UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OF 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): OCTOBER 9, 2001

CHEVRONTEXACO CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	1-368-2	94-0890210
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer No.)

575 MARKET STREET, SAN FRANCISCO, CA	94105
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (415) 894-7700

NONE
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

On October 9, 2001, a wholly owned subsidiary of Chevron Corporation, a Delaware corporation ("Chevron"), merged (the "Merger") with and into Texaco Inc., a Delaware corporation ("Texaco"), pursuant to an Agreement and Plan of Merger, dated as of October 15, 2000 (as amended, the "Merger Agreement"), by and among Chevron, Texaco and Keepep Inc., a Delaware corporation ("Keepep"). As a result of the Merger, Texaco became a wholly owned subsidiary of Chevron. In addition, Chevron changed its name to "ChevronTexaco Corporation" in connection with the Merger (ChevronTexaco Corporation is referred to herein as "ChevronTexaco").

We accounted for the Merger as a pooling of interests. The following items are attached hereto as Exhibit 99.1 and incorporated herein by reference.

- Review of Operations 1998-2000

- Audited Supplemental Combined Financial Statements 1998-2000

- Supplemental Information on Oil and Gas Producing Activities 1998-2000

- Financial Summary 1996-2000

- Audited Schedule II -- Valuation and Qualifying Accounts 1998-2000

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

The following exhibits are filed as part of this report:

EXHIBIT NO.	DESCRIPTION
23.1	Consent of Independent Accountants, PricewaterhouseCoopers LLP
23.2	Consent of Independent Public Accountants, Arthur Andersen LLP
99.1	

Review of Operations 1998-2000, Audited Supplemental Combined Financial Statements 1998-2000, Supplemental Combined Information on Oil and Gas Producing Activities 1998-2000, Financial Summary 1996-2000, Audited Schedule II -- Valuation and Qualifying Accounts 1998-2000.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 19, 2001

CHEVRONTEXACO CORPORATION

By /s/ S. J. CROWE

S. J. Crowe,
Vice President and Comptroller
(Principal Accounting Officer and
Duly Authorized Officer)

EXHIBIT INDEX

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EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 33-58463 and 333-90977) of ChevronTexaco Corporation, and to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-72672, 333-02011, 333-21805, 333-21807, 333-21809, 333-26731, 333-46261, 33-3899, 33-34039 and 33-35283) of ChevronTexaco Corporation, and to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-90977-01) of Chevron Capital Corporation and ChevronTexaco Corporation, and to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-90977-02) of Chevron Canada Capital Company and ChevronTexaco Corporation, and to the incorporation by reference in the Registration Statement on Form S-3 (No. 33-14307) of Chevron Capital U.S.A. Inc. and ChevronTexaco Corporation, and to the incorporation by reference in the Registration Statement on Form S-8 (No. 2-90907) of ChevronTexaco Global Energy Inc. of our report dated November 19, 2001, relating to the supplemental combined financial statements and financial statement schedule, which appears in this Form 8-K.

/s/ PricewaterhouseCoopers LLP

San Francisco, California
November 19, 2001

EXHIBIT 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated February 22, 2001 included in this Form 8-K, into the following previously filed Registration Statements:

FORM	FILE NUMBER
ChevronTexaco Corporation:	
S-3	33-58463
S-3	333-90977
S-8	333-72672
S-8	333-02011
S-8	333-21805
S-8	333-21807
S-8	333-21809
S-8	333-26731
S-8	333-46261
S-8	33-3899
S-8	33-34039
S-8	33-35283
Chevron Capital Corporation and ChevronTexaco Corporation:	
S-3	333-90977-01
Chevron Canada Capital Company and ChevronTexaco Corporation:	
S-3	333-90977-02
Chevron Capital USA Inc. and ChevronTexaco Corporation:	
S-3	33-14307
ChevronTexaco Global Energy Inc.:	
S-8	2-90907

ARTHUR ANDERSEN LLP

New York, New York
November 19, 2001

CHEVRONTEXACO CORPORATION

EXHIBIT 99.1

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CHEVRONTEXACO CORPORATION

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This supplemental combined financial report of ChevronTexaco Corporation contains forward-looking statements relating to ChevronTexaco's operations that are based on management's current expectations, estimates and projections about the petroleum and chemicals industries. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "seeks," "estimates" and similar expressions are intended to identify such forward-looking statements. These statements 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. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, ChevronTexaco undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the factors that could cause actual results to differ materially are crude oil and natural gas prices; refining and marketing margins; chemicals prices and competitive conditions affecting supply and demand for aromatics, olefins and additives products; actions of competitors; the competitiveness of alternate energy sources or product substitutes; technological developments; inability of the company's 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; the successful integration of the former Chevron, Texaco and Caltex businesses; 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); and potential liability resulting from pending or future litigation. In addition, such statements 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

LIMITED HISTORICAL FINANCIAL REPORT

This report contains: (1) a review of the operations of ChevronTexaco for 1998-2000, (2) audited supplemental combined financial statements and supplemental information on oil and gas producing activities for 1998-2000, (3) summarized financial information for 1996-2000 and (4) audited U.S. Securities and Exchange Commission (SEC) Schedule II -- Valuation and Qualifying Accounts.

The purpose of this report is to provide certain historical information on the company in advance of the filing of the 2001 ChevronTexaco Annual Report on Form 10-K in 2002. Any information in the report referencing the company's 2001 operations or current financial condition is not intended to be a complete discussion of these matters and should not be relied upon as such.

REVIEW OF OPERATIONS 1998 - 2000

TEXACO MERGER TRANSACTION

On October 9, 2001, Texaco Inc. (Texaco) became a wholly owned subsidiary of Chevron Corporation (Chevron) pursuant to a merger transaction, and Chevron changed its name to ChevronTexaco Corporation. The combination was accounted for as a pooling of interests and each share of Texaco common stock was converted on a tax-free basis into the right to receive 0.77 shares of ChevronTexaco common stock. In the merger, ChevronTexaco issued approximately 425 million shares of common stock, representing approximately 40 percent of the outstanding ChevronTexaco common stock after the merger.

As a result of the merger, the accounts of certain operations that were jointly owned by the combining companies have been included in the accompanying supplemental combined financial statements. These operations are primarily those of the Caltex Group of Companies, which was previously owned 50 percent each by Chevron and Texaco.

In accordance with pooling-of-interests accounting, the accompanying supplemental combined financial statements give retroactive effect to the merger, with all periods presented as if Chevron and Texaco had always been combined. Certain reclassifications have been made to conform the presentation. These reclassifications had no impact on the amount of net income or stockholders' equity historically reported by Chevron and Texaco.

The results in the accompanying supplemental combined financial statements do not purport to reflect the net income, cash flows or financial position as if the combining companies actually had been operated as a single entity during the periods presented. That is, within 18 months of the merger, savings of approximately $1.8 billion on a before-tax basis annually are expected to be realized through operating efficiencies and the elimination of redundant facilities and operations.

Significant one-time expenses are also being recorded in connection with the merger. Total merger and integration expenses from the time of the merger announcement in October 2000 through the end of 2003 are estimated at $1.5 billion before tax. Largest among the costs will be termination payments for approximately 4,500 employees. Other major categories of costs include legal, accounting, SEC filing and investment banker fees; employee and office relocations; and the elimination of certain facilities and operations.

CHEVRONTEXACO CORPORATION

KEY FINANCIAL RESULTS

Millions of dollars, except per-share amounts	2000	1999	1998
Net Income*	$ 7,727	$ 3,247	$ 1,917
Special Charges Included in Net Income	(378)	(191)	(871)
Earnings, Excluding Special Charges*	$ 8,105	$ 3,438	$ 2,788
Sales and Other Operating Revenues	$117,095	$84,004	$71,937
Per Share: Net Income - Basic	$ 7.23	$ 3.01	$ 1.76
- Diluted	$ 7.21	$ 3.00	$ 1.75
Dividends	$ 2.50	$ 2.43	$ 2.40
Return on: Average Capital Employed	17.3%	8.5%	5.8%
Average Stockholders' Equity	24.5%	11.1%	6.5%

NET INCOME BY MAJOR OPERATING AREA

Millions of dollars	2000	1999	1998

Exploration and Production			
United States	$ 3,442	$ 1,133	$ 625
International	3,683	1,450	837
Total Exploration and Production	7,125	2,583	1,462
Refining, Marketing and Transportation			
United States	726	551	812
International	261	449	305
Total Refining, Marketing and Transportation	987	1,000	1,117
Chemicals	40	109	122
All Other	(425)	(445)	(784)
Net Income*	$ 7,727	$ 3,247	$ 1,917
*Includes Foreign Currency Gains (Losses)	$ 182	$ (15)	$ (242)

RESULTS OF OPERATIONS

Net income of $7.727 billion in 2000 was up significantly over 1999 net income of $3.247 billion and 1998 net income of $1.917 billion. Special charges in 2000 included asset write-downs, environmental remediation reserve additions and litigation costs. Partially offsetting these charges were gains from the equity accounting effect of the issuance of additional common stock by the company's Dynegy equity affiliate, asset sales, prior-years' tax adjustments and other tax benefits. Net special charges in 1999 included losses from asset write-downs, environmental remediation provisions and restructuring charges, which were partially offset by benefits from the sale of assets and net favorable adjustments for prior-years' taxes and litigation issues. In 1998, the net special charges included a loss provision of $682 million for litigation, substantially all of which pertained to a lawsuit against Gulf Oil Corporation by Cities Service filed in 1982 - prior to the Chevron-Gulf merger in 1984.

SALES AND OTHER OPERATING REVENUES were $117.1 billion in 2000, compared with $84.0 billion in 1999 and $71.9 billion in 1998. Revenues for 2000 and 1999 increased on sharply higher prices for crude oil, natural gas and refined products. The 2000 revenue increase was offset partially by the absence of chemicals revenues in the second half of the year due to the July 1, 2000 formation of the Chevron

Phillips Chemical Company LLC (CPChem) joint venture, which is accounted for under the equity method.

INCOME FROM EQUITY AFFILIATES totaled $1,077 million in 2000, $896 million in 1999 and $634 million in 1998. Changes in earnings from Tengizchevroil, Equilon, Motiva and LG-Caltex were the primary cause of the fluctuations between years. In 2000, increases in earnings from Tengizchevroil and Motiva were offset partially by lower earnings from Equilon and LG-Caltex and losses from the CPChem joint venture.

OTHER INCOME totaled $958 million in 2000, $813 million in 1999 and $687 million in 1998. The fluctuations between years were the result of changes in net gains from asset sales and interest income from investments.

PURCHASED CRUDE OIL AND PRODUCTS costs in 2000 were about 50 percent higher than in 1999 and nearly double the costs in 1998 because of higher prices for crude oil, natural gas, refined products and chemicals feedstock. Prices fell precipitously in 1998 and did not begin to recover until the second quarter 1999. Offsetting some of the effect of higher prices in 2000 was the absence of costs as a result of the formation of the CPChem joint venture.

OPERATING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, excluding the effects of special items, increased to $11.2 billion - from $10.6 billion in 1999 and $10.9 billion in 1998 - primarily due to higher fuel costs. Mitigating this effect was the absence of expenses associated with the chemicals operations contributed to the CPChem joint venture.

Millions of dollars	2000	1999	1998
Operating Expenses	$ 8,070	$ 7,617	$ 7,515
Selling, General and Administrative Expenses	3,626	3,222	4,183
Total Operating Expenses	11,696	10,839	11,698
Less: Special Charges, Before Tax	488	199	769
Adjusted Total Operating Expenses	$11,208	$10,640	$10,929

EXPLORATION EXPENSES were $949 million in 2000, compared with $1,072 million in 1999 and $970 million in 1998. In 2000, declines in international operations more than offset increased drilling in the deepwater U.S. Gulf of Mexico. Included in 1999 was a $100 million write-off of noncommercial investments in the Gulf of Mexico.

DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSE was $5,321 million in 2000, compared with $4,934 million in 1999 and $4,490 million in 1998. Depreciation expense associated with asset impairments in 2000 was $623 million, compared with $422 million in 1999 and $222 million in 1998. Increased production of crude oil and natural gas in 2000 and 1999 resulted in higher depreciation expense in the company's worldwide upstream operations. The overall 2000 expense reflected lower depreciation in chemicals (resulting from the Chevron Phillips joint venture formation) and other operations.

INCOME TAX EXPENSE was $6,322 million in 2000, $2,565 million in 1999 and $919 million in 1998, reflecting effective income tax rates of 45 percent, 44 percent and 32 percent for each of the three years, respectively. The increase in the 2000 effective tax rate, compared with 1999, was primarily the result of the following changes as a proportion of before-tax income: lower U.S. tax credits, higher state and local taxes, lower beneficial impact from prior-period tax adjustments, increased taxable income from equity affiliates, and decreased tax benefits from capital losses and permanent differences. Partially offsetting these factors in 2000 were lower foreign income taxes as a percentage of income.

The increase in the 1999 effective tax rate was primarily the result of the following changes as a proportion of before-tax income: increased foreign taxes, lower beneficial impact from prior-period tax adjustments and lower U.S. income tax credits.

FOREIGN CURRENCY GAINS in 2000 were $182 million, compared with losses of $15 million in 1999 and $242 million in 1998.

U.S. EXPLORATION AND PRODUCTION

Millions of dollars	2000	1999	1998
Earnings, Excluding Special Items	$3,725	$1,390	$ 794
Asset Write-Offs and Revaluations	(176)	(204)	(95)
Asset Dispositions	(107)	--	--
Restructurings and Reorganizations	--	(53)	(29)
Litigation and Regulatory	--	--	(45)
Total Special Items	(283)	(257)	(169)
Segment Income	$3,442	$1,133	$ 625

U.S. exploration and production earnings in 2000 and 1999, excluding special items, were driven by sustained increases in crude oil and natural gas prices that began in early 1999. Expenses were higher in 2000, primarily for well write-offs, production-related taxes and operating expenses - largely associated with higher fuel costs. Gains from asset sales were lower than in 1999 and 1998.

