FOR RELEASE AT 6:00 AM PDT
JULY 24, 2001

CHEVRON REPORTS SECOND QUARTER NET INCOME OF $1.3 BILLION

- ***Higher U.S. natural gas prices and worldwide oil and gas production boost upstream earnings***
- ***Improved margins add profits for U.S. refining, marketing and transportation operations***

SAN FRANCISCO, July 24 – Chevron Corp. today reported net income of $1.324 billion ($2.05 per share - diluted) for second quarter 2001, compared with second quarter 2000 net income of $1.116 billion ($1.71 per share - diluted). Excluding the effects of charges for special items in both quarters, earnings on an operational basis increased 21 percent to $1.384 billion ($2.15 per share - diluted).

Earnings Summary

	Three Months Ended June 30		**Six Months Ended June 30**	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings				
Exploration and Production	$1,003	$968	$2,412	$1,986
Refining, Marketing and Transportation	376	187	664	251
Chemicals and Other	5	(14)	(92)	10
Total*	1,384	1,141	2,984	2,247
Special Items	(60)	(25)	(60)	(87)
Net Income*	$1,324	$1,116	$2,924	$2,160
**Includes Foreign Currency (Losses) Gains*	*$(27)*	*$29*	*$44*	*$75*

For the first half 2001, Chevron reported record net income of $2.924 billion ($4.54 per share - diluted), compared with $2.160 billion ($3.30 per share - diluted) in the 2000 period. Operating earnings were $2.984 billion ($4.64 per share - diluted) for the six months, compared with $2.247 billion ($3.43 per share - diluted) last year.

"We had an excellent second quarter," Chairman and CEO Dave O'Reilly said. "Nearly $1.4 billion in operating earnings for the period contributed to achieving a 23 percent return on capital employed for the past 12 months.

"Our upstream business – exploration and production – continues to be the major contributor to overall profits," O'Reilly added. "However, the improvement in earnings from the year-ago quarter was largely driven by our U.S. downstream operations – refining, marketing and transportation."

O'Reilly said, "Downstream earnings reflected the solid refined product margins that prevailed through most of the period, as well as the safe and reliable operation of our refinery network. Capacity utilization at our refineries was higher than in last year's quarter, allowing us to benefit from the improved industry market conditions."

For the international side of the company's downstream sector, O'Reilly indicated that earnings from the shipping company improved over last year's quarter, but financial results for the Caltex affiliate – operating mainly in the Asia-Pacific region – remained depressed. Excess supply conditions and weakened demand have both served to squeeze industry margins in this area of the world.

Commenting on the company's worldwide exploration and production operations, O'Reilly said, "We boosted net oil-equivalent production in both the second quarter and first half of 2001 by 3 percent compared with the same periods last year. I'm especially pleased that natural gas production in the United States rose 2 percent from the 2000 second quarter, the result of a focused drilling effort in the Gulf of Mexico. This production increase came at a time when our average U.S. natural gas realization improved 65 percent from last year's second quarter to $5.52 per thousand cubic feet." O'Reilly noted that the average U.S. crude oil realization of $23.87 per barrel was down 6 percent from the 2000 second quarter.

O'Reilly summarized some of the company's other progress in recent months:

- **Merger with Texaco:** Cooperative discussions continue with the Federal Trade Commission in its review of the merger proposal. Completion of the merger is expected within the original twelve-month time frame. Work teams from Chevron, Texaco and Caltex have designed an organization that will move quickly to capture the significant savings from operating synergies offered by the merger. ChevronTexaco will also have the financial strength to capitalize on its world-class portfolio of investment opportunities.
- **Caspian Pipeline:** Linefill of the Caspian Pipeline Consortium's (CPC) pipeline, owned 15 percent by Chevron, began in March and is expected to be completed by the end of July. The pipeline connects the Tengiz Field in western Kazakhstan to the Black Sea port of Novorossiysk, enabling full access to world market prices for the Tengiz oil and reducing transportation costs.
- **Angola:** Chevron announced a significant new oil discovery in deepwater Block 14, where the company is operator and has 31 percent ownership. The Tombua Field is the seventh major discovery by Chevron in Block 14. Additional geologic and engineering studies are under way.
- **Chad-Cameroon:** Chevron, with a 25 percent interest, and its partners obtained $600 million in financing for the construction of a 650-mile pipeline from the Doba oil fields in southern Chad to the coast of Cameroon. First oil production from the combined $3.5 billion oil field development and pipeline construction project is expected in 2004. Participants in the financing include the International Finance Corporation, the U.S. Export-Import Bank and the French export credit agency, COFACE.
- **Chemicals:** Chevron Phillips Chemical Co. (CPCC) and Qatar Petroleum signed a joint venture agreement for the development of a second petrochemical project in Qatar. In the United States, CPCC and Solvay Polymers, Inc. will construct a high-density polyethylene plant at the CPCC chemical complex in Baytown, Texas. Modernization also began of the CPCC styrene monomer plant in St. James, La. For its existing operations, CPCC expects to achieve in excess of $200

