ChevronTexaco Corporation
Public & Government Affairs
P.O. Box 7753
San Francisco, CA 94120-7753
www.chevrontexaco.com

News from **ChevronTexaco**

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

CHEVRONTEXACO REPORTS THIRD QUARTER NET INCOME OF NEARLY $1.2 BILLION FOR FORMER CHEVRON OPERATIONS

- ***Sharply lower crude oil and natural gas prices reduce exploration and production earnings***
- ***Improved margins boost profits for refining, marketing and transportation***

SAN FRANCISCO, Oct. 25, 2001 – ChevronTexaco Corp. today reported net income of $1.168 billion ($1.82 per share - diluted) for third quarter 2001 for the former operations of Chevron Corp., compared with third quarter 2000 net income of $1.531 billion ($2.35 per share - diluted). Excluding net charges for special items in both quarters, earnings on an operational basis declined 27 percent to $1.199 billion ($1.86 per share - diluted). Earnings in the quarter for the stand-alone operations of Texaco Inc. were announced separately today by ChevronTexaco.

Earnings Summary

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings				
Exploration and Production	$783	$1,290	$3,195	$3,276
Refining, Marketing and Transportation	389	307	1,053	558
Chemicals and Other	27	50	(65)	60
Total*	1,199	1,647	4,183	3,894
Special Items	(31)	(116)	(91)	(203)
Net Income*	$1,168	$1,531	$4,092	$3,691
**Includes Foreign Currency Gains*	*$26*	*$75*	*$69*	*$150*

For the first nine months of 2001, Chevron reported record net income of $4.092 billion ($6.36 per share - diluted), compared with $3.691 billion ($5.65 per share - diluted) in the 2000 period. Operating earnings were $4.183 billion ($6.50 per share - diluted) for the nine months, compared with $3.894 billion ($5.96 per share - diluted) last year.

Chairman and CEO Dave O'Reilly said, "We had solid earnings from the former Chevron operations in the third quarter, although off from the record level achieved in the same period last year.

“Weakened demand in the world economies, even before the tragedies of September 11, pushed oil and gas prices significantly lower than the year-ago quarter. For example, the company’s average U.S. crude oil realization fell over $5 per barrel between periods to about $23, and the average U.S. natural gas realization was off nearly 40 percent to about $2.75 per thousand cubic feet. These lower prices worldwide were the main reason for a 39 percent decline in earnings from our exploration and producing operations.”

For the company’s downstream businesses, O’Reilly said, “Our refining and marketing margins improved from a year ago, especially in the United States. The primary margin benefit was from lower crude oil feedstock and fuel costs. Also contributing to the bottom line were higher refined product sales volumes and improved capacity utilization of our refining system.”

Regarding the company’s international downstream sector, O’Reilly said that excess capacity and weak demand continued to affect the Asia-Pacific operations of Caltex. However, the international shipping operation increased its profits from the year-ago quarter, mainly through lower operating expenses.

Commenting on the recently completed merger with Texaco, O’Reilly said, “The October 9 merger was historic for both Chevron and Texaco and their shareholders. We fully expect the combination of these two fine companies will result in successes far greater than each alone could have achieved. Employees from Chevron, Texaco and Caltex are now implementing plans they formulated during the regulatory-review period to integrate the organizations and capture the synergies made possible by the merger.

“We’re poised to compete with the best,” O’Reilly added. “Our constant focus will be on operating reliably, efficiently and safely – while realizing the synergistic savings that will help us sustain profitable growth.

“We have begun the journey to become the global energy company most admired for its people, partnership and performance,” O’Reilly remarked. “We at ChevronTexaco are excited for the opportunity to play an increasingly important role in helping provide the energy to grow the world economies for years to come.”

O’Reilly also highlighted other activities of Chevron Corp. in recent months:

- **Caspian Pipeline:** In October, the first tankers were loaded with crude oil from the Caspian Pipeline Consortium (CPC) facilities near the Black Sea port of Novorossiysk. CPC’s pipeline connects the Tengiz Field in western Kazakhstan to Novorossiysk, enabling full access to world market prices for the Tengiz oil and reducing transportation costs. CPC is owned 15 percent by Chevron.

