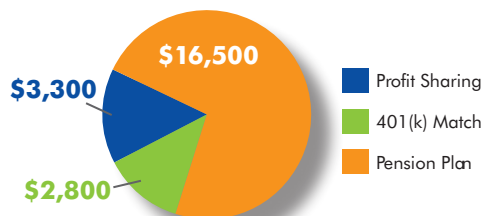
WHAT'S IT WORTH?

We know from our employee research that your Total Rewards are important to you. Sometimes it's hard to place a dollar value on such things as your benefits.

Below is a summary of where Chevron Phillips Chemical spent its Total Rewards Wealth dollars in 2010.



In addition to Compensation, Chevron Phillips Chemical employees received the following Wealth benefits on an annual average, per-employee basis:



Thinking of Retiring? Things to Consider



For years you've looked forward to "retirement," whatever that means to you personally. Perhaps retirement represents the end of your working life ... or a new beginning in a different field. Or perhaps it means travel or volunteering, or both!

Maybe you, like many others, are considering delaying retirement until the economy is more stable and you're more confident in your financial ability to retire. At Chevron Phillips Chemical, we believe that talent retention is key to our Company's success and want to ensure employees are aware that there are several financial positives to delaying retirement:

- You will have more time to prepare and set money aside to meet your needs, including a portion of your base pay and annual bonus payout.
- You will reduce the number of years you will draw from your retirement funds, including Social Security, making benefits go farther and last longer. Typically, deferring payment means you receive a larger benefit.
- You can keep your Chevron Phillips Chemical active employee health care benefits as long as you remain employed.

Preparing for retirement doesn't just mean accumulating wealth to make your retirement everything you wish it to be, it also means considering your long-term health care costs. As you have no doubt heard, health care costs are on the rise. According to Fidelity's annual Retiree Health Care Costs Estimate, a 65-year-old couple retiring in 2010 will need more than \$250,000 to cover health care costs during their retirement — or roughly \$6,250 per person per year. And that is just using average life expectancy data — many people will live longer and have higher costs.



Chevron Phillips Chemical provides a Retiree Reimbursement Account and offers access to the retiree medical plan to help ease the cost of paying for health care in retirement. However, the Company's active medical plan provides the same coverage at a much lower cost while you remain employed. On average, the Company paid more than \$10,400 per employee to provide medical and dental coverage in 2010. For more details on the active and retiree medical plans, please see your Summary Plan Descriptions and Retirement Guide at www.benefitium.com.



A Primer on the Chevron Phillips Chemical Retirement Plan

Pension plans are complicated, especially plans for joint venture companies such as Chevron Phillips Chemical, where the legacy parent companies provided different benefits. Below is a high-level, “plain English” explanation of your pension benefit. If you came to Chevron Phillips on January 1, 2001 directly from one of the parent companies, you also may be eligible for one or more legacy uplift benefits as detailed in the next section.

STEP 1: CALCULATE YOUR BENEFIT ANNUITY VALUE

Your pension benefit, not including legacy uplift benefits (discussed later), is made up of two components: a Career Average Pay Benefit (about 90% of your benefit value), plus a Variable Annuity Benefit (about 10% of your benefit value). Let’s take a look at each component.

Career Average Pay and Variable Annuity

Here’s a quick summary of the steps involved in calculating your benefit.

	CAREER AVERAGE PAY BENEFIT	VARIABLE ANNUITY BENEFIT
Formula	1.5% of your eligible compensation for each year you participate in the plan	1% of your eligible compensation each year you participate in the plan
What the Formula Calculates	The formula calculates the amount payable under the life annuity form of payment (i.e., you receive this amount each year for life); however, this benefit is also available as a lump sum	This is a lump sum added to your account You receive this amount as a one-time payment; however, this benefit is also available as an annuity
How the Benefit Grows	Accrued monthly Grows based on vesting service and any increases in eligible compensation	Accrued monthly Your balance accrues interest credits each month based on the plan’s Variable Annuity Index The Variable Annuity Index is based on a hypothetical investment mix that is 50% invested in the Barclays Capital Aggregate Bond Index and 50% invested in the S&P 500 Index, with a minimum rate of 3% per year Success Sharing, if any, is applied to your entire December 31 balance each year
Effect of Stock Market	The Career Average Pay Benefit is not affected by the stock and bond markets; your benefit will grow the same in any case	If the stock and bond markets perform well, your benefit grows at a higher pace

Let’s take a look at an example of how each component can accumulate each year. This example assumes the employee was hired at age 45 and — at age 52 — has a starting Career Average Pay Benefit of \$5,000 and a starting Variable Annuity Benefit of \$3,500.

AGE AT THE BEGINNING OF THE YEAR	COMPENSATION* (WITHOUT SALARY INCREASE FOR SIMPLIFICATION)	CAREER AVERAGE PAY ACCRUAL (1.5%)	CAREER AVERAGE PAY ACCUMULATION (PAYABLE ANNUALLY)	VARIABLE ANNUITY ACCRUAL (1%)	INTEREST (3% ASSUMED)	SUCCESS SHARING (4% ASSUMED)	VARIABLE ANNUITY BENEFIT (PAYABLE ONCE)	VARIABLE ANNUITY BENEFIT (PAYABLE ANNUALLY)**
52	\$50,000	\$750	\$5,750	\$500	\$112.44	\$164.50	\$4,276.94	\$542.07
53	\$50,000	\$750	\$6,500	\$500	\$135.75	\$196.51	\$5,109.20	\$623.07
54	\$50,000	\$750	\$7,250	\$500	\$160.72	\$230.80	\$6,000.72	\$702.66

* Compensation includes base pay and EIP bonus.