The company's average 2000 U.S. crude oil realization of $26.69 per barrel was $11.19 higher than in 1999 and $15.83 higher than 1998. The 2000 average U.S. natural gas realization was $3.87 per thousand cubic feet, $1.75 higher than in 1999 and nearly double the 1998 realization.

Net liquids production for the year averaged 667 thousand barrels per day, down 6 percent from 1999 and 12 percent from 1998. Net natural gas production in 2000 averaged 2.910 billion cubic feet per day, down 7 percent from 1999 and 16 percent from 1998. The lower oil-equivalent production reflected normal field declines and asset sales, partially offset by new and enhanced production in the deepwater and other areas of the Gulf of Mexico. The decline in production in 2000 was mitigated by accelerating capital spending for fast-payout well workovers and development drilling projects that increased production and took advantage of the favorable price environment.

INTERNATIONAL EXPLORATION AND PRODUCTION

Millions of dollars	2000	1999	1998

Earnings, Excluding Special Items*	$3,603	$1,520	$ 951
Asset Write-Offs and Revaluations	--	--	(48)
Asset Dispositions	80	--	(56)
Prior-Year Tax Adjustments	--	(47)	--
Restructurings and Reorganizations	--	(23)	(10)
Total Special Items	80	(70)	(114)
Segment Income*	$3,683	$1,450	$ 837

*Includes Foreign Currency Gains $ 97 $ 9 $ 44

International exploration and production earnings, excluding special items, improved substantially in 2000 and 1999 on higher crude oil and natural gas prices. The average liquids realization, including equity affiliates, was $26.04 per barrel in 2000, compared with $16.57 in 1999 and $11.43 in 1998. The average natural gas realization was $2.09 per thousand cubic feet in 2000, compared with $1.66 in 1999 and $1.78 in 1998.

Net liquids production of 1.330 million barrels per day in 2000 was essentially flat with production of 1.337 million barrels per day in 1999 and up slightly from 1998. Production increases in Argentina, Angola, Australia, Kazakhstan, Kuwait and Thailand in 2000 could not offset lower volumes from Indonesia and the United Kingdom. In 1999, increases in Angola, Kuwait and Kazakhstan, combined with production from properties acquired in Argentina and Thailand, more than offset declines in Australia, Indonesia and the United Kingdom.

Net natural gas production of 1.556 billion cubic feet per day in 2000 was up 3 percent from 1999 and more than 17 percent from 1998. In 2000, production increases were primarily in Argentina, Colombia, Kazakhstan and Thailand, partially offset by sharply lower production from normal declines in mature fields in Canada and the United Kingdom. Increases in 1999 were from the Britannia Field in the United Kingdom, as well as from new production from the properties acquired in Thailand and Argentina.

U.S. REFINING, MARKETING AND TRANSPORTATION

Millions of dollars	2000	1999	1998
Earnings, Excluding Special Items	$ 979	$638	$826
Asset Write-Offs and Revaluations	--	(76)	--
Asset Dispositions	--	75	--
Environmental Remediation Provisions	(191)	(40)	--
Restructurings and Reorganizations	--	(46)	(14)
Litigation and Regulatory	(62)	--	--
Total Special Items	(253)	(87)	(14)
Segment Income	$ 726	$551	$812

U.S. refining, marketing and transportation earnings in 2000, excluding special items, increased 53 percent to $979 million and exceeded 1998 earnings of $826 million by 19 percent. Special items in 2000 included environmental remediation provisions for certain of the company's refining and marketing sites, some of which had been sold or closed in prior years, and a charge for the Unocal patent litigation. Refining, marketing and transportation earnings include the company's share of the operations of Equilon and Motiva.

Earnings improved in 2000 on higher margins, particularly on the East and Gulf Coasts, and more reliable West Coast refinery operations. Earnings in 1999 suffered from lower sales margins and operational problems at the company's California refineries, including a fire and, some months later, a detonation at the Richmond Refinery. These incidents impacted the refinery's efficiency and capacity to produce blending components for diesel fuel, jet fuel and gasoline. These effects in 1999 were offset partially by increases in refined products sales volumes, improved West Coast refining margins and higher proceeds from business interruption insurance.

Refined products sales volumes of 2.667 million barrels per day in 2000 increased about 2 percent over 1999 volumes and 10 percent from 1998 levels. The 2000 sales volumes reflected increases in higher-value gasoline and jet fuel volumes - more than offsetting a decline in sales of residual fuel oil. Additionally, sales in 2000 suffered from the effect of 1999 year-end stockpiling by customers in anticipation of possible Year 2000-related interruptions. U.S. refined products sales realizations were $37.78 per barrel, up 48 percent from 1999 realizations and up 62 percent from 1998's depressed levels.

CHEVRONTEXACO CORPORATION

INTERNATIONAL REFINING, MARKETING AND TRANSPORTATION

Millions of dollars	2000	1999	1998
Earnings, Excluding Special Items*	$ 373	$ 518	$ 461
Asset Write-Offs and Revaluations	(112)	--	--
Asset Dispositions	--	(111)	--
Prior-Year Tax Adjustments	--	114	--
Restructurings and Reorganizations	--	(72)	(106)
Other	--	--	(50)
Total Special Items	(112)	(69)	(156)
Segment Income*	$ 261	$ 449	$ 305
*Includes Foreign Currency Gains (Losses)	$ 107	$ (27)	$(280)

International refining, marketing and transportation earnings include results of the company's consolidated refining and marketing businesses, international marine operations, international supply and trading activities, and equity earnings of its primarily Asia-Pacific affiliates. Excluding special items, 2000 earnings of $373 million were down 28 percent from $518 million in 1999, and about 19 percent lower than the $461 million recorded in 1998.

In 2000, weaker margins in Latin America and West Africa resulted in lower earnings compared with 1999. These were partially offset by increased earnings in Europe, driven by higher margins in the United Kingdom and the Netherlands. Earnings for 1999 in Latin America, West Africa and Europe declined from 1998 on lower margins.

Earnings in the Asia-Pacific region suffered from a very competitive operating environment, including excess refinery capacity in the region during 2000 and 1999. Earnings decreased in 2000, compared with 1999 on lower marketing margins and refined products sales volumes. 1999 results compared with 1998 were adversely affected by lower refining and marketing margins.

International refined products sales volumes were 2.521 million barrels per day in 2000, down nearly 4 percent from 2.621 million barrels per day in 1999 but up from 2.487 million barrels per day in 1998. Lower trading volumes and the third quarter 1999 sale of the company's equity interest in Koa Oil Company Limited in Japan were responsible for the decline in sales volumes in 2000. Higher sales volumes of residual fuels and marine lubricants primarily were responsible for the 1999 increase.

CHEMICALS

Millions of dollars	2000	1999	1998
Earnings, Excluding Special Items*	$130	$174	$122
Asset Write-Offs and Revaluations	(90)	(43)	--
Restructurings and Reorganizations	--	(22)	--
Total Special Items	(90)	(65)	--
Segment Income*	$ 40	$109	$122
*Includes Foreign Currency (Losses) Gains	$ (2)	$ 3	$ (6)

Chemicals earnings in 2000 included results from the company's Oronite division - the company's petrochemicals businesses prior to its contribution to CPChem in July 2000 - and equity earnings in the CPChem joint venture for the second half of the year. The special item for asset write-offs in 2000 was for this affiliate's impairment of assets in Puerto Rico. Operationally, commodity chemicals businesses suffered in the second half of 2000 from generally weak product demand, industry over-capacity and high raw material costs.

Earnings in 1999 benefited from improved sales margins for major products, higher sales volumes and lower operating expenses. The 1998 results were adversely affected by plant shutdowns for expansions and storm damage repairs.

ALL OTHER

Millions of dollars	2000	1999	1998
Net Charges, Excluding Special Items*	$(705)	$(802)	$(366)
Asset Write-Offs and Revaluations	--	(54)	(68)
Asset Dispositions	99	147	--
Prior-Year Tax Adjustments	107	161	203
Environmental Remediation	(73)	--	--
Restructurings and Reorganizations	--	(41)	(21)
Litigation and Regulatory	--	104	(637)
Other	147	40	105
Total Special Items	280	357	(418)
Segment Charges*	$(425)	$(445)	$(784)
*Includes Foreign Currency Losses	$ (20)	$ --	$ --

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

Earnings, excluding special items, for the company's coal operations were $1 million in 2000, compared with $34 million in 1999 and $77 million in 1998. Earnings in 2000 were affected negatively by a union work stoppage for several months and operating and geologic complications at certain mines. In 1999, results were lower than in 1998 primarily because of the absence of earnings from an affiliate sold in the first quarter of 1999, lower sales tonnage and prices for the remaining coal business, and adjustments to the carrying value of the operations that were under active negotiation for sale at that time.

The company's share of Dynegy's 2000 operating earnings was $119 million, a significant increase from $44 million in 1999 and $35 million in 1998. Significantly higher prices for natural gas and natural gas liquids and an increase in earnings from power generation activities were the primary reasons for the improved results.

Net charges for the balance of the All Other segment, excluding special items, were $825 million in 2000, $880 million in 1999 and $478 million in 1998. Lower interest expense, higher interest income and decreases in other corporate expenses resulted in lower 2000 net charges than in 1999. The primary factors in the higher level of charges in 1999 as compared with 1998 were an increase in debt and lower cash balances, which caused interest expense to be higher and reduced interest income.

CHEVRONTEXACO CORPORATION

SELECTED OPERATING DATA

	2000	1999	1998
U.S. EXPLORATION AND PRODUCTION			
Net Crude Oil and Natural Gas Liquids Production (MBPD)	667	712	758
Net Natural Gas Production (MMCFPD)	2,910	3,145	3,474
Natural Gas Sales (MMCFPD) (1)	7,302	6,534	7,295
Natural Gas Liquids Sales (MBPD)(1)	373	415	481
Revenues from Net Production			
Crude Oil ($/Bbl)	$26.69	$15.50	$10.86
Natural Gas ($/MCF)	$ 3.87	$ 2.12	$ 1.98
INTERNATIONAL EXPLORATION AND PRODUCTION(1)			
Net Crude Oil and Natural Gas Liquids Production (MBPD)	1,330	1,337	1,312
Net Natural Gas Production (MMCFPD)	1,556	1,512	1,326
Natural Gas Sales (MMCFPD)	2,398	2,342	2,049
Natural Gas Liquids Sales (MBPD)	67	58	54
Revenues from Liftings			
Liquids ($/Bbl)	$26.04	$16.57	$11.43
Natural Gas ($/MCF)	$ 2.09	$ 1.66	$ 1.78
Other Produced Volumes (MBPD)(2)	123	96	95
U.S. REFINING, MARKETING AND TRANSPORTATION(1)			
Gasoline Sales (MBPD)	1,320	1,266	1,090
Other Refined Products Sales (MBPD)	1,347	1,357	1,342
Refinery Input (MBPD)	1,467		

1,626 1,567
Average Refined
Products Sales
Price ($/Bbl)
$37.78 $25.50
$23.32
INTERNATIONAL
REFINING,
MARKETING AND
TRANSPORTATION(1)
Refined Products
Sales (MBPD)
2,521 2,621
2,487 Refinery
Input (MBPD)
1,209 1,289
1,307 ----------

MBPD = Thousands of barrels per day; MMCFPD = Millions of cubic feet per day;
Bbl = Barrel;
MCF = Thousand cubic feet.

(1) Includes equity in affiliates.

(2) Represents total field production under the Boscan operating service agreement in Venezuela and a Colombian operating service agreement that expired in mid-2000.

CHEVRONTEXACO CORPORATION

QUARTERLY RESULTS (Unaudited)

Millions of dollars, except per-share amounts	2000				1999			
	4TH Q	3RD Q	2ND Q	1ST Q	4TH Q	3RD Q	2ND Q	1ST Q
REVENUES AND OTHER INCOME								
Sales and other operating revenues(1)	$31,981	$30,379	$28,695	$26,040	$25,808	$20,467	$20,740	$16,989
Income from equity affiliates	139	427	245	266	146	313	160	277
Other income	238	384	149	187	269	112	282	150
TOTAL REVENUES AND OTHER INCOME	32,358	31,190	29,089	26,493	26,223	20,892	21,182	17,416

--- COSTS
AND OTHER
DEDUCTIONS
Purchased
crude oil
and
products,
operating
and other
expenses
22,638
21,866
20,224
18,095
17,970
13,932
14,912
11,580
Depreciation,
depletion
and
amortization
1,529 1,292
1,227 1,273
1,509 1,242
1,131 1,052
Taxes other
than on
income(1)
4,311 3,530
4,058 3,928
4,453 3,450
3,802 3,736
Interest and
debt expense
267 263 284
296 312 280
276 264 - --

---- TOTAL
COSTS AND
OTHER
DEDUCTIONS
28,745
26,951
25,793
23,592
24,244
18,904
20,121
16,632 - ---

--- INCOME
BEFORE
INCOME TAX
3,613 4,239
3,296 2,901
1,979 1,988
1,061 784
INCOME TAX
EXPENSE

1,574 1,910
1,555 1,283
852 1,019
438 256 - --

---- NET
INCOME(2) $
2,039 $
2,329 $
1,741 $
1,618 $
1,127 $ 969
$ 623 $ 528
- ----------

-------- NET
INCOME PER
SHARE -
BASIC $ 1.93
$ 2.18 $
1.62 $ 1.50
$ 1.05 $
0.90 $ 0.57
$ 0.49 -
DILUTED $
1.92 $ 2.17
$ 1.62 $
1.50 $ 1.04
$ 0.90 $
0.58 $ 0.48
- ----------

-------- (1)
Includes
consumer
excise taxes
$ 1,769 $
1,585 $
1,679 $
1,568 $
1,570 $
1,428 $
1,554 $
1,477 (2)
Net special
(charges)
credits
included in
Net Income $
(254) $ (81)
$ 40 $ (83)
$ 88 $ (156)
$ (183) $ 60

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE STOCKHOLDERS AND THE BOARD OF DIRECTORS OF CHEVRONTEXACO CORPORATION

In our opinion, based on our audits and the report of other auditors, the accompanying supplemental combined balance sheet and the related supplemental combined statements of income, comprehensive income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of ChevronTexaco Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, based on our audits and the report of other auditors, the accompanying supplemental combined financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related supplemental combined financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements or financial statement schedule of Texaco Inc., which statements reflect total assets of $30,867 million and $28,972 million at December 31, 2000 and 1999, respectively, and total revenues of $51,130 million, $35,691 million and $31,707 million for each of the three years in the period ended December 31, 2000. Those statements and schedule were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Texaco Inc., is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

As described in Notes 1 and 2, on October 9, 2001, Chevron Corporation entered into a business combination with Texaco Inc. in a transaction accounted for as a pooling of interests. The accompanying supplemental combined financial statements give retroactive effect to the merger of Chevron Corporation with Texaco Inc. Accounting principles generally accepted in the United States of America proscribe giving effect to a consummated business combination accounted for by the pooling of interests method in financial statements that do not include the date of consummation. These financial statements do not extend through the date of consummation; however, they will become the historical consolidated financial statements of ChevronTexaco Corporation and its subsidiaries after financial statements covering the date of consummation of the business combination are issued.