- **Angola:** Chevron and partners announced the commencement of crude oil production from the North Nemba Platform in Block 0, offshore Angola. Production from North Nemba is expected to peak in the second quarter 2002 and average 40,000 barrels per day for the full year. Chevron is operator and owns a 39 percent interest.
- **Nigeria:** Chevron signed two joint venture agreements with the Nigerian National Petroleum Corp. to begin the engineering design for Escravos Gas Project Phase 3 and the Escravos gas-to-liquids project. These major initiatives will help eliminate the flaring of natural gas at the Nigerian producing operations and generate additional revenue through the export of products derived from the processed gas. Phase 3 will increase the gas processing capability to 680 million cubic feet per day. The gas-to-liquids project is expected to produce about 34,000 barrels per day of ultra-clean synthetic fuel and naphtha for export. The two projects are expected to be completed by late 2005.
- **United Kingdom:** The company and its partners announced they would proceed with Phase 1 development of the Clair Field, located about 50 miles west of The Shetland Isles in the North Sea. First oil is expected in late 2004 from Phase 1, which will cost nearly $1 billion. Chevron has a 19 percent interest in the Clair Field.
- **China/Australia:** A Memorandum of Understanding was signed with a subsidiary of the Chinese National Offshore Oil Company to explore the feasibility of that subsidiary acquiring an equity interest in the Gorgon Area, offshore western Australia, and developing the gas market in coastal China. Chevron and Texaco own a combined 57 percent interest in the Gorgon project.
- **Deepwater Gulf of Mexico:** Production began in late July at the Typhoon Field, operated and 50 percent-owned by Chevron. Production is expected to average more than 30,000 barrels of oil and 35 million cubic feet of gas per day in this year's fourth quarter and to average approximately 29,000 barrels of oil-equivalent in 2002. Chevron and partners also announced the successful Trident and Boris deepwater exploratory wells. Chevron has a 15 percent interest in the Trident prospect and a 25 percent interest in Boris.

Foreign currency gains included in third quarter 2001 net income were $26 million, compared with gains of $75 million in 2000. For the nine-month periods, foreign currency gains were $69 million in 2001, compared with gains of $150 million in 2000.

Third quarter 2001 revenues and other income of $11.9 billion were lower than the $13.6 billion in the 2000 third quarter. Revenues declined on sharply lower prices for crude oil, natural gas and refined products. Revenues for nine months 2001 declined by $1.4 billion to $37.2 billion. This was primarily attributable to the absence of sales revenues in 2001 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.

EXPLORATION AND PRODUCTION

U.S. Exploration and Production

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings	$281	$ 572	$1,447	$1,325
Special Items	49	(50)	49	(50)
Segment Income	$330	$ 522	$1,496	$1,275

U.S. exploration and production operating earnings of $281 million declined 51 percent in the 2001 third quarter – primarily the result of significantly lower crude oil and natural gas realizations. The third quarter 2001 special gain of $49 million resulted from the sale of the company's interest in Shenandoah Energy Inc., an equity affiliate with producing properties in Utah.

The third quarter average natural gas realization was $2.76 per thousand cubic feet, compared with $4.42 in the year-ago period. The average crude oil realization of $23.22 per barrel declined 18 percent.

Third quarter net natural gas production averaged 1.444 billion cubic feet per day, down 11 percent from the 2000 period. Net liquids production was down 3 percent to 309,000 barrels per day. In last year's third quarter, combined liquids and natural gas production was the highest during the year – the result of an intensive program of well workovers and development drilling projects, especially in the Gulf of Mexico, to capture the benefit of higher prices. Also contributing to the decrease in production in the 2001 quarter were reduced rig activity and the August impacts of Tropical Storm Barry and of an incident with another company's pipeline that transports Chevron's production.

International Exploration and Production

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings*	$ 502	$ 718	$1,748	$1,951
Special Items	-	-	-	-
Segment Income*	$ 502	$ 718	$1,748	$1,951
**Includes Foreign Currency Gains*	*$25*	*$42*	*$46*	*$91*

International exploration and production quarterly earnings of $502 million declined about 30 percent, mainly the result of lower realizations for both liquids and natural gas.