** The age 65 annuity amount is calculated using “Not Early Retirement Eligible” lump sum factors from page 3 based on the age at the end of the year.

If you elect a lump sum, the Career Average Pay Benefit will be converted to a lump sum by multiplying \$7,250.00 by the appropriate lump sum factor.

If you elect an annuity, the Variable Annuity Benefit will be converted to an annuity by dividing \$6,000.72 by the appropriate lump sum factor.

In addition, if you came to Chevron Phillips on January 1, 2001 from one of the parent companies, you may be eligible for one or more legacy uplift benefits. These benefits are designed to make you whole for retirement benefits you may have otherwise forfeited by leaving the parent company.

Legacy Salary Uplift

This uplift is intended to make up for pay increases that would have been added to your retirement benefit if you had stayed at Chevron or ConocoPhillips rather than coming to Chevron Phillips Chemical on January 1, 2001.

The salary uplift approximates the difference between the benefit Chevron or ConocoPhillips will pay at your Normal Retirement Date for your service through December 31, 2000, and what that benefit would be if it were based on your final average earnings, considering the highest consecutive 36-month average pay during both your Chevron Phillips Chemical and parent company years of service.

Legacy Early Retirement Uplift


If you retire early, this uplift is intended to replace the early retirement benefits you may have received if you remained at a parent company instead of joining Chevron Phillips Chemical. This benefit applies if you were not early retirement eligible when you left the parent company. Please note that the uplift begins when you are eligible for early retirement (based on parent company’s plan rules) and diminishes as you approach age 65, the plan’s normal retirement age. However, the other components of your benefit typically increase while you remain employed and outweigh the decrease in your Legacy Early Retirement Uplift.

STEP 2: APPLY EARLY RETIREMENT REDUCTION FACTORS TO YOUR ANNUITY VALUE

Your annuity benefit value is reduced by varying amounts as shown below:

IF YOUR AGE AND SERVICE ON YOUR BENEFIT START DATE ARE	YOUR CAREER AVERAGE PAY BENEFIT PAYABLE IS ...	YOUR VARIABLE ANNUITY BENEFIT PAYABLE IS ...
65 or older with 3 or more years of vesting service	Unreduced	Unreduced
62 to 64 with 10 or more years of vesting service	Unreduced	
55 to 61 with 10 or more years of vesting service	Your benefit payable at age 65, reduced for early payment by 5% for each year between ages 55 and 62, and actuarially reduced* before age 55	
Under 55 with 25 or more years of vesting service	Your benefit payable at age 65, actuarially reduced* for early payment	
Any age with 3 or more years of vesting service	Your benefit payable at age 65, actuarially reduced* for early payment	

* The actuarial reduction is generally more than 5% per year.




For more information about legacy benefits, check out the online presentation described on page 3.

To see how this works, let’s continue with the above example for the individual age 55 with 10 years of service. His annual Career Average Pay Benefit commencing at age 55 is calculated like this:

$$\$7,250 \times 65\% = \$4,712.50$$

* 65% = 100% - (5% x 7 years; 7 years from age 55 to 62)



For a graph detailing early retirement reduction factors for various age ranges, check out the online presentation described on page 3.



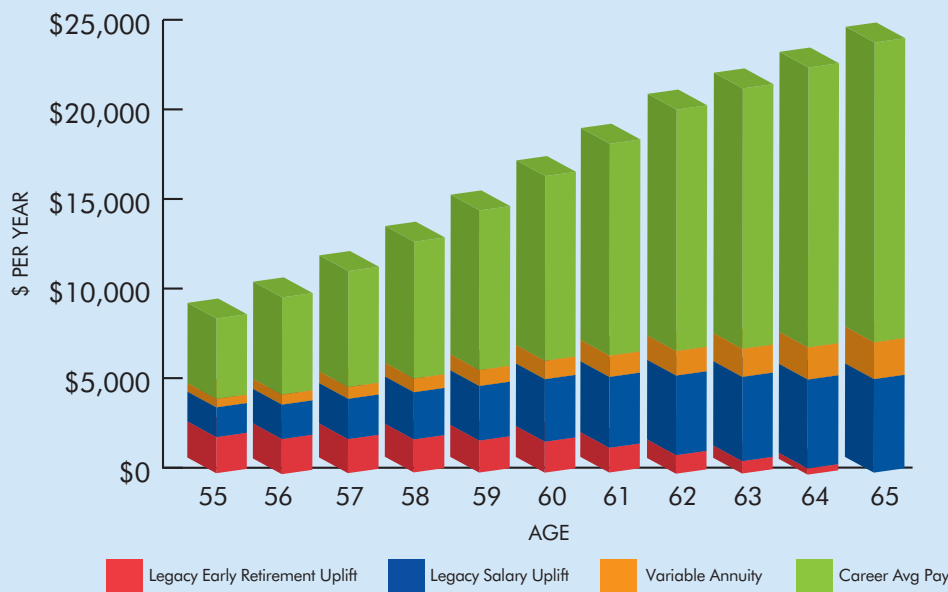
Prefer an Interactive Resource?

Prefer to learn about your Wealth benefits another way? Access our animated retirement presentation at www.benefitium.com.



