

CHEVRON REPORTS NET INCOME OF \$1.5 BILLION IN THIRD QUARTER

Operating earnings more than double on higher crude oil and natural gas prices for producing operations and improved sales margins for refining and marketing

SAN FRANCISCO, Oct. 24 -- Chevron Corp. today reported record net income of \$1.531 billion (\$2.35 per share - diluted) for the third quarter 2000, compared with third quarter 1999 net income of \$582 million (\$0.88 per share - diluted). Excluding net charges of \$116 million for special items in the 2000 quarter, earnings on an operational basis were \$1.647 billion (\$2.53 per share - diluted), more than double the 1999 quarter.

Earnings Summary

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings				
Exploration and Production	\$1,285	\$586	\$3,276	\$1,103
Refining, Marketing and Transportation	311	117	558	430
Chemicals and Other	51	(1)	60	(66)
Total*	1,647	702	3,894	1,467
Special Items	(116)	(120)	(203)	(206)
Net Income*	\$1,531	\$582	\$3,691	\$1,261
* Includes Foreign Currency Gains (Losses)	\$75	\$(7)	\$150	\$(48)

For the first nine months of 2000, Chevron reported net income of \$3.691 billion (\$5.65 per share - diluted), compared with nine months 1999 net income of \$1.261 billion (\$1.91 per share - diluted). Operating earnings were \$3.894 billion (\$5.96 per share - diluted) in 2000, compared with \$1.467 billion (\$2.23 per share - diluted) in 1999.

Chairman and CEO Dave O'Reilly commented, "For the third consecutive quarter, we've achieved record earnings for the company. Higher profits in our U.S. refining and marketing business this quarter complemented the very strong performance we've seen all year from our exploration and producing operations. Our oil and gas production results continue to reflect the financial benefit of not only higher commodity prices but also increased production – the direct result of our continued strategic focus on growing the upstream side of the business. We're especially pleased that oil and gas production in the U.S. for the third quarter was the highest since the third quarter of last year and was up 5 percent from last quarter."

O'Reilly added, "Our strong financial performance this year translates to a 20 percent return on capital employed for the last twelve months and has enabled us to significantly strengthen our balance sheet. We've paid down \$1.8 billion in debt since the beginning of the year, lowering our debt ratio to 27 percent. At the same time, we repurchased \$1.4 billion of our common stock." Commenting on the company's common stock repurchase program that began in December 1997, O'Reilly said that 23.3 million shares had been acquired on the open market for about \$1.9 billion, at an average cost of \$81.27 per share.

Regarding the company's refining, marketing and transportation operations, O'Reilly said, "Downstream earnings in the United States were twice last year's, reflecting improved reliability of our West Coast refineries and strong jet fuel and diesel margins. Internationally, however, financial results for our Caltex affiliate remained depressed in the third quarter. Though refining margins gradually have improved in the Far East, a very competitive environment continues to prevent product prices from both recovering the higher cost of crude oil and improving marketing margins."

For the company's oil and gas producing operations, the average U.S. crude oil realization of \$28.36 per barrel was up 57 percent from the 1999 third quarter. The company's natural gas realization increased 78 percent in the United States to \$4.42 per thousand cubic feet. Chevron's worldwide oil-equivalent production was up about 1 percent from the year-ago quarter. Through nine months 2000, oil-equivalent production was up 1.5 percent versus the corresponding 1999 period. However, production would have increased about 4 percent after adjusting for the unfavorable effect of higher prices on cost-oil recovery volumes allowed under an Indonesian production-sharing agreement and on the company's share of production under certain variable royalty agreements outside the United States.

Operating expense per barrel for the company's worldwide operations increased 77 cents to \$5.77 for the first nine months of 2000, compared with the 1999 period. 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 to satisfy the company's increased international tanker transportation requirements.