million of net recurring merger synergies and cost savings in 2001, surpassing the previous estimate of $150 million.

Foreign currency losses included in second quarter 2001 net income were $27 million, compared with gains of $29 million in 2000. The U.S. dollar weakened against a number of currencies, primarily Canadian and Australian dollars. For the six-month periods, foreign currency gains were $44 million in 2001, compared with gains of $75 million in 2000.

Second quarter 2001 revenues and other income of $13.0 billion were slightly lower than $13.2 billion in the 2000 second quarter. Revenues and other income from worldwide upstream operations increased about 9 percent, primarily on sharply higher natural gas prices and sales volumes and higher production of crude oil. Downstream revenues and other income were slightly higher in the 2001 quarter – the result of higher prices for refined petroleum products. These increases were essentially offset by the absence in the second quarter 2001 of sales revenues for most of Chevron's former petrochemicals business, following the July 1, 2000, formation of the Chevron Phillips Chemical Co. joint venture, which is accounted for under the equity method.

Total revenues and other income for six months 2001 were $25.3 billion, compared with $25.0 billion in 2000.

EXPLORATION AND PRODUCTION

U.S. Exploration and Production

	Three Months Ended June 30		**Six Months Ended June 30**	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings	$446	$388	$1,166	$753
Special Items	-	-	-	-
Segment Income	$446	$388	$1,166	$753

U.S. exploration and production operating earnings of $446 million increased 15 percent in the 2001 second quarter on higher natural gas realizations, offset partially by higher operating expenses – primarily fuel costs – and exploration expenses.

The second quarter average natural gas realization was $5.52 per thousand cubic feet, compared with $3.35 in the year-ago period. The average crude oil realization of $23.87 per barrel declined 6 percent from the prior year's quarter.

Second quarter net natural gas production averaged 1.529 billion cubic feet per day, up 2 percent from the 2000 period. Net liquids production was up slightly to 312,000 barrels per day. Well workovers and development drilling projects resulted in new and enhanced production – mainly in the shallow-water shelf area of the Gulf of Mexico – more than offsetting the effects of asset sales and normal field declines. Net oil-equivalent production increased about 1 percent from the 2000 second quarter.

International Exploration and Production

Millions of Dollars	Three Months Ended June 30 2001	2000	Six Months Ended June 30 2001	2000
Operating Earnings*	$ 557	$580	$1,246	$1,233
Special Items	-	-	-	-
Segment Income	$ 557	$580	$1,246	$1,233
**Includes Foreign Currency (Losses) Gains*	*$(27)*	*$21*	*$22*	*$49*

International exploration and production quarterly earnings of $557 million declined about 4 percent, mainly the result of a $48 million write-off of an unsuccessful well in Azerbaijan. Otherwise, a slight earnings improvement occurred with increased liftings of liquids and marginally higher realizations for both liquids and natural gas.

Net liquids production increased 3 percent versus the 2000 quarter to 869,000 barrels per day, primarily the result of higher production in Kazakhstan. Net natural gas production increased 9 percent to 994 million cubic feet per day as a result of higher production in Kazakhstan, Canada and Argentina. These production increases were partially offset by declines in natural gas production in Nigeria and the United Kingdom. International net oil-equivalent production in the 2001 second quarter rose about 4 percent from the year-ago period.

Earnings for the second quarter included net foreign currency losses of $27 million, compared with gains of $21 million in 2000. The losses in the second quarter 2001 primarily reflected weakening of the U.S. dollar relative to Australian and Canadian dollars.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

Millions of Dollars	Three Months Ended June 30 2001	2000	Six Months Ended June 30 2001	2000
Operating Earnings	$327	$167	$468	$222
Special Items	-	-	-	(62)
Segment Income	$327	$167	$468	$160

Operating earnings of $327 million nearly doubled the year-ago quarter. Significantly higher margins for refined products were complemented by higher sales volumes. Operating expenses increased primarily due to the higher cost of fuel used in the refining process.