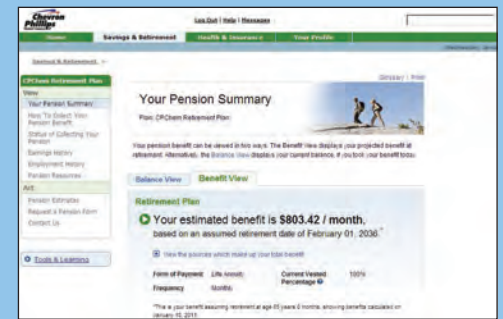
How Your Retirement Benefit Grows Over Time

The following chart shows how the various pieces of your retirement benefit work together to form your total annual benefit. The example assumes 22 total years of prior service, including service with a legacy company, earnings of \$50,000 in 2010 and 3% pay increases each year up to retirement. The benefit shown is an annual annuity reduced for early commencement.



Want to Know Your Benefit Value?

Log on to NetBenefits at www.netbenefits.com and click on "CPChem Retirement Plan" to find your pension annuity and lump sum values. The Accrued Benefit and Account Balance tabs display your benefit at age 65. Click on "Pension Estimates" to calculate your benefit using your own assumptions.



Lump Sum Factors Used to Calculate Your Benefit

The chart below shows the factors used to convert your benefit into a lump sum for the first quarter 2011, assuming an interest rate of 3.77%. Factors vary based on whether you are eligible for early or normal retirement.

AGE	EARLY RETIREMENT ELIGIBLE*	NOT EARLY RETIREMENT ELIGIBLE**
45	19.65	5.79
46	19.39	6.01
47	19.13	6.25
48	18.86	6.49
49	18.58	6.75
50	18.29	7.01
51	17.99	7.29
52	17.69	7.58
53	17.38	7.89
54	17.06	8.2
55	16.73	8.54
56	16.39	8.89
57	16.05	9.26
58	15.7	9.65
59	15.35	10.06
60	14.99	10.49
61	14.62	10.95
62	14.26	11.45
63	13.88	11.97
64	13.51	12.53
65	13.14	13.14

* Applied to immediate commencement benefit after any reductions have been applied
 ** Applied to the age-65 unreduced accrued benefit

STEP 3: CONVERT YOUR BENEFIT TO A LUMP SUM

Now that you know how your annuity benefit value is determined, which is the foundation of your pension benefit, we will explain the variables that influence your lump sum. To calculate your lump sum, simply multiply your annuity value by the lump sum factor (see table at right).

Your lump sum factor is based on the mortality table, your age and the interest rate in effect at your benefit commencement date (which is not necessarily the same as your retirement date). The mortality table and your age at your benefit commencement date determine the duration of the expected benefit payments, while the interest rate determines the time value of money. The mortality tables and interest rates are provided by the IRS. The mortality table changes annually while the interest rate changes quarterly.

The interest rate is the average 30-year U.S. Treasury rate for the fourth month before the calendar quarter of your distribution. The interest rate in effect for benefit commencement dates of January 1st, February 1st and March 1st, 2011 is 3.77%. Here is a quick "rule of thumb" for figuring out how a change in the interest rate will impact your lump sum benefit:

- For every 1% the **interest rate increases**, your lump sum benefit will decrease by about 10%.
- For every 1% the **interest rate decreases**, your lump sum benefit will increase by about 10%.

This rule of thumb only takes the changing interest rates into consideration. It does not account for any increased benefit value due to accruing additional benefits, reductions due to early retirement, or

changes in age. In addition, this rule of thumb applies only to the Retirement Plan and does not factor in all other compensation and benefits that you no longer receive once you retire.

To see how this works, again, let's use our participant from our previous examples.

Continuing with the example from page 2, the lump sum calculation for the early retirement eligible participant at age 55 with 10 years of vesting service is:

Career Average Pay:	
\$4,712.50 x 16.73* =	\$78,840.13
Variable Annuity:	\$ 6,000.72
Total Lump Sum:	<u>\$84,840.85</u>

* Based on the chart at right for age 55 and Early Retirement Eligible.

Let's see how the lump sum would be calculated if the participant does not have 10 years of vesting service, and is therefore not eligible for early retirement. We'll use his unreduced benefit from the example. We'll then apply the "Not Early Retirement Eligible" lump sum factor from the table to the right. (This factor has a built-in lump sum actuarial reduction). Here's how the age 55 lump sum is calculated:

Career Average Pay:	
\$7,250.00 x 8.54** =	\$61,915.00
Variable Annuity:	\$ 6,000.72
Total Lump Sum:	<u>\$67,915.72</u>