/s/ PricewaterhouseCoopers LLP

San Francisco, California
November 19, 2001

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO TEXACO INC.:

We have audited the consolidated balance sheet of Texaco Inc. (a Delaware corporation) and subsidiary companies as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity, comprehensive income and cash flows for each of the three years in the period ended December 31, 2000. These financial statements (not presented separately herein) are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above (not presented separately herein) present fairly, in all material respects, the financial position of Texaco Inc. and subsidiary companies as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Item 14 on Texaco Inc.'s 2000 Form 10-K (not presented separately herein) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

February 22, 2001
New York, N.Y.

CHEVRONTEXACO CORPORATION
2000 SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS

SUPPLEMENTAL COMBINED STATEMENT OF INCOME

Year ended December 31 - Millions of dollars	2000	1999	1998
REVENUES AND OTHER INCOME			
Sales and other operating revenues*	$117,095	$84,004	$71,937
Income from equity affiliates	1,077	896	634
Other income	958	813	687
TOTAL REVENUES AND OTHER INCOME	119,130	85,713	73,258
COSTS AND OTHER DEDUCTIONS			
Purchased crude oil and products	70,067	46,412	36,740
Operating expenses	8,070	7,617	7,515
Selling, general and administrative expenses	3,626	3,222	4,183
Exploration expenses	949	1,072	970
Depreciation, depletion and amortization	5,321	4,934	4,490
Taxes other than on income*	15,827	15,441	15,405
Minority interests	111		

71 62
Interest and
debt expense
1,110 1,132
1,057 - -----

TOTAL COSTS
AND OTHER
DEDUCTIONS
105,081
79,901 70,422
- -----------

---- INCOME
BEFORE INCOME
TAX EXPENSE
14,049 5,812
2,836 INCOME
TAX EXPENSE
6,322 2,565
919 - -------

-------- NET
INCOME $
7,727 $ 3,247
$ 1,917 - ---

NET INCOME
PER SHARE OF
COMMON STOCK
- BASIC $
7.23 $ 3.01 $
1.76 -
DILUTED $
7.21 $ 3.00 $
1.75 - ------

----
*Includes
consumer
excise taxes:
$ 6,601 $
6,029 $ 5,930

See accompanying Notes to Supplemental Combined Financial Statements.

CHEVRONTEXACO CORPORATION
2000 SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS

SUPPLEMENTAL COMBINED STATEMENT OF COMPREHENSIVE INCOME

Millions of dollars	Year ended December 31 2000	1999	1998
NET INCOME	$7,727	$3,247	$1,917
UNREALIZED HOLDING GAINS ON SECURITIES			
Net gain arising during period			
Before income taxes	87	72	38
Income taxes	(30)	(33)	(11)
Reclassification to net income of net realized gain			
Before income taxes	(154)	(48)	(31)
Income taxes	54	11	11
Total	(43)	2	7
MINIMUM PENSION LIABILITY ADJUSTMENT			
Before income taxes	(28)	(15)	(40)
Income taxes	9	5	17
Total	(19)	(10)	(23)

CURRENCY TRANSLATION ADJUSTMENT Unrealized net change arising during period (14) (21) (3) Reclassification adjustment to net income for sale of investment in affiliate -- (14) -- - ----- --------------- --------------- --------------- --------------- --------------- ---------- Total (14) (35) (3) - --------- --------------- --------------- --------------- --------------- --------------- ------ OTHER COMPREHENSIVE LOSS, NET OF TAX (76) (43) (19) - -------- --------------- --------------- --------------- --------------- --------------- ------- COMPREHENSIVE INCOME $7,651 $3,204 $1,898 - --------------- --------------- --------------- --------------- --------------- ---------------

See accompanying Notes to Supplemental Combined Financial Statements.

CHEVRONTEXACO CORPORATION
2000 SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS

SUPPLEMENTAL COMBINED BALANCE SHEET

At December 31		
Millions of dollars	2000	1999
ASSETS		
Cash and cash equivalents	$ 2,328	$ 1,997
Marketable securities	913	971
Accounts and notes receivable (less allowance: 2000 - $116; 1999 - $106)	10,763	9,205
Inventories:		
Crude oil and petroleum products	1,969	2,133
Chemicals	200	526
Materials, supplies and other	485	548
	2,654	3,207
Prepaid expenses and other current assets	1,255	1,663
TOTAL CURRENT ASSETS	17,913	17,043
Long-term receivables	1,218	1,234
Investments and advances	11,764	8,482
Properties, plant and equipment, at cost	95,568	100,991

Less:
accumulated
depreciation,
depletion
and
amortization
51,249
54,504 -----

---- 44,319
46,487
Deferred
charges and
other assets
2,407 2,134
- ----------

--- TOTAL
ASSETS
$77,621 $
75,380 - ---

LIABILITIES
AND
STOCKHOLDERS'
EQUITY
Short-term
debt $ 3,094
$ 6,063
Accounts
payable
7,563 6,812
Accrued
liabilities
3,014 2,582
Federal and
other taxes
on income
1,864 1,017
Other taxes
payable
1,126 1,209
- ----------

--- TOTAL
CURRENT
LIABILITIES
16,661
17,683 Long-
term debt
12,494
12,787
Capital
lease
obligations
327 358
Deferred
credits and
other
noncurrent
obligations
4,303 4,251
Noncurrent
deferred
income taxes

6,687 6,712
Reserves for employee benefit plans 3,034 3,065
Minority interests 746 733

TOTAL LIABILITIES 44,252 45,589

Preferred stock - Chevron (authorized 100,000,000 shares, $1.00 par value, none issued) -- -- - -
Texaco (authorized 30,000,000 shares, $1.00 par value, Market Auction Preferred Shares, 1,200 shares issued, liquidation preference of $250,000 per share) 300 300
Common stock (authorized 2,654,500,000 shares, $0.75 par value at December 31, 2000, and 1,654,500,000 shares, $1.50 par value at December 31, 1999; 1,149,520,976 shares issued) 862 1,724
Capital in excess of par value 5,505 4,621
Deferred compensation and benefit plan trust (921) (952)
Accumulated

other
comprehensive
loss (310)
(234)
Retained
earnings
32,206
27,148
Treasury
stock, at
cost (2000 -
84,835,000
shares; 1999
- 67,171,000
shares)
(4,273)
(2,816) - --

TOTAL
STOCKHOLDERS'
EQUITY
33,369
29,791 - ---

TOTAL
LIABILITIES
AND
STOCKHOLDERS'
EQUITY
$77,621 $
75,380 - ---

See accompanying Notes to Supplemental Combined Financial Statements.

CHEVRONTEXACO CORPORATION
2000 SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS

SUPPLEMENTAL COMBINED STATEMENT OF CASH FLOWS

Year ended December 31 -- Millions of dollars	2000	1999	1998
OPERATING ACTIVITIES			
Net income	$ 7,727	$ 3,247	$ 1,917
Adjustments			
Depreciation, depletion and amortization	5,321	4,934	4,490
Dry hole expenses	462	583	361
Distributions (less than) greater than income from equity affiliates	(26)	(288)	49
Net before-tax gains on asset retirements and sales	(371)	(542)	(104)
Net foreign currency (gains) losses	(130)	58	(28)
Deferred income tax provision	521	23	206
Net decrease (increase) in operating working capital	91	266	(610)
Minority interest in net income	111	68	59
(Decrease) increase in Cities Service provision	--	(149)	924
Cash settlement of Cities Service litigation	--	(775)	--
Other, net			

(239) 346
(358) - -----

NET CASH
PROVIDED BY
OPERATING
ACTIVITIES
13,467 7,771
6,906 - -----

INVESTING
ACTIVITIES
Capital
expenditures
(7,629)
(7,895)
(7,903)
Proceeds from
asset sales
1,229 1,578
840 Net sales
(purchases)
of marketable
securities 80
597 (36) Net
purchases of
other short-
term
investments
(84) -- --
Collection of
note/formation
payments from
U.S.
affiliate --
101 612
Distribution
from Chevron
Phillips
Chemical
Company LLC
835 -- --
Other, net
(73) 9 (230)
- -----------

---- NET CASH
USED FOR
INVESTING
ACTIVITIES
(5,642)
(5,610)
(6,717) - ---

FINANCING
ACTIVITIES
Net
(repayments)

borrowings of
short-term
obligations
(3,254) 542
2,331
Proceeds from
issuances of
long-term
debt 1,293
2,383 2,146
Repayments of
long-term
debt and
other
financing
obligations
(1,241)
(1,491)
(1,780)
Dividends
paid Common
stock (2,664)
(2,589)
(2,548)
Preferred
stock (15)
(28) (53)
Dividends
paid to
minority
interests
(110) (55)
(54) Cash
funding
provided by
minority
interests --
-- 17 Net
(purchases)
sales of
treasury
shares
(1,498) 108
(840) - -----

NET CASH USED
FOR FINANCING
ACTIVITIES
(7,489)
(1,130) (781)
- -----------

---- EFFECT
OF FOREIGN
CURRENCY
EXCHANGE RATE
CHANGES ON
CASH AND CASH
EQUIVALENTS
(5) (30) (20)
- -----------

---- NET
CHANGE IN
CASH AND CASH

EQUIVALENTS
331 1,001
(612) CASH
AND CASH
EQUIVALENTS
AT BEGINNING
OF YEAR 1,997
996 1,608 - -

- CASH AND
CASH
EQUIVALENTS
AT YEAR-END $
2,328 $ 1,997
$ 996 - -----

See accompanying Notes to Supplemental Combined Financial Statements.

CHEVRONTEXACO CORPORATION
2000 SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS

SUPPLEMENTAL COMBINED STATEMENT OF STOCKHOLDERS' EQUITY

SHARES IN THOUSANDS; AMOUNTS IN MILLIONS OF DOLLARS	2000		1999		1998	
	SHARES	AMOUNT	Shares	Amount	Shares	Amount
COMMON STOCK						
Balance at January 1	1,149,521	$ 1,724	1,149,544	$ 1,724	1,149,544	$ 1,724
Change in par value	--	(862)	--	--	--	--
Monterey Resources acquisition adjustment	--	--	(23)	--	--	--
BALANCE AT DECEMBER 31	1,149,521	$ 862	1,149,521	$ 1,724	1,149,544	$ 1,724

TREASURY
STOCK AT
COST
Balance at
January 1
67,282
$(2,816)
84,853
$(3,728)
76,166
$(2,933)
Purchases
19,517
(1,580) 56
(5) 12,617
(949)
Redemption
of Texaco
Series B
and Series
F ESOP
Convertible
Preferred
Stock -- -
- (12,459)
699 -- --
Other -
mainly
employee
benefit
plans
(1,964)
123
(5,168)
218
(3,930)
154 ------

BALANCE AT
DECEMBER
31 84,835
$(4,273)
67,282
$(2,816)
84,853
$(3,728) -

BENEFIT
PLAN TRUST
(COMMON
STOCK)
BALANCE AT
JANUARY 1
AND
DECEMBER
31 7,084 $
(240)
7,084 $
(240)
7,084 $
(240) - --

PREFERRED
STOCK -
CHEVRON --
-- -- -- -
- -- - ---

PREFERRED
STOCK -
TEXACO
MARKET
AUCTION
PREFERRED
SHARES
BALANCE AT
JANUARY 1
AND
DECEMBER
31 1 $ 300
1 $ 300 1
$ 300 - --

SERIES B
ESOP
CONVERTIBLE
PREFERRED
STOCK
Balance at
January 1
-- $ --
649 $ 389
693 $ 416
Redemptions
-- --
(587)
(352) -- -
-
Retirements
-- -- (62)
(37) (44)
(27) -----

BALANCE AT
DECEMBER
31 -- $ --
-- $ --
649 $ 389
- --------

SERIES F
ESOP
CONVERTIBLE
PREFERRED
STOCK
Balance at
January 1
-- $ -- 53
$ 39 56 $
41
Redemptions
-- -- (53)
(39) -- --
Retirements
-- -- -- -
- (3) (2)

BALANCE AT
DECEMBER
31 -- $ --
-- $ -- 53
$ 39 - ---

(continued on next page)

