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 PST
JANUARY 29, 2002

CHEVRONTEXACO REPORTS FOURTH QUARTER NET LOSS OF $2.5 BILLION AND 2001 NET INCOME OF $3.3 BILLION

Fourth quarter operating earnings of $0.5 billion reduced by special charges and merger-related costs totaling $3.0 billion

- ***Merger synergy savings of $1.8 billion annually on schedule for early 2003***
- ***Oil and gas reserves replacement for 2001 equals 120 percent of production for the year***

SAN FRANCISCO, Jan. 29, 2002 – ChevronTexaco Corp. today reported a preliminary net loss of $2.522 billion ($2.36 per share - diluted) for fourth quarter 2001, compared with fourth quarter 2000 net income of $2.039 billion ($1.92 per share - diluted). Excluding net charges for special and merger-related items, fourth quarter 2001 operating earnings were $498 million ($0.47 per share - diluted), compared with $2.293 billion ($2.15 per share - diluted) in the 2000 quarter.

Earnings Summary

	Fourth Quarter		Year	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings				
Exploration and Production	$544	$2,047	$5,795	$7,358
Refining, Marketing and Transportation	215	498	1,930	1,500
Chemicals and Other	(261)	(252)	(915)	(753)
Total*	498	2,293	6,810	8,105
Special Items	(1,852)	(254)	(1,743)	(378)
Merger Effects	(1,168)	-	(1,779)	-
Net (Loss) Income*	$(2,522)	$2,039	$3,288	$7,727
**Includes Foreign Currency Gains (Losses)*	*$116*	*$(7)*	*$191*	*$182*

For the full year, ChevronTexaco reported net income of $3.288 billion ($3.08 per share - diluted), compared with $7.727 billion ($7.21 per share - diluted) in 2000. Operating earnings were $6.810 billion ($6.37 per share - diluted) in 2001, compared with $8.105 billion ($7.57 per share - diluted) in 2000.

Foreign currency gains included in fourth quarter 2001 net income were $116 million, compared with losses of $7 million in 2000. Approximately $150 million of the gains in the 2001

quarter were attributable to the recent devaluation of the Argentine peso. For the annual periods, foreign currency gains were $191 million in 2001, compared with $182 million in 2000.

Commenting on the quarter's results, Chairman and CEO Dave O'Reilly said, "Our operating earnings in the fourth quarter suffered from weakened market fundamentals in all of our major business sectors. Compared with the year-ago quarter, lower profits in our exploration and producing operations tracked the decline in crude oil and natural gas prices. For example, our average U.S. crude oil realization of $16.95 per barrel in the 2001 quarter was down 39 percent. The average U.S. natural gas realization was off 60 percent to $2.27 per thousand cubic feet. Likewise, margins in our refining and marketing businesses declined sharply between periods, reflecting reduced demand from a slowdown in the world economies. The chemicals operations recorded losses in both quarters.

"While the financial results for the quarter were disappointing," O'Reilly continued, "our refineries, plants and oilfield facilities operated reliably and safely during the period – critically important for a business like ours. We also were successful during the fourth quarter in starting up several new fields in our international upstream producing operations."

Addressing the special charges recorded against earnings in the fourth quarter, O'Reilly remarked, "We made some difficult decisions on investment priorities for the combined asset portfolio following the merger. Many of these investment and operating decisions had unfavorable impacts on fourth quarter earnings, including some that were treated as special items."

O'Reilly added, "In these first months after the merger, I am very pleased with how quickly everyone in our new company has integrated the daily operations in all of our businesses around the world. We have plans in place to fully support our objective of capturing $1.8 billion in savings from operating synergies. We've come together quickly as a dedicated, single team looking toward the future – focused on safe and reliable operations, cost reduction, capital stewardship and profitable growth."

Net charges for special items in the 2001 fourth quarter totaled $1.9 billion. Of this amount, $1.4 billion was for the impairment of upstream producing properties, resulting from a write-down of proved oil and gas reserve quantities. The remaining special charges included write-offs of other mineral properties deemed uneconomic to develop, asset write-downs by the company's chemical affiliate, and reserve adjustments for environmental remediation costs and prior-years' taxes.