The average refined product sales realization increased about 6 percent from the year-ago quarter to $39.95 per barrel. Refined product sales volumes increased about 2 percent to 1,409,000 barrels per day, including branded gasoline sales that increased approximately 5 percent to 568,000 barrels per day.

International Refining, Marketing, and Transportation

Millions of Dollars	Three Months Ended June 30 2001	Three Months Ended June 30 2000	Six Months Ended June 30 2001	Six Months Ended June 30 2000
Operating Earnings*	$49	$20	$196	$29
Special Items	-		-	-
Segment Income*	$49	$20	$196	$29
**Includes Foreign Currency (Losses) Gains*	*$(5)*	*$14*	*$28*	*$34*

International refining, marketing and transportation earnings of $49 million – composed mainly of Chevron's interest in Caltex Corporation, the Canadian downstream company and international shipping operations – increased primarily from improved earnings for the shipping business. Revenues from higher freight rates and lower operating expenses accounted for the earnings increase.

Chevron's share of Caltex losses, adjusted to exclude foreign currency effects, was $12 million in the second quarter – slightly higher than the year-ago period. Lower refining margins and a prior-year tax adjustment combined to offset the benefit of an increase in refined product marketing sales. The Asia-Pacific market continues to suffer from excess supply conditions for refined products, limiting the ability to raise prices to recover costs and improve margins.

Total sales volumes increased 11 percent from the 2000 second quarter to 823,000 barrels per day. The company's share of an affiliate's sales of residual fuels and marine lubricants accounted for most of the increase.

CHEMICALS

Millions of Dollars	Three Months Ended June 30 2001	Three Months Ended June 30 2000	Six Months Ended June 30 2001	Six Months Ended June 30 2000
Operating Earnings (Losses)*	$27	$51	$(9)	$119
Special Items	-	-	-	-
Segment Income (Losses)*	$27	$51	$(9)	$119
**Includes Foreign Currency Losses*	*$(1)*	*$(2)*	*$(5)*	*$(2)*

Operating earnings of $27 million for chemical operations in the second quarter declined $24 million from last year's second quarter – the result of lower earnings by the 50 percent-owned Chevron Phillips Chemical Company LLC affiliate. Deterioration of this affiliate's product sales margins and lower sales volumes more than offset the benefit in the period from business interruption insurance for an incident that occurred in early 2000.

ALL OTHER

Millions of Dollars	Three Months Ended June 30 2001	Three Months Ended June 30 2000	Six Months Ended June 30 2001	Six Months Ended June 30 2000
Net Charges, Excluding Special Items*	$(22)	$(65)	$(83)	$(109)
Special Items	(60)	(25)	(60)	(25)
Net Charges*	$(82)	$(90)	$(143)	$(134)
**Includes Foreign Currency Gains (Losses)*	*$6*	*$(4)*	*$(1)*	*$(6)*

All Other consists of the company's ownership interest in Dynegy Inc., coal mining operations, worldwide cash management and debt financing activities, corporate administrative costs, insurance operations, real estate activities and certain e-businesses. For the second quarter 2001, net charges before special items were

$22 million, compared with $65 million last year. The improvement in the 2001 quarter was the result of lower net interest expense, increased earnings from Dynegy and improved earnings from coal operations. Special charges for 2001 consisted of merger-related expenses and prior-year tax adjustments.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were $3.3 billion for the first half of 2001, compared with $2.4 billion in the 2000 period. Expenditures for worldwide exploration and production activities represented 70 percent of the total. In the first half of 2001, expenditures included the acquisition of an additional 5 percent interest in the Tengizchevroil affiliate. Expenditures in the first half of 2000 included an additional investment of approximately $300 million in Dynegy Inc.

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NOTICE

Chevron's second quarter 2001 earnings conference call will take place on Tuesday, July 24, 2001, at 11:00 a.m. PDT. The conference call will be available in a listen-only mode to individual investors, media and other interested parties on Chevron's Investor Center Web site in the "Annual & Financial Reports" section under "Quarterly Results."