SUPPLEMENTAL COMBINED STATEMENT OF STOCKHOLDERS' EQUITY - CONTINUED

Amounts in millions of dollars	2000 AMOUNT	1999 Amount	1998 Amount
CAPITAL IN EXCESS OF PAR			
Balance at January 1	$ 4,621	$ 4,856	$ 4,829
Change in common stock par value	862	--	--
Redemption of Texaco Series B and Series F ESOP Convertible Preferred Stock	--	(308)	--
Monterey Resources acquisition adjustment	--	(2)	--
Treasury stock transactions	22	75	27
BALANCE AT DECEMBER 31	$ 5,505	$ 4,621	$ 4,856
DEFERRED COMPENSATION			
Balance at January 1	$ (712)	$ (785)	$ (899)
Net reduction of ESOP debt and other	31	73	114

BALANCE AT
DECEMBER 31
$ (681) $
(712) $
(785) - ----

ACCUMULATED
OTHER
COMPREHENSIVE
INCOME
Currency
translation
adjustment
Balance at
January 1 $
(198) $
(163) $
(160) Change
during year
(14) (35)
(3) --------

Balance at
December 31
(212) (198)
(163)
Minimum
pension
liability
adjustment
Balance at
January 1
(81) (71)
(48) Change
during year
(19) (10)
(23) -------

Balance at
December 31
(100) (81)
(71)
Unrealized
net holding
gain on
securities
Balance at
January 1 45
43 36 Change
during year
(43) 2 7 ---

-- Balance
at December
31 2 45 43 -

---- BALANCE
AT DECEMBER
31 $ (310) $
(234) $
(191) - ----

RETAINED EARNINGS Balance at January 1 $27,148 $26,503 $27,172 Net income 7,727 3,247 1,917 Cash dividends - Common stock (per-share amounts: Chevron - 2000: $2.60; 1999: $2.48; 1998: $2.44 Texaco - 2000, 1999 and 1998: $1.80) (2,664) (2,589) (2,548) Preferred stock Texaco Series B ESOP Convertible Preferred Stock -- (17) (38) Texaco Series F ESOP Convertible Preferred Stock -- (2) (4) Market Auction Preferred Shares (17) (9) (13) Tax benefit from dividends paid on unallocated ESOP shares 12 15 17 --- ------------ ------------ -- BALANCE AT DECEMBER 31 $32,206 $27,148 $26,503 - -- ------------ ------------ ------------ ------------ ------------ ------------ ------------ ------- TOTAL STOCKHOLDERS' EQUITY AT DECEMBER 31 $33,369 $29,791 $28,867 - -- ------------ ------------ ------------ ------------ ------------ ------------ ------------ -------

See accompanying Notes to Supplemental Combined Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION - TEXACO MERGER TRANSACTION

On October 9, 2001, Texaco Inc. (Texaco) became a wholly owned subsidiary of Chevron Corporation (Chevron) pursuant to a merger transaction and Chevron changed its name to ChevronTexaco Corporation. The business combination was accounted for as a pooling of interests.

These Supplemental Combined Financial Statements give retroactive effect to the merger, with all periods presented as if Chevron and Texaco had always been combined. Certain reclassifications have been made to conform the separate presentations of Chevron and Texaco. The reclassifications had no impact on the amount of net income or stockholders' equity.

The Supplemental Combined Financial Statements include the accounts of all majority-owned, controlled subsidiaries after the elimination of significant intercompany accounts and transactions. Included in the consolidation are the accounts of the Caltex Group of Companies (Caltex) - a joint venture, owned 50 percent each by Chevron and Texaco prior to the merger and previously accounted for under the equity method by both companies.

These financial statements include the combined results of operations, financial position, and cash flows but do not extend through the date of consummation. They will become the company's historical consolidated financial statements after financial statements covering the date of consummation of the business combination are issued.

GENERAL

ChevronTexaco manages its investments in, and provides administrative, financial and management support to, U.S. and foreign subsidiaries and affiliates that engage in fully integrated petroleum operations, chemicals operations and coal mining activities. In addition, ChevronTexaco holds investments in power generation and gasification businesses. Collectively, these companies operate in the United States and approximately 175 other countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; refining crude oil into finished petroleum products; marketing crude oil, natural gas and the many products derived from petroleum; and transporting crude oil, natural gas and petroleum products by pipelines, marine vessels, motor equipment and rail car. Chemicals operations include the manufacture and marketing of commodity petrochemicals, plastics for industrial uses and fuel and lube oil additives.

In preparing its supplemental combined financial statements, the company follows accounting policies that are in accordance with accounting principles generally accepted in the United States of America. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. While the company uses its best estimates and judgments, actual results could differ from these estimates as future confirming events occur.

The nature of the company's operations and many countries in which it operates subject it to changing economic, regulatory and political conditions. The company does not believe it is vulnerable to the risk of near-term severe impact as a result of any concentration of its activities.

SUBSIDIARY AND AFFILIATED COMPANIES

The supplemental combined financial statements include the accounts of subsidiary companies more than 50 percent owned. Investments in and advances to affiliates in which the company has a substantial ownership interest of approximately 20 percent to 50 percent, or for which the company exercises significant influence but not control over policy decisions, are accounted for by the equity method, in accordance with Accounting Principles Board (APB) Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock." Under this accounting, remaining unamortized cost is increased or decreased by the company's share of earnings or losses after dividends. Gains and losses that arise from the issuance of stock by an affiliate that results in changes in the company's proportionate share of the dollar amount of the affiliate's equity are recognized currently in income. Deferred income taxes are provided for these gains and losses.

DERIVATIVES

Gains and losses on hedges of existing assets or liabilities are included in the carrying amounts of those assets or liabilities and are ultimately recognized in income as part of those carrying amounts. Gains and losses related to qualifying hedges of firm commitments or anticipated transactions also are deferred and are recognized in income or as adjustments of carrying amounts when the underlying hedged transaction occurs. Cash flows associated with these derivatives are reported with the underlying hedged transaction's cash flows. If subsequent to being hedged, underlying transactions are no longer likely to occur, the related derivatives gains and losses are recognized currently in income. Gains and losses on derivatives contracts that do not qualify as hedges are recognized currently in "Other income." The adoption on January 1, 2001, of Financial Accounting Standards Board (FASB) Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), and FASB Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133," did not have a significant effect on the company's combined results of operations or financial position.

SHORT-TERM INVESTMENTS

All short-term investments are classified as available for sale and are in highly liquid debt or equity securities. Those investments that are part of the company's cash management portfolio with original maturities of three months or less are reported as "Cash equivalents." The balance of the short-term investments is reported as "Marketable securities." Short-term investments are marked-to-market with any unrealized gains or losses included in other comprehensive income.

INVENTORIES

Crude oil, petroleum products and chemicals are generally stated at cost, using a Last-In, First-Out (LIFO) method. In the aggregate, these costs are below market. Materials, supplies and other inventories generally are stated at average cost.

PROPERTIES, PLANT AND EQUIPMENT

The successful efforts method is used for oil and gas exploration and production activities. All costs for development wells, related plant and equipment, and proved mineral interests in oil and gas properties are capitalized. Costs of exploratory wells are capitalized pending determination of whether the wells found proved reserves. Costs of wells that are assigned proved reserves remain capitalized. Costs also are capitalized for wells that find commercially producible reserves that cannot be classified as proved, pending one or more of the following: (1) decisions on additional major capital expenditures, (2) the results of additional exploratory wells that are under way or firmly planned, and (3) securing final regulatory approvals for development. Otherwise, well costs are expensed if a determination as to whether proved reserves were found cannot be made within one year following completion of drilling. All other exploratory wells and costs are expensed.

Long-lived assets, including proved oil and gas properties, are assessed for possible impairment by comparing their carrying values with the undiscounted future net before-tax cash flows. Impaired assets are written down to their estimated fair values, generally their discounted future net before-tax cash flows. For proved oil and gas properties in the United States, the company generally performs the impairment review on an individual field basis. Outside the United States, reviews are performed on a country or concession basis. Impairment amounts are recorded as incremental depreciation expense in the period in which the event occurs.

Depreciation and depletion (including provisions for future abandonment and restoration costs) of all capitalized costs of proved oil and gas producing properties, except mineral interests, are expensed using the unit-of-production method by individual fields as the proved developed reserves are produced. Depletion expenses for capitalized costs of proved mineral interests are recognized using the unit-of-production method by individual fields as the related proved reserves are produced. Periodic valuation provisions for impairment of capitalized costs of unproved mineral interests are expensed.

Depreciation and depletion expenses for coal are determined using the unit-of-production method as the proved reserves are produced. The capitalized costs of all other plant and equipment are depreciated or amortized over their estimated useful lives. In general, the declining-balance method is used to depreciate plant and equipment in the United States; the straight-line method generally is used to depreciate international plant and equipment and to amortize all capitalized leased assets.

Gains or losses are not recognized for normal retirements of properties, plant and equipment subject to composite group amortization or depreciation. Gains or losses from abnormal retirements are included in "Operating expenses" and those from sales are included in "Other income."

Expenditures for maintenance, repairs and minor renewals to maintain facilities in operating condition are generally expensed as incurred. Major replacements and renewals are capitalized.

ENVIRONMENTAL EXPENDITURES

Environmental expenditures that relate to ongoing operations or to conditions caused by past operations are expensed. Expenditures that create future benefits or contribute to future revenue generation are capitalized.

Liabilities related to future remediation costs are recorded when environmental assessments and/or cleanups are probable and the costs can be reasonably estimated. Other than for assessments, the timing and magnitude of these accruals are generally based on the company's commitment to a formal plan of action, such as an approved remediation plan or the sale or disposal of an asset. For the company's U.S. and Canadian marketing facilities, the accrual is based on the probability that a future remediation commitment will be required. For oil, gas and coal producing properties, a provision is made through depreciation expense for anticipated abandonment and restoration costs at the end of a property's useful life.

For Superfund sites, the company records a liability for its share of costs when it has been named as a Potentially Responsible Party (PRP) and when an assessment or cleanup plan has been developed. This liability includes the company's own portion of the costs and also the company's portion of amounts for other PRPs when it is probable that they will not be able to pay their share of the cleanup obligation.

The company records the gross amount of its liability based on its best estimate of future costs using currently available technology and applying current regulations as well as the company's own internal environmental policies. Future amounts are not discounted. Recoveries or reimbursements are recorded as an asset when receipt is reasonably assured.

CURRENCY TRANSLATION

The U.S. dollar is the functional currency for the company's consolidated operations as well as for substantially all operations of its equity affiliates. For those operations, all gains or losses from currency translations are currently included in income. The cumulative translation effects for the few equity affiliates using functional currencies other than the U.S. dollar are included in the currency translation adjustment in stockholders' equity.

REVENUE RECOGNITION

Revenues associated with sales of crude oil, natural gas, coal, petroleum and chemicals products, and all other sources are recorded when title passes to the customer, net of royalties, discounts and allowances, as applicable. Revenues from natural gas production from properties in which ChevronTexaco has an interest with other producers are generally recognized on the basis of the company's net working interest (entitlement method).

STOCK COMPENSATION

The company applies Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for stock options, and presents in Note 18 pro forma net income and earnings per share data as if the accounting prescribed by FAS No. 123, "Accounting for Stock-Based Compensation," had been applied.

NOTE 2. TEXACO MERGER TRANSACTION

On October 9, 2001, Texaco became a wholly owned subsidiary of Chevron pursuant to a merger transaction, and Chevron changed its name to ChevronTexaco Corporation. The merger was accounted for as a pooling of interests and each share of Texaco common stock was converted, on a tax-free basis, into the right to receive 0.77 shares of ChevronTexaco common stock. In the merger, ChevronTexaco issued about 425 million shares of common stock, representing approximately 40 percent of the outstanding ChevronTexaco common stock after the merger.

As a condition of approving the merger, the U.S. Federal Trade Commission (FTC) required the divestment of certain Texaco assets. These assets are Texaco's investments in its U.S. refining, marketing and transportation affiliates, Equilon and Motiva, as well as other interests in U.S. natural gas processing and transportation facilities and general aviation fuel marketing. Associated carrying values were $2,717 at December 31, 2000. Net income from these assets for the year ended December 31, 2000 was $216.

Millions of dollars, except per-share amounts

On October 9, 2001, Texaco placed its interests in Equilon and Motiva in trust, as required by the FTC. The trustee is negotiating a definitive agreement to sell those interests to Shell Oil Company (Shell) and Saudi Refining, Inc. (SRI), based on a Memorandum of Understanding (MOU) signed by Texaco, Shell and SRI on October 8, 2001. Any definitive agreement will be subject to approvals by the FTC and certain U.S. states. Based on the terms of the MOU, Texaco recorded an after-tax charge of $496 in the third quarter 2001 as an impairment of its investments in Equilon and Motiva. The charge was partially offset by tax benefits of $103. If the terms of the MOU are implemented, cash proceeds from the sale will be $2,150, including a deferred dividend distribution of $50 from Motiva.

The following table presents summary data for the separate companies and the combined amounts for periods prior to the merger.

Year ended December 31	2000	1999	1998
REVENUES AND OTHER INCOME			
Chevron	$ 52,129	$36,586	$30,557
Texaco(1)	53,520	37,779	33,800
Adjustments/Eliminations(2)	13,481	11,348	8,901
ChevronTexaco	$119,130	$85,713	$73,258
NET INCOME			
Chevron	$ 5,185	$ 2,070	$ 1,339
Texaco	2,542	1,177	578
ChevronTexaco	$ 7,727	$ 3,247	$ 1,917
NET INCOME PER SHARE OF CHEVRONTEXACO COMMON STOCK:			
Basic	$ 7.23	$ 3.01	$ 1.76
Diluted	$ 7.21	$ 3.00	$ 1.75

(1)Includes certain reclassification adjustments to conform to historic Chevron presentation.
(2)Consolidation of former equity operations and intercompany eliminations.