** The lump sum factor (see chart at right) for age 55 and Not Early Retirement Eligible.

ESTIMATE YOUR PENSION BENEFIT

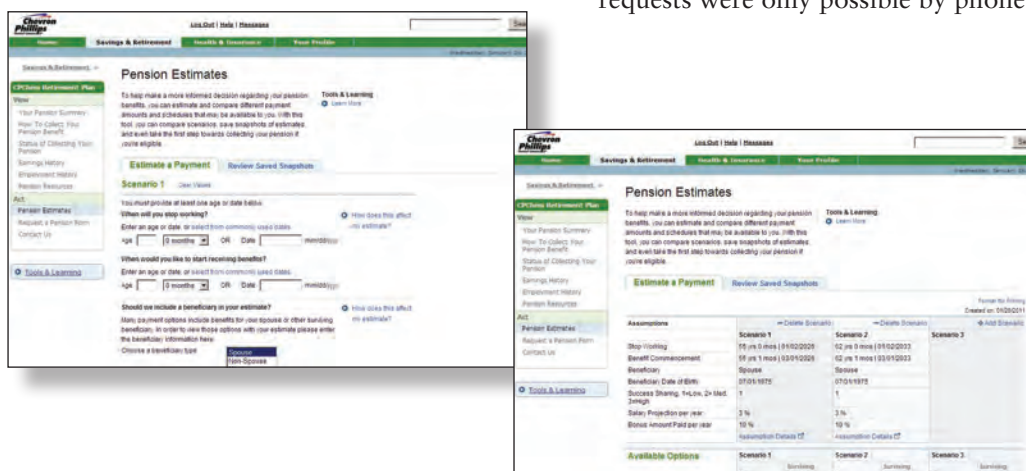
To estimate your Chevron Phillips Chemical Retirement Plan benefit for scenarios based on your assumptions, log on to Fidelity NetBenefits and click on “CPCChem Retirement Plan” and then “Pension Estimates.” Using the estimator is straightforward, but please keep the following in mind:

- Your benefit commencement date must always fall on the first day of a month and it must be at least one day after your last day worked.
- The interest rate used to calculate your lump sum benefit is determined based on your benefit commencement date, not your retirement date.

- The estimator asks you to input “Annual Success Sharing” estimates. This input refers to the annual Success Sharing contribution made at the Company’s discretion to your Variable Annuity account. 1=Low, 2= Med, or 3=High represent 0%, 5%, and 10% annual increases in your year-end Variable Annuity balance, respectively.

Also, Fidelity has recently made several enhancements to the Pension Benefit Estimator tool; you now have the ability to:

- Save calculation scenarios and view your calculation activity, both for calculations done on NetBenefits and through the Chevron Phillips Retirement and Savings Center.
- Request a calculation and retirement kit online to be mailed to your home. In the past, these requests were only possible by phone.



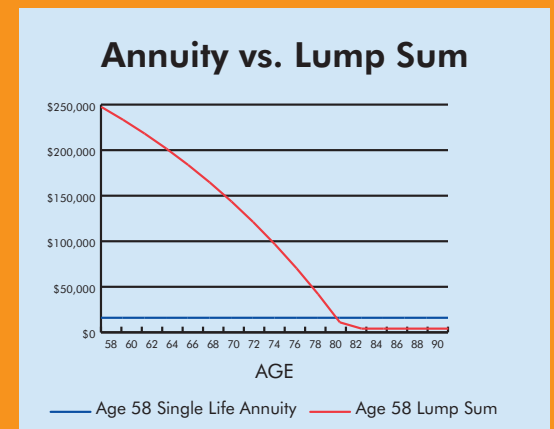
How Your Lump Sum “Floor” as of December 31, 2012 will be Calculated

The December 31, 2012 lump sum “floor” will be based on your accrued benefit through December 31, 2012, using the lump sum interest rate in effect for the 4th quarter of 2012.

Annuity vs. Lump Sum: Which is Right for You?

Let’s assume you are 58 years old, have 25 years of service and career average earnings of \$50,000. If you retire and choose to receive an annuity, you receive \$16,000/year (or \$1,333/month). However, if you take a lump sum you will receive a one time, immediate payment of \$250,000.

If you put your lump sum in the bank or in an investment earning 4% annually and only withdraw \$16,000 annually, the chart below shows when your revenue stream would be depleted and you would have no further pension income.



Top Myths about the Retirement Plan

When we conducted employee focus groups late last year, we learned that the Retirement Plan is one of the benefits employees value the most — but understand the least. Let’s take a closer look at several “Retirement Plan myths” we heard and help “debunk” the misconceptions.

Myth #1: “The lump sum payment option is going away in 2012”

The lump sum payment option is not going away in 2012; however, the way the interest rate is determined for the calculation will be changing effective January 1, 2013 based on lump sum interest rate guidelines of the Pension Protection Act (PPA). The Retirement Plan was designed to help protect your accrued benefits, so the lump sum value of your pension benefit will never be lower than it is on December 31, 2012. In addition, the annuity value of your pension benefit will continue to grow as long as you remain with the Company.

In general, lower interest rates result in higher lump sum benefits and vice versa. Watch for additional information regarding the interest rate conversion.

Myth #2: “If you are receiving an annuity and the Company goes through hard times, you could lose your pension”

The plan is well funded at this time and it is the Company’s intention to keep the plan well funded in the future. However, you should know that should the plan terminate (end), your pension benefits are insured by the Pension Benefit Guaranty Corporation (PBGC) whether you are already retired or are still an active employee. If the Company cannot meet its pension obligations, the PBGC will step in and take over the plan. Under the current PBGC program, a vast majority of participants will receive all of the pension benefits they would have received under the plan.

The PBGC guaranty generally covers:

- Normal and early retirement annuity benefits,
- Disability benefits if you become disabled before a plan terminates, and
- Certain benefits for your survivors.

The Company does not anticipate the need for the PBGC to ever step in, but if it’s necessary, in most cases your benefits are fully protected.

Myth #3: “It’s always better to take a lump sum rather than an annuity”

The payment option that is best for you depends on your personal situation. The plan formula calculates a monthly benefit for your lifetime, called a single life annuity. This is the default form of payment for single participants. There are several joint and survivor annuity options, which ensure a continuing benefit for your survivor after your death. The 50% joint and survivor annuity is the default form of payment for married participants. Married participants may choose an alternate option with spousal consent. There is also the lump sum option, which is a single payment of the entire equivalent actuarial value of your benefit.