Charges for merger effects – including merger-related expenses and losses on asset dispositions mandated by the Federal Trade Commission and dispositions of other assets that are duplicative to the combined company – reduced 2001 fourth quarter earnings by almost $1.2 billion. Approximately $700 million of the amount pertained to employee termination costs and incremental pension and medical plan benefits associated with workforce reductions. About $300 million related

to items that included employee and office relocations, facility closure costs, and professional service fees. Nearly $150 million related to losses on merger-related asset dispositions.

O'Reilly highlighted some of the significant events for the company in recent months:

- **Worldwide oil and gas reserves:** The company added approximately 1.2 billion barrels of oil-equivalent reserves during 2001. These additions, which are net of the write-downs that resulted in asset impairments, equated to 120 percent of production for the year. Included were slightly more than 100 million barrels each for the Tengiz Field in Kazakhstan and the Hamaca project in Venezuela as a result of drilling activities. Almost 200 million equivalent-barrels were added for natural gas reserves for several fields in Nigeria. About 160 million barrels of the additions during the year were the result of successful discoveries in areas that included Latin America, the North Sea, and West Africa. Also, approximately 175 million barrels were acquired early in 2001 through the purchase of an additional 5 percent interest in Tengizchevroil, the company's 50 percent-owned affiliate in Kazakhstan that operates the Tengiz and Korolev fields.
- **New Areas of Crude Oil Production:** Approximately 30,000 barrels per day of crude oil production began in Angola at the company-operated Phase 1C development in the deepwater Kuito Field in Block 14. In Venezuela, ChevronTexaco and partners announced similar volumes of heavy crude oil from first production at the Hamaca project in the Orinoco Belt. An average of about 30,000 barrels per day of low-sulfur crude oil also is being produced after an October start-up at the QHD 32-6 Field in China's Bohai Bay.
- **Philippines Gas-to-Power Project:** Gas production commenced in October from the Malampaya Field offshore the Philippine island of Palawan. ChevronTexaco has a 45 percent interest in the landmark project, which represents the first-ever offshore production of natural gas in the Philippines. Gas from the deepwater field is transported by subsea pipeline to Luzon, where it will provide a long-term source of fuel for three power generation plants. Extended well testing is under way to determine the commerciality of oil rim production within the field.
- **U.K. North Sea:** In December, ChevronTexaco received government approval to develop the company-operated Alba Extreme South and Caledonia projects in the North Sea. Both are located in the company's Central North Sea core area, which includes the producing Alba and Britannia fields. First oil production from the Alba Extreme South project is scheduled for the fourth quarter 2002 and will help maintain Alba's total field production at about 80,000 barrels of crude oil per day. First oil from Caledonia is

expected late in the third quarter of 2002 and peak production is anticipated at about 13,000 barrels per day.

- **Equilon Enterprises LLC and Motiva Enterprises LLC:** A definitive agreement was reached in December to sell the company's interests in Equilon and Motiva under the merger-related terms of the Consent Order of the U.S. Federal Trade Commission and agreement with the state attorneys general. Completion of the sale is expected before the end of the first quarter 2002. Estimated proceeds are $2.1 billion.
- **Dynegy Inc.:** In November, ChevronTexaco acquired $1.5 billion in redeemable, convertible preferred shares of its Dynegy affiliate. ChevronTexaco also recently purchased approximately $200 million of additional Dynegy common shares to maintain its approximate 26 percent ownership interest following Dynegy's public equity offering in December.
- **U.S. Refining:** In December, the company approved a $150 million expansion project at its Pascagoula, Mississippi, refinery to produce low-sulfur gasoline that meets anticipated new U.S. Environmental Protection Agency standards. The expansion activities will commence shortly – taking about a year to complete – and will increase the plant's capacity by about 10 percent.

Fourth quarter 2001 revenues and other income of $21.5 billion compared with $32.3 billion in the 2000 fourth quarter. Revenues declined mainly on sharply lower prices for crude oil, natural gas and refined products.

Revenues and other income for 2001 were $106 billion, versus $119 billion in 2000. Revenues declined mainly on lower average prices for crude oil, natural gas and refined products. The decline also reflected 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 Company joint venture, which is accounted for under the equity method.

EXPLORATION AND PRODUCTION

U.S. Exploration and Production

	Fourth Quarter		Year	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings	$143	$ 1,151	$2,890	$3,736
Special Items	(1,160)	(126)	(1,111)	(283)
Segment (Losses) Income	$(1,017)	$ 1,025	$1,779	$3,453

U.S. exploration and production operating earnings of $143 million for the quarter declined mainly from significantly lower crude oil and natural gas realizations and an 8 percent decline in oil-equivalent production. The average natural gas realization for the quarter was $2.27 per thousand

cubic feet, compared with $5.62 in the year-ago period. The average crude oil realization was down 39 percent to $16.95 per barrel.

