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

News from **ChevronTexaco**

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CHEVRONTEXACO REPORTS THIRD QUARTER OPERATING EARNINGS OF $531 MILLION FOR FORMER TEXACO OPERATIONS

- ***Net income of $101 million includes anticipated loss on disposition of U.S. downstream operations***

SAN FRANCISCO, Oct. 25, 2001 - ChevronTexaco Corp. today reported third quarter net income of $101 million ($0.19 per share – diluted) for the former operations of Texaco Inc., compared with net income of $798 million ($1.46 per share – diluted) in the year-ago period. Excluding net charges for special items in both quarters, earnings on an operational basis declined to $531 million ($0.98 per share – diluted) from $815 million ($1.49 per share – diluted).

Net special charges in the 2001 third quarter included $393 million associated with the write-down of investments in U.S. downstream operations and partially offsetting tax benefits that will be realized upon completion of the divestiture. In connection with the ChevronTexaco merger on Oct. 9, the downstream investments were transferred into a trust for sale by the trustee, pursuant to the terms of the Federal Trade Commission's proposed consent order.

Earnings in the quarter for the stand-alone operations of Chevron Corp. were announced separately today by ChevronTexaco.

EARNINGS SUMMARY

	Three Months Ended September 30		Nine Months Ended September 30	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings				
Exploration and Production	**$ 467**	**$ 786**	**$1,972**	**$2,028**
Refining, Marketing and Distribution	**162**	**143**	**546**	**389**
Other and Corporate	**(98)**	**(114)**	**(334)**	**(359)**
Total	**531**	**815**	**2,184**	**2,058**
Special items	**(430)**	**(17)**	**(466)**	**(61)**
Net income	**$ 101**	**$ 798**	**$1,718**	**$1,997**

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For the first nine months, Texaco had operating earnings of $2.184 billion ($4.01 per share-diluted) compared with $2.058 billion ($3.76 per share - diluted) in the 2000 period. Net income was $1.718 billion ($3.15 per share - diluted) for the nine months, compared with $1.997 billion ($3.65 per share - diluted) last year.

Glenn Tilton, Vice Chairman of ChevronTexaco and former Chairman and CEO of Texaco Inc., commented, "The successful execution of our business plans produced another solid quarter of earnings for Texaco despite the sharp drop off in crude oil and natural gas prices.

"In the upstream, ample supplies and weakening demand caused commodity prices to fall well below last year's levels, lowering our results. In the downstream, earnings improved compared to a year ago on the strength of higher marketing margins. However, our downstream earnings were well below record results in the second quarter of this year.

"Our capital spending program continued to show success as we announced oil and natural gas discoveries in offshore Brazil, the Gulf of Mexico and coastal Louisiana. Additionally during the quarter, we confirmed the significant potential of the Agbami field in Nigeria with the completion of appraisal drilling. Also, our Hamaca oil project in Venezuela remained on schedule and first gas was produced at the Malampaya deepwater project in the Philippines.

Commenting on the recently completed merger with Chevron, Tilton added "Our merger with Chevron creates one of the largest energy companies in the world. ChevronTexaco will be a formidable competitor and should create greater value for all shareholders."

	Third Quarter		**Nine Months**	
Texaco Inc. (Millions of dollars):	**2001**	**2000**	**2001**	**2000**
Operating earnings	**$ 531**	**$ 815**	**$2,184**	**$2,058**
Write-down of investments in U.S. downstream	**(496)**	**-**	**(496)**	**-**
Tax benefit on sale of assets	**103**	**-**	**103**	**-**
Other write-downs of assets	**-**	**-**	**(25)**	**-**
Net losses on major asset sales	**-**	**(12)**	**-**	**(77)**
Tax issues	**-**	**-**	**-**	**46**
Litigation issues	**(16)**	**(5)**	**(16)**	**(22)**
Net loss on Erskine pipeline	**-**	**-**	**-**	**(14)**
Employee related issues	**-**	**-**	**-**	**6**
Merger related costs	**(21)**	**-**	**(32)**	**-**
Special items	**(430)**	**(17)**	**(466)**	**(61)**
Net income	**$ 101**	**$ 798**	**$1,718**	**$1,997**

Details on special items are included in the following segment information.

OPERATING RESULTS

EXPLORATION AND PRODUCTION

United States (Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	**$ 260**	**$ 487**	**$1,260**	**$ 1,241**
Special items	**(16)**	**(8)**	**(16)**	**(115)**
Total	**$ 244**	**$ 479**	**$1,244**	**$1,126**

U.S. Exploration and Production operating earnings for this year’s third quarter were below last year, impacted significantly by both lower crude oil and natural gas prices. For the first nine months of this year operating earnings were slightly higher, as the effect of lower crude oil prices was offset by higher natural gas prices.