You should consider the following when you are deciding between the annuity and lump sum options:

- Do you have a spouse or another person you want to continue to receive benefits after your death? If so, an annuity with survivor benefits may be the best option for you.
- Do you feel comfortable investing money and confident in your ability to generate long-term returns that are generally higher than the rate the plan uses to calculate lump sums? If so, maybe the lump sum is a good option. If not, perhaps you should consider an annuity.
- Are you (and your spouse) healthy? Do you expect to live longer than the average assumed by the mortality table used by the plan — about age 85? If the answer is yes, an annuity may be appropriate to ensure you do not outlive your retirement income.

See the box “Annuity vs. Lump Sum,” above, for a comparison of your lump sum and annuity options.

RRA Primer

Another benefit that Chevron Phillips Chemical offers to eligible retirees is the Retiree Reimbursement Account (RRA). Your RRA amount is equal to: \$1,300 times your years of continuous service if you are unmarried at retirement; or \$2,500 times your years of continuous service if you are married at retirement, and your account earns a market rate of interest once it is established. You may use the money in your account to purchase coverage under the Company’s plans (COBRA or retiree) or private health care plans; or to pay eligible out-of-pocket health care expenses that your health plans don’t cover.




The eligibility ages and service criteria for the RRA are similar to those for the Retirement Plan; however, the service used for the RRA is “continuous service” rather than “vesting service.” Continuous service is sometimes less than vesting service due a difference in the treatment of temporary breaks such as leaves of absence, etc., so before retiring, be sure you have enough continuous service to receive an RRA.

Coverage under the RRA for you and your covered dependents ends on the earlier of your death if unmarried at retirement, your surviving spouse’s death, the date your surviving spouse remarries, the date your account funds are exhausted, or the date you enroll in one of the parent company’s retiree medical and/or dental plans.

Wages Eligible under Wealth Plans

Under the 401(k) Savings and Profit-Sharing Plan, your eligible pay includes your base pay plus any shift differentials, regularly scheduled overtime (applies only to hourly shift operations employees), unscheduled overtime, holiday pay, sick pay, vacation pay and call-out pay. For purposes of the Company match and profit-sharing contributions to the plan, eligible earnings do not include unscheduled overtime, premium pay or call-out pay.


 Employee Incentive Plan (EIP) bonuses are not part of your eligible pay under the 401(k) Plan.

For the Retirement (Pension) Plan, your eligible pay includes your base pay plus any EIP bonus payments, shift differentials, regularly scheduled overtime, holiday pay, sick pay and vacation pay.

None of the following are considered to be eligible pay under the Retirement or 401(k) Savings and Profit-Sharing Plans: Any relocation pay, education reimbursements, premium pay, vacation lump sum payments and/or cash rewards.

Thinking About Retiring Soon?

Contact the Chevron Phillips Retirement and Savings Service Center at 1-866-771-5225 up to 180 days before you want to retire to ask for a benefit estimate and your retirement packet.

 Send your completed request for retirement to Fidelity at least 30 days before the date you wish benefit payments to begin (your benefit commencement date). If your retirement forms are received by Fidelity in good order later than 30 days prior, but still prior to the requested benefit commencement date, your requested benefit commencement date will be honored but the payment may be delayed.

Retirement payments are normally issued 45 to 60 days after your benefit commencement date, but your first payment will be retroactive to the date you asked for benefits to begin. This delay is to ensure all earnings are incorporated into your final retirement calculation.

 For a step-by-step overview of the retirement process, click on "Benefit Guides & Online Tools" at www.benefitium.com and view the "2011 Retirement Guide."

Accumulate Wealth Faster: Take Advantage of the Opportunities Available in the 401(k) Savings and Profit-Sharing Plan

The 401(k) Savings and Profit-Sharing Plan offers many advantages. Are you missing out? Read on for the highlights.

FLEXIBLE TO MEET YOUR NEEDS

You can make pre-tax, Roth after-tax and/or Medical Savings Account (MSA) after-tax contributions, depending on your personal needs. The table below highlights how these contribution options compare:



	PRE-TAX CONTRIBUTIONS	ROTH AFTER-TAX CONTRIBUTIONS	MSA AFTER-TAX CONTRIBUTIONS
Contribution Type	Contributions reduce your current taxable income.		Contributions do not reduce your current taxable income.
Contribution Limits			
• Employee Contributions	You may contribute up to 40% of your base pay (16% for highly compensated employees). The IRS limits your 2011 contributions to \$16,500 in combined pre-tax and/or Roth after-tax contributions.		Total contribution limit (see Total Contributions bullet below) applies.
• Employee Catch-up Contributions	If you will be at least age 50 at any time in 2011, you may make catch-up contributions of up to \$5,500 in 2011. These contributions may be made on a pre-tax or Roth after-tax basis, or any combination of the two.		Not applicable.
• Company Matching Contributions	The Company makes a matching contribution of \$0.75 for every \$1 of eligible earnings you contribute on a pre-tax and/or Roth after-tax basis, up to 6% of eligible earnings.		Not applicable, not matched.
• Company Profit Sharing Contributions	Profit-sharing contributions to your account are based on the Company's performance. Profit-sharing contributions may range from no contribution to \$1 for each \$1 of eligible earnings you contributed to the Plan during the year on a pre-tax and/or Roth after-tax basis, up to 8% of your eligible earnings.		Not applicable, not matched.
• Total Contributions	The IRS limits combined annual employee (pre-tax, Roth after-tax and MSA) and Company (matching and profit-sharing) contributions to \$49,000 in 2011, excluding employee catch-up contributions.		
Taxes and Distributions			
	Taxes are deferred until you take a distribution.	You pay income taxes when you make contributions.	You pay income taxes when you make contributions.
	You pay ordinary income taxes on contributions and earnings when you receive a distribution.	No taxes are paid on earnings received as a part of a qualified distribution (i.e., at least five years after your first Roth after-tax contribution and after you reach age 59½, become disabled or die).	You do not pay income taxes on your contributions upon distribution. However, you or your beneficiary will owe taxes on accumulated earnings.
	You may owe a tax penalty if a distribution is taken before age 59½ or the date you become disabled or die.	You may owe a tax penalty if a distribution is not qualified.	You may owe a tax penalty if a distribution is taken before age 59½ or the date you become disabled or die.
Investment Funds			
	You may invest your account balance and contributions in any of the 26 investment fund options (including 13 different Fidelity Freedom Fund offerings) in the plan or through the Fidelity Brokerage Link option (see page 6 for more information).		