NOTE 3. SPECIAL ITEMS AND OTHER FINANCIAL INFORMATION

Net income is affected by transactions that are unrelated to or are not necessarily representative of the company's ongoing operations for the periods presented. These transactions, defined by management and designated "special items," can obscure the underlying results of operations for a year as well as affect comparability of results between years.

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

Listed below are categories of special items and their net (decrease) increase to net income, after related tax effects.

	Year ended December 31		
	2000	1999	1998
Asset write-offs and revaluations			
Exploration and production			
Oil and gas properties - U.S.	$(176)	$(204)	$ (95)
Oil and gas properties - International	--	--	(48)
Refining, marketing and transportation			
Asset impairments - U.S.	--	(76)	--
Asset impairments - International	(112)	--	--
Chemicals			
Manufacturing facility impairment - U.S.	(90)	--	--
Other asset write-offs	--	(43)	--
All other			
Information technology and other asset write-offs	--	(54)	(68)
	(378)	(377)	(211)
Asset dispositions, net			
Oil and gas assets - U.S.	(107)	--	--
Oil and gas assets - International	80	--	(56)
Real estate and other	99	87	--
Pipeline interests	--	75	--
Coal assets	--	60	--
Equity affiliate interest - Japan	--	(111)	

-- ------------
----------- 72
111 (56) - ----

-------- Prior-
year tax
adjustments 107
228 203 - -----

Environmental
remediation
provisions, net
(264) (40) -- -

Restructurings
and
reorganizations
-- (257) (180)
- -------------

Other, net
Dynegy equity
adjustment 77 -
- -- Litigation
and regulatory
issues* (62)
104 (682) Tax
benefits on
asset sales 70
40 --
Settlement of
insurance
claims for
environmental
remediation
costs and
damages -- --
105 Write-off
of start-up
costs (SOP 98-
5) -- -- (50) -

------- 85 144
(627) - -------

----- Total
special items,
after tax
$(378) $(191)
$(871) - ------

------ *1999
and 1998
include effects
related to

Cities Service
litigation.

In accordance with its policy, the company recorded impairments of assets to be held and used when changes in circumstances - primarily related to lower oil and gas prices, downward revisions of reserves and changes in the use of the assets - indicated that the carrying values of the assets could not be recovered through estimated future before-tax undiscounted cash flows. Asset impairments included in asset write-offs and revaluations were for assets held for use, except for U.S. coal assets, which were held for sale for approximately one year during 1998 and 1999. In late 1999, these coal assets were reclassified to held for use upon cessation of negotiations with potential buyers.

Millions of dollars, except per-share amounts

The aggregate combined income-statement effects from special items are reflected in the following table, including ChevronTexaco's proportionate share of special items related to equity affiliates.

	Year ended December 31		
	2000	1999	1998
REVENUES AND OTHER INCOME			
Income from equity affiliates	$ (141)	$(212)	$ (161)
Other income	356	318	(26)
TOTAL REVENUES AND OTHER INCOME	215	106	(187)
COSTS AND OTHER DEDUCTIONS			
Purchased crude oil and products	--	--	152
Operating expenses	394	280	(72)
Selling, general and administrative expenses	94	(81)	841
Exploration expenses	--	1	12
Depreciation, depletion and amortization	561	397	186
Interest and debt expense	4	--	--
Minority interest	(9)	--	--

----- TOTAL
COSTS AND
OTHER
DEDUCTIONS
1,044 597
1,119 - -----

----- INCOME
BEFORE INCOME
TAX EXPENSE
(829) (491)
(1,306)
Income tax
expense (451)
(300) (435) -

NET INCOME $
(378) $(191)
$ (871) - ---

Other financial information is as follows:

Year ended
December
31 -------

2000 1999
1998 - ---

Total
financing
interest
and debt
costs
$1,218
$1,170
$1,120
Less:
capitalized
interest
108 38 63

Interest
and debt
expense

$1,110
$1,132
$1,057
Research
and
development
expenses $
279 $ 278
$ 325
Foreign
currency
gains
(losses)*
$ 182 $
(15) $
(242) - --

------

*Includes $25, $(24) and $(248) in 2000, 1999 and 1998, respectively, for the company's share of affiliates' foreign currency gains (losses).

The excess of market value over the carrying value of inventories for which the LIFO method is used was $2,339, $1,169 and $584 at December 31, 2000, 1999 and 1998, respectively. Generally, market value is based on average acquisition costs for the year. In 2000 and 1998, certain inventories were recorded at market, which was lower than LIFO carrying value. Adjustments to market reduced net income $4 in 2000 and $117 in 1998. In 1999, the market valuation adjustment reserves established in prior years were eliminated as market prices improved and the associated physical units of inventory were sold. Elimination of these reserves increased net income in 1999 by $170.

At December 31, 1999, a liability of $130 remained for employee termination benefits relating to the restructuring charges recorded in 1999 and prior years. In the first quarter 2000, $17 was accrued for an additional employee separation program primarily affecting marketing operations in Brazil and Ireland. All employee terminations and benefit payments were finalized by the end of the first quarter 2001.

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

NOTE 4. INFORMATION RELATING TO THE SUPPLEMENTAL COMBINED STATEMENT OF CASH FLOWS

"Net decrease (increase) in operating working capital" is composed of the following:

	Year ended December 31		
	2000	1999	1998
(Increase) decrease in accounts and notes receivable	$(2,162)	$(2,057)	$ 966
Decrease (increase) in inventories	120	32	(186)
Decrease (increase) in prepaid expenses and other current assets	73	(61)	(21)
Increase (decrease) in accounts payable and accrued liabilities	1,327	1,718	(723)
Increase (decrease) in income and other taxes payable	733	634	(646)

Net

decrease (increase) in operating working capital $ 91 $ 266 $ (610) - --
----

-

"Net cash provided by operating activities" includes the following cash payments for interest and income taxes:

Year ended December 31 -------

-- 2000 1999 1998
- --------

Interest paid on debt (net of capitalized interest) $ 1,095 $ 1,060 $ 1,063
Income taxes paid $ 4,883 $ 1,868 $ 1,321 - --

-

"Net sales (purchases) of marketable securities" consists of the following gross amounts:

Year ended December 31 -------

-- 2000 1999 1998
- --------

Marketable
securities
purchased
$(6,671)
$(3,255)
$(3,650)
Marketable
securities
sold 6,751
3,852
3,614 - --

- Net
sales
(purchases)
of
marketable
securities
$ 80 $ 597
$ (36) - -

--

The major components of "Capital expenditures" are presented in the following table.

Year ended
December 31

2000 1999
1998 - ----

Additions
to
properties,
plant and
equipment
$6,173 $
8,125
$7,089
Additions
to
investments
1,118 393
690 Current
year dry
hole
expenditures
402 475 311
Payments

for other liabilities and assets, net (64) (1,098)* (187) - ---
----

Capital expenditures 7,629 7,895 7,903 - ---

----

* Includes liabilities assumed in acquisitions of Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A.

The Supplemental Combined Statement of Cash Flows excludes the following significant noncash transactions:

In 2000, Chevron contributed $2,800 of net noncash assets to Chevron Phillips Chemical Company LLC, as described in Note 12. The investment is accounted for under the equity method. Also in 2000, $210 was reclassified from "Deferred credits and other noncurrent obligations" to "Accrued liabilities." The payment was remitted in January 2001.

During 1999, Chevron acquired the Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A. Only the net cash component of these transactions is included as "Capital expenditures."

Millions of dollars, except per-share amounts

Consideration for the Rutherford-Moran transaction included 1.1 million shares of the company's treasury stock valued at $91.

In January 1998, Texaco contributed $2,800 of net noncash assets to Equilon Enterprises LLC, as described in Note 12. The investment is accounted for under the equity method.

NOTE 5. SUMMARIZED FINANCIAL DATA - CHEVRON U.S.A. INC.

At December 31, 2000, Chevron U.S.A. Inc. was Chevron's principal operating company, consisting primarily of its U.S. integrated petroleum operations (excluding most of the domestic pipeline operations). Through the first half of 2000, these operations were conducted primarily by three divisions: Chevron U.S.A. Production Company, Chevron Products Company and Chevron Chemical Company LLC. Chevron combined most of its petrochemicals businesses with those of Phillips Petroleum Company on July 1, 2000. Summarized financial information for Chevron U.S.A. Inc. and its consolidated subsidiaries is presented below.

Year ended December 31	2000	1999	1998
Sales and other operating revenues	$40,729	$28,957	$24,440
Total costs and other deductions	37,528	28,329	24,338
Net income	2,336	885	346

At December 31	2000	1999

Current
assets $
4,396 $
3,889
Other
assets
20,738
20,687
Current
liabilities
4,094
4,685
Other
liabilities
10,251
9,730 Net
equity
10,789
10,161 - -

- Memo:
Total Debt
$ 6,728 $
7,462

NOTE 6. SUMMARIZED FINANCIAL DATA - CHEVRON TRANSPORT CORPORATION LIMITED

Effective July 1999, Chevron Transport Corporation, a Liberian corporation, merged with and into Chevron Transport Corporation Limited (CTC), a Bermuda corporation, which assumed all of the assets and liabilities of Chevron Transport Corporation. CTC is an indirect, wholly owned subsidiary of ChevronTexaco Corporation. CTC is the principal operator of ChevronTexaco's international tanker fleet and is engaged in the marine transportation of oil and refined petroleum products. Most of CTC's shipping revenue is derived by providing transportation services to other ChevronTexaco companies. ChevronTexaco Corporation has guaranteed this subsidiary's obligations in connection with certain debt securities issued by a third party. Summarized financial information for CTC and its consolidated subsidiaries is presented below.

Year ended
December
31 -------

2000 1999
1998 - ---

---- Sales
and other
operating
revenues
$728 $504
$573 Total
costs and
other
deductions
777 572
580 Net
(loss)
income
(47) (50)
17 - -----

--

Millions of dollars, except per-share amounts

	At December 31	
	2000	1999
Current assets	$205	$184
Other assets	530	742
Current liabilities	309	580
Other liabilities	361	264
Net equity	65	82

This information was derived from the financial statements prepared on a stand-alone basis in conformity with accounting principles generally accepted in the United States of America. In 2000, CTC's parent made an additional $30 capital contribution. There were no restrictions on CTC's ability to pay dividends or make loans or advances at December 31, 2000.

NOTE 7. STOCKHOLDERS' EQUITY

Retained earnings at December 31, 2000 and 1999, include approximately $2,300 and $2,100, respectively, for the company's share of undistributed earnings of equity affiliates.

Upon the merger of Chevron and Texaco, the authorized common stock of ChevronTexaco was increased from 2 billion shares of $.75 par value to 4 billion shares of $.75 par value. Under the terms of the merger agreement, approximately 425 million shares of ChevronTexaco common stock were issued in exchange for all of the outstanding shares of Texaco common stock based upon an exchange ratio of 0.77 ChevronTexaco share for each Texaco share. Texaco's common stock accounted for as Treasury stock was cancelled at the effective time of the merger.

In 1998, Chevron declared a dividend distribution of one Right to purchase Chevron Participating Preferred Stock. The Rights become exercisable, unless redeemed earlier by Chevron, if a person or group acquires, or obtains the right to acquire, 10 percent or more of the outstanding shares of common stock or commences a tender or exchange offer that would result in acquiring 10 percent or more of the outstanding shares of common stock, either event occurring without the prior consent of Chevron. The Chevron Series A Participating Preferred Stock that the holder of a Right is entitled to receive and the purchase price payable upon exercise of the Chevron Right are both subject to adjustment. The person or group who acquired 10 percent or more of the outstanding shares of common stock without the prior consent of Chevron would not be entitled to this purchase. In October 2000, the Chevron Stockholder Rights agreement was amended to modify the 10 percent thresholds discussed above to 20 percent if the acquiring person were Texaco.

The Rights will expire in November 2008, or they may be redeemed by the company at 1 cent per Right prior to that date. The Rights do not have voting or dividend rights and, until they become exercisable, have no dilutive effect on the earnings per share of the company. Five million shares of the company's preferred stock have been designated Series A Participating Preferred Stock and reserved for issuance upon exercise of the Rights. No event during 2000 made the Rights exercisable.

In 1989, Texaco established a similar stockholder rights plan and reserved and designated 3 million shares as Series D for issuance upon exercise of the Rights. At December 31, 2000, the Rights were not exercisable. Additionally, the Rights did not become exercisable upon the merger. Immediately after the merger, the Texaco Rights and Series D Junior Participating Preferred Stock were delisted and the associated Rights plan was terminated.

During 2000 and 1999, there were 1,200 shares of Texaco cumulative variable rate preferred stock, called Market Auction Preferred Shares (MAPS), outstanding with an aggregate value of $300. The

MAPS were redeemed in June 2001, at a liquidation preference of $250,000 per share, plus premium and accrued and unpaid dividends thereon. The MAPS were grouped into four series (300 shares each of Series G, H, I and J) of $75 each. The dividend rates for each series were determined by Dutch auctions conducted at intervals of at least seven weeks.

During 2000, the annual dividend rate for the MAPS ranged between 4.22 percent and 5.15 percent and dividends totaled $17. For 1999, the annual dividend rate for the MAPS ranged between 3.59 percent and 4.36 percent and dividends totaled $9. For 1998, the annual dividend rate for the MAPS ranged between 3.96 percent and 4.50 percent and dividends totaled $13. The MAPS were nonvoting, except under limited circumstances.

At December 31, 2000, 30 million shares of the Chevron's authorized but unissued common stock were reserved for the issuance of shares under the Chevron Corporation Long-Term Incentive Plan (LTIP), which was approved by the stockholders in 1990. To date, all of the plan's common stock requirements have been met from the company's Treasury Stock, and there have been no issuances of reserved shares.