Crude oil prices were lower in both periods as demand has slowed and concerns over low global inventories of both crude oil and refined products have eased. Last year crude oil prices were at their highest levels since the Gulf War in 1991 threatened crude oil supplies. For the third quarter and nine months 2001, Texaco’s realized crude oil prices were $21.74 and $22.86 per barrel, 23 percent and 11 percent lower than last year. In the third quarter, U.S. natural gas prices continued to decline as demand continued to soften and inventory levels remained stable. Natural gas prices for the year, however, benefited from historically high levels early in the year. Texaco’s average realized natural gas prices for the third quarter and nine months 2001 were $2.74 and $4.85 per thousand cubic feet, 32 percent lower and 50 percent higher than last year.

Daily production decreased five percent for the third quarter to 524,000 barrels of oil equivalent per day (BOEPD) and nine percent for the nine months to 530,000 BOEPD. A significant portion of the expected reduction was due to last year’s sales of non-core producing properties. Natural field declines and lower production in our California fields due to reduced steam injection also contributed to the lower production volumes. Operating expenses decreased for the third quarter but were higher for the nine months as natural gas price fluctuations impacted utilities expenses and production taxes. Exploratory expenses for the third quarter were $48 million before tax, $19 million higher than the same period last year. Exploratory expenses for nine months 2001 were $97 million before tax, $27 million higher than last year.

Results for the first nine months and third quarter of 2001 included a special charge of $16 million for a crude oil and natural gas royalty settlement. Results for the first nine months of 2000 included a special charge of $115 million for net losses on sales of non-core producing assets, including $8 million in the third quarter.

International (Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	**$ 207**	**$ 299**	**$ 712**	**$ 787**
Special items	**-**	**(4)**	**-**	**62**
Total	**$ 207**	**$ 295**	**$ 712**	**$ 849**

International Exploration and Production operating results for the third quarter 2001 and nine months were lower than last year due mostly to lower crude oil prices. Average realized crude oil prices were $21.92 per barrel for the third quarter and $22.04 per barrel for nine months, 18 percent and 10 percent below last year. Earnings for the third quarter and nine months of 2001 benefited from slightly higher natural gas prices and lower operating expenses as compared to last year. Texaco’s average realized natural gas prices for the third quarter and nine months 2001 were $1.80 and $1.87 per thousand cubic feet, 14 percent and 25 percent higher than last year.

Daily production decreased three percent for the third quarter to 511,000 BOEPD and one percent for nine months to 534,000 BOEPD. The decreased production was due to the sale of non-core producing assets last year. Excluding asset sales, production from our ongoing operations increased one percent for the third quarter and four percent for the nine months.

Operating expenses decreased nine percent in the third quarter and for nine months due to last year’s sale of non-core producing properties. Exploratory expenses for the third quarter were $43 million before tax, $34 million lower than last year. Exploratory expenses for the nine months were $106 million before tax, $43 million lower than last year.

Results for the third quarter of 2000 included a special charge of $ 4 million for net losses on the sale of non-core producing properties. Results for 2000 also included a special benefit of $80 million for net gains on the sale of non-core producing properties and a special charge of $14 million for net losses resulting from the Erskine pipeline interruption in the U.K. North Sea.

REFINING, MARKETING AND DISTRIBUTION

United States (Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	**$ 97**	**$ 82**	**$ 331**	**$ 175**
Special items	**(496)**	**(5)**	**(496)**	**(35)**
Total	**$ (399)**	**$ 77**	**$ (165)**	**$ 140**

Motiva’s third quarter operating earnings increased slightly due to stronger marketing margins. However, refining margins declined sharply as economic pressures dampened the demand for oil products. Carried by stronger results over the first half, earnings for nine months benefited from substantially higher refining margins in an environment of tight supplies and industry refinery maintenance. Marketing margins were slightly higher for the year.

During the third quarter, Equilon’s operating earnings benefited from significantly higher marketing margins as supply costs fell faster than pump prices. Lubricant margins were also strong. Lower refining margins, and unscheduled maintenance activity at the Puget Sound refinery negatively impacted results. Equilon’s results for first nine months of 2001 improved due to higher lubricant and refining margins, and reduced maintenance activity. Earnings also benefited from higher utilization of proprietary pipelines and strong trading results. Marketing results were slightly higher, as margins improved mid-year. These improvements were reduced by extremely high West Coast utilities expense.

Results for the nine months and third quarter of 2001 included a special charge of $496 million for the write down of Texaco’s investments in Equilon and Motiva. In connection with the ChevronTexaco merger on Oct. 9, these investments were transferred into a trust for sale by the trustee, pursuant to the terms of the FTC’s proposed consent order. The write down was based on the terms of the recently announced Memorandum of Understanding to sell these investments to Shell Oil Company and Saudi Refining Inc. Results for the third quarter of 2000 included a $5 million special charge for environmental issues. Additionally, the first nine months of 2000 included special charges of $31 million for the loss on the sale of the Wood River refinery, a charge for a patent litigation issue of $17 million, and a gain of $18 million for an employee benefits revision.

