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News

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CHEVRON REPORTS NET INCOME OF $1.5 BILLION IN FOURTH QUARTER AND $5.2 BILLION FOR 2000

Earnings from producing operations benefit from higher crude oil and natural gas prices and increased production. Refining and marketing profits improve on higher sales margins.

SAN FRANCISCO, Jan. 24 – Chevron Corp. today reported net income of $1.494 billion ($2.32 per share - diluted) for fourth quarter 2000, compared with fourth quarter 1999 net income of $809 million ($1.23 per share - diluted). Excluding net charges of $49 million for special items in the 2000 quarter, earnings were $1.543 billion ($2.39 per share - diluted), nearly 90 percent higher than the 1999 quarter.

Earnings Summary

	Fourth Quarter		**Year**	
Millions of Dollars	**2000**	**1999**	**2000**	**1999**
Operating Earnings				
Exploration and Production	$1,263	$827	$4,539	$1,930
Refining, Marketing and Transportation	336	(6)	894	424
Chemicals and Other	(56)	(2)	4	(68)
Total*	1,543	819	5,437	2,286
Special Items	(49)	(10)	(252)	(216)
Net Income*	$1,494	$809	$5,185	$2,070
**Includes Foreign Currency (Losses) Gains*	*$(8)*	*$10*	*$142*	*$(38)*

For the full year, Chevron reported record net income of $5.185 billion ($7.97 per share - diluted), compared with 1999 net income of $2.070 billion ($3.14 per share - diluted). Operating earnings were $5.437 billion ($8.35 per share - diluted) in 2000, compared with $2.286 billion ($3.47 per share - diluted) in 1999.

Chairman and CEO Dave O'Reilly commented, "Another strong operating performance in the fourth quarter capped the most profitable year in our company's history. Record earnings pushed our rate of return on capital employed to 22 percent. Our financial success in 2000 has enabled us to significantly strengthen our balance sheet, including a reduction in debt of $2.7 billion and the repurchase of $1.4 billion in common shares. We ended the year with an improved debt ratio of 24 percent.

"I am particularly pleased with the performance of our exploration and production businesses around the world," O'Reilly said. "Although this sector benefited from higher prices for both crude oil and natural gas, earnings were further bolstered by higher production. And setting the stage for future years, we added oil and gas reserves during 2000 that equated to more than 150 percent of the year's oil-equivalent production. These production and reserve-addition successes are the direct results of our long-term international upstream growth strategy and the excellence of our technical staffs in capital project selection and execution." O'Reilly noted that 2000 marked the eighth consecutive year the company's reserve additions exceeded production.

Commenting on the company's refining and marketing operations, O'Reilly said, "Financial results for our U.S. downstream business rebounded in the second half of the year, as refined product price increases offset the higher costs of crude oil feedstocks. Downstream earnings in the United States in the fourth quarter were significantly higher than the year-ago quarter – the result of improved reliability of our West Coast refineries and stronger margins for jet fuel, diesel fuel and motor gasoline. On the international side, however, financial results for our Caltex affiliate remained depressed throughout the year, as the very competitive environment in the Asia-Pacific area continues to severely dampen marketing margins."

For oil and gas producing operations, the average U.S. crude oil realization of $28.75 per barrel was up 33 percent from the 1999 fourth quarter. The U.S. natural gas realization for the quarter increased to $5.86 per thousand cubic feet, compared with $2.49 in the 1999 quarter. Chevron's worldwide oil-equivalent production, including volumes produced under operating service agreements, was up about 3 percent from the year-ago quarter and for the year. The production increase for 2000, however, would have been about 5 percent – higher than the targeted growth rate of 4.0-4.5 percent – after adjusting for the effect of higher prices on Chevron's share of net production under certain variable royalty arrangements and production sharing contracts outside the United States.

Operating expense per barrel in 2000 for the company's worldwide operations increased $0.89 to $6.06. Most of the rise was attributable to higher fuel costs – associated with higher crude oil and natural gas prices – for the company's refineries and other facilities, along with higher tanker chartering rates and international tanker transportation requirements.