Additional financial and operating information is contained in the Investor Relations Supplement that is available on the Investor Center Web site in the "Annual & Financial Reports" section under "Quarterly Results."

Chevron will post selected third quarter interim company and industry performance data on its Web site on Tuesday, September 25, 2001, at 2:00 p.m. PDT. Interested parties may view this interim data at www.chevron.com under the Investor Center heading.

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Cautionary Statement Relevant to Forward-Looking Information for the Purpose of "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995.

Some of the items discussed in this earnings release are forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemical and other industries, in which the company operates. Words such as "expects," "plans," "projects," "believes," "estimates," and similar expressions are used to identify such forward-looking statements. The statements included in this release are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. These include potential changes in crude oil, natural gas and other commodity prices; potential delays or other changes in exploration, development and repair schedules; and consummation of the pending merger with Texaco. Actual outcomes and results could differ materially from what is expressed or forecasted in such forward-looking statements.

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7/24/01

CHEVRON CORPORATION - FINANCIAL REVIEW
(Millions of Dollars Except Per-Share Amounts)

CONSOLIDATED STATEMENT OF INCOME

(unaudited)	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
REVENUES AND OTHER INCOME:				
Sales and Other Operating Revenues (1)	**$ 12,717**	$ 12,982	**$ 24,682**	$ 24,367
Income from Equity Affiliates	**243**	175	**463**	371
Other Income	**46**	67	**159**	213
	13,006	13,224	**25,304**	24,951
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	**6,628**	7,258	**12,589**	13,507
Operating Expenses	**1,263**	1,304	**2,446**	2,542
Selling, General and Administrative Expenses	**462**	386	**903**	763
Exploration Expenses	**178**	123	**285**	219
Depreciation, Depletion and Amortization	**690**	699	**1,372**	1,350
Taxes Other Than on Income (1)	**1,271**	1,194	**2,460**	2,332
Interest and Debt Expense	**75**	126	**162**	255
	10,567	11,090	**20,217**	20,968
INCOME BEFORE INCOME TAX EXPENSE	**2,439**	2,134	**5,087**	3,983
Income Tax Expense	**1,115**	1,018	**2,163**	1,823
NET INCOME	**$ 1,324**	$ 1,116	**$ 2,924**	$ 2,160
PER-SHARE AMOUNTS				
Earnings - Basic	**$ 2.06**	$ 1.71	**$ 4.55**	$ 3.30
Earnings - Diluted	**$ 2.05**	$ 1.71	**$ 4.54**	$ 3.30
Dividends	**$ .65**	$ .65	**$ 1.30**	$ 1.30
Average Common Shares Outstanding (000's)				
- Basic	**642,884**	653,317	**642,457**	654,724
- Diluted	**644,677**	654,700	**643,914**	655,976

NET INCOME BY MAJOR OPERATING AREA

(unaudited)	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Exploration and Production				
United States	**$ 446**	$ 388	**$ 1,166**	$ 753
International	**557**	580	**1,246**	1,233
Total Exploration and Production	**1,003**	968	**2,412**	1,986
Refining, Marketing and Transportation				
United States	**327**	167	**468**	160
International	**49**	20	**196**	29
Total Refining, Marketing and Transportation	**376**	187	**664**	189
Chemicals	**27**	51	**(9)**	119
All Other (2)	**(82)**	(90)	**(143)**	(134)
NET INCOME	**$ 1,324**	$ 1,116	**$ 2,924**	$ 2,160

(1) Includes consumer excise taxes (2000 amounts restated) $ **1,066** $ 1,020 $ **2,067** $ 1,962

(2) Includes coal operations, Dynegy Inc. equity earnings, interest expense, interest income on cash and marketable securities, corporate center costs, real estate and insurance activities, and certain e-businesses.