International (Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	**$ 65**	**$ 61**	**$ 215**	**$ 214**
Special items	**-**	**-**	**-**	**(12)**
Total	**$ 65**	**$ 61**	**$ 215**	**$ 202**

International Refining and Marketing operating earnings for the third quarter of 2001 increased slightly from last year. Operating results, excluding foreign currency effects, in the Asia Pacific area improved to approximately break-even due to stronger marketing margins from lower supply costs, and higher sales volumes. Overall earnings in Latin America were slightly better than last year with higher refining but lower marketing results. European marketing earnings increased due to higher margins, but results were negatively impacted by currency losses. European refining results decreased significantly from lower margins and unscheduled downtime.

Overall results for the first nine months of 2001 were flat. Earnings in the Asia Pacific area increased significantly as crude costs stabilized allowing greater recovery in the marketplace, and trading results were strong. European earnings decreased substantially from weak markets. In the U.K., lower sales volumes, reduced margins and unscheduled maintenance negatively impacted refining results. The inability to recover increased supply costs in the marketplace resulted in depressed marketing margins. Operations in Latin America improved with higher refining margins in Panama. However, lower sales volumes and the weakening of the local currency in Brazil caused marketing results to decline.

Results for the first nine months of 2000 included a special charge of $12 million for employee separation costs.

GLOBAL GAS, POWER AND ENERGY TECHNOLOGY

(Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	$ 22	$ 13	$ 45	$ 33
Special items	-	-	-	-
Total	$ 22	$ 13	$ 45	$ 33

During the third quarter and nine months of 2001, operating results benefited from improved natural gas margins and from power projects in Indonesia and Thailand. Operating results were negatively impacted by expenses associated with energy technology ventures as well as higher fuel expenses for cogeneration facilities.

OTHER BUSINESS UNITS

(Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Operating earnings	$ (4)	$ (4)	$ (16)	$ (6)
Special items	-	-	(25)	-
Total	$ (4)	$ (4)	$ (41)	$ (6)

Results before special items for nine months were lower than last year due to higher costs associated with E-Business activities.

Results for the first nine months of 2001 included a special charge of $25 million for write-downs associated with selected E-Business investments, including our investment in PetroCosm, a procurement marketplace, which ceased operations.

CORPORATE

(Millions of dollars):	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Results before special items	$ (116)	$ (123)	$ (363)	$ (386)
Special items	82	-	71	39
Total corporate	$ (34)	$ (123)	$ (292)	$ (347)

Corporate results before special items improved for the third quarter and nine months of 2001 as a result of lower interest rates and average debt levels. Lower overhead expenses also contributed to the improvement in both periods.

Special items for the third quarter and first nine months of 2001 included a tax benefit of $103 million which will be realized upon completion of the divestiture of the U.S. downstream investments. Additionally, the first nine months of 2001 included a special charge of $32 million, $21 million in the third quarter, for costs associated with the merger with Chevron. Results for 2000 included special benefits of $46 million for favorable income tax settlements and a special charge of $7 million for early extinguishment of debt.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures, including our share of affiliates, were $2,757 million for the first nine months of 2001 compared with $2,803 for the same period last year.

Total upstream expenditures increased slightly over last year's levels led by a 16% increase in the United States. Investment continued to focus on drilling activity in the Gulf of Mexico and Louisiana, where additional oil and gas reserves have been identified, and growth opportunities in the Central region. Internationally, development work continued on our ongoing programs, including the Hamaca heavy oil project in Venezuela, the Karachaganak joint venture in Kazakhstan, the QHD field in Bohai Bay, China and the Agbami field in Nigeria where appraisal drilling was recently completed. The Malampaya natural gas to power project in the Philippines delivered gas to both the Santa Rita and Ilijan power plants on schedule.

U.S. downstream expenditures were three percent less than last year, while international spending for marketing activities was lower in the U.K. and Latin America.

Global Gas, Power and Energy Technology spending for 2001 included investments in Texaco Ovonic Battery Systems - a joint venture with Ovonic Battery Company, and the Sunrise Power project which is jointly owned with Edison International Company. Overall, spending for Global Gas, Power and Energy Technology decreased from last year due to completion of projects in Thailand, Singapore and Korea.

NOTICE

The conference call to discuss Texaco'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 Chevron Corp. 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.