Looking ahead, O'Reilly said, "Given the accomplishments of our employees and record profits in 2000, I am excited about the year to come. As we start the year, our financial position is very strong, and our focus on operational excellence, cost reduction, capital stewardship and profitable growth remains steadfast. We have a robust $6 billion capital spending program scheduled for 2001 that will enable us to capitalize upon our portfolio of world-class, global investment opportunities. We also will be working closely with regulatory agencies to obtain approval of our pending merger with Texaco – a merger that will significantly benefit the shareholders and customers of both companies. Since the October announcement of the merger, teams from both companies, as well as from our jointly-owned Caltex affiliate, have made excellent progress in developing plans for the integration of the combined organizations."

Commenting on industry conditions, O'Reilly added, "Energy issues such as world oil production levels, regional natural gas availability and electricity supplies have received much attention in recent months. As a result, I believe many outside our industry have a newfound appreciation for the importance of the energy component in today's economies. To that end, we at Chevron are firmly committed to investing wisely – and operating safely – in doing our part to deliver the world's energy needs for years to come."

O'Reilly highlighted some of the significant events for the company since the end of the third quarter, including:

- **Tengiz:** Tengizchevroil's (TCO) total gross crude oil production averaged over 280,000 barrels per day for the quarter – a record and exceeding the target of 260,000 barrels per day – as a result of the processing plant expansion and the absence of turnaround work. For 2001, average gross production is expected to be about 260,000 barrels per day, considering the effect of planned shutdowns for maintenance and other operational activities. In early January 2001, Chevron closed on its purchase of an additional five percent stake in TCO, bringing the company's ownership interest to 50 percent.
- **Caspian Pipeline:** Construction of a pipeline by the Caspian Pipeline Consortium (CPC), in which Chevron owns a 15 percent interest, remains on schedule for a mid-2001 start-up. In the fourth quarter, CPC completed the laying of new pipe in Russia. The pipeline will connect the Tengiz Field in western Kazakhstan to the Black Sea port of Novorossiysk. CPC has spent $1.8 billion to date or about 70 percent of the project budget.
- **Angola:** Chevron announced a significant new oil discovery in deepwater Block 14, where the company is operator and has 31 percent ownership. The Lobito well was the sixth major discovery by Chevron in Block 14. The discovery of the Lobito field was confirmed in December by a successful appraisal well. Further geologic and engineering studies are

required to fully evaluate the Lobito Field, which lies near the Kuito, Benguela, Belize and Tomboco Fields in Block 14.

- **Chad-Cameroon:** Chevron, with a 25 percent interest, and its partners began the development of the Doba oil fields in southern Chad and construction of a 650-mile pipeline from the fields to the coast of Cameroon. First oil production is expected in 2004.
- **Nigeria:** Chevron was awarded interests in three deepwater oil prospecting licenses (OPL) offshore Nigeria. Chevron, with a 50 percent interest, will serve as operator of OPL 250. The company also was awarded 30 percent non-operating interests in OPL 214 and OPL 318.
- **Thailand:** The government of Thailand approved Chevron's plan for the development of North Jarmjuree, a 200-square-mile offshore production area located in Block B8/32, about 125 miles from Bangkok in about 250 feet of water. North Jarmjuree is the fourth production area granted within Block B8/32, which also includes the Tantawan, Benchamas and Maliwan fields. Chevron is operator and holds a 52 percent interest in Block B8/32.
- **Canada:** Chevron, as operator with a 43 percent interest, and its partners began production of natural gas from a second well at Fort Liard, Northwest Territories. Combined production from the two wells at Ft. Liard is expected to average about 105 million cubic feet of raw natural gas per day in 2001, giving consideration to planned downtime for maintenance. Chevron also announced the formation of partnerships with two other Canadian oil and gas companies to participate jointly in the exploration of about one million acres in the Mackenzie Delta, Northwest Territories.
- **U.S. Gulf of Mexico:** Two additional fields in the Viosca Knoll Carbonate Trend began producing a combined 106 million cubic feet of natural gas per day in November 2000. A combined peak production rate from the two fields and four other fields in the trend reached 239 million cubic feet of natural gas per day, nearly 20 percent higher than the target volume. The addition of these new fields triples production from the area's 1999 level. Chevron is the largest contiguous leaseholder in the Carbonate Trend, holding a majority interest in 54 leases.
- **Worldwide Oil and Gas Reserves:** The company added 875 million barrels of oil-equivalent reserves during 2000, or 152 percent of production for the year. Included were over 125 million barrels of reserves each for the Tengiz Field in Kazakhstan and the Chad acquisition. More than 175 million barrels of the total amount were the result of successful