NOTE 8. FINANCIAL AND DERIVATIVE INSTRUMENTS

OFF-BALANCE-SHEET RISK

The company utilizes a variety of derivative instruments, both financial and commodity-based, as hedges to manage a small portion of its exposure to price volatility stemming from its integrated petroleum activities. Relatively straightforward and involving little complexity, the derivative instruments consist mainly of futures contracts traded on the New York Mercantile Exchange and the International Petroleum Exchange, crude and natural gas swap contracts, options, and other derivative products entered into principally with major financial institutions.

The futures contracts and options hedge anticipated crude oil purchases and sales and product sales, generally forecasted to occur within a 60- to 90-day period. Additionally, crude oil swaps are used to hedge sales forecasted to occur within the next three years. The terms of the swap contracts have maturities of the same period. Natural gas swaps are used primarily to hedge firmly committed sales, and the terms of these swap contracts, held at year-end 2000, had an average remaining maturity of approximately 26 months. Gas swap contracts are based on notional gas volumes of approximately 39 and 44 billion cubic feet. Crude oil swap contracts are based on notional crude oil volumes of approximately 15 and 4 million barrels. Crude oil and products futures had net contract values of $12 and $178, and forward exchange contracts had net contract values of $129 and $81. Other derivative commodity contracts consist mostly of basis swaps related to location differences in prices. Notional contract amounts were $9,077 and $6,604 at year-end 2000 and 1999. These amounts principally represent future values of contract volumes over the remaining duration of outstanding swap contracts at the respective dates. These contracts hedged a small fraction of business activities, generally for the next 12 months. Gains and losses on these derivative instruments offset and are recognized in income concurrently with the recognition of the underlying physical transactions.

The company enters into forward exchange contracts, generally with terms of 90 days or less, as a hedge against some of its foreign currency exposures, primarily anticipated purchase transactions, including foreign currency capital expenditures and lease commitments, forecasted to occur within 90 days. Additionally, under a separately managed program, the company hedges a portion of its investment portfolio denominated in foreign currencies.

The company enters into interest rate swaps as part of its overall strategy to manage the interest rate risk on its debt. Under the terms of the swaps, net cash settlements are based on the difference between fixed-rate and floating-rate interest amounts calculated by reference to agreed notional principal amounts, and are recorded monthly as "Interest and debt expense." During 2000, the company initiated $530 of new floating rate pay swaps in connection with debt issues in the year. At year-end 2000, the weighted average maturity of interest rate swaps was approximately 5 years.

Millions of dollars, except per-share amounts

The company's notional principal amounts for interest rate swaps and notional amounts of foreign currency contracts were:

	As of December 31	
	2000	1999
Interest rate swaps	$1,970	$2,521
Commitments to purchase foreign currencies	2,199	2,605
Commitments to sell foreign currencies	714	353

The notional amounts of these and other derivative instruments do not represent assets or liabilities of the company but, rather, are the basis for the settlements under the contract terms. Excluded from this table is an interest rate and equity swap with a notional principal amount of $200 entered into in 1997, related to the 3.5 percent notes due 2004. The company pays a floating rate and receives a fixed rate and the counterparty assumes all exposure for the potential equity-based cash redemption premium on the notes.

CONCENTRATIONS OF CREDIT RISK

The company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents, marketable securities, derivative financial instruments and trade receivables. The company's short-term investments are placed with a wide array of financial institutions with high credit ratings. This diversified investment policy limits the company's exposure both to credit risk and to concentrations of credit risk. Similar standards of diversity and creditworthiness are applied to the company's counterparties in derivative instruments.

The trade receivable balances, reflecting the company's diversified sources of revenue, are dispersed among the company's broad customer base worldwide. As a consequence, concentrations of credit risk are limited. The company routinely assesses the financial strength of its customers. Letters of credit, or negotiated contracts when the financial strength of a customer is not considered sufficient, are the principal securities obtained to support lines of credit.

FAIR VALUE

Fair values are derived either from quoted market prices or, if not available, the present value of the expected cash flows. The fair values reflect the cash that would have been received or paid if the instruments were settled at year-end. The fair values of the financial and derivative instruments at December 31, 2000 and 1999, are described below.

Long-term debt of $9,073 and $9,021 had estimated fair values of $9,194 and $8,962.

Fair values of interest rate swaps were not material for the notional principal amounts of the interest rate swaps of $1,970 for 2000 and $2,521 for 1999.

The company holds cash equivalents and U.S. dollar marketable securities in domestic and offshore portfolios. Eurodollar bonds, floating-rate notes, time deposits and commercial paper are the primary instruments held. Cash equivalents and marketable securities had fair values of $2,543 and $2,290. Of these balances, $1,630 and $1,319 classified as cash equivalents had average maturities under 90 days, while the remainder, classified as marketable securities, had average maturities of approximately 3 years.

Millions of dollars, except per-share amounts

Unrealized gains and losses on the basis swaps contracts outstanding at year-end 2000 were, respectively, $589 and $423. Unrealized gains and losses on these contracts outstanding at year-end 1999 were, respectively, $195 and $120. These amounts have been recorded on the balance sheet as deferred gains and losses. Fair values for all other commodity derivatives and deferred gains and losses that were accrued on the balance sheet were not material in 2000 and 1999.

NOTE 9. OPERATING SEGMENTS AND GEOGRAPHIC DATA

ChevronTexaco manages its exploration and production; refining, marketing and transportation; and chemicals businesses separately. The company's primary country of operation is the United States, its country of domicile. The remainder of the company's operations is reported as International (outside the United States).

SEGMENT EARNINGS

The company evaluates the performance of its operating segments on an after-tax basis, without considering the effects of debt financing interest expense or investment interest income, both of which are managed by the company on a worldwide basis. Corporate administrative costs and assets are not allocated to the operating segments; instead, operating segments are billed only for direct corporate services. Nonbillable costs remain as corporate center expenses. After-tax segment income is presented in the following table.

Year ended December 31	2000	1999	1998
EXPLORATION AND PRODUCTION			
United States	$3,442	$1,133	$ 625
International	3,683	1,450	837
TOTAL EXPLORATION AND PRODUCTION	7,125	2,583	1,462
REFINING, MARKETING AND TRANSPORTATION			
United States	726	551	812
International	261	449	305

TOTAL
REFINING,
MARKETING AND
TRANSPORTATION
987 1,000
1,117 - -----

CHEMICALS
United States
(31) 44 79
International
71 65 43 - --

TOTAL
CHEMICALS 40
109 122 - ---

------- TOTAL
SEGMENT
INCOME 8,152
3,692 2,701
Interest
Expense (775)
(837) (750)
Interest
Income 162 86
176 Other 188
306 (210) - -

--------- NET
INCOME $7,727
$3,247 $1,917
- -----------

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

SEGMENT ASSETS

Segment assets do not include intercompany investments or intercompany receivables. "All Other" assets consist primarily of worldwide cash and marketable securities, real estate, information systems, the investment in Dynegy Inc. and coal mining operations. Segment assets at year-end 2000 and 1999 follow:

At December 31	2000	1999
EXPLORATION AND PRODUCTION		
United States	$15,197	$14,362
International	22,497	20,647
TOTAL EXPLORATION AND PRODUCTION	37,694	35,009
REFINING, MARKETING AND TRANSPORTATION		
United States	12,352	12,289
International	16,903	16,509
TOTAL REFINING, MARKETING AND TRANSPORTATION	29,255	28,798
CHEMICALS		
United States	2,336	3,300
International	728	923

TOTAL
CHEMICALS
3,064 4,223 -

-- TOTAL
SEGMENT
ASSETS 70,013
68,030 - ----

ALL OTHER
United States
5,335 4,784
International
2,273 2,566 -

-- TOTAL ALL
OTHER 7,608
7,350 - -----

TOTAL ASSETS
- UNITED
STATES 35,220
34,735 TOTAL
ASSETS -
INTERNATIONAL
42,401 40,645
- -----------

---- TOTAL
ASSETS
$77,621
$75,380 - ---

SEGMENT SALES AND OTHER OPERATING REVENUES

Revenues for the exploration and production segment are derived primarily from the production of crude oil and natural gas. Revenues for the refining, marketing and transportation segment are derived from the refining and marketing of petroleum products such as gasoline, jet fuel, gas oils, kerosene, residual fuel oils and other products derived from crude oil. This segment also generates revenues from the transportation and trading of crude oil and refined products. Prior to the July 2000 formation of the Chevron Phillips joint venture, chemicals segment revenues were derived from the manufacture and sale of petrochemicals, plastic resins, and lube oil and fuel additives. Subsequent to the formation of the joint venture, only revenues from the manufacture and sale of lube oil and fuel additives were included.

"All Other" activities include corporate administrative costs, worldwide cash management and debt financing activities, coal mining operations, power operations, insurance operations, and real estate activities. Other than the United States, the only country where ChevronTexaco generates significant revenues is the United Kingdom, which amounted to $12,101, $9,650 and $7,757 in 2000, 1999 and 1998, respectively. Sales revenues are based on the origin of the sale.

Millions of dollars, except per-share amounts

Reportable operating segment sales and other operating revenues, including internal transfers, for the years 2000, 1999 and 1998 are presented in the following table. Sales from the transfer of products between segments are at estimated market prices.

Year ended December 31	2000	1999	1998
EXPLORATION AND PRODUCTION			
United States	$ 13,927	$ 7,819	$ 7,406
Intersegment	5,630	3,728	3,280
Total United States	19,557	11,547	10,686
International	9,052	6,202	4,496
Intersegment	6,189	3,800	2,680
Total International	15,241	10,002	7,176
TOTAL EXPLORATION AND PRODUCTION	34,798	21,549	17,862
REFINING, MARKETING AND TRANSPORTATION			

United States
31,926 20,468
16,373 Excise
taxes 3,837
3,702 3,503
Intersegment
414 476 365 -

--- Total
United States
36,177 24,646
20,241 - ----

International
52,501 38,993
33,677 Excise
taxes 2,737
2,842 2,951
Intersegment
930 160 412 -

--- Total
International
56,168 41,995
37,040 - ----

TOTAL
REFINING,
MARKETING AND
TRANSPORTATION
92,345 66,641
57,281 - ----

CHEMICALS
United States
1,985 2,791
2,466 Excise
taxes 1 2 2
Intersegment
137 162 125 -

--- Total
United States
2,123 2,955
2,593 - -----

International
701 686 538
Excise taxes
26 28 38
Intersegment
-- 171 2 ----

Total
International
727 885 578 -

- TOTAL
CHEMICALS
2,850 3,840
3,171 - -----

--------- ALL
OTHER United
States 403
456 495
Intersegment
- United
States (60)
(110) (193) -

--- Total
United States
343 346 302 -

-
International
(1) 15 (8)
Intersegment
-
International
(41) (54)
(19) --------

Total
International
(42) (39)
(27) - ------

TOTAL ALL
OTHER 301 307
275 - -------

SEGMENT SALES
AND OTHER
OPERATING
REVENUES
United States
58,200 39,494
33,822
International
72,094 52,843
44,767 - ----

Total Segment Sales and Other Operating Revenues	130,294	92,337	78,589
Elimination of Intersegment Sales	(13,199)	(8,333)	(6,652)
TOTAL SALES AND OTHER OPERATING REVENUES	$117,095	$84,004	$71,937

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

SEGMENT INCOME TAXES

Segment income tax expenses for the years 2000, 1999 and 1998 are as follows:

	Year ended December 31		
	2000	1999	1998
EXPLORATION AND PRODUCTION			
United States	$1,901	$ 559	$ 191
International	4,363	2,164	929
TOTAL EXPLORATION AND PRODUCTION	6,264	2,723	1,120
REFINING, MARKETING AND TRANSPORTATION			
United States	383	279	439
International	152	175	274
TOTAL REFINING, MARKETING AND TRANSPORTATION	535	454	713
CHEMICALS			
United States	31	(13)	25

International
30 45 14 - --

TOTAL
CHEMICALS 61
32 39 - -----

------- All
Other (538)
(644) (953) -

TOTAL INCOME
TAX EXPENSE
$6,322 $2,565
$ 919 - -----

OTHER SEGMENT INFORMATION

Additional information for the segmentation of major equity affiliates is contained in Note 12. Information related to properties, plant and equipment by segment is contained in Note 13.

NOTE 10. LITIGATION

Chevron, Texaco and four other oil companies ("refiners") filed suit in 1995 contesting the validity of a patent granted to Unocal Corporation ("Unocal") for reformulated gasoline, which ChevronTexaco sells in California in certain months of the year. In March 2000, the U.S. Court of Appeals for the Federal Circuit upheld a September 1998 District Court decision that Unocal's patent was valid and enforceable and assessed damages of 5.75 cents per gallon for gasoline produced in infringement of the patent. In May 2000, the Federal Circuit Court denied a petition for rehearing with the U.S. Court of Appeals for the Federal Circuit filed by the refiners in this case. The refiners petitioned the U.S. Supreme Court and in February 2001, the Supreme Court denied the petition to review the lower court's ruling and the case was remanded to the District Court for an accounting of all infringing gasoline produced from August 1, 1996, to September 30, 2000. The District Court granted Unocal's motion for summary judgment requesting an accounting and denied refiners' motion to stay the proceedings and vacate the accounting order. The refiners intend to appeal. Additionally, in May 2001 the U.S. Patent Office granted the refiners' petition to re-examine the validity of Unocal's patent. The Federal Trade Commission has also announced that it is investigating whether Unocal's failure to disclose to the California Air Resources Board that they had filed a patent application was unfair competition, which may make Unocal's patent unenforceable.

