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News from **ChevronTexaco**

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CHEVRONTEXACO REPORTS FIRST QUARTER NET INCOME OF $725 MILLION AND OPERATING EARNINGS OF $931 MILLION

- ***Exploration and production earnings decline on lower prices for crude oil and natural gas***
- ***U.S. refining, marketing and transportation operations incur net loss for 2002 quarter***
- ***Merger synergy activities on track to capture savings target of $1.8 billion annually***

SAN FRANCISCO, Apr. 25, 2002 – ChevronTexaco Corp. today reported net income of $725 million ($0.68 per share - diluted) for the first quarter 2002, compared with net income of $2.433 billion ($2.29 per share - diluted) in the year-ago quarter. Excluding special items and merger-related expenses in both periods, operating earnings were $931 million ($0.88 per share - diluted), down from $2.454 billion ($2.32 per share - diluted) in the 2001 quarter.

Earnings Summary

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Operating Earnings		
Exploration and Production	$1,141	$2,252
Refining, Marketing and Transportation	(61)	456
Chemicals and Other	(149)	(254)
Total	$ 931	$2,454
Special Item	(74)	-
Merger-related Expenses	(132)	(21)
Net Income	$ 725	$2,433

Commenting on activities and results for the quarter, Chairman and CEO Dave O'Reilly said, "We made tremendous progress in recent months integrating the former operations of Chevron, Texaco and Caltex into the new ChevronTexaco. Despite this, profits in the first quarter were negatively affected by prices for crude oil, natural gas and refined products that were significantly lower than a year ago. Operating earnings in the period declined over 60 percent from a very strong quarter last year when industry price levels were much higher."

O'Reilly said the lower prices affected the company's U.S. businesses the most. In exploration and production, for example, profits of $304 million were off 77 percent between periods – with the average U.S. crude oil realization falling about 30 percent to $17.38 per barrel and the average natural gas realization declining by two-thirds to $2.27 per thousand cubic feet. The U.S. downstream sector recorded a $154 million loss for the quarter, reflecting margins that were at their lowest levels since the mid-1990s.

O'Reilly added, "Despite the weak industry fundamentals in the first quarter, I am optimistic for the longer term. We are beginning to see signs of economic recovery in many areas of the world that will help stimulate demand for our company's products. And we are well positioned to take advantage of those improved market conditions when they occur."

O'Reilly said teams of employees in all of the company's businesses continue to capture savings from merger synergies that are making immediate contributions to profits and cash flow. "By the end of the first quarter, we had processes in place to achieve our interim target rate of $1.2 billion in annual synergy savings before-tax. We accomplished this milestone ahead of our targeted objective of six to nine months from the date of the merger last October," O'Reilly commented. "And we're well on the way toward achieving our total annual before-tax savings objective of $1.8 billion by early next year."

O'Reilly said that some of the key merger-related initiatives include implementing a restructured exploration program, reducing costs by leveraging operating efficiencies in areas of overlap, utilizing best practices across the company and completing the disposition of assets mandated by the U.S. Federal Trade Commission.

An early success of the new exploration program was the recent announcement of a significant discovery at the Tahiti prospect, located in the deepwater Gulf of Mexico. The company's 58 percent ownership is composed of interests separately held by Chevron and Texaco prior to the merger.

Progress also has been made in upstream producing operations, as well as in other businesses, to reduce operating expenses. For example, in the San Joaquin Valley heavy oil fields, former Chevron and Texaco facilities and operations are being optimized to improve costs of the steam injection process, while maintaining crude oil production. Companywide, oil-equivalent net production in the first quarter was up about 1 percent from the average for the full year 2001.

O'Reilly also commented that agreements have been reached on all of the asset dispositions mandated by the FTC. The sale of the company's interests in Equilon and Motiva – joint ventures engaged in U.S. downstream businesses – closed in February, resulting in cash proceeds of $2.2 billion. Other asset sales have either closed or are scheduled to close in the coming months.

First quarter 2002 revenues and other income were $21.2 billion, compared with $29.4 billion in the 2001 first quarter. Revenues declined on sharply lower prices for crude oil, natural gas and refined products.

