FOR RELEASE AT 6:00 AM PDT
APRIL 25, 2001

CHEVRON REPORTS NET INCOME OF $1.6 BILLION

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

SAN FRANCISCO, April 25 – Chevron Corp. today reported record quarterly net income of $1.600 billion ($2.49 per share-diluted), an increase of 53 percent from 2000 first quarter net income of $1.044 billion ($1.59 per share-diluted). Excluding net charges of $62 million for special items in the 2000 quarter, earnings were up 45 percent.

Earnings Summary

	Three Months Ended March 31,	
Millions of Dollars	**2001**	**2000**
Operating Earnings		
Exploration and Production	$1,409	$1,018
Refining, Marketing and Transportation	288	64
Chemicals and Other	(97)	24
Total*	$1,600	$1,106
Special Items	–	(62)
Net Income*	$1,600	$1,044
** Includes Foreign Currency Gains*	*$71*	*$46*

"We've started off the year on a very high note," Chairman and CEO Dave O'Reilly said. "Our first quarter results continue a trend that carried us to record earnings in 2000. Our return on capital employed for the past 12 months was a solid 23 percent.

"As we have seen for more than a year," O'Reilly added, "our upstream business – exploration and production – has been the major contributor to our higher profits. Upstream operating earnings of $1.4 billion in the quarter were up 38 percent. Driving this improvement were higher natural gas prices in the United States, where our average sales realization increased from $2.40 to $7.57 per thousand cubic feet. Average U.S. crude oil realizations, however, dropped 6 percent to about $24.50 per barrel." O'Reilly said that worldwide oil-equivalent production rose about 3 percent from the 2000 quarter, aiding in the earnings improvement.

"While oil and gas prices may continue to fluctuate in the coming months," O'Reilly remarked, "our track record of sustained higher production levels reflects a world-class portfolio of upstream investments that will continue to make positive contributions to future earnings."

Commenting on the company's refining, marketing and transportation results, O'Reilly noted, "Both our domestic and international downstream businesses recovered from the depressed earnings of a year ago. Margins strengthened this year, with higher product prices helping to offset the higher costs of fuel and utilities in our refining operations. Also contributing to profits in the United States was higher refinery production – the result of less downtime for planned and unplanned maintenance than in last year's quarter."

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Looking ahead, O'Reilly said, "With our excellent first quarter performance and ever stronger financial position, we are well positioned to complete the pending merger with Texaco once we obtain the necessary regulatory and stockholder approvals. In this regard, we are working cooperatively with the Federal Trade Commission in its continuing review of the merger proposal. Concurrent with the FTC review, integration teams from both Chevron and Texaco have developed plans and an organizational structure that will be used to help ensure a smooth post-merger transition." O'Reilly added that the combined companies should be able to quickly capitalize upon each other's strengths to achieve a targeted $1.2 billion in annual synergy savings.

O'Reilly summarized some of the company's noteworthy achievements since the beginning of the year:

- **Tengiz:** In early January, Chevron closed on the purchase of an additional 5 percent equity stake in Tengizchevroil (TCO), increasing the company's ownership interest to 50 percent and adding 177 million barrels of proved oil-equivalent reserves. Total crude oil production from the Tengiz Field in Kazakhstan averaged about 280,000 barrels per day in the first quarter 2001 and is expected to average 260,000 barrels per day for the full year, reflecting the effects of planned shutdowns for maintenance.
- **Australia:** Chevron will participate in a $1.6 billion expansion of the North West Shelf Venture liquefied natural gas (LNG) project in Western Australia, in which the company has a one-sixth interest. The expansion project will encompass construction of a fourth LNG processing train, development of an 80-mile pipeline from the offshore gas fields to onshore facilities and the design and construction of the venture's ninth LNG tanker.
- **Thailand:** Chevron announced the discovery of the Chaba Field, which is located in the southern portion of the Chevron-operated B8/32 offshore concession in the Gulf of Thailand. Chevron has drilled three successful wells on Chaba. The recent discovery further confirms the crude oil reserve potential in the Gulf of Thailand, which historically has been an area known for its reserves of natural gas.
- **Bangladesh:** In April, Chevron and its partners were awarded the rights to explore an onshore tract in Bangladesh. The tract, Block 9, surrounds the Bakhrabad gas field and lies adjacent to other gas-producing areas. Chevron has a 30 percent interest in the block.
- **U.S. Gulf of Mexico:** Chevron, as operator and owner of a 57 percent interest, completed its tenth development well at the Genesis floating-spar platform in deepwater U.S. Gulf of Mexico. Total daily production for Genesis for 2001 is expected to average 42,000 barrels of oil and 54 million cubic feet of natural gas.