Net oil-equivalent production rose about 4 percent from the year-ago period. The net liquids component of production increased 4 percent to 853,000 barrels per day – primarily from operations in Kazakhstan. Net natural gas production increased 3 percent to 917 million cubic feet per day.

Earnings for the third quarter included net foreign currency gains of $25 million, compared with gains of $42 million in 2000.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings	$317	$260	$785	$482
Special Items	-	(155)	-	(217)
Segment Income	$317	$105	$785	$265

Operating earnings of $317 million improved 22 percent from the year-ago quarter. Higher margins in the western United States for refined products were complemented by higher sales volumes in all marketing areas. The margin improvement resulted mainly from lower costs for refinery feedstocks – primarily crude oil – which declined at a faster rate than sales realizations. Operating earnings for the 2000 quarter included a $34 million benefit from business interruption insurance related to a 1999 refinery incident.

The average refined product sales realization decreased 14 percent from the year-ago quarter to $35.41 per barrel. Refined product sales volumes increased 6 percent to 1,479,000 barrels per day, including branded gasoline sales that increased about 2 percent to 569,000 barrels per day.

International Refining, Marketing, and Transportation

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings*	$72	$ 47	$268	$76
Special Items	-	-	-	-
Segment Income*	$72	$47	$268	$76
**Includes Foreign Currency Gains*	*$9*	*$36*	*$37*	*$70*

International refining, marketing and transportation earnings of $72 million increased primarily from improved margins in the Canadian and Caltex areas and lower operating expenses in the shipping business.

Chevron’s share of Caltex earnings, excluding foreign currency effects, was approximately break-even, compared with losses of $34 million in the year-ago period. The Asia-Pacific market for refined products continues to suffer from excess supply and weak demand.

Total sales volumes increased 11 percent to 845,000 barrels per day, mainly from the company's share of an affiliate's sales of residual fuels and marine lubricants.

CHEMICALS

	Three Months Ended Sept. 30		**Nine Months Ended Sept. 30**	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating (Losses) Earnings *	$(5)	$35	$(14)	$154
Special Items	(43)	(11)	(43)	(11)
Segment (Losses) Income *	$(48)	$24	$(57)	$143
**Includes Foreign Currency Gains (Losses)*	*$2*	*$(2)*	*$(3)*	*$(4)*

Chemical operations incurred operating losses of $5 million, compared with earnings of $35 million in last year's third quarter – due to lower earnings by the 50 percent-owned Chevron Phillips Chemical Company LLC affiliate (CPChem). Product sales margins and sales volumes for CPChem both deteriorated between periods, reflecting the general economic downturn. The special charges in the third quarter 2001 were associated with the write-down of assets and tax adjustments for CPChem's manufacturing facilities in Puerto Rico.

ALL OTHER

	Three Months Ended Sept. 30		**Nine Months Ended Sept. 30**	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Net Income (Charges), Excluding Special Items*	$32	$ 15	$(51)	$(94)
Special Items	(37)	100	(97)	75
Segment Net (Charges) Income*	$(5)	$115	$(148)	$(19)
**Includes Foreign Currency Losses*	*$(10)*	*$(1)*	*$(11)*	*$(7)*

All Other consists of the company's 26 percent 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 income before special items was $32 million, compared with $15 million in the year-ago quarter. The company's share of earnings from the Dynegy affiliate increased $15 million to $72 million. Otherwise, the benefits of lower interest expense on corporate debt and higher interest income on marketable securities were offset by various other corporate charges. Special items for the third quarter 2001 consisted of charges for merger-related expenses.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were $4.5 billion for the first nine months of 2001, compared with $3.7 billion in the 2000 period. Expenditures for worldwide exploration and production activities represented 69 percent of the total, reflecting the company's continued emphasis on growing oil and gas production. In 2001, expenditures included the acquisition of an additional 5 percent interest in the Tengizchevroil affiliate. Expenditures in 2000 included an additional investment of approximately $300 million in Dynegy Inc.