The special item in the 2002 quarter represented the company's share of an asset write-down by its Dynegy affiliate.

Foreign currency gains included in first quarter 2002 net income were $131 million, compared with $87 million in 2001. Gains of $159 million in the 2002 quarter were attributable to the recent devaluation of the Argentine peso. These gains were partially offset by losses associated with the weakening of the U.S. dollar against the Australian dollar.

EXPLORATION AND PRODUCTION

U.S. Exploration and Production

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Segment Income	$304	$1,313

U.S. Exploration and Production earnings of $304 million for the first quarter 2002 declined by slightly more than $1 billion compared with last year's quarter, driven by significantly lower crude oil and natural gas realizations and a 5 percent decline in oil-equivalent production. Partially offsetting these unfavorable effects were lower operating and exploration expenses. Operating expenses for fuel, steam and utilities decreased as a result of lower natural gas prices. Exploration expense reductions reflected lower amounts for well write-offs and acquisitions of seismic and survey data.

The average natural gas realization for the quarter was $2.27 per thousand cubic feet, compared with $7.52 in the year-ago period. The average crude oil realization was $17.38 per barrel, versus $24.42 in the corresponding 2001 quarter.

Net liquids production increased 2 percent to 619,000 barrels per day, as a result of higher production in deepwater Gulf of Mexico. Net natural gas production averaged 2.509 billion cubic feet per day, down 13 percent from the 2001 period. Drilling and production had been accelerated in the year-ago period to take advantage of the favorable natural gas price environment.

International Exploration and Production

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Segment Income	$837	$939

International Exploration and Production earnings of $837 million decreased 11 percent, mainly the result of 20 percent-lower average liquids and natural gas realizations. Partially offsetting these effects were a 3 percent increase in net oil-equivalent production and gains of $37 million from mark-to-market accounting applied to certain natural gas sales contracts under an accounting rule that became effective at the beginning of the year.

Net liquids production increased 1 percent to 1,356,000 barrels per day – primarily from operations in the United Kingdom. OPEC curtailments restrained net production approximately 35,000 barrels per day in the 2002 quarter, versus having no effect in the corresponding 2001 period. Production under certain operating service agreements, which are not included in net working interest production statistics, was also curtailed 20,000 barrels per day in this year's first quarter, compared with approximately 5,000 barrels per day in the year-ago period.

Net natural gas production increased 10 percent to 1.948 billion cubic feet per day. New production from the Philippines and higher production in Australia, Colombia, Nigeria, and Thailand offset declines in Canada and Denmark.

Earnings for the quarter included net foreign currency gains of $153 million, compared with $46 million in 2001. The 2002 quarter included gains of approximately $159 million attributable to the devaluation of the Argentine peso, partially offset by losses against the Australian dollar.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Segment (Loss) Income	$(154)	$189

U.S. Refining, Marketing and Transportation incurred a loss of $154 million, down $343 million from the year-ago quarter. Weaker product margins resulted from refined product prices that declined more between periods than the cost of crude oil feedstock for the refineries. More extensive planned refinery maintenance in the 2002 quarter, requiring product purchases, contributed to the decline in margins. Included in earnings for the first quarter 2002 was $36 million from investments in Equilon and Motiva, compared with $69 million in the 2001 quarter.

The average refined product sales realization decreased 35 percent to $26.24 per barrel. Refined product sales volumes, excluding the company's share of Equilon and Motiva in 2001, decreased less than 1 percent in the first quarter 2002 to 1,582,000 barrels per day, despite a 5 percent increase to 570,000 barrels per day in branded gasoline sales.

International Refining, Marketing and Transportation

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Segment Income	$93	$267

International Refining, Marketing and Transportation earnings of $93 million in the first quarter 2002 declined by $174 million, primarily due to lower overall refined product margins and lower earnings for the shipping operations. Earnings in the 2002 quarter included foreign currency losses of $18 million, primarily from New Zealand, South Africa and the company's Australian affiliate, compared with gains of $55 million in 2001.

Total refined products sales volumes decreased 8 percent to 2,147,000 barrels per day, mainly on lower trading, marine fuels, and Canadian refined product sales.