Total revenues for the quarter were up 5 percent to $12.3 billion. The increase was primarily attributable to higher realizations from the sales of natural gas and refined products. Partially offsetting the effect of higher sales realizations was the absence of sales revenues from Chevron's petrochemicals business, which was contributed to the formation of the Chevron Phillips Chemical Company LLC in July 2000 and subsequently accounted for as an equity affiliate.

Foreign currency gains increased net income by $71 million, compared with $46 million in the year-ago quarter. The 2001 gains were mainly attributable to strengthening of the U.S. dollar against the currencies of Australia and Canada.

Exploration and Production

U. S. Exploration and Production

Millions of Dollars	Three Months Ended March 31, 2001	2000
Operating Earnings	$720	$365
Special Items	-	-
Segment Income	$720	$365

U.S. exploration and production operating earnings were $720 million, nearly double the 2000 first quarter. Earnings rose on sharply higher natural gas prices and increased natural gas production and sales.

The company's average natural gas realization of $7.57 per thousand cubic feet increased from $2.40. Net natural gas production climbed 6 percent to 1.6 billion cubic feet per day, mainly from higher output from the Genesis Field and the Viosca Knoll Carbonate Trend – both in the Gulf of Mexico.

The average crude oil realization declined $1.68 to $24.51 per barrel. Net liquids production of 299,000 barrels per day was down slightly compared with the same period last year. Liquids production was reduced somewhat in the first quarter 2001 due to operating decisions to increase natural gas sales.

International Exploration and Production

Millions of Dollars	Three Months Ended March 31, 2001	2000
Operating Earnings*	$689	$653
Special Items	-	-
Segment Income*	$689	$653
** Includes Foreign Currency Gains*	*$49*	*$28*

International exploration and production operating earnings were $689 million, an increase of $36 million from 2000. The major driver of the earnings improvement was an increase in net oil-equivalent production of over 4 percent.

Net international liquids production increased 25,000 barrels per day to 869,000 barrels per day, mainly due to higher production in Kazakhstan, Nigeria and Angola. These increases were partially offset by declines in the United Kingdom, Canada and Indonesia. Net natural gas production increased 12 percent to more than 1 billion cubic feet per day, reflecting higher volumes in Kazakhstan and Canada.

Foreign currency gains of $49 million in the 2001 quarter occurred mainly in the company's Canadian and Australian operations.

Refining, Marketing and Transportation

U. S. Refining, Marketing and Transportation

Millions of Dollars	Three Months Ended March 31, 2001	2000
Operating Earnings	$141	$ 55
Special Items	-	(62)
Segment Income (Losses)	$ 141	$ (7)

U.S. refining, marketing and transportation operating earnings were $141 million, compared with $55 million in the first quarter 2000. The $62 million special item in 2000 was for a patent litigation matter.

Higher earnings in 2001 primarily reflected higher sales margins for gasoline and other refined products. In addition, refined product sales volumes were up more than 6 percent. This year's quarter also benefited from improved refining operations, which allowed the company to fulfill more of its supply commitments from refinery production rather than through higher-cost market purchases, as required in the first quarter 2000.

Total refined product sales volumes were 1,286,000 barrels per day. Branded motor gasoline sales of 543,000 barrels per day rose nearly 6 percent. First quarter 2000 branded motor gasoline sales were constrained by the effect of late-1999 stockpiling in anticipation of possible Y2K-related supply disruptions. In early 2000, distributors deferred purchases while working off these excess inventories.