CONSIDER MAKING PRE-TAX CONTRIBUTIONS IF:	CONSIDER MAKING ROTH AFTER-TAX CONTRIBUTIONS IF:	CONSIDER MAKING MSA AFTER-TAX CONTRIBUTIONS IF:
<ul style="list-style-type: none"> You expect to be in a lower tax bracket in retirement. If you earn a higher income now, deferring taxes on your retirement contributions until you're in a lower tax bracket may be the right decision for you. You need to maximize your take-home pay. Pre-tax contributions are deducted from your paycheck before taxes are assessed, so these contributions reduce your total tax liability, potentially providing you with more take-home pay. You want to take a distribution at age 59½. When you make pre-tax contributions, you can begin taking distributions without tax penalty at age 59½, or in the event of your death or disability. You should consult your tax advisor for more information. 	<ul style="list-style-type: none"> You are just beginning your career and are in a lower tax bracket. Paying taxes on your contributions now may provide you with more tax-free cash in retirement when your income tax rate may be higher. Be sure to re-evaluate your savings strategy as your salary increases; at some point, it may be beneficial to switch to pre-tax contributions. You can afford to maximize your contributions and save up to the IRS limits, even on an after-tax basis. Since earnings accumulate tax-free rather than simply tax-deferred, a qualified Roth distribution could provide more cash at retirement than a traditional, pre-tax distribution would. You want to leave tax-free money to your heirs. Your beneficiaries may be able to receive your Roth account tax-free. Consult your tax advisor for more information. You want to delay required distributions. Roth after-tax balances that are rolled over to a Roth IRA may provide more flexibility in the amount and timing of distributions following your retirement. 	<ul style="list-style-type: none"> You want to set aside money to help pay medical expenses after you retire and defer payment of income taxes on the earnings on your investments within the account. You can use the money in your MSA for medical and other health care expenses (including health care plan premiums) that you'll face during retirement, or for any purpose after you retire or terminate employment with the Company. If you die and your beneficiary is your spouse, he or she may use this account as an MSA or may elect to receive the value of the account as a cash payment.

FREE MONEY FROM CHEVRON PHILLIPS CHEMICAL

If you're not saving at least 6% of your eligible earnings each paycheck in the plan, you're missing out on free money. The Company makes a matching contribution of \$0.75 for every \$1 of eligible earnings you contribute on a pre-tax or Roth after-tax basis, up to 6% of eligible earnings. In addition, if the Company makes a profit-sharing contribution in a given year, it will match up to \$1 for every \$1 you contribute, up to 8% of eligible pay!

You are vested in your own contributions immediately and are 100% vested in the Company contributions after only three years of eligible vesting service.

The chart below shows how maximizing Company contributions can make a difference, and how adding just 2% more — going from 6% to 8% — can make a big difference when the Company adds the maximum profit-sharing contribution.

We know that increasing your contribution can have an immediate impact on your day-to-day cash flow. However, you can change your contribution at any time if circumstances change. So even if you can't increase your contribution today, you can change it when you're ready, perhaps the next time you receive a salary increase.

The examples below assume the participant has eligible earnings of \$50,000 and receives a Company profit-sharing contribution equal to \$1 for each \$1 saved up to 8%.

How Maximizing Company Contributions Adds to Your Account (Maximum Payout Year)

	SAVING 3%	SAVING 6%	SAVING 8%
Payroll deductions	\$1,500	\$3,000	\$4,000
Company matching contribution	+1,125	+2,250	+2,250
Company profit-sharing contribution, if awarded	+1,500	+3,000	+\$4,000
Total addition for the year	\$4,125	\$8,250	+\$10,250
Annual difference (over saving 3%)	N/A	+\$4,125	+\$6,125

THE OPPORTUNITY TO PERSONALIZE YOUR INVESTMENT PORTFOLIO

You have a variety of investment options and approaches to choose from. The easiest way to effectively invest for retirement is to use the Fidelity Freedom Funds. Simply choose the fund with the date closest to when you want to retire, invest your full account balance and future contributions and you have a turnkey strategy.

However, if you prefer to determine your own allocation of investments, you can put together a portfolio using the core funds. If you need a reference point, look at the allocation of the Fidelity Freedom Fund closest to your retirement

date for the percentage that is placed in each asset class.

Fidelity can also assist you in developing a portfolio mix appropriate for you with a free one-on-one Portfolio Review, either on-line at NetBenefits or by calling 1-866-771-5225.