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Income (loss) (Millions of dollars)	Third Quarter (a)		Nine Months (a)	
	2001	2000	2001	2000
Exploration and production				
United States	$ 244	$ 479	$1,244	$ 1,126
International	207	295	712	849
Total	451	774	1,956	1,975
Refining, marketing and distribution				
United States	(399)	77	(165)	140
International	65	61	215	202
Total	(334)	138	50	342
Global gas, power and energy technology	22	13	45	33
Other business units	(4)	(4)	(41)	(6)
Corporate	(34)	(123)	(292)	(347)
Net income	**$ 101**	**$ 798**	**$1,718**	**$1,997**
Net income per common share (dollars) - diluted	$0.19	$1.46	$ 3.15	$ 3.65
Average number of common shares outstanding for computation of earnings per share (millions) - diluted	542.8	543.2	543.9	544.4
Provision for income taxes included in net income	$ 113	$ 622	$1,344	$1,389

(a) Includes special items indicated in this release.

Other Financial Data (Millions of dollars)	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Revenues	$10,713	$13,359	$37,755	$36,699
Total assets as of Sept. 30			$31,900(b)	$30,668
Stockholders' equity as of Sept. 30			$14,200(b)	$13,145
Total debt as of Sept. 30			$ 7,400(b)	$ 7,358
Capital and exploratory expenditures				
Exploration and production				
United States	$ 264	$ 277	$ 764	$ 661
International	439	482	1,317	1,361
Total	703	759	2,081	2,022
Refining, marketing and distribution				
United States	89	112	240	248
International	106	94	228	235
Total	195	206	468	483
Global gas, power and energy technology	80	68	200	252
Other business units	3	1	8	46
Total	**$ 981**	**$ 1,034**	**$ 2,757**	**$ 2,803**
Exploratory expenses included above				
United States	$ 48	$ 29	$ 97	$ 70
International	43	77	106	149
Total	$ 91	$ 106	$ 203	$ 219
Dividends paid to common stockholders	$ 244	$ 244	$ 731	$ 733
Dividends per common share (dollars)	$ .45	$ .45	$ 1.35	$ 1.35
Dividend requirements for preferred stockholders	$ -	$ 4	$ 6	$ 11

(b) Preliminary

Operating Data	Third Quarter		Nine Months	
	2001	2000	2001	2000
Exploration and production				
United States				
Net production of crude oil and natural gas liquids (MBPD)	331	338	327	360
Net production of natural gas available for sale (MMCFPD)	1,160	1,273	1,217	1,328
Total net production (MBOEPD)	524	550	530	581
Natural gas sales (MMCFPD)	4,808	3,824	4,621	3,758
Average U.S. crude (per bbl.)	$21.74	$28.11	$22.86	$25.79
Average U.S. natural gas (per mcf)	$ 2.74	$ 4.01	$ 4.85	$ 3.23
Average WTI (Spot) (per bbl.)	$26.70	$31.66	$27.77	$29.84
Average Kern (Spot) (per bbl.)	$19.54	$26.54	$20.31	$24.17
International				
Net production of crude oil and natural gas liquids (MBPD)				
Europe	111	124	114	123
Indonesia	125	122	127	123
Partitioned Neutral Zone	142	141	145	137
Other	41	60	48	64
Total	419	447	434	447
Net production of natural gas available for sale (MMCFPD)				
Europe	179	168	215	221
Colombia	197	183	203	193
Other	173	135	184	143
Total	549	486	602	557
Total net production (MBOEPD)	511	528	534	540
Natural gas sales (MMCFPD)	558	509	616	586
Average International crude (per bbl.)	$21.92	$26.69	$22.04	$24.60
Average International natural gas (per mcf)	$ 1.80	$ 1.58	$ 1.87	$ 1.50
Average U.K. natural gas (per mcf)	$ 2.57	$ 2.57	$ 3.06	$ 2.39
Average Colombia natural gas (per mcf)	$ 1.31	$ 1.34	$ 1.40	$ 1.13
Total worldwide net production (MBOEPD)	**1,035**	**1,078**	**1,064**	**1,121**

Operating Data	Third Quarter 2001	Third Quarter 2000	Nine Months 2001	Nine Months 2000
Refining, marketing and distribution				
United States				
Refinery input (MBPD)				
Equilon area	201	209	200	260
Motiva area	311	281	312	275
Total	512	490	512	535
Refined product sales (MBPD)				
Equilon area	708	671	687	707
Motiva area	426	373	431	359
Other	471	285	402	306
Total	1,605	1,329	1,520	1,372
International				
Refinery input (MBPD)				
Europe	342	355	361	368
Caltex area	343	348	356	352
Latin America/West Africa	77	70	72	62
Total	762	773	789	782
Refined product sales (MBPD)				
Europe	662	638	684	627
Caltex area	522	509	521	540
Latin America/West Africa	464	499	463	471
Other	254	88	214	89
Total	1,902	1,734	1,882	1,727