International Refining, Marketing and Transportation

	Three Months Ended March 31,	
Millions of Dollars	**2001**	**2000**
Operating Earnings*	$147	$ 9
Special Items	-	-
Segment Income*	$147	$ 9
** Includes Foreign Currency Gains*	*$33*	*$20*

International refining, marketing and transportation operating earnings were $147 million, up from $9 million for the first quarter of 2000. The increase was attributable to higher profits from improved freight rates and increased tonnage in the company's international shipping operations, as well as a net improvement in refined product margins in the Caltex areas of operation.

Chevron's share of earnings from Caltex was $48 million, compared with losses of $7 million in last year's first quarter. Included were foreign currency gains of $30 million in 2001 and $18 million in 2000. Operations in Australia and Korea accounted for most of the 2001 foreign currency gains.

Sales volumes increased to 804,000 barrels per day, compared with 770,000 barrels per day in last year's quarter. The increase was mainly attributable to sales by the company's marine fuels and lubricants affiliate.

Chemicals

	Three Months Ended March 31,	
Millions of Dollars	**2001**	**2000**
Operating (Losses) Earnings*	$(36)	$68
Special Items	-	-
Segment (Losses) Income*	$(36)	$68
** Includes Foreign Currency Losses*	*$(4)*	*$-*

Chemicals operating losses were $36 million, compared with earnings of $68 million in the 2000 quarter. Higher raw material and energy costs were not fully recovered in prices of commodity chemicals. Chemical margins remain weak, and no significant near-term improvement is expected.

All Other

Millions of Dollars	Three Months Ended March 31, 2001	2000
Net Charges, Excluding Special Items*	$(61)	$(44)
Special Items	-	-
Net Charges*	$(61)	$ (44)
** Includes Foreign Currency Losses*	*$(7)*	*$(2)*

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. Net charges were $61 million, compared with $44 million last year.

Chevron's share of Dynegy's operating earnings increased by $15 million to $34 million on the strength of Dynegy's core energy marketing and trading business. Coal mining operations earned $6 million, compared with $3 million in the 2000 quarter. Coal tonnage and sales prices were both higher in this year's first quarter.

Net charges from other activities were $101 million, compared with $66 million in 2000. The favorable effects of lower interest expense and higher interest income were more than offset by increases to other corporate charges, including expenses associated with the pending merger with Texaco.

Capital and Exploratory Expenditures

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were $1.736 billion, compared with $1.195 billion in the first quarter 2000. Expenditures for international exploration and production projects were $1.056 billion, or 61 percent of the total expenditures – reflecting the company's continued emphasis on increasing international oil and gas production. In the first quarter 2001, expenditures included the acquisition of an additional 5 percent interest in the Tengizchevroil affiliate and increased spending in the Gulf of Mexico. First quarter 2000 expenditures included an additional investment of $200 million in Dynegy Inc.

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NOTICE

Chevron's first quarter 2001 earnings conference call will take place on Wednesday, April 25, 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 at www.chevron.com.

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

Chevron will post selected second quarter interim company and industry performance data on its Web site on Tuesday, June 26, 2001, at 2:00 p.m. PDT. Interested parties may view this interim data at www.chevron.com under the Investor Center heading.

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.

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

CONSOLIDATED STATEMENT OF INCOME
(unaudited)

	Three Months Ending March 31, 2001	2000
REVENUES AND OTHER INCOME:		
Sales and Other Operating Revenues [1]	**$ 11,965**	$ 11,385
Income From Equity Affiliates	**220**	196
Other Income	**113**	146
	12,298	11,727
COSTS AND OTHER DEDUCTIONS:		
Purchased Crude Oil and Products	**5,961**	6,249
Operating Expenses	**1,183**	1,238
Selling, General and Administrative Expenses	**441**	377
Exploration Expenses	**107**	96
Depreciation, Depletion and Amortization	**682**	651
Taxes Other Than on Income [1]	**1,189**	1,138
Interest and Debt Expense	**87**	129
	9,650	9,878
Income Before Income Tax Expense	**2,648**	1,849
Income Tax Expense	**1,048**	805
NET INCOME	**$ 1,600**	$ 1,044
PER-SHARE AMOUNTS		
Earnings - Basic	**$ 2.49**	$ 1.59
Earnings - Diluted	**$ 2.49**	$ 1.59
Dividends	**$ .65**	$ .65
Average Common Shares Outstanding (000's)		
- Basic	**642,025**	656,132
- Diluted	**643,143**	658,124