O'Reilly highlighted some of the significant operating and strategic events for the company since the end of the second quarter, including:

- **ChevronTexaco Merger Agreement:** Chevron and Texaco announced last week an agreement to combine the two companies into a top-tier integrated energy company that is expected to achieve annual savings of at least \$1.2 billion within 6 to 9 months of the merger completion. The new company – ChevronTexaco – will have world-class upstream positions in oil and gas reserves and production and exploration opportunities; an integrated, worldwide refining and marketing business; a global chemicals business; significant growth platforms in natural gas and power; and industry-leading skills in technology innovation. The merger is conditioned upon shareholder approval for both companies, pooling accounting treatment for the merger and government agency regulatory approvals.
- **Tengiz:** Chevron reached final agreement on the purchase of an additional 5 percent stake in Tengizchevroil (TCO). Upon obtaining local approvals to close the transaction, Chevron's

equity interest in TCO will increase to 50 percent. In the third quarter 2000, TCO's average total gross crude oil production was 223,000 barrels per day. Gross production in the fourth quarter 2000 is projected to reach 260,000 barrels per day, as a result of the recent completion of the processing plant expansion and turnaround work.

- **Caspian Pipeline:** Construction of a pipeline by the Caspian Pipeline Consortium (CPC), in which Chevron owns a 15 percent interest, is on schedule for a mid-2001 start-up. The pipeline will connect the Tengiz Field in western Kazakhstan to the Black Sea port of Novorossiysk. Nearly all of the 460 miles of new pipe have been installed, and refurbishment work on the existing 475 miles of pipeline is progressing well. Work is also well under way on the terminal, storage and mooring facilities at Novorossiysk. CPC has spent more than \$1.3 billion to date on the project.
- **Angola:** Chevron announced its sixth major discovery since 1997, and the second this year, in deepwater Block 14, where the company is operator and has a 31 percent ownership interest. This discovery, named Lobito, followed the Tomboco discovery in Block 14 earlier this year. The Lobito discovery will be followed by geologic and engineering studies to appraise the field and assess its potential reserves. Development plans for the Lobito and Tomboco fields are in the early stages, but could provide synergies with the development of the Benguela and Belize fields that were discovered in 1998.
- **Australia:** In September, the North West Shelf Venture, in which Chevron has a one-sixth interest, announced the signing of letters of intent to supply one million tons of LNG per year for 25 years to two Japanese customers. These agreements provide the foundation for the expansion of the joint venture's production facilities by 50 percent.
- **Gas-to-Liquids Activities:** In September, Chevron and the Nigerian National Petroleum Corp. announced additional major initiatives to convert natural gas into clean petroleum fuels and to significantly reduce the amount of natural gas being flared in their Nigerian exploration and production operations. A gas-to-liquids facility will be built adjacent to the joint venture's existing operations at Escravos. Chevron and Sasol also announced the signing of the final agreements for the formation of a new company, Sasol Chevron Holdings, as part of their 50/50 global joint venture founded on gas-to-liquids technology. The new company intends to implement gas-to-liquids ventures worldwide, anticipating investments totaling in excess of \$5 billion over the next 5 to 10 years and using proprietary technologies of both companies.
- **Chemicals Joint Venture:** The combination of the petrochemicals businesses of Chevron and Phillips Petroleum Co. was completed on July 1. The venture – Chevron Phillips Chemical Co. – is owned 50 percent by each partner and headquartered in Houston. In September, this venture announced that it would jointly own with Solvay Polymers, Inc., a new 700 million pounds per year high-density polyethylene plant to be constructed in Texas. Each partner will own 50 percent of the plant and production, which will be independently

marketed by the owners. Engineering for the plant is under way and start-up is expected in late 2002.

Special items included in net income for the third quarter 2000 included charges for environmental remediation reserves, impairments of U.S. producing properties and pipeline assets, and a prior-year's tax adjustment. These charges were partially offset by gains from the sale of marketable securities and from the equity accounting effect of common stock transactions of Chevron's Dynegy equity affiliate.

Foreign currency gains included in third quarter 2000 net income were \$75 million, compared with losses of \$7 million in 1999. For the first nine months of 2000, foreign currency gains were \$150 million, compared with losses of \$48 million in the comparable 1999 period. During 2000, the U.S. dollar strengthened against the currencies of a number of countries, particularly Australia, the United Kingdom, Norway and Canada.