discoveries in areas that included Thailand, Argentina, Nigeria, Angola, the United Kingdom and the U.S. Gulf of Mexico Shelf.

Special items in fourth quarter 2000 net income included charges for asset write-downs, environmental remediation and prior-years' tax adjustments. These charges were partially offset by gains associated with insurance recoveries for refinery property damage, LIFO inventory valuation adjustments, actuarial calculations for the company's benefit plans, and the equity accounting effect of the issuance of additional common stock by Chevron's Dynegy equity affiliate.

Foreign currency losses included in fourth quarter 2000 net income were $8 million, compared with gains of $10 million in 1999. For the year 2000, foreign currency gains were $142 million, compared with losses of $38 million in the 1999 period. During most of 2000, the U.S. dollar strengthened against the currencies of a number of countries – particularly Australia, the United Kingdom, Norway, Canada and certain countries in the Caltex operating area – before weakening late in the year.

Fourth quarter 2000 revenues and other income of $13.5 billion were 23 percent higher than $11.0 billion in the 1999 fourth quarter. Total revenues and other income for 2000 were $52.0 billion, up 42 percent from $36.6 billion in 1999. Revenues and other income increased primarily on sharply higher prices for crude oil, natural gas and refined products. These increases were partially offset by the absence of sales revenues in the second half of 2000 from a large portion of the company's chemicals business, following the July 1 formation of the Chevron Phillips Chemical Co. joint venture, which is accounted for under the equity method.

EXPLORATION AND PRODUCTION

U.S. Exploration and Production

Millions of Dollars	**Fourth Quarter 2000**	**Fourth Quarter 1999**	**Year 2000**	**Year 1999**
Operating Earnings	$614	$330	$1,939	$774
Special Items	-	(195)	(50)	(292)
Net Income	$614	$135	$1,889	$482

U.S. exploration and production operating earnings rose significantly in the quarter and full year, primarily the result of higher prices for crude oil and natural gas. Oil-equivalent production was down slightly in both periods. Expenses were higher in both periods, mainly for well write-offs, depreciation and operating expenses largely associated with higher fuel costs. Gains from property sales were lower in the fourth quarter and full year 2000 compared with the 1999 periods.

For the fourth quarter 2000, the company's average crude oil realization of $28.75 per barrel was up 33 percent from the year-ago quarter; the average natural gas realization of $5.86 per thousand cubic feet increased significantly from $2.49 per thousand cubic feet in last year's quarter. For the full year 2000, Chevron's average crude oil realization was $27.20 per barrel, an increase of nearly 70 percent compared with 1999. The annual average natural gas realization of $4.04 per thousand cubic feet for 2000 rose nearly 90 percent over 1999.

Net liquids production for the fourth quarter 2000 averaged 312,000 barrels per day, down 12,000 barrels per day from 1999. Fourth quarter 2000 net natural gas production averaged 1.594 billion cubic feet per day, up 1 percent from the 1999 quarter. On a total oil-equivalent basis, new and enhanced production in deepwater and other areas of the Gulf of Mexico was more than offset by the effects of asset sales and normal field declines, resulting in an overall production decrease of about 2 percent from the year-ago quarter and 3 percent on an annual basis.