NET INCOME BY MAJOR OPERATING AREA
(unaudited)

	Three Months Ending March 31, 2001	2000
Exploration and Production		
United States	**$ 720**	$ 365
International	**689**	653
Total Exploration and Production	**1,409**	1,018
Refining, Marketing and Transportation		
United States	**141**	(7)
International	**147**	9
Total Refining, Marketing and Transportation	**288**	2
Chemicals	**(36)**	68
All Other [2]	**(61)**	(44)
NET INCOME	**$ 1,600**	$ 1,044

(1) Includes consumer excise taxes; 2000 amounts restated.	**$ 1,001**	$ 942

(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.

CHEVRON CORPORATION - FINANCIAL REVIEW
(Millions of Dollars)

SPECIAL ITEMS BY MAJOR OPERATING AREA	Three Months Ending March 31, 2001	2000
(unaudited)		
U. S. Refining, Marketing and Transportation	$ -	$ (62)
Total Special Items	$ -	$ (62)

SUMMARY OF SPECIAL ITEMS	Three Months Ending March 31, 2001	2000
(unaudited)		
Litigation	$ -	$ (62)
Total Special Items	$ -	$ (62)

FOREIGN CURRENCY GAINS	$ 71	$ 46

EARNINGS BY MAJOR OPERATING AREA EXCLUDING SPECIAL ITEMS (unaudited)	Three Months Ending March 31, 2001	2000
Exploration and Production		
United States	$ 720	$ 365
International	689	653
Total Exploration and Production	1,409	1,018
Refining, Marketing and Transportation		
United States	141	55
International	147	9
Total Refining, Marketing and Transportation	288	64
Chemicals	(36)	68
All Other *	(61)	(44)
Earnings, Excluding Special Items	1,600	1,106
Special Items	-	(62)
Net Income	$ 1,600	$ 1,044

* 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.

CAPITAL AND EXPLORATORY EXPENDITURES [1] (millions of dollars)	Three Months Ending March 31, 2001	2000
United States		
Exploration and Production	**$ 369**	$ 210
Refining, Marketing and Transportation	**94**	81
Chemicals	**12**	23
Other	**86**	301
Total United States	**561**	615
International		
Exploration and Production	**1,056**	456
Refining, Marketing and Transportation	**115**	108
Chemicals	**4**	16
Total International	**1,175**	580
Worldwide	**$ 1,736**	$ 1,195

OPERATING STATISTICS [1]	2001	2000
NET LIQUIDS PRODUCTION (MB/D):		
United States	**299**	307
International [2]	**869**	844
Worldwide	**1,168**	1,151
NET NATURAL GAS PRODUCTION (MMCF/D):		
United States	**1,605**	1,515
International	**1,027**	915
Worldwide	**2,632**	2,430
SALES OF NATURAL GAS (MMCF/D):		
United States	**3,640**	3,331
International	**1,720**	2,050
Worldwide	**5,360**	5,381
SALES OF NATURAL GAS LIQUIDS (MB/D):		
United States	**187**	113
International	**64**	70
Worldwide	**251**	183
SALES OF REFINED PRODUCTS (MB/D):		
United States	**1,286**	1,214
International	**804**	770
Worldwide	**2,090**	1,984
REFINERY INPUT (MB/D):		
United States	**894**	816
International	**414**	399
Worldwide	**1,308**	1,215

(1) Includes interest in affiliates.
(2) Excludes volumes produced for operating service agreements. **111** 112