Fourth quarter net natural gas production averaged 2.530 billion cubic feet per day, down 12 percent from the 2000 period. Net liquids production was down 5 percent to 619,000 barrels per day, mainly due to conformance of reporting methodology for the combined company's treatment of third-party natural gas liquids volumes.

The fourth quarter 2001 special charges included an impairment of $1.022 billion for the Midway Sunset Field in California. The impairment was a result of the write-down in proved crude oil reserves upon determination of a lower-than-projected oil recovery from the field's steam injection process. Other impairments, also the result of reserve write-downs, comprised the balance of the special charges.

International Exploration and Production

	Fourth Quarter		**Year**	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings*	$ 401	$ 896	$2,905	$3,622
Special Items	(372)	-	(372)	80
Segment Income*	$ 29	$ 896	$2,533	$3,702
**Includes Foreign Currency Gains (Losses)*	*$148*	*$(9)*	*$181*	*$97*

International exploration and production operating earnings of $401 million declined about 55 percent, mainly the result of sharply lower crude oil and natural gas realizations, higher amounts for well write-offs and the write-off of certain project development costs and exploration leases.

Net oil-equivalent production rose about 5 percent from the year-ago period. The net liquids component increased 2 percent to 1.395 million barrels per day – primarily from operations in Kazakhstan and the United Kingdom. Net natural gas production increased 19 percent to 1.841 billion cubic feet per day. New production from the Philippines and higher production in Kazakhstan, Indonesia, Nigeria, Australia, United Kingdom and Trinidad contributed to the increase.

Earnings for the quarter included net foreign currency gains of $148 million, compared with losses of $9 million in 2000. The gains for the 2001 quarter included approximately $150 million attributable to the recent devaluation of the Argentine peso.

Special items in the 2001 quarter included a charge of $247 million for the impairment of the LL-652 field in Venezuela, as slower-than-expected reservoir repressurization resulted in a reduction in the projected volumes of oil recoverable during the company's remaining contract period of operation. The remaining special items were for unfavorable adjustments to prior-years' taxes.

REFINING, MARKETING AND TRANSPORTATION

U.S. Refining, Marketing and Transportation

	Fourth Quarter		Year	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings	$188	$359	$1,332	$974
Special Items	(78)	(61)	(78)	(253)
Segment Income	$110	$298	$1,254	$721

U.S. refining, marketing and transportation operating earnings of $188 million declined 48 percent from the year-ago quarter, mainly due to significantly lower margins for refined products. Earnings in the 2001 quarter included a $50 million benefit associated with insurance recoveries for a 1999 refinery incident. The insurance-related benefit to earnings in the year-ago quarter was $17 million.

The quarter's average refined product sales realization decreased 45 percent to $24.25 per barrel. Refined product sales volumes, excluding the company's share of Equilon and Motiva, decreased 3 percent in the fourth quarter 2001 to 1,652,000 barrels per day, including branded gasoline sales that increased about 2 percent to 554,000 barrels per day.

Special items in the 2001 quarter were for reserve additions for environmental cleanup costs.

International Refining, Marketing, and Transportation

	Fourth Quarter		Year	
Millions of Dollars	**2001**	**2000**	**2001**	**2000**
Operating Earnings*	$27	$ 139	$598	$526
Special Items	(38)	(112)	(38)	(112)
Segment (Losses) Income*	$(11)	$27	$560	$414
**Includes Foreign Currency (Losses) Gains*	*$(39)*	*$9*	*$23*	*$107*

International refining, marketing and transportation operating earnings of $27 million declined primarily due to lower overall refined product margins, lower freight rates for the international shipping operations and increased bad debt expense. Margins improved in the Asia-Pacific areas of operations but deteriorated in Europe and within the trading operations. Earnings in the 2001 quarter included foreign currency losses of $39 million, compared to gains of $9 million in the 2000 quarter. Special items in the 2001 quarter related to the write-down of various assets.

Total refined products sales volumes declined 15 percent to 2,230,000 barrels per day, mainly on reduced demand.