International Exploration and Production

Millions of Dollars	**Fourth Quarter 2000**	**Fourth Quarter 1999**	**Year 2000**	**Year 1999**
Operating Earnings*	$649	$497	$2,600	$1,156
Special Items	2	(63)	2	(63)
Net Income*	$651	$434	$2,602	$1,093
**Includes Foreign Currency (Losses) Gains*	*$(10)*	*$11*	*$81*	*$(20)*

International exploration and production earnings were about 30 percent higher in the fourth quarter 2000 and more than double the 1999 annual results. The improvement mainly reflected higher prices and production for crude oil and natural gas.

Net liquids production increased 4 percent to 880,000 barrels per day in the fourth quarter 2000. Production increases in Kazakhstan and Angola, combined with increased production from properties acquired last year in Argentina and Thailand, offset declines in Indonesia and Colombia. The lower production in Indonesia was primarily associated with the effect of higher prices on cost-oil recovery volumes under a production-sharing agreement. The 1999 fourth quarter included 12,000 barrels per day of production under a joint venture agreement in Colombia that expired early in 2000. For the full year, net liquids production rose 4 percent to 847,000 barrels per day. Including production under various operating service agreements, annual production increased nearly 7 percent to 970,000 barrels per day.

Fourth quarter 2000 net natural gas production increased 3 percent from the year-ago quarter to 927 million cubic feet per day. Increases from the properties acquired in 1999 in Thailand and Argentina, and higher production from Nigeria and the United Kingdom, were partially offset by a decrease in Australian production. For the year, net natural gas production increased 4 percent to 911 million cubic feet per day. Increases in production from Thailand, Argentina, Tengiz and Nigeria were partially offset by a production decline in Canada.

Earnings for the 2000 fourth quarter included net foreign currency losses of $10 million, compared with gains of $11 million in 1999. On an annual basis, net income included net foreign currency gains of $81 million in 2000 and net losses of $20 million in 1999.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

	Fourth Quarter		**Year**	
Millions of Dollars	**2000**	**1999**	**2000**	**1999**
Operating Earnings	$296	$73	$778	$375
Special Items	(12)	(4)	(229)	(18)
Net Income	$284	$ 69	$549	$357

Operating earnings for the fourth quarter 2000 increased significantly from the year-ago quarter, mainly on higher refined product margins for jet fuel, diesel fuel and motor gasoline. Offsetting the margin improvement were higher operating expenses – primarily refinery fuel costs – and lower business interruption insurance proceeds. Earnings for the full year likewise improved on higher margins, with a partially offsetting effect from higher refinery fuel costs. Also contributing to the 2000 earnings increase were improved refinery operations, substantially reducing the need to purchase high-cost refined products to fulfill supply commitments.

The average refined product sales realization of $41.72 per barrel in the fourth quarter increased 34 percent from the corresponding 1999 period. For the year, the average realization was up 46 percent to $39.29. Refined product sales volumes for the fourth quarter and full year increased 2 percent to 1,317,000 and 1,327,000 barrels per day, respectively. Gasoline sales were flat in the fourth quarter but up 2 percent for the year. The branded gasoline sales component was about 1 percent lower in each period. Fourth quarter 1999 sales included the effect of stockpiling in anticipation of possible Y2K-related interruptions.

International Refining, Marketing and Transportation

	Fourth Quarter		Year	
Millions of Dollars	**2000**	**1999**	**2000**	**1999**
Operating Earnings (Losses)*	$40	$(79)	$116	$49
Special Items	(12)	26	(12)	25
Net Income (Losses)*	$28	$(53)	$104	$ 74
**Includes Foreign Currency Gains (Losses)*	*$4*	*$(6)*	*$74*	*$(21)*

International refining, marketing and transportation operating earnings are composed mainly of Chevron's interest in Caltex Corporation, international supply and trading activities, Canadian downstream, and international shipping operations. After adjusting for foreign currency effects in all periods and $76 million of favorable inventory and other adjustments recorded in early 1999, operating earnings increased $109 million between the fourth quarters and $48 million for the full year.