Third quarter 2000 revenues of \$13.6 billion were 33 percent higher than 1999 third quarter revenues of \$10.2 billion. Total revenues for nine months 2000 were \$38.5 billion, up 50 percent from \$25.6 billion in 1999. Revenues increased primarily on sharply higher prices for crude oil, natural gas and refined products. These increases were partially offset by the absence of revenues in the 2000 quarter as the result of 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

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings	\$572	\$ 264	\$1,325	\$444
Special Items	(50)	(45)	(50)	(97)
Net income	\$522	\$219	\$1,275	\$347

U.S. exploration and production operating earnings rose significantly in the 2000 third quarter on higher crude oil and natural gas realizations, offset partially by higher operating expenses – mainly higher fuel costs – and the absence of gains from property sales. Special items for the third quarter 2000 consisted of charges for the impairment of Mobile Blocks 861 and 916 in the Norphlet Trend and the Gemini development located in Mississippi Canyon Block 292.

For the third quarter 2000, the company's average crude oil realization of \$28.36 per barrel was up 57 percent from the year-ago quarter; the average natural gas realization of \$4.42 per thousand cubic feet rose 78 percent.

Net liquids production for the third quarter 2000 averaged 319,000 barrels per day, down slightly from 1999. Third quarter 2000 net natural gas production averaged 1.6 billion cubic feet per day, down 3 percent from the 1999 quarter. On a combined 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. However, the third quarter's oil-equivalent production was the highest quarterly average thus far in 2000.

International Exploration and Production

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings*	\$713	\$ 322	\$1,951	\$659
Special Items	-	-	-	-
Net income*	\$713	\$322	\$1,951	\$659
<i>*Includes Foreign Currency Gains (Losses)</i>	<i>\$42</i>	<i>\$(3)</i>	<i>\$91</i>	<i>\$(31)</i>

International exploration and production earnings more than doubled in the third quarter 2000, mainly the result of higher crude oil and natural gas prices and higher oil-equivalent production. The 2000 quarter also included a benefit of about \$30 million from a new Memorandum of Understanding issued by the Nigerian government that changed the method of compensation to joint venture oil operators retroactive to the beginning of the year.

Net liquids production increased 4 percent versus the 1999 quarter to 822,000 barrels per day. Production increases in Angola, combined with 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. Third quarter 2000 production does not include any production from Colombia, compared with 12,000 barrels per day in the 1999 period under a joint venture agreement that expired earlier in the year. The company operated under an operating service agreement from February 1, 2000, until its expiration on July 31, 2000.

Net natural gas production declined 4 percent to 888 million cubic feet per day, compared with last year's quarter. Decreases in net natural gas production occurred primarily in the United Kingdom and Canada. These declines were partially offset by increases in production from the properties acquired last year in Thailand and Argentina and higher production from Nigeria and Tengiz.

On an oil-equivalent basis, production in the 2000 third quarter rose over 2 percent. Absent the unfavorable effect of higher prices on cost-oil recovery volumes allowed under an Indonesian production-sharing agreement and on the company's share of production under certain variable royalty agreements outside the United States, oil-equivalent production would have risen nearly 5 percent.

Earnings for the 2000 third quarter included net foreign currency gains of \$42 million, compared with losses of \$3 million in 1999. The change primarily reflected favorable currency swings of the U.S. dollar relative to the Australian, United Kingdom, Norwegian and Canadian currencies.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings	\$260	\$ 107	\$482	\$302
Special Items	(155)	(10)	(217)	(14)
Net income	\$105	\$ 97	\$265	\$288

Operating earnings for the third quarter 2000 were more than double the year-ago quarter. The third quarter 2000 included a benefit of \$34 million from business interruption insurance related to a 1999 refinery incident. Last year's quarter included substantially higher losses from refinery incidents and required the purchase of high-cost replacement products to meet supply commitments.

The refined product sales realization for the third quarter 2000 increased about 40 percent to \$41.03 per barrel. Chevron benefited from higher overall industry margins on the Gulf Coast in the 2000 quarter and from significantly higher industry margins for jet and diesel fuels on the West Coast. Motor gasoline margins on the West Coast were only slightly improved from last year's quarter.

Refined product sales volumes increased 3 percent to 1,396,000 barrels per day in the 2000 quarter. Sales volumes for most products were higher than the prior year's quarter, including motor gasoline. However, branded gasoline sales were down slightly from the year-ago quarter.

Special items for the third quarter 2000 included charges for environmental remediation at the company's U.S. refining and marketing sites and an impairment of a regulated pipeline system. Most of the environmental remediation charges apply to refining sites no longer owned or operated by the company.