For sophisticated investors who would like access to funds beyond the plan's core options, there is a mutual fund window called "Brokerage Link." However, additional fees may apply when buying or selling certain investments using this service.

Profit Sharing Primer

The 401(k) Savings and Profit-Sharing Plan has a "share the wealth" feature that allows the Company to make a contribution to the plan based on Company performance.


To encourage you to save for retirement, the Company profit-sharing contribution, when made, is based on the amount you save in the plan — whether pre-tax, Roth after-tax or a combination of the two.

The profit-sharing contribution can range from no contribution up to \$1 for every \$1 you contribute to the plan on a pre-tax and/or Roth after-tax basis, up to a maximum of 8% of your 401(k) eligible wages. For example, if you make pre-tax and/or Roth after-tax contributions equal to 5% of your 401(k) eligible wages and the Company announces a 7% profit-sharing contribution for the year, your profit-sharing award will be limited to 5% of your 401(k) eligible wages.

 So if you can, it is best to contribute at least 8% to your 401(k) plan to ensure you receive the full contribution in a maximum payout year.

You must be an active employee on December 31 and must have made pre-tax and/or Roth after-tax contributions during that plan year to be eligible for a profit-sharing contribution for that plan year.

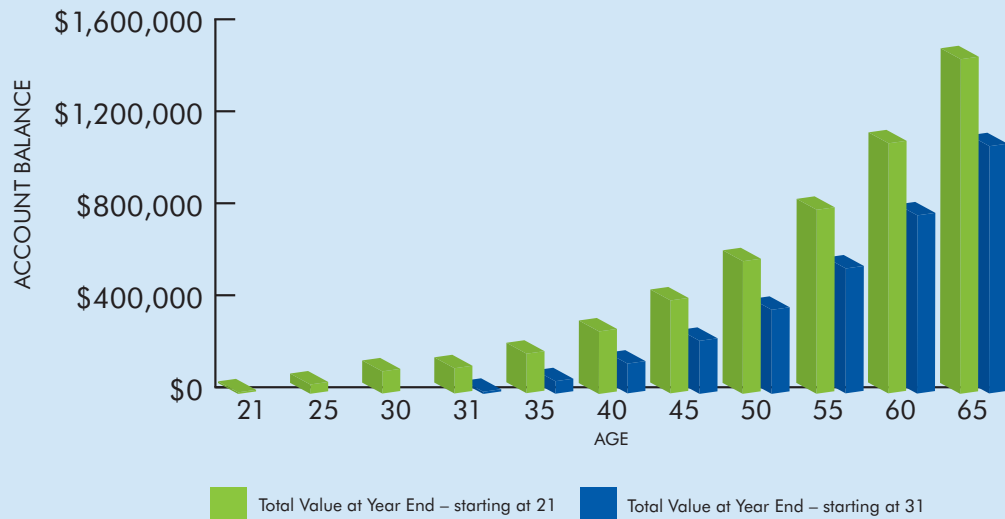
Maximizing Your 401(k) Company Match

 The Company match of \$0.75 per \$1 of eligible earnings, up to 6%, is made on a per-paycheck basis. As a result, to maximize your Company match, you should make sure your pre-tax and or Roth after-tax deferrals total at least 6% from each paycheck.

The Advantage of Starting Early with 401(k) Contributions

Even if you start small, over time your nest egg will grow. Let's compare the ending balances of two hypothetical participants at age 65, one who began saving at age 21 and one who began saving at age 31.

This hypothetical illustration assumes an annual salary of \$50,000 with 3% salary increases each year, a 6% pre-tax participant contribution, annual 4% profit-sharing contributions from the Company, and a 4% annual investment return.



As you can see, it pays to start early. The participant who began saving at age 21 has \$395,616 more at age 65 than the participant who started contributing just 10 years later. In fact, the age-31 participant would have to increase his/her annual contribution percentage to 11% to make up the difference.



One-on-One Portfolio Review

A one-on-one Portfolio Review is free, easy and can be an important step in ensuring you're invested appropriately based on your retirement goals. An experienced Fidelity representative, who is familiar with the 401(k) Savings and Profit-Sharing Plan, will talk to you about your retirement goals. Fidelity will help you identify an investment mix for all your retirement savings that balances safety, continued growth and flexibility, based on your needs. And if it's time to make a change, Fidelity can help you do it, right on the spot.

To schedule your one-on-one Portfolio Review:

- Call 1-866-771-5225, or
- Log on to Fidelity NetBenefits

Retirement and 401(k) Savings and Profit-Sharing Resources

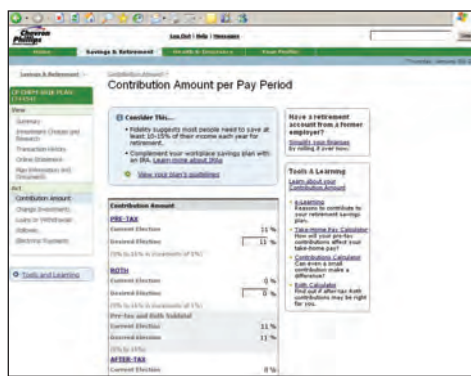
There are many tools on Fidelity NetBenefits under "Tools and Learning" to help you plan for retirement, no matter how soon that may be. Two particularly helpful resources are described below, although we encourage you to log on and use the tools that best meet your needs:

Contribution Calculator

Use the Contribution Calculator to see how much more you could accumulate in the Chevron Phillips Chemical 401(k) Savings and Profit-Sharing Plan over time by increasing the amount that you contribute from each paycheck. Even 2% more from your pay could make a big difference. Enter information about your current and proposed new contribution rate, anticipated pay increases, Company match, retirement time horizon, and investment returns, and see the difference for yourself.