If Unocal's patent ultimately is upheld and is enforceable, the company's financial exposure includes royalties, plus interest, for production of gasoline that is proven to have infringed the patent. Chevron and Texaco, as well as Texaco's former affiliates Equilon and Motiva, have been accruing in the normal course of business any future estimated liability for potential infringement of the patent covered by the trial court's ruling. In 2000, Chevron and Texaco made payments to Unocal totaling approximately $28 million for the original court ruling, interest and fees.

Millions of dollars, except per-share amounts

Unocal has obtained additional patents for alternate formulations that could affect a larger share of U.S. gasoline production. ChevronTexaco believes these additional patents are invalid and unenforceable. However, if such patents are ultimately upheld, the competitive and financial effects on the company's refining and marketing operations, while presently indeterminable, could be material.

Another issue involving the company is the ongoing public debate concerning the petroleum industry's use of MTBE and its potential environmental impact through seepage into groundwater. Along with other oil companies, the company is a party to lawsuits and claims related to the use of the chemical MTBE in certain oxygenated gasolines. These actions may require the company to correct or ameliorate the alleged effects on the environment of prior release we of MTBE by the company or other parties. Additional lawsuits and claims related to the use of MTBE may be filed in the future. Costs to the company related to these lawsuits and claims are not currently determinable. ChevronTexaco has eliminated the use of MTBE in gasoline it sells in certain areas.

NOTE 11. LEASE COMMITMENTS

Certain noncancelable leases are classified as capital leases, and the leased assets are included as part of "Properties, plant and equipment." Such leasing arrangements involve tanker charters, crude oil production and processing equipment, service stations, and other facilities. Other leases are classified as operating leases and are not capitalized. The payments on such leases are recorded as operating expense. Details of the capitalized leased assets are as follows:

	At December 31	
	2000	1999
Exploration and production	$ 223	$ 149
Refining, marketing and transportation	851	880
Total	1,074	1,029
Less: accumulated amortization	587	576
Net capitalized leased assets	$ 487	$ 453

Rental expenses incurred for operating leases during 2000, 1999 and 1998 were as follows:

Year ended December 31	2000	1999	1998
Minimum rentals	$1,024	$804	$786
Contingent rentals	35	16	50
Total	1,059	820	836
Less: sublease rental income	73	73	70
Net rental expense	$ 986	$747	$766

Contingent rentals are based on factors other than the passage of time, principally sales volumes at leased service stations. Certain leases include escalation clauses for adjusting rentals to reflect changes in price indices, renewal options ranging from 1 to 25 years, and/or options to purchase the leased property during or at the end of the initial or renewal lease period for the fair market value or other specified amount at that time.

CHEVRONTEXACO CORPORATION
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At December 31, 2000, the estimated future minimum lease payments (net of non cancelable sublease rentals) under operating and capital leases, which at inception had a non cancelable term of more than one year, were as follows:

At December 31	Operating Leases	Capital Leases
Year:		
2001	$ 385	$ 88
2002	677	83
2003	277	113
2004	264	56
2005	249	51
Thereafter	730	776
Total	$2,582	$1,167
Less: amounts representing interest and executory costs		496
Net present values		671
Less: capital lease obligations included in short-term debt		344
Long-		

term
capital
lease
obligations
$ 327 - ---

--

Millions of dollars, except per-share amounts

NOTE 12. INVESTMENTS AND ADVANCES

Equity in earnings, together with investments in and advances to companies accounted for using the equity method, and other investments accounted for at or below cost, are as follows:

	Investments and Advances		Equity in Earnings		
	At December 31		Year ended December 31		
	2000	1999	2000	1999	1998
EXPLORATION AND PRODUCTION					
Tengizchevroil	$ 1,857	$1,722	$ 376	$177	$ 60
Other	550	357	163	98	52
Total Exploration and Production	2,407	2,079	539	275	112
REFINING, MARKETING AND TRANSPORTATION					
Equilon	1,724	1,953	151	219	307
Motiva	743	686	154	(5)	33
LG-Caltex Oil Corporation	1,468	1,441	80	310	173
Caspian Pipeline Consortium	587	216	22	4	1
Star					

Petroleum
Refining
Company Ltd.
337 269 (4)
(27) (89)
Caltex
Australia
Limited 253
260 13 (48)
48 Other 680
609 117 93
(39) - ------

Total
Refining,
Marketing and
Transportation
5,792 5,434
533 546 434 -

-- CHEMICALS
Chevron
Phillips
Chemical
Company LLC
1,830 --
(114) -- --
Other
Chemical 15
145 (9) 1 --
- -----------

---- Total
Chemicals
1,845 145
(123) 1 -- -

-- Dynegy
Inc. 929 351
127 51 49 All
Other 365 137
1 23 39 - ---

Total Equity
Method
$11,338
$8,146 $1,077
$896 $634 ---

------ Other
at or Below
Cost 426 336

---- Total
Investments
and Advances
$11,764
$8,482 - ----

Total U.S. $
6,323 $3,823
$ 562 $419
$518 Total
International
$ 5,441
$4,659 $ 515
$477 $116 - -

-

"Accounts and notes receivable" in the Supplemental Combined Balance Sheet include $1,377 and $1,248 at December 31, 2000 and 1999, respectively, of amounts due from major affiliated companies. "Accounts payable" include $264 and $139 at December 31, 2000 and 1999, respectively, of amounts due to major affiliated companies.

Prior to the merger, each company owned 50 percent of the Caltex Group of Companies and accounted for the investments using the equity method. Additionally, Chevron and Texaco owned 47.5 percent each of P.T. Mandau Cipta Tenaga Nusantara, an Indonesian company, and Chevron owned 31 percent of Fuel and Marine Marketing LLC, with the remaining 69 percent owned by Texaco. The Supplemental Combined Financial Statements reflect the consolidation of all these entities.

TENGIZCHEVROIL

Tengizchevroil (TCO) is a joint venture formed in 1993 to develop the Tengiz and Korolev oil fields in Kazakhstan over a 40-year period. Chevron's ownership was 45 percent for the 1998 to 2000 period. Upon formation of the joint venture, the company incurred an obligation of $420, payable to the Republic of Kazakhstan upon attainment of a dedicated export system with the capability of the greater of 260,000 barrels of oil per day or TCO's production capacity. In January 2001, the company purchased an additional 5 percent of TCO. As a part of that transaction, the company paid $210 of the $420 obligation. The $420 was also included in the carrying value of the original investment, as the company believed, beyond a reasonable doubt, that its full payment would be made.

EQUILON ENTERPRISES LLC

Effective January 1, 1998, Texaco and Shell Oil Company (Shell) formed Equilon Enterprises LLC (Equilon), a Delaware limited liability company. Equilon is a joint venture that combined major elements of the companies' western and midwestern U.S. refining and marketing businesses and their nationwide trading, transportation and lubricants businesses. At December 31, 2000, Texaco had a 44 percent ownership interest in Equilon.

The carrying amounts at January 1, 1998, of the principal assets and liabilities of the businesses Texaco contributed to Equilon were $200 of net working capital assets, $2,800 of net properties, plant and equipment and $200 of debt. These amounts were reclassified to "Investments and advances" in the Supplemental Combined Balance Sheet and the investment is accounted for using the equity method.

In April 1998, Texaco received $463 from Equilon, representing the reimbursement of certain capital expenditures incurred prior to the formation of the joint venture. In July 1998, Texaco received $149 from Equilon for certain specifically identified assets transferred for value to Equilon. In February 1999, Texaco received $101 from Equilon for the payment of notes receivable. See Note 2 for discussion on the mandated disposition of Texaco's interest in Equilon.

Because Equilon is a limited liability company, ChevronTexaco records the provision for income taxes and related income tax liability applicable to its share of the venture's income separately in its combined financial statements.

MOTIVA ENTERPRISES LLC

Effective July 1, 1998, Texaco, Shell and Saudi Aramco formed Motiva Enterprises LLC (Motiva), a Delaware limited liability company. Motiva is a joint venture that combined the East and Gulf Coast U.S. refining and marketing businesses of Shell and Star Enterprise (Star). Star, in turn, was a joint venture owned 50 percent each by Texaco and Saudi Refining, Inc., a corporate affiliate of Saudi Aramco.

From July 1, 1998, through December 31, 1999, Texaco and Saudi Refining Inc. each owned 32.5 percent and Shell owned 35 percent of Motiva. Under the terms of the Limited Liability Agreement for Motiva, the ownership in Motiva is subject to annual adjustment through year-end 2005, based on the performance of the assets contributed to Motiva. Accordingly, the initial ownership in Motiva was adjusted effective as of January 1, 2000, so that for the year 2000, Texaco and Saudi Refining, Inc. each owned just under 31 percent and Shell owned just under 39 percent of Motiva. The Agreement provides that a final ownership percentage will be calculated at the end of 2005.

The investment in Motiva at date of formation approximated the previous investment in Star. The Motiva investment and previous Star investment are recorded as "Investments and advances" in the Supplemental Combined Balance Sheet and accounted for on the equity method. See Note 2 for discussion on the mandated disposition of Texaco's interest in Motiva.

Because Motiva is a limited liability company, ChevronTexaco records the provision for income taxes and related income tax liability applicable to its share of the venture's income separately in its consolidated financial statements.

LG-CALTEX CORPORATION

ChevronTexaco owns 50 percent of LG-Caltex, a joint venture formed in 1967 between the LG Group and Caltex, originally incorporated as Honam Oil Refinery Company Limited, to engage in importing, refining and marketing of petroleum products in Korea.

STAR PETROLEUM REFINING COMPANY, LTD.

ChevronTexaco owns a 64 percent equity ownership interest in Star Petroleum Refining Company Limited (SPRC), which owns the Star refinery at Map Ta Phut, Thailand. The Thai national petroleum company owns the remaining 36 percent of SPRC.

CALTEX AUSTRALIA, LTD.

ChevronTexaco has a 50 percent equity ownership interest in Caltex Australia Limited, which is the largest oil company in Australia. The remaining 50 percent of Caltex Australia is publicly owned.

CHEVRON PHILLIPS CHEMICAL COMPANY LLC

ChevronTexaco owns 50 percent of Chevron Phillips Chemical Company LLC (CPChem), formed in July 2000 when Chevron merged most of its petrochemicals businesses with those of Phillips Petroleum Company. The net amount of assets and liabilities contributed to the joint venture was reclassified to "Investments and advances" in the Supplemental Combined Balance Sheet. No gain or loss was recognized at the time of contribution, as the transaction represented the exchange of a consolidated business for an interest in a private joint venture and was not the culmination of the earnings process. The difference of approximately $100 between the carrying value of the investment and the amount of underlying equity in the joint venture's net assets is being amortized as a benefit to income over the next 10 years. ChevronTexaco's share of CPChem's earnings is recorded to "Income from equity affiliates." Because the joint venture is a limited liability company, ChevronTexaco records the provision for income taxes and related tax liability applicable to its share of the venture's income separately in its combined financial statements.

The equity accounting treatment for ChevronTexaco's share of the net assets contributed to CPChem resulted in significant variances between 2000 and 1999 in the individual line captions appearing in the financial statements. The carrying amounts at July 1, 2000, of the principal assets and liabilities of the businesses Chevron contributed to CPChem were approximately $600 of net working capital; $2,100 of net properties, plant and equipment; and $100 of investments and advances.

Upon formation, the joint venture obtained debt financing and made a cash payment of $835 to each owner.

DYNEGY INC.

At year-end 2000, Chevron owned 26.5 percent of Dynegy Inc., a gatherer, processor, transporter and marketer of energy products in North America and the United Kingdom. These products include natural gas, natural gas liquids, crude oil and electricity. Chevron's percentage ownership in Dynegy was reduced from about 28 percent during 2000, as a result of Dynegy's 10 million-share equity offering (at about $53 per share), in which Chevron did not participate. The market value of Chevron's share of Dynegy common stock at December 31, 2000, was $4,784, based on closing market prices.

Millions of dollars, except per-share amounts

The company's transactions with major affiliated companies are summarized in the table that follows.

	Year ended December 31		
	2000	1999	1998
Sales to LG Caltex	$2,527	$1,860	$1,190
Sales to Caltex Australia Ltd.	1,277	660	468
Sales to Star Petroleum Refining Company Ltd.	1,365	716	414
Sales to KOA Overseas	--	654	449
Sales to Equilon	3,075	2,007	1,790
Sales to Motiva	2,852	1,734	615
Sales to Dynegy Inc.	2,672	1,499	1,345
Sales to Chevron Phillips Chemical Company	159	--	-

- - ----

Purchases from LG Caltex $ 78 $ 14 $ 16
Purchases from Caltex Australia Ltd. 186 48 43
Purchases from Star Petroleum Refining Company Ltd. 934 497 630
Purchases from Equilon 1,107 242 308
Purchases from Motiva 150 379 164
Purchases from Dynegy Inc. 717 908 716
Purchases from Chevron Phillips Chemical Company 121 -- -
- - ----

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

The following table provides summarized financial information on a 100 percent basis for Equilon, Motiva and all other equity affiliates, as well as ChevronTexaco's total share.