International Refining, Marketing, and Transportation

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings*	\$51	\$ 10	\$76	\$128
Special Items	-	(31)	-	(1)
Net income*	\$51	\$(21)	\$76	\$127
<i>*Includes Foreign Currency Gains (Losses)</i>	<i>\$36</i>	<i>\$1</i>	<i>\$70</i>	<i>\$(15)</i>

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 operating earnings for foreign currency gains, earnings increased slightly in the third quarter 2000, compared with last year's quarter.

Operating earnings for the company's Canadian refining and marketing and international supply and trading operations improved in the third quarter. Caltex operations, however, continued to suffer from surplus refined products manufacturing capacity and a highly competitive environment in the Asia-

Pacific market. While refinery margins in this area increased in the third quarter 2000, refined product prices did not increase sufficiently to recover higher crude oil costs and improve marketing margins.

Chevron's third quarter total international downstream sales volumes were 763,000 barrels per day, down about 2 percent from the 1999 quarter on lower Caltex trading volumes.

CHEMICALS

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Operating Earnings*	\$35	\$31	\$154	\$132
Special Items	(11)		(11)	(91)
Net income*	\$24	\$31	\$143	\$ 41
<i>*Includes Foreign Currency Losses</i>	<i>\$(2)</i>	<i>\$(3)</i>	<i>\$(4)</i>	<i>\$(1)</i>

Operating earnings for the chemical segment in the third quarter improved modestly compared with the third quarter last year. The 2000 quarter included special charges for environmental remediation. Improved margins and higher sales volumes boosted earnings for most of the products in Chevron's additives business. The third quarter 2000 earnings include the company's 50 percent share of Chevron Phillips Chemical Company, which was formed July 1.

ALL OTHER

<i>Millions of Dollars</i>	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2000	1999	2000	1999
Net Operating Earnings (Charges)*	\$ 16	\$ (32)	\$(94)	\$(198)
Special Items	100	(34)	75	(3)
Net Income (Loss)*	\$116	\$(66)	\$(19)	\$(201)
<i>*Includes Foreign Currency Losses</i>	<i>\$(1)</i>	<i>\$(2)</i>	<i>\$(7)</i>	<i>\$(1)</i>

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. For the third quarter 2000, All Other net operating earnings were \$16 million, compared with net operating charges of \$32 million last year. Chevron's share of Dynegy operating earnings increased by \$43 million to \$57 million, primarily due to a gain from the sale of an affiliate, higher earnings from the energy convergence business and additional earnings from the transmission and distribution operations of Illinois Power, acquired in the merger with Illinova during the first quarter 2000. The net benefit from special items in 2000 consisted of gains from the sale of marketable securities and from the equity accounting effect of common stock transactions of the Dynegy affiliate, partially offset by an unfavorable prior year's income tax adjustment.

Capital and Exploratory Expenditures

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were \$3.7 billion for the first nine months of 2000, compared with \$4.8 billion spent in the 1999 period. Expenditures for worldwide exploration and production activities represented 64 percent of the company's total spending. Nine months 2000 included an additional investment of approximately \$300 million in Dynegy Inc. Expenditures in last year's period included the acquisition of Rutherford-Moran Oil Corp. and another interest in Block B8/32 offshore Thailand in the first quarter and the purchase of Petrolera Argentina San Jorge in the third quarter.

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10/24/00

CHEVRON'S THIRD QUARTER 2000 EARNINGS CONFERENCE CALL WILL TAKE PLACE ON TUESDAY, OCTOBER 24, AT 11:30 A.M. PDT. THE CONFERENCE CALL IS 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."

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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 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

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(Millions of Dollars Except Per-Share Amounts)

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2000	1999	2000	1999
REVENUES:				
Sales and Other Operating Revenues ⁽¹⁾	\$ 12,962	\$ 9,965	\$ 37,267	\$ 24,837
Income from Equity Affiliates	276	127	647	404
Other Income	348	85	561	366
Total Revenues	13,586	10,177	38,475	25,607
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	6,953	5,327	20,460	12,394
Operating Expenses	1,359	1,117	3,901	3,721
Selling, General and Administrative Expenses	399	357	1,162	1,203
Exploration Expenses	98	205	317	389
Depreciation, Depletion and Amortization	801	767	2,151	1,966
Taxes Other Than on Income ⁽¹⁾	1,205	1,181	3,475	3,402
Interest and Debt Expense	101	116	356	334
Total Costs and Other Deductions	10,916	9,070	31,822	23,409
Income Before Income Tax Expense	2,670	1,107	6,653	2,198
Income Tax Expense	1,139	525	2,962	937
NET INCOME	\$ 1,531	\$ 582	\$ 3,691	\$ 1,261