As adjusted, operating earnings for each business activity in the segment increased in the fourth quarter. Refined product margins improved, as crude oil feedstock costs late in the 2000 fourth quarter fell faster than product realizations. Higher tanker charter rates pushed shipping earnings higher.

For the full year on an adjusted basis, all components of the segment recorded higher earnings, except for Caltex. Earnings for Caltex suffered from a very competitive operating environment in the Asia-Pacific region.

Total downstream sales volumes in the 2000 fourth quarter were 800,000 barrels per day, down about 3 percent from the corresponding 1999 period on lower Caltex trading volumes. Sales volumes for the full year declined about 8 percent to 769,000 barrels per day. Sales volumes for 1999 included sales by a Caltex affiliate that was sold in the third quarter 1999.

CHEMICALS

Millions of Dollars	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Operating (Losses) Earnings*	$(25)	$73	$129	$205
Special Items	(78)	(5)	(89)	(96)
Net (Losses) Income*	$(103)	$68	$ 40	$109
**Includes Foreign Currency Gains (Losses)*	*$2*	*$4*	*$(2)*	*$3*

Operating earnings for the worldwide chemicals segment declined in the fourth quarter and for the full year. Commodity chemicals businesses continued to suffer in 2000 from generally weak product demand and high raw material costs.

The 2000 quarter included special charges for additions to environmental remediation reserves and for Chevron's 50 percent share of a write-down of assets in Puerto Rico by Chevron Phillips Chemical Co. These charges were partially offset by actuarial gains from benefit plans, as a result of employees terminating employment with Chevron and joining the Chevron-Phillips joint venture company.

ALL OTHER

Millions of Dollars	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Net Operating Charges*	$(31)	$(75)	$(125)	$(273)
Special Items	51	231	126	228
Net Income (Loss)*	$ 20	$156	$ 1	$(45)
**Includes Foreign Currency (Losses) Gains*	*$(4)*	*$1*	*$(11)*	*$-*

All Other consists of coal mining operations, the company's ownership interest in Dynegy Inc., worldwide cash management and debt financing activities, corporate administrative costs, insurance operations and real estate activities.

Chevron's share of Dynegy operating earnings increased by $16 million in the fourth quarter due to higher prices for natural gas and natural gas liquids and an increase in earnings from power generation activities. Earnings from coal operations were down marginally, compared with last year's quarter.

Net charges from other activities declined by $30 million in the fourth quarter. This was largely attributable to higher interest income and lower interest expense – the result of stronger cash flows and lower debt levels – and other net benefits from corporate-level adjustments. These benefits were partially offset by the absence of favorable items recorded in the 1999 fourth quarter for the Cities Service litigation and insurance recoveries.

For the full year, net operating charges were less than half the amount for 1999. Higher earnings from Dynegy were partially offset by lower earnings from coal operations, as a result of the effects of work stoppages for several months during 2000. The current year also benefited from higher interest income and lower interest expense.

The net benefit from special items in the fourth quarter 2000 consisted of a gain from the equity accounting effect of common stock transactions of the Dynegy affiliate, partially offset by an unfavorable prior years' income tax adjustment.

Capital and Exploratory Expenditures

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were $5.2 billion for 2000, compared with $6.1 billion in the 1999 period. Expenditures for worldwide exploration and production activities represented 62 percent of the company's total spending for 2000. In businesses outside the upstream segment, investments in Dynegy and the Caspian Pipeline Consortium represented about 12 percent of the company's total expenditures for 2000. Expenditures in last year's period included the acquisition of Rutherford-Moran Oil Corp. and an additional interest in Block B8/32 offshore Thailand, as well as the purchase of Petrolera Argentina San Jorge.

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NOTICE

Chevron's fourth quarter 2000 earnings conference call will take place on Wednesday, January 24, 2001, at 11:30 a.m. PST. The conference call will be available in a listen-only mode to individual investors, media and other interested parties on Chevron's Investor Center Website at www.chevron.com.