# # #

10/25/01

NOTICE

The conference call to discuss Chevron's stand-alone third quarter 2001 earnings will take place on Thursday, October 25, 2001, at 11:30 a.m. PDT. During this same session, stand-alone third quarter 2001 earnings for Texaco Inc. will also be discussed. The conference call will be available in a listen-only mode to individual investors, media and other interested parties on ChevronTexaco's Web site at www.chevrontexaco.com under the "Investor Relations" heading. Additional financial and operating information is contained in the Investor Relations Supplement that is available under "Financial Reports" on the Website.

ChevronTexaco will post selected fourth quarter interim company and industry performance data on its Web site on Thursday, December 20, 2001, at 2:00 p.m. PST. Interested parties may view this interim data at www.chevrontexaco.com under the "Investor Relations" 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; political instability or civil unrest in the areas of the world relating to our operations; unexpected damage to company facilities; and the successful integration of the former Chevron and Texaco businesses. 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 Sept. 30		Nine Months Ended Sept. 30	
REVENUES AND OTHER INCOME:	**2001**	**2000**	**2001**	**2000**
Sales and Other Operating Revenues [1]	**$ 11,563**	$ 12,997	**$ 36,245**	$ 37,364
Income from Equity Affiliates	**162**	276	**625**	647
Other Income	**184**	348	**343**	561
	11,909	13,621	**37,213**	38,572
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	**6,141**	6,953	**18,730**	20,460
Operating Expenses	**1,166**	1,359	**3,612**	3,901
Selling, General and Administrative Expenses	**537**	399	**1,440**	1,162
Exploration Expenses	**75**	98	**360**	317
Depreciation, Depletion and Amortization	**713**	801	**2,085**	2,151
Taxes Other Than on Income [1]	**1,253**	1,240	**3,713**	3,572
Interest and Debt Expense	**65**	101	**227**	356
	9,950	10,951	**30,167**	31,919
INCOME BEFORE INCOME TAX EXPENSE	**1,959**	2,670	**7,046**	6,653
Income Tax Expense	**791**	1,139	**2,954**	2,962
NET INCOME	**$ 1,168**	$ 1,531	**$ 4,092**	$ 3,691
PER-SHARE AMOUNTS				
Earnings - Basic	**$ 1.82**	$ 2.36	**$ 6.37**	$ 5.66
Earnings - Diluted	**$ 1.82**	$ 2.35	**$ 6.36**	$ 5.65
Dividends	**$ .65**	$ .65	**$ 1.95**	$ 1.95
Average Common Shares Outstanding (000's)				
- Basic	**643,326**	648,520	**642,750**	652,641
- Diluted	**644,474**	649,577	**644,103**	653,827

NET INCOME BY MAJOR OPERATING AREA
(unaudited)

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2001	**2000**	**2001**	**2000**
Exploration and Production				
United States [2]	**$ 330**	$ 522	**$ 1,496**	$ 1,275
International	**502**	718	**1,748**	1,951
Total Exploration and Production	**832**	1,240	**3,244**	3,226
Refining, Marketing and Transportation				
United States	**317**	105	**785**	265
International	**72**	47	**268**	76
Total Refining, Marketing and Transportation	**389**	152	**1,053**	341
Chemicals	**(48)**	24	**(57)**	143
All Other [2]	**(5)**	115	**(148)**	(19)
NET INCOME	**$ 1,168**	$ 1,531	**$ 4,092**	$ 3,691

(1) Includes consumer excise taxes	**$ 1,074**	$ 1,067	**$ 3,141**	$ 3,029

(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 (unaudited)	Three Months Ended Sept. 30 2001	Three Months Ended Sept. 30 2000	Nine Months Ended Sept. 30 2001	Nine Months Ended Sept. 30 2000
U. S. Exploration and Production	**$ 49**	$ (50)	**$ 49**	$ (50)
U. S. Refining, Marketing and Transportation	**-**	(155)	**-**	(217)
Chemicals	**(43)**	(11)	**(43)**	(11)
All Other *	**(37)**	100	**(97)**	75
Total Special Items	**$ (31)**	$ (116)	**$ (91)**	$ (203)