PER-SHARE AMOUNTS

Earnings - Basic	\$ 2.36	\$.88	\$ 5.66	\$ 1.92
Earnings - Diluted	\$ 2.35	\$.88	\$ 5.65	\$ 1.91
Dividends	\$.65	\$.61	\$ 1.95	\$ 1.83

Average Common Shares Outstanding (000's)

- Basic	648,520	657,190	652,641	656,268
- Diluted	649,577	660,649	653,827	659,403

NET INCOME BY MAJOR OPERATING AREA

(unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2000	1999	2000	1999
Exploration and Production				
United States ⁽²⁾	\$ 522	\$ 219	\$ 1,275	\$ 347
International	713	322	1,951	659
Total Exploration and Production	1,235	541	3,226	1,006
Refining, Marketing and Transportation				
United States	105	97	265	288
International	51	(21)	76	127
Total Refining, Marketing and Transportation	156	76	341	415
Chemicals	24	31	143	41
All Other ^{(2),(3)}	116	(66)	(19)	(201)
NET INCOME	\$ 1,531	\$ 582	\$ 3,691	\$ 1,261

(1) Includes consumer excise taxes

(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 Other

(3) 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.

CHEVRON CORPORATION - FINANCIAL REVIEW
(MILLIONS OF DOLLARS)

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<u>SPECIAL ITEMS BY MAJOR OPERATING AREA</u> (unaudited)	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
U. S. Exploration and Production	\$ (50)	\$ (45)	\$ (50)	\$ (97)
U. S. Refining, Marketing and Transportation	(155)	(10)	(217)	(14)
International Refining, Marketing and Transportation	-	(31)	-	(1)
Chemicals	(11)	-	(11)	(91)
All Other ⁽¹⁾	100	(34)	75	(3)
Total Special Items	\$ <u>(116)</u>	\$ <u>(120)</u>	\$ <u>(203)</u>	\$ <u>(206)</u>

<u>SUMMARY OF SPECIAL ITEMS</u> (unaudited)	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Asset Dispositions	\$ 99	\$ (31)	\$ 99	\$ 121
Asset Write-offs and Revaluations	(80)	(79)	(80)	(122)
Environmental Remediation Provisions	(136)	(10)	(136)	(96)
Prior-Year Tax Adjustments	(26)	-	(51)	60
Restructurings and Reorganizations	-	-	-	(146)
Other, Net	27	-	(35)	(23)
Total Special Items	\$ <u>(116)</u>	\$ <u>(120)</u>	\$ <u>(203)</u>	\$ <u>(206)</u>

<u>FOREIGN EXCHANGE GAINS (LOSSES)</u>	\$ 75	\$ (7)	\$ 150	\$ (48)
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EARNINGS BY MAJOR OPERATING AREA

<u>EXCLUDING SPECIAL ITEMS</u> (unaudited)	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Exploration and Production				
United States ⁽²⁾	\$ 572	\$ 264	\$ 1,325	\$ 444
International	713	322	1,951	659
Total Exploration and Production	<u>1,285</u>	<u>586</u>	<u>3,276</u>	<u>1,103</u>
Refining, Marketing and Transportation				
United States	260	107	482	302
International	51	10	76	128
Total Refining, Marketing and Transportation	<u>311</u>	<u>117</u>	<u>558</u>	<u>430</u>
Chemicals	35	31	154	132
All Other ^{(1) (2)}	16	(32)	(94)	(198)
Earnings Excluding Special Items	<u>1,647</u>	<u>702</u>	<u>3,894</u>	<u>1,467</u>
Special Items	<u>(116)</u>	<u>(120)</u>	<u>(203)</u>	<u>(206)</u>
Net Income	\$ <u>1,531</u>	\$ <u>582</u>	\$ <u>3,691</u>	\$ <u>1,261</u>

(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 earnings for Dynegy, Inc. is included in All Other.