CHEMICALS

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Segment Income (Loss)	$15	$(37)

Chemical operations earned $15 million in 2002, compared with losses of $37 million in last year's first quarter. Profits were higher for the company's Oronite business, while losses were lower for the 50 percent-owned Chevron Phillips Chemical Company LLC affiliate. Product sales margins for the affiliate, while improved as a result of lower feedstock costs in 2002, remained weak.

ALL OTHER

	Three Months Ended March 31	
Millions of Dollars	**2002**	**2001**
Net Charges, Excluding Special Item and Merger-related Expenses	$(164)	$(217)
Special Item	(74)	-
Merger-related Expenses	(132)	(21)
Net Charges	$(370)	$ (238)

Net charges before the special item and merger-related expenses were $164 million in 2002, $53 million lower than the 2001 quarter.

All Other consists of the company's 26 percent ownership interest in Dynegy Inc., coal mining operations, power and gasification businesses, worldwide cash management and debt financing activities, corporate administrative costs, insurance operations, real estate activities, technology companies and certain e-businesses.

Net interest expense declined by $49 million compared with the 2001 quarter. The special item in the first quarter 2002 represented the company's share of an asset write-down by its Dynegy affiliate. Merger expenses of $132 million in 2002 included employee severance benefits, actuarial losses on pension benefits for terminated employees and expenses associated with contract terminations.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures totaled $2.150 billion for 2002, compared with $2.506 billion in the 2001 quarter. Over half of the expenditures in each year were for international upstream projects. Expenditures in 2002 also included additional investments in Dynegy and the acquisition of assets previously leased. In the first quarter 2001, expenditures included the acquisition of an additional 5 percent interest in the Tengizchevroil affiliate and higher development spending in the Gulf of Mexico related to natural gas production.

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NOTICE

The conference call to discuss ChevronTexaco's first quarter 2002 earnings will take place on Thursday, April 25, 2002, at 7:30 a.m. PDT. The conference call will be available in a listen-only mode to individual investors, media and other interested parties on ChevronTexaco's Web site at www.chevrontexaco.com under the "Investor Relations" heading. Additional financial and operating information is contained in the Investor Relations Supplement that is available under "Financial Reports" on the Website.

ChevronTexaco will post selected second quarter 2002 interim company and industry performance data on its Website on June 25, 2002, at 2:00 p.m. PDT. Interested parties may view this interim data at www.chevrontexaco.com under the "Investor Relations" heading.

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(Millions of Dollars, Except Per-Share Amounts)

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

	Three Months Ending March 31	
REVENUES AND OTHER INCOME:	**2002**	**2001**
Sales and Other Operating Revenues [1]	**$ 20,844**	$ 29,030
Income From Equity Affiliates	**112**	288
Other Income	**199**	127
	21,155	29,445
COSTS AND OTHER DEDUCTIONS:		
Purchased Crude Oil and Products	**11,813**	16,880
Operating Expenses	**1,818**	1,879
Selling, General and Administrative Expenses	**797**	898
Exploration Expenses	**85**	162
Depreciation, Depletion and Amortization	**1,205**	1,157
Merger-related Expenses	**183**	25
Taxes Other Than on Income [1]	**3,780**	3,957
Interest and Debt Expense	**147**	259
Minority Interests	**12**	38
	19,840	25,255
Income Before Income Tax Expense	**1,315**	4,190
Income Tax Expense	**590**	1,757
NET INCOME	**$ 725**	$ 2,433
PER-SHARE AMOUNTS		
Earnings - Basic	**$ 0.68**	$ 2.30
Earnings - Diluted	**$ 0.68**	$ 2.29
Dividends	**$ 0.70**	$ 0.65
Average Common Shares Outstanding (000's)		
- Basic	**1,060,080**	1,058,635
- Diluted	**1,062,010**	1,059,754

NET INCOME BY MAJOR OPERATING AREA

(unaudited)

	Three Months Ending March 31	
	2002	**2001**
Exploration and Production		
United States	**$ 304**	$ 1,313
International	**837**	939
Total Exploration and Production	**1,141**	2,252
Refining, Marketing and Transportation		
United States	**(154)**	189
International	**93**	267
Total Refining, Marketing and Transportation	**(61)**	456
Chemicals	**15**	(37)
All Other [2]	**(370)**	(238)
NET INCOME	**$ 725**	$ 2,433
(1) Includes consumer excise taxes.	**$ 1,688**	$ 1,782

(2) Includes coal mining operations, the company's investment in Dynegy Inc., corporate administrative costs, worldwide cash management and debt financing activities, power and gasification ventures, technology investments, and real estate and insurance activities.