CHEMICALS

Millions of Dollars	Fourth Quarter 2001	Fourth Quarter 2000	Year 2001	Year 2000
Operating (Losses) Earnings *	$(17)	$(13)	$(32)	$130
Special Items	(53)	(90)	(96)	(90)
Segment (Losses) Income *	$(70)	$(103)	$(128)	$40
**Includes Foreign Currency Gains (Losses)*	*$-*	*$2*	*$(3)*	*$(2)*

Chemical operations incurred net operating losses of $17 million, compared with losses of $13 million in last year's fourth quarter. Losses were recorded in both periods by the 50 percent-owned Chevron Phillips Chemical Company LLC affiliate (CPChem). Product sales margins for CPChem, while improved as a result of lower feedstock costs, remained weak in the face of the general economic downturn.

The special charges in the 2001 quarter were primarily associated with the retirement and impairment of various U.S. and Puerto Rican manufacturing facilities by CPChem.

ALL OTHER

Millions of Dollars	Fourth Quarter 2001	Fourth Quarter 2000	Year 2001	Year 2000
Net Charges, Excluding Special Items and Merger Effects*	$(244)	$(239)	$(883)	$(883)
Special Items	(151)	135	(48)	280
Merger Effects	(1,168)	-	(1,779)	-
Segment Net Charges*	$(1,563)	$(104)	$(2,710)	$(603)
**Includes Foreign Currency Gains (Losses)*	*$7*	*$(9)*	*$(10)*	*$(20)*

All Other consists of the company's 26 percent ownership interest in Dynegy Inc., coal mining operations, power and gasification businesses, worldwide cash management and debt financing activities, corporate administrative costs, insurance operations, real estate activities, technology companies and certain e-businesses. Net charges before special items and merger effects were $244 million, essentially the same as the year-ago quarter. The company's share of earnings from Dynegy increased from $29 million to $34 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.

Total before-tax merger expenses, excluding losses on mandated or duplicative merger-related asset sales, for the full year 2001 were $1.563 billion. The estimate of before-tax merger expenses to be incurred through the end of 2003 is approximately $2.0 billion. This estimate is $500 million higher than the company's earlier estimate. The increase relates mainly to employee termination payments, other benefit enhancements for terminating employees, and expenses associated with facility relocations and lease terminations.

Special items in the 2001 quarter included charges of about $150 million for the write-off of a diatomite mining property in California and coal assets in Wyoming deemed uneconomic to develop.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures totaled $12.0 billion for the year 2001, compared with $9.5 billion in 2000. Expenditures in 2001 included significant additional investments in Dynegy and the acquisition of an additional 5 percent in the Tengizchevroil affiliate. Excluding additional investments in Dynegy in 2001 and 2000, expenditures for exploration and production activities represented 68 percent of total expenditures in both years.

# # #

1/29/02

NOTICE

The conference call to discuss ChevronTexaco's fourth quarter 2001 earnings will take place on Tuesday, January 29, 2002, at 8:00 a.m. PST. 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 first quarter 2002 interim company and industry performance data on its Website on March 26, 2002, 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 ChevronTexaco'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, "anticipates," "expects," "intends," "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 are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Among the factors that could cause actual results to differ materially are crude oil, natural gas and other commodity prices; refining and marketing margins; actions of competitors; technological developments; inability of joint venture partners to fund their share of operations and development activities; potential failure to achieve expected production from existing and future oil and gas development projects; potential delays in the development, construction or start-up of planned projects; potential disruption or interruption of the company's production or manufacturing facilities due to accidents or political events; unexpected damage to company facilities; potential liability for remedial actions under existing or future environmental regulations and litigation; significant investment or product changes under existing or future environmental regulations (including, particularly, regulations and litigation dealing with gasoline composition and characteristics); potential liability resulting from pending or future litigation; and the successful integration of the former Chevron and Texaco businesses. In addition, such outcomes could be affected by general domestic and international economic and political conditions. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements.