SUMMARY OF SPECIAL ITEMS (unaudited)	Three Months Ended Sept. 30 2001	Three Months Ended Sept. 30 2000	Nine Months Ended Sept. 30 2001	Nine Months Ended Sept. 30 2000
Asset Dispositions	**$ 49**	$ 99	**$ 49**	$ 99
Asset Write-offs and Revaluations	**(43)**	(80)	**(43)**	(80)
Environmental Remediation Provisions	**-**	(136)	**-**	(136)
Prior-Year Tax Adjustments	**-**	(26)	**(31)**	(51)
Other, Net	**(37)**	27	**(66)**	(35)
Total Special Items	**$ (31)**	$ (116)	**$ (91)**	$ (203)
FOREIGN EXCHANGE GAINS	**$ 26**	$ 75	**$ 69**	$ 150

EARNINGS BY MAJOR OPERATING AREA EXCLUDING SPECIAL ITEMS (unaudited)	Three Months Ended Sept. 30 2001	Three Months Ended Sept. 30 2000	Nine Months Ended Sept. 30 2001	Nine Months Ended Sept. 30 2000
Exploration and Production				
United States	**$ 281**	$ 572	**$ 1,447**	$ 1,325
International	**502**	718	**1,748**	1,951
Total Exploration and Production	**783**	1,290	**3,195**	3,276
Refining, Marketing and Transportation				
United States	**317**	260	**785**	482
International	**72**	47	**268**	76
Total Refining, Marketing and Transportation	**389**	307	**1,053**	558
Chemicals	**(5)**	35	**(14)**	154
All Other *	**32**	15	**(51)**	(94)
Earnings Excluding Special Items	**1,199**	1,647	**4,183**	3,894
Special Items	**(31)**	(116)	**(91)**	(203)
Net Income	**$ 1,168**	$ 1,531	**$ 4,092**	$ 3,691

* 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 Sept. 30 2001 (unaudited)	At Dec. 31 2000
Cash, Cash Equivalents and Marketable Securities	**$ 5,108**	$ 2,630
Total Assets	**$ 44,529**	$ 41,264
Total Debt	**$ 6,584**	$ 6,232
Shareholders' Equity	**$ 23,004**	$ 19,925

CAPITAL AND EXPLORATORY EXPENDITURES [1]	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
(millions of dollars)	2001	2000	2001	2000
United States				
Exploration and Production	$ 295	$ 372	$ 1,033	$ 934
Refining, Marketing and Transportation	125	128	325	303
Chemicals	36	3	102	68
Other	58	74	516	557
Total United States	514	577	1,976	1,862
International				
Exploration and Production	493	511	2,082	1,409
Refining, Marketing and Transportation	167	133	429	369
Chemicals	6	13	18	42
Total International	666	657	2,529	1,820
Worldwide	$ 1,180	$ 1,234	$ 4,505	$ 3,682

OPERATING STATISTICS [1]	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2001	2000	2001	2000
NET LIQUIDS PRODUCTION (MB/D):				
United States	309	319	307	312
International [2]	853	822	863	836
Worldwide	1,162	1,141	1,170	1,148
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	1,444	1,615	1,525	1,546
International	917	888	979	906
Worldwide	2,361	2,503	2,504	2,452
SALES OF NATURAL GAS (MMCF/D):				
United States	3,446	3,535	3,525	3,407
International	2,033	1,770	1,833	1,873
Worldwide	5,479	5,305	5,358	5,280
SALES OF NATURAL GAS LIQUIDS (MB/D):				
United States	171	180	173	151
International	72	69	68	66
Worldwide	243	249	241	217
SALES OF REFINED PRODUCTS (MB/D):				
United States	1,479	1,396	1,392	1,331
International	845	763	824	758
Worldwide	2,324	2,159	2,216	2,089
REFINERY INPUT (MB/D):				
United States	1,029	1,020	978	953
International	422	413	415	409
Worldwide	1,451	1,433	1,393	1,362

(1) Includes interest in affiliates.

(2) Excludes volumes produced for operating service agreements.	**103**	124	**106**	126