(Millions of Dollars)

SPECIAL ITEMS AND MERGER-RELATED EXPENSES BY MAJOR OPERATING AREA (unaudited)	**Three Months Ending March 31 2002**	**2001**
All Other *	**$ (206)**	$ (21)

SUMMARY OF SPECIAL ITEMS AND MERGER-RELATED EXPENSES (unaudited)	**Three Months Ending March 31 2002**	**2001**
Dynegy Asset Write-downs	**(74)**	-
Merger-related Expenses	**(132)**	(21)
Total Special Items and Merger-related Expenses	**$ (206)**	$ (21)

FOREIGN CURRENCY GAINS	**$ 131**	$ 87

EARNINGS BY MAJOR OPERATING AREA, EXCLUDING SPECIAL ITEMS AND MERGER-RELATED EXPENSES (unaudited)	**Three Months Ending March 31 2002**	**2001**
Exploration and Production		
United States	**$ 304**	$ 1,313
International	**837**	939
Total Exploration and Production	**1,141**	2,252
Refining, Marketing and Transportation		
United States	**(154)**	189
International	**93**	267
Total Refining, Marketing and Transportation	**(61)**	456
Chemicals	**15**	(37)
All Other *	**(164)**	(217)
Earnings Excluding Special Items and Merger-related Expenses	**931**	2,454
Special Items and Merger-related Expenses	**(206)**	(21)
Net Income	**$ 725**	$ 2,433

* Includes coal mining operations, the company's investment in Dynegy Inc., corporate administrative costs, worldwide cash management and debt financing activities, power and gasification ventures, technology investments, and real estate and insurance activities.

SELECTED BALANCE SHEET ACCOUNT DATA	**Mar. 31, 2002** (unaudited)	**Dec. 31, 2001**
Cash, Cash Equivalents and Marketable Securities	**$ 4,336**	$ 3,150
Total Assets	**$ 78,544**	$ 77,572
Total Debt	**$ 17,835**	$ 17,418
Shareholders' Equity	**$ 34,123**	$ 33,958

CAPITAL AND EXPLORATORY EXPENDITURES [1]
(millions of dollars)

	Three Months Ending March 31 2002	2001
United States		
Exploration and Production	**$ 375**	$ 577
Refining, Marketing and Transportation	**110**	163
Chemicals	**27**	13
Other	**326**	93
Total United States	**838**	846
International		
Exploration and Production	**1,155**	1,480
Refining, Marketing and Transportation	**152**	175
Chemicals	**3**	4
Other	**2**	1
Total International	**1,312**	1,660
Worldwide	**$ 2,150**	$ 2,506

OPERATING STATISTICS [1]

	Three Months Ending March 31 2002	2001
NET LIQUIDS PRODUCTION (MB/D):		
United States	**619**	610
International [2]	**1,356**	1,341
Worldwide	**1,975**	1,951
NET NATURAL GAS PRODUCTION (MMCF/D):		
United States	**2,509**	2,888
International	**1,948**	1,774
Worldwide	**4,457**	4,662
SALES OF REFINED PRODUCTS (MB/D):		
United States [3]	**1,582**	1,593
International	**2,147**	2,345
Worldwide	**3,729**	3,938
REFINERY INPUT (MB/D):		
United States [3]	**868**	894
International	**1,167**	1,144
Worldwide	**2,035**	2,038

(1) Includes interest in affiliates, unless otherwise indicated.		
(2) Excludes liquids volumes produced under operating service agreements. (MBD)	**96**	111
(3) Excludes Equilon/Motiva.		