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

CONSOLIDATED STATEMENT OF INCOME [1]

(unaudited)

	Three Months Ended December 31		Year Ended December 31	
REVENUES AND OTHER INCOME:	**2001**	**2000**	**2001**	**2000**
Sales and Other Operating Revenues [2]	**$ 21,239**	$ 31,877	**$ 104,409**	$ 117,095
Income from Equity Affiliates	**(38)**	126	**1,144**	1,077
Other Income	**259**	253	**692**	958
	21,460	32,256	**106,245**	119,130
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	**11,950**	18,876	**60,549**	69,814
Operating Expenses	**1,909**	2,252	**7,571**	8,323
Selling, General and Administrative Expenses	**1,234**	1,119	**3,984**	3,626
Exploration Expenses	**460**	392	**1,039**	949
Depreciation, Depletion and Amortization	**3,641**	1,529	**7,138**	5,321
Taxes Other Than on Income [2]	**3,557**	4,184	**15,156**	15,827
Merger-Related Expenses [3]	**1,407**	-	**1,563**	-
Minority Interests	**32**	28	**121**	111
Interest and Debt Expense	**171**	267	**833**	1,110
	24,361	28,647	**97,954**	105,081
(LOSS) INCOME BEFORE INCOME TAX EXPENSE	**(2,901)**	3,609	**8,291**	14,049
Income Tax Expense	**(526)**	1,570	**4,360**	6,322
NET (LOSS) INCOME BEFORE EXTRAORDINARY ITEM	**$ (2,375)**	$ 2,039	**$ 3,931**	$ 7,727
Extraordinary Loss, Net of Income Tax [4]	**(147)**	-	**(643)**	-
NET (LOSS) INCOME	**$ (2,522)**	$ 2,039	**$ 3,288**	$ 7,727
PER-SHARE AMOUNTS:				
NET (LOSS) INCOME BEFORE EXTRAORDINARY ITEM				
Earnings - Basic	**$ (2.22)**	$ 1.93	**$ 3.68**	$ 7.23
Earnings - Diluted	**$ (2.22)**	$ 1.92	**$ 3.68**	$ 7.21
NET (LOSS) INCOME				
Earnings - Basic	**$ (2.36)**	$ 1.93	**$** 3.08	$ 7.23
Earnings - Diluted	**$ (2.36)**	$ 1.92	**$** 3.08	$ 7.21

NET (LOSS) INCOME BY MAJOR OPERATING AREA

(unaudited)

	Three Months Ended December 31		Year Ended December 31	
	2001	**2000**	**2001**	**2000**
Exploration and Production				
United States	**$ (1,017)**	$ 1,025	**$ 1,779**	$ 3,453
International	**29**	896	**2,533**	3,702
Total Exploration and Production	**(988)**	1,921	**4,312**	7,155
Refining, Marketing and Transportation				
United States	**110**	298	**1,254**	721
International	**(11)**	27	**560**	414
Total Refining, Marketing and Transportation	**99**	325	**1,814**	1,135
Chemicals	**(70)**	(103)	**(128)**	40
All Other [5]	**(1,563)**	(104)	**(2,710)**	(603)
NET (LOSS) INCOME	**$ (2,522)**	$ 2,039	**$ 3,288**	$ 7,727

(1) 2000 includes certain reclassifications to conform to 2001 presentation.
(2) Includes consumer excise taxes — $ **1,633** $ 1,672 $ **6,546** $ 6,601
(3) Includes employee termination and other benefits associated with workforce reductions, professional service fees, employee and office relocations, facility closure costs, etc.
(4) Represents losses on asset sales mandated by the Federal Trade Commission and on disposition of other assets made duplicative by the merger.
(5) Includes the company's interest in Dynegy Inc., coal operations, power and gasification businesses, corporate administrative costs, worldwide cash management and debt financing activities, real estate and insurance activities, technology companies and certain e-businesses.

CHEVRONTEXACO CORPORATION - FINANCIAL REVIEW
(Millions of Dollars)

SPECIAL ITEMS AND MERGER EFFECTS [1] BY MAJOR OPERATING AREA (unaudited)	**Three Months Ended December 31** 2001	2000	**Year Ended December 31** 2001	2000
U. S. Exploration and Production	**$ (1,160)**	$ (126)	**$ (1,111)**	$ (283)
International Exploration and Production	**(372)**	-	**(372)**	80
U. S. Refining, Marketing and Transportation	**(78)**	(61)	**(78)**	(253)
International Refining, Marketing and Transportation	**(38)**	(112)	**(38)**	(112)
Chemicals	**(53)**	(90)	**(96)**	(90)
All Other [2]	**(1,319)**	135	**(1,827)**	280
Total Special Items and Merger Effects	**$ (3,020)**	$ (254)	**$ (3,522)**	$ (378)