CHEVRON CORPORATION - FINANCIAL REVIEW
(MILLIONS OF DOLLARS)

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CONSOLIDATED BALANCE SHEET

	September 30, 2000 (unaudited)	December 31, 1999
ASSETS:		
Cash and Cash Equivalents	\$ 1,342	\$ 1,345
Other Current Assets	7,329	6,952
Total Current Assets	8,671	8,297
Investments and Advances	8,004	5,231
Properties, Plant and Equipment-Net	22,945	25,317
Other	2,026	1,823
TOTAL ASSETS	\$ 41,646	\$ 40,668
LIABILITIES:		
Short-Term Debt	\$ 1,714	\$ 3,434
Other Current Liabilities	6,546	5,455
Total Current Liabilities	8,260	8,889
Long-Term Debt and Capital Lease Obligations	5,359	5,485
Noncurrent Deferred Income Taxes	5,185	5,010
Reserves For Employee Benefit Plans	1,862	1,796
Deferred Credits and Other Noncurrent Obligations	2,064	1,739
TOTAL LIABILITIES	22,730	22,919
STOCKHOLDERS' EQUITY	18,916	17,749
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 41,646	\$ 40,668

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine Months Ended September 30, 2000 (unaudited)	1999
OPERATING ACTIVITIES		
Net Income	\$ 3,691	\$ 1,261
Adjustments		
Depreciation, depletion and amortization	2,151	1,966
Dry hole expense related to prior years' expenditures	27	103
Distributions less than equity in affiliates' income	(247)	(244)
Net before-tax gains on asset retirements and sales	(215)	(300)
Net foreign exchange (gains) losses	(80)	37
Deferred income tax provision	285	(120)
Net decrease in operating working capital	752	1,632
Other	47	(767)
Net cash provided by operating activities	6,411	3,568
INVESTING ACTIVITIES		
Capital expenditures	(2,757)	(3,423)
Proceeds from asset sales	381	583
Other investing cash flows, net	857	40
Net (purchases) sales of marketable securities	(540)	72
Net cash used for investing activities	(2,059)	(2,728)
FINANCING ACTIVITIES		
Net (payments) borrowings of short-term obligations	(1,722)	127
Proceeds from issuance of long-term debt	25	702
Repayments of long-term debt and other financing obligations	(127)	(443)
Cash dividends paid	(1,272)	(1,199)
Net (purchases) sales of treasury shares	(1,259)	105
Net cash used for financing activities	(4,355)	(708)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	-	2
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3)	134
CASH AND CASH EQUIVALENTS AT JANUARY 1, 2000 AND 1999	1,345	569
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30, 2000 AND 1999	\$ 1,342	\$ 703

CAPITAL AND EXPLORATORY EXPENDITURES ⁽¹⁾⁽²⁾ (millions of dollars)	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2000	1999	2000	1999
United States				
Exploration and Production	\$ 372	\$ 234	\$ 934	\$ 697
Refining, Marketing and Transportation	128	96	303	306
Chemicals	3	71	68	244
Other	74	17	557	165
Total United States	577	418	1,862	1,412
International				
Exploration and Production	511	1,606	1,409	3,024
Refining, Marketing and Transportation	133	99	369	241
Chemicals	13	49	42	104
Total International	657	1,754	1,820	3,369
Worldwide	\$ 1,234	\$ 2,172	\$ 3,682	\$ 4,781
OPERATING STATISTICS ⁽¹⁾				
NET LIQUIDS PRODUCTION (MB/D):				
United States	319	321	312	313
International	822	792	836	799
Worldwide	1,141	1,113	1,148	1,112
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	1,615	1,664	1,546	1,659
International	888	929	906	867
Worldwide	2,503	2,593	2,452	2,526
SALES OF NATURAL GAS (MMCF/D):				
United States	3,535	3,436	3,407	3,354
International	1,770	1,884	1,873	1,823
Worldwide	5,305	5,320	5,280	5,177
SALES OF NATURAL GAS LIQUIDS (MB/D):				
United States	180	127	151	127
International	69	64	66	56
Worldwide	249	191	217	183
SALES OF REFINED PRODUCTS (MB/D):				
United States	1,396	1,357	1,331	1,305
International ⁽³⁾	763	778	758	782
Worldwide	2,159	2,135	2,089	2,087
REFINERY INPUT (MB/D):				
United States	1,020	999	953	964
International	413	416	409	427
Worldwide	1,433	1,415	1,362	1,391

(1) Includes interest in affiliates.

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

(3) 1999 amounts restated.