(MILLIONS OF DOLLARS)

SPECIAL ITEMS BY MAJOR OPERATING AREA (unaudited)	**Three Months Ended June 30, 2001**	**Three Months Ended June 30, 2000**	**Six Months Ended June 30, 2001**	**Six Months Ended June 30, 2000**
U. S. Refining, Marketing and Transportation	**$ -**	$ -	**$ -**	$ (62)
All Other *	**(60)**	(25)	**(60)**	(25)
Total Special Items	**$ (60)**	$ (25)	**$ (60)**	$ (87)

SUMMARY OF SPECIAL ITEMS (unaudited)	**Three Months Ended June 30, 2001**	**Three Months Ended June 30, 2000**	**Six Months Ended June 30, 2001**	**Six Months Ended June 30, 2000**
Prior-Year Tax Adjustments	**$ (31)**	$ (25)	**$ (31)**	$ (25)
Merger Integration Costs	**(29)**	-	**(29)**	-
Other, Net	**-**	-	**-**	(62)
Total Special Items	**$ (60)**	$ (25)	**$ (60)**	$ (87)
FOREIGN EXCHANGE (LOSSES) GAINS	**$ (27)**	$ 29	**$ 44**	$ 75

EARNINGS BY MAJOR OPERATING AREA EXCLUDING SPECIAL ITEMS (unaudited)	**Three Months Ended June 30, 2001**	**Three Months Ended June 30, 2000**	**Six Months Ended June 30, 2001**	**Six Months Ended June 30, 2000**
Exploration and Production				
United States	**$ 446**	$ 388	**$ 1,166**	$ 753
International	**557**	580	**1,246**	1,233
Total Exploration and Production	**1,003**	968	**2,412**	1,986
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Total Refining, Marketing and Transportation	**376**	187	**664**	251
Chemicals	**27**	51	**(9)**	119
All Other *	**(22)**	(65)	**(83)**	(109)
Earnings Excluding Special Items	**1,384**	1,141	**2,984**	2,247
Special Items	**(60)**	(25)	**(60)**	(87)
Net Income	**$ 1,324**	$ 1,116	**$ 2,924**	$ 2,160

* Includes coal operations, interest expense, interest income on cash and marketable securities, corporate center costs, real estate and insurance activities, and certain e-businesses.

SELECTED BALANCE SHEET ACCOUNT DATA	**At June 30, 2001** (unaudited)	**At December 31, 2000**
Cash, Cash Equivalents and Marketable Securities	**$ 4,416**	$ 2,630
Total Assets	**$ 44,056**	$ 41,264
Total Debt	**$ 6,709**	$ 6,232
Shareholders' Equity	**$ 22,224**	$ 19,925

CAPITAL AND EXPLORATORY EXPENDITURES [1]	Three Months Ended June 30,		Six Months Ended June 30,	
(millions of dollars)	**2001**	**2000**	**2001**	**2000**
United States				
Exploration and Production	**$ 369**	$ 352	**$ 738**	$ 562
Refining, Marketing and Transportation	**106**	94	**200**	175
Chemicals	**54**	42	**66**	65
Other	**90**	182	**458** [2]	483
Total United States	**619**	670	**1,462**	1,285
International				
Exploration and Production	**533**	442	**1,589**	898
Refining, Marketing and Transportation	**147**	128	**262**	236
Chemicals	**8**	13	**12**	29
Total International	**688**	583	**1,863**	1,163
Worldwide	**$ 1,307**	$ 1,253	**$ 3,325**	$ 2,448

OPERATING STATISTICS [1]				
NET LIQUIDS PRODUCTION (MB/D):				
United States	**312**	309	**305**	308
International [3]	**869**	841	**869**	843
Worldwide	**1,181**	1,150	**1,174**	1,151
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	**1,529**	1,506	**1,567**	1,512
International	**994**	913	**1,010**	914
Worldwide	**2,523**	2,419	**2,577**	2,426
SALES OF NATURAL GAS (MMCF/D):				
United States	**3,492**	3,353	**3,565**	3,342
International	**1,742**	1,801	**1,732**	1,926
Worldwide	**5,234**	5,154	**5,297**	5,268
SALES OF NATURAL GAS LIQUIDS (MB/D):				
United States	**161**	160	**174**	137
International	**68**	57	**66**	63
Worldwide	**229**	217	**240**	200
SALES OF REFINED PRODUCTS (MB/D):				
United States	**1,409**	1,382	**1,348**	1,297
International	**823**	741	**813**	756
Worldwide	**2,232**	2,123	**2,161**	2,053
REFINERY INPUT (MB/D):				
United States	**1,009**	1,021	**952**	919
International	**409**	416	**411**	407
Worldwide	**1,418**	1,437	**1,363**	1,326

(1) Includes interest in affiliates.
(2) Includes restatement for an additional $282 million of affiliate expenditures not included in the first quarter.
(3) Excludes volumes produced for operating service agreements. 104 141 108 127