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

Chevron will hold a meeting with security analysts on Monday, February 5, 2001, from 12:30 p.m. to 2:00 p.m. PST. The analysts meeting will be available in a listen-only mode to individual investors, media and other interested parties on Chevron's Investor Center Website at www.chevron.com.

Chevron will post selected first quarter interim company and industry performance data on its Website on Tuesday, March 27, 2001, at 2:00 p.m. PST. 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 and potential delays or other changes in work and repairs schedule. 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 Ended December 31, 2000	Three Months Ended December 31, 1999	Year Ended December 31, 2000	Year Ended December 31, 1999
REVENUES AND OTHER INCOME:				
Sales and Other Operating Revenues (1)	**$ 13,192**	$ 10,611	**$ 50,459**	$ 35,448
Income from Equity Affiliates	**103**	122	**750**	526
Other Income	**226**	246	**787**	612
Total Revenues and Other Income	**13,521**	10,979	**51,996**	36,586
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	**6,832**	5,588	**27,292**	17,982
Operating Expenses	**1,276**	1,369	**5,177**	5,090
Selling, General and Administrative Expenses	**563**	201	**1,725**	1,404
Exploration Expenses	**247**	149	**564**	538
Depreciation, Depletion and Amortization	**697**	900	**2,848**	2,866
Taxes Other Than on Income (1)	**1,185**	1,184	**4,660**	4,586
Interest and Debt Expense	**104**	138	**460**	472
Total Costs and Other Deductions	**10,904**	9,529	**42,726**	32,938
Income Before Income Tax Expense	**2,617**	1,450	**9,270**	3,648
Income Tax Expense	**1,123**	641	**4,085**	1,578
NET INCOME	**$ 1,494**	$ 809	**$ 5,185**	$ 2,070
PER-SHARE AMOUNTS				
Earnings - Basic	**$ 2.32**	$ 1.24	**$ 7.98**	$ 3.16
Earnings - Diluted	**$ 2.32**	$ 1.23	**$ 7.97**	$ 3.14
Dividends	**$ .65**	$ .65	**$ 2.60**	$ 2.48
Average Common Shares Outstanding (000's)				
- Basic	**641,926**	657,334	**649,948**	656,537
- Diluted	**642,924**	659,618	**651,085**	659,457

NET INCOME BY MAJOR OPERATING AREA

(unaudited)

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999	Year Ended December 31, 2000	Year Ended December 31, 1999
Exploration and Production				
United States (2)	**$ 614**	$ 135	**$ 1,889**	$ 482
International	**651**	434	**2,602**	1,093
Total Exploration and Production	**1,265**	569	**4,491**	1,575
Refining, Marketing and Transportation				
United States	**284**	69	**549**	357
International	**28**	(53)	**104**	74
Total Refining, Marketing and Transportation	**312**	16	**653**	431
Chemicals	**(103)**	68	**40**	109
All Other (2)(3)	**20**	156	**1**	(45)
NET INCOME	**$ 1,494**	$ 809	**$ 5,185**	$ 2,070

(1) Includes consumer excise taxes	$ **995**	$ 989	$ **3,927**	$ 3,910

(2) 1999 restated to conform to the 2000 presentation. Effective in the first quarter 2000, the company's share of earnings for Dynegy, Inc. is included in All Othe

(3) Includes coal operations, Dynegy Inc. equity earnings, interest expense, interest income on cash and marketable securities, corporate center costs, and real estat and insurance activities.

(Millions of Dollars)

SPECIAL ITEMS BY MAJOR OPERATING AREA (unaudited)	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999	Year Ended December 31, 2000	Year Ended December 31, 1999
U. S. Exploration and Production	**$ -**	$ (195)	**$ (50)**	$ (292)
International Exploration and Production	**2**	(63)	**2**	(63)
U. S. Refining, Marketing and Transportation	**(12)**	(4)	**(229)**	(18)
International Refining, Marketing and Transportation	**(12)**	26	**(12)**	25
Chemicals	**(78)**	(5)	**(89)**	(96)
All Other [1]	**51**	231	**126**	228
Total Special Items	**$ (49)**	$ (10)	**$ (252)**	$ (216)