SUMMARY OF SPECIAL ITEMS AND MERGER EFFECTS (unaudited)	**Three Months Ended December 31** 2001	2000	**Year Ended December 31** 2001	2000
Asset Dispositions	**$ -**	$ -	**$ 49**	$ 72
Asset Write-offs and Revaluations	**(1,666)**	(328)	**(1,709)**	(378)
Environmental Remediation Provisions	**(78)**	(134)	**(78)**	(264)
Prior-Year Tax Adjustments	**(108)**	61	**(5)**	107
Other, Net	**-**	147	**-**	85
Total Special Items	**(1,852)**	(254)	**(1,743)**	(378)
Merger Effects	**(1,168)**	-	**(1,779)**	-
Total Special Items and Merger Effects	**$ (3,020)**	$ (254)	**$ (3,522)**	$ (378)

FOREIGN EXCHANGE GAINS (LOSSES)	**$ 116**	$ (7)	**$ 191**	$ 182

EARNINGS BY MAJOR OPERATING AREA, EXCLUDING SPECIAL ITEMS AND MERGER EFFECTS (unaudited)	**Three Months Ended December 31** 2001	2000	**Year Ended December 31** 2001	2000
Exploration and Production				
United States	**$ 143**	$ 1,151	**$ 2,890**	$ 3,736
International	**401**	896	**2,905**	3,622
Total Exploration and Production	**544**	2,047	**5,795**	7,358
Refining, Marketing and Transportation				
United States	**188**	359	**1,332**	974
International	**27**	139	**598**	526
Total Refining, Marketing and Transportation	**215**	498	**1,930**	1,500
Chemicals	**(17)**	(13)	**(32)**	130
All Other [2]	**(244)**	(239)	**(883)**	(883)
Earnings Excluding Special Items and Merger Effects	**498**	2,293	**6,810**	8,105
Special Items and Merger Effects	**(3,020)**	(254)	**(3,522)**	(378)
Net (Loss) Income	**$ (2,522)**	$ 2,039	**$ 3,288**	$ 7,727

(1) Represents merger-related expenses (employee termination and other benefits associated with workforce reductions, professional service fees, employee and office relocations, facility closure costs, etc.), and losses classified as"extraordinary" on the income statement (asset sales mandated by the Federal Trade Commission and disposition of other assets made duplicative by the merger).

(2) Includes the company's interest in Dynegy Inc., coal operations, power and gasification businesses, corporate administrative costs, worldwide cash management and debt financing activities, real estate and insurance activities, technology companies and certain e-businesses.

CAPITAL AND EXPLORATORY EXPENDITURES [1] (Millions of Dollars)	Three Months Ended December 31		Year Ended December 31	
	2001	2000	2001	2000
United States				
Exploration and Production	**$ 630**	$ 764	**$ 2,418**	$ 2,350
Refining, Marketing and Transportation	**272**	349	**886**	923
Chemicals	**43**	67	**145**	135
Other	**1,898**	183	**2,482**	947
Total United States	**2,843**	1,363	**5,931**	4,355
International				
Exploration and Production	**1,301**	1,113	**4,709**	3,882
Refining, Marketing and Transportation	**535**	438	**1,258**	1,117
Chemicals	**16**	10	**34**	52
Other	**4**	47	**96**	114
Total International	**1,856**	1,608	**6,097**	5,165
Worldwide	**$ 4,699**	$ 2,971	**$ 12,028**	$ 9,520

OPERATING STATISTICS [1]	Three Months Ended December 31		Year Ended December 31	
	2001	2000	2001	2000
NET LIQUIDS PRODUCTION (MB/D):				
United States	**619**	654	**614**	667
International [2]	**1,395**	1,366	**1,345**	1,330
Worldwide	**2,014**	2,020	**1,959**	1,997
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	**2,530**	2,889	**2,706**	2,910
International	**1,841**	1,545	**1,711**	1,556
Worldwide	**4,371**	4,434	**4,417**	4,466
SALES OF REFINED PRODUCTS (MB/D):				
United States	**1,652**	2,737	**2,853**	2,667
International	**2,230**	2,617	**2,495**	2,521
Worldwide	**3,882**	5,354	**5,348**	5,188
REFINERY INPUT (MB/D):				
United States	**996**	1,408	**1,366**	1,467
International	**1,224**	1,264	**1,208**	1,209
Worldwide	**2,220**	2,672	**2,574**	2,676

(1) Includes interest in affiliates.

(2) Excludes volumes produced for operating service agreements.	**100**	115	**105**	123