Want to Change Your 401(k) Contribution Amount?

Log on to Fidelity NetBenefits and click on "Contribution Amount" to change your 401(k) deferral rate.



Retirement Income Planner

The Retirement Income Planner provides you with a rough assessment of the likelihood of success of your current retirement strategy. The tool uses a combination of information you enter, information automatically pulled from your Chevron Phillips Chemical and former employer 401(k) accounts

held at Fidelity (if any), your Chevron Phillips Chemical Retirement Plan balances, and historical market data. The tool can aid in exploring strategies for saving and investing that may help you to pursue your retirement goals.

Find More Information

For summary plan descriptions or for a step-by-step "2011 Retirement Guide," go to www.benefitium.com.

For answers to your personal retirement questions, call the Chevron Phillips Retirement and Savings Center at 1-866-771-5225.

Representatives are available between 8:30 a.m. and 8 p.m. Eastern time, Monday through Friday, except holidays.

If you think you are eligible for or have questions about legacy company retirement plan benefits, please contact them directly at:

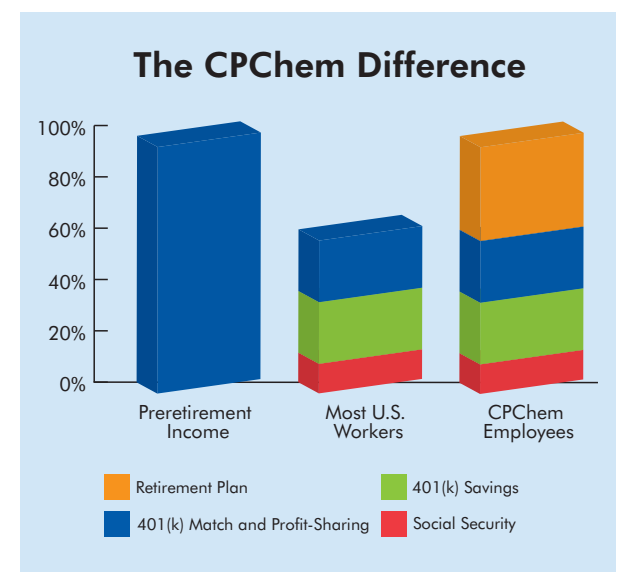
- Former Chevron employees: 1-888-825-5247
- Former ConocoPhillips employees: 1-800-622-5501

The Chevron Phillips Chemical Difference

To provide some perspective on your Chevron Phillips Chemical Wealth benefits, it makes sense to consider how your benefits compare to others in the U.S. When financial planners talk about wealth building, they often describe the goal in terms of "income replacement" at retirement. That is simply what you are earning right before you retire. Because most U.S.-based workers do not have a pension component to their retirement savings, they rely on their Social Security (the red bar on the chart to the right) and 401(k) savings (the green bar on the chart to the right) for retirement. Many U.S.-based workers also enjoy a company match in their 401(k) accounts that can get them up to about 62% income replacement.

But as a Chevron Phillips Chemical employee, you have not only 401(k) savings, match and profit-sharing opportunities, but you also have the Retirement Plan — shown in orange. The Retirement Plan alone provides from 35% to 50% pre-retirement income replacement! Add that to 401(k) Savings and Profit-Sharing Plan benefits, personal savings and Social Security, and you have the potential to replace from 97% to 112% of your pre-retirement income, as shown at right.

Of course, to take advantage of all these benefits, you have to save in the 401(k) Savings and Profit-Sharing Plan. If you are not doing so, consider starting today!





Chevron Phillips Chemical Benefits Service Center

P.O. Box 9735
Providence, Rhode Island 02940

Important Dates

- **February 28, 2011:** New Summary Plan Descriptions (SPDs) available at www.benefitium.com.
- **March 31, 2011:** Last day to file an FSA claim for 2010 eligible expenses.
- **Week of April 15, 2011:** Annual Funding Notices for Retirement (Pension) Plan mailed.
- **Don't forget, if you will be at least age 50 by December 31, 2011:** You can contribute an extra \$5,500 in catch-up contributions to the 401(k).



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Notice to Participants

This Chevron Phillips Chemical Benefits newsletter ("the Newsletter") is applicable to all participating Chevron Phillips Chemical employees (other than Chevron Phillips Chemical Puerto Rico Core employees); salaried Performance Pipe employees; and Performance Pipe employees paid on an hourly basis at Reno and Knoxville hired prior to January 1, 2004.

The Newsletter, including the examples contained herein, is not intended to constitute a promise or contractual commitment by the Company or a right to benefits under any of its employee benefit plans. The Company reserves the right to unilaterally change or terminate any or all of its employee benefit plans at any time and without prior notice. Also, modifications may be necessary to comply with applicable legal requirements. In the event of any inconsistency between a statement contained in the Newsletter and the relevant plan document, the plan document will control. Employees covered by collective bargaining agreements will also be subject to the benefit plan provisions contained in the applicable collective bargaining agreements. In addition, the Newsletter is not intended to be and should not be treated as investment advice or tax advice. Participants should not rely upon the information contained in the Newsletter as a substitute for obtaining specific tax advice or investment advice from their tax advisor or financial planner.