SUMMARY OF SPECIAL ITEMS (unaudited)	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999	Year Ended December 31, 2000	Year Ended December 31, 1999
Asset Dispositions	**$ -**	$ 90	**$ 99**	$ 211
Asset Write-offs and Revaluations	**(90)**	(224)	**(170)**	(346)
Environmental Remediation Provisions	**(72)**	(27)	**(208)**	(123)
Prior-Year Tax Adjustments	**(26)**	49	**(77)**	109
Restructurings and Reorganizations	**-**	(37)	**-**	(183)
LIFO Inventory Adjustments	**23**	38	**23**	38
Cities Service Settlement	**-**	104	**-**	104
Other, Net	**116**	(3)	**81**	(26)
Total Special Items	**$ (49)**	$ (10)	**$ (252)**	$ (216)
FOREIGN EXCHANGE (LOSSES) GAINS	**$ (8)**	$ 10	**$ 142**	$ (38)

EARNINGS BY MAJOR OPERATING AREA, EXCLUDING SPECIAL ITEMS (unaudited)	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999	Year Ended December 31, 2000	Year Ended December 31, 1999
Exploration and Production				
United States [2]	**$ 614**	$ 330	**$ 1,939**	$ 774
International	**649**	497	**2,600**	1,156
Total Exploration and Production	**1,263**	827	**4,539**	1,930
Refining, Marketing and Transportation				
United States	**296**	73	**778**	375
International	**40**	(79)	**116**	49
Total Refining, Marketing and Transportation	**336**	(6)	**894**	424
Chemicals	**(25)**	73	**129**	205
All Other [1] [2]	**(31)**	(75)	**(125)**	(273)
Earnings Excluding Special Items	**1,543**	819	**5,437**	2,286
Special Items	**(49)**	(10)	**(252)**	(216)
Net Income	**$ 1,494**	$ 809	**$ 5,185**	$ 2,070

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

(2) 1999 restated to conform to the 2000 presentation. Effective in the first quarter 2000, the company's share of Dynegy earnings is reported in All Other.

CAPITAL AND EXPLORATORY EXPENDITURES [1][2] (Millions of Dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2000	1999	2000	1999
United States				
Exploration and Production	$ 332	$ 210	$ 1,266	$ 907
Refining, Marketing and Transportation	184	216	487	522
Chemicals	8	82	76	326
Other	141	74	698	239
Total United States	665	582	2,527	1,994
International				
Exploration and Production	498	567	1,907	3,591
Refining, Marketing and Transportation	239	171	608	412
Chemicals	69	32	111	136
Total International	806	770	2,626	4,139
Worldwide	$ 1,471	$ 1,352	$ 5,153	$ 6,133

OPERATING STATISTICS [1]				
NET LIQUIDS PRODUCTION (MB/D):				
United States	312	324	312	316
International [3]	880	847	847	811
Worldwide	1,192	1,171	1,159	1,127
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	1,594	1,577	1,558	1,639
International	927	896	911	874
Worldwide	2,521	2,473	2,469	2,513
SALES OF NATURAL GAS (MMCF/D):				
United States	3,571	2,591	3,448	3,162
International	1,634	1,630	1,813	1,774
Worldwide	5,205	4,221	5,261	4,936
SALES OF NATURAL GAS LIQUIDS (MB/D):				
United States	159	149	153	133
International	61	60	65	57
Worldwide	220	209	218	190
SALES OF REFINED PRODUCTS (MB/D):				
United States	1,317	1,294	1,327	1,302
International	800	828	769	832
Worldwide	2,117	2,122	2,096	2,134
REFINERY INPUT (MB/D):				
United States	915	929	943	955
International	430	443	415	469
Worldwide	1,345	1,372	1,358	1,424

(1) Includes interest in affiliates.

(2) 1999 amounts for Dynegy reclassified from U.S. E&P to All Other.

(3) Excludes volumes produced for operating service agreements.	115	92	123	96