	Equilon	Motiva	Other Affiliates	Total ChevronTexaco Share
YEAR ENDED DECEMBER 31, 2000				
Total revenues and other income	$50,010	$19,446	$56,602	$48,925
Income before income tax expense	228	461	2,420	1,230
Net income	148	300	1,689	1,077
AT DECEMBER 31, 2000				
Current assets	$ 3,134	$ 1,381	$18,442	$ 8,456
Noncurrent assets	6,830	5,110	34,620	16,965
Current liabilities	4,587	1,150	16,109	7,820
Noncurrent liabilities	897	2,017	20,905	6,263
Net equity	$ 4,480	$		

3,324
$16,048
$11,338 - --

- YEAR ENDED
DECEMBER 31,
1999 Total
revenues and
other income
$29,398
$12,196
$33,772
$30,135
Income
(loss)
before
income tax
expense 347
(69) 1,566
925 Net
income
(loss) 226
(45) 1,326
896 - ------

--------- AT
DECEMBER 31,
1999 Current
assets $
3,426 $
1,271 $
7,954 $
4,992
Noncurrent
assets 7,208
5,307 18,463
12,007
Current
liabilities
4,853 1,278
7,665 5,615
Noncurrent
liabilities
735 2,095
10,924 3,243
- ----------

----- Net
equity $
5,046 $
3,205 $
7,828 $
8,141 - ----

YEAR ENDED

DECEMBER 31,
1998 Total
revenues and
other income
$22,246 $
5,371
$34,324
$25,625
Income
before
income tax
expense 502
78 1,026 916
Net income
326 51 484
634 - ------

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

NOTE 13. PROPERTIES, PLANT AND EQUIPMENT

	At December 31						Year ended December 31		
	Gross Investment at Cost			Net Investment			Additions at Cost(1)		
	2000	1999	1998	2000	1999	1998	2000	1999	1998
Exploration and Production									
United States	$37,561	$ 39,772	$40,605	$12,296	$12,773	$13,408	$1,946	$1,383	$2,186
International	29,574	29,602	24,717	16,675	15,725	12,266	2,988	4,934	2,331
Total Exploration and Production	67,135	69,374	65,322	28,971	28,498	25,674	4,934	6,317	4,517

Refining,
Marketing and
Transportation
United States
12,564 12,669
12,470 6,181
6,438 6,538
491 560 724
International
11,777 11,736
11,666 6,966
7,251 7,357
476 605 888 -

---- Total
Refining,
Marketing and
Transportation
24,341 24,405
24,136 13,147
13,689 13,895
967 1,165
1,612 - -----

Chemicals
United States
604 3,689
3,436 339
2,354 2,211
78 326 385
International
672 714 662
393 453 414
42 59 116 - -

--- Total
Chemicals
1,276 4,403
4,098 732
2,807 2,625
120 385 501 -

---- All
Other(2)
2,816 2,809
2,897 1,469
1,493 1,669
205 181 236 -

---- Total
United States
53,532 58,922
59,396 20,279
23,048 23,815
2,720 2,447
3,530 Total
International
42,036 42,069
37,057 24,040
23,439 20,048
3,506 5,601
3,336 - -----

Total $95,568
$100,991
$96,453
$44,319
$46,487
$43,863
$6,226 $8,048
$6,866 - ----

Year ended
December 31 -

Depreciation
Expense -----

------ 2000
1999 1998 - -

------- -----

Exploration
and
Production
United States
$2,169 $1,932
$1,764
International
1,759 1,518
1,453 - -----

--- Total
Exploration
and
Production
3,928 3,450
3,217 - -----

--- Refining,
Marketing and
Transportation
United States

514 542 499
International
621 539 504 -

Total
Refining,
Marketing and
Transportation
1,135 1,081
1,003 - -----

--- Chemicals
United States
76 174 108
International
19 20 10 - --

------ Total
Chemicals 95
194 118 - ---

----- All
Other(2) 131
181 133 - ---

----- Total
United States
2,889 2,824
2,502 Total
International
2,400 2,082
1,969 - -----

--- Total
$5,289 $4,906
$4,471 - ----

----

(1) Net of dry hole expense related to prior years' expenditures of $60, $143 and $50 in 2000, 1999 and 1998, respectively.

(2) Primarily coal, real estate assets and management information systems.

NOTE 14. TAXES

Year ended
December 31

-- 2000 1999
1998 - -----

- Taxes on
income U.S.
federal
Current
$1,238 $ 307
$ (215)

Deferred 363
25 (10)
State and
local 185
(50) 32 - --

---- Total
United
States 1,786
282 (193) -

International
Current
4,378 2,285
896 Deferred
158 (2) 216
- ----------

Total
International
4,536 2,283
1,112 - ----

-- Total
taxes on
income
$6,322
$2,565 $ 919
- ----------

In 2000, before-tax income, including related corporate and other charges, for U.S. operations was $5,823, compared with $1,738 in 1999 and $922 in 1998. For international operations, before-tax income was $8,226, $4,074 and $1,914 in 2000, 1999 and 1998, respectively. U.S. federal income tax expense was reduced by $103, $89 and $84 in 2000, 1999 and 1998, respectively, for low-income housing and other business tax credits.

Millions of dollars, except per-share amounts

The company's effective income tax rate varied from the U.S. statutory federal income tax rate because of the following:

	Year ended December 31		
	2000	1999	1998
U.S. statutory federal income tax rate	35.0%	35.0%	35.0%
Effect of income taxes from international operations in excess of taxes at the U.S. statutory rate	11.0	16.7	12.2
State and local taxes on income, net of U.S. federal income tax benefit	0.9	(0.1)	0.1
Prior-year tax adjustments	(0.6)	(1.5)	(5.1)
Tax credits	(1.2)	(2.7)	(5.7)
Other	0.2	(2.3)	(3.2)
Consolidated companies	45.3	45.1	33.3
Effect of recording equity in income of certain affiliated companies on an after-tax basis	(0.3)	(1.0)	(0.9)

Effective tax rate	45.0%	44.1%	32.4%

The increase in the 1999 effective tax rate from 1998 was due primarily to higher foreign earnings in 1999 compared with 1998. Additionally, tax credits taken in 1999, approximating those taken in 1998, were a smaller proportion of before-tax income in 1999. Also contributing to the higher effective tax rate in 1999 were lower benefits from prior-year tax adjustments when compared to those recorded in 1998.

The company records its deferred taxes on a tax-jurisdiction basis and classifies those net amounts as current or noncurrent based on the balance sheet classification of the related assets or liabilities.

The reported deferred tax balances are composed of the following:

At December 31	2000	1999
Properties, plant and equipment	$ 7,224	$ 7,913
Inventory	--	100
Investments and other	2,085	1,149
Total deferred tax liabilities	9,309	9,162
Abandonment/environmental reserves	(862)	(671)
Employee benefits	(979)	(1,017)
Tax loss carryforwards	(527)	(699)
AMT/other tax credits	(943)	(1,390)
Inventory	(27)	--
Other accrued liabilities	(43)	(195)
Miscellaneous	(1,454)	(1,051)
Total deferred tax assets	(4,835)	(5,023)
Deferred tax assets valuation allowance	1,574	1,588
Total deferred taxes, net	$ 6,048	$ 5,727

"Investments and other" for 2000 in the table above include deferred tax liabilities of $482 associated with the company's investment in Chevron Phillips Chemical Company LLC. In 1999, most of the deferred tax liabilities associated with the company's assets contributed to the joint venture were reported as "Properties, plant and equipment." To conform with this presentation, net deferred tax liabilities of $317 and $292 for 2000 and 1999 associated with the company investments in Equilon and Motiva have also been included. Most of these deferred taxes were previously reported as "Properties, plant and equipment" and "Employee benefits." The valuation allowance relates primarily to foreign tax credit carryforwards not expected to be utilized and to upstream operations in Denmark, where tax loss carryforwards and other temporary differences are not expected to be realized.

Millions of dollars, except per-share amounts

At December 31, 2000 and 1999, deferred taxes were classified in the supplemental combined balance sheet as follows:

	At December 31	
	2000	1999
Prepaid expenses and other current assets	$ (327)	$ (763)
Deferred charges and other assets	(312)	(223)
Federal and other taxes on income	--	1
Noncurrent deferred income taxes	6,687	6,712
Total deferred income taxes, net	$6,048	$5,727

It is the company's policy for subsidiaries included in the U.S. consolidated tax return to record income tax expense as though they filed separately, with the parent recording the adjustment to income tax expense for the effects of consolidation. Income taxes are accrued for retained earnings of international subsidiaries and corporate joint ventures intended to be remitted.

Income taxes are not accrued for unremitted earnings of international operations that have been, or are intended to be, reinvested indefinitely.

Undistributed earnings of international consolidated subsidiaries and affiliates for which no deferred income tax provision has been made for possible future remittances totaled approximately $7,239 at December 31, 2000. Substantially all of this amount represents earnings reinvested as part of the company's ongoing business. It is not practical to estimate the amount of taxes that might be payable on the eventual remittance of such earnings. On remittance, certain countries impose withholding taxes that, subject to certain limitations, are then available for use as tax credits against a U.S. tax liability, if any.

	Year ended December 31		
	2000	1999	1998
Taxes other than on income			
United States			
Excise taxes on products and merchandise	$ 3,909	$ 3,767	$ 3,568
Import duties and other levies	25	34	36
Property and other miscellaneous taxes	345	365	361
Payroll taxes	139	165	196
Taxes on production	238	158	160
Total United States	4,656	4,489	4,321
International			
Excise taxes on products and merchandise	2,692	2,262	2,362
Import duties and other levies			

8,073 8,352
8,344
Property and
other
miscellaneous
taxes 271
247 289
Payroll
taxes 69 77
78 Taxes on
production
66 14 11 - -

Total
International
11,171
10,952
11,084 - ---

------ Total
taxes other
than on
income
$15,827
$15,441
$15,405 - --

Millions of dollars, except per-share amounts

NOTE 15. SHORT-TERM DEBT

Redeemable long-term obligations consist primarily of tax-exempt variable-rate put bonds that are included as current liabilities because they become redeemable at the option of the bondholders during the year following the balance sheet date.

The company periodically enters into interest rate swaps on a portion of its short-term debt. See Note 8 for information concerning the company's debt-related derivative activities.

	At December 31	
	2000	1999
Commercial paper*	$4,258	$6,364
Notes payable to banks and others with originating terms of one year or less	1,612	2,825
Current maturities of long-term debt	1,519	806
Current maturities of long-term capital leases	42	42
Redeemable long-term obligations		
- Long-term debt	504	504
- Capital leases	302	297
Subtotal	8,237	10,838
Reclassified to long-term debt	(5,143)	(4,775)

-- Total
short-term
debt $3,094
$6,063 - --

-

* Weighted-average interest rates at December 31, 2000 and 1999, were 6.56 percent and 5.98 percent, respectively, including the effect of interest rate swaps.

NOTE 16. LONG-TERM DEBT

ChevronTexaco has three "shelf" registrations on file with the Securities and Exchange Commission that together would permit the issuance of $2,800 of debt securities pursuant to Rule 415 of the Securities Act of 1933.

At December 31, 2000, the company had $5,825 of committed credit facilities with banks worldwide, $5,143 of which had termination dates beyond one year. The facilities support the company's commercial paper borrowings. Interest on borrowings under the terms of specific agreements may be based on the London Interbank Offered Rate, the Reserve Adjusted Domestic Certificate of Deposit Rate or bank prime rate. No amounts were outstanding under these credit agreements during 2000 or at year-end.

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

	At December 31	
	2000	1999
8.11% amortizing notes due 2004(1)	$ 540	$ 620
6.625% notes due 2004	499	495
7.327% amortizing notes due 2014(2)	430	430
5.5% note due 2009	392	397
7.45% notes due 2004	349	349
6% notes due 2005	299	299
9.75% debentures due 2020	250	250
3.5% convertible notes due 2004	203	203
5.7% notes due 2008	201	201
8.5% notes due 2003	200	200
7.75% debentures due 2033	199	199
8.625% debentures due 2031	199	199
8.625% debentures due 2032	199	199
8.375% debentures due 2022	198	198
7.5% debentures due 2043	198	198
6.875% debentures due 2023	196	196
7.09% notes due 2007	150	150
8.25% debentures		

due 2006 150 150
8.625% debentures due 2010 150 150
8.875% debentures due 2021 150 150
Medium-term notes, maturing from 2001 to 2043 (7.1%) 1,081 757
Australian dollar debt due 2001 (12.4%) -- 205
Other foreign currency obligations (6.6%) 1,095 884
Other long-term debt (7.1%) 1,542 1,739

Total including debt due within one year 8,870 8,818
Debt due within one year (1,519) (806)
Reclassified from short-term debt 5,143 4,775

Total long-term debt $12,494 $12,787
----

(1) Debt assumed from ESOP in 1999.

(2) Guarantee of ESOP debt.

At December 31, 2000 and 1999, the company classified $5,143 and $4,775 respectively of short-term debt as long-term. Settlement of these obligations is not expected to require the use of working capital in 2001, as the company has both the intent and ability to refinance this debt on a long-term basis.

Consolidated long-term debt maturing in each of the five years after December 31, 2000, is as follows: 2001 - $1,722; 2002 - $1,022; 2003 - $574; 2004 - $1,234; and 2005 - $584. In 2001, Chevron repurchased $349 of 7.45 percent guaranteed notes maturing in 2004.

See Note 8 for information concerning the company's debt-related derivative activities.

NOTE 17. EMPLOYEE BENEFIT PLANS

PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Chevron has defined benefit pension plans for most employees and provides for certain health care and life insurance plans for active and qualifying retired employees. The company's policy is to fund the minimum necessary to satisfy requirements of the Employee Retirement Income Security Act for the company's pension plans. The company's annual contributions for medical and dental benefits are limited to the lesser of actual medical claims or a defined fixed per-capita amount. Chevron pays life insurance benefits, and annual contributions are based on actual plan experience.

Millions of dollars, except per-share amounts

Texaco sponsored pension plans that cover the majority of its employees. Generally, these plans provide defined pension benefits based on years of service, age and final average pay. Texaco sponsors postretirement plans in the United States that provide health care and life insurance for retirees and eligible dependents based on an age and service point schedule for eligible participants. The postretirement plans are unfunded.

Caltex has various retirement plans, including defined benefit pension plans, covering substantially all of its employees. The benefit levels, vesting terms and funding practices vary among plans.

The following table presents the combined pension and other postretirement benefits for Chevron, Texaco and Caltex. Unfunded pension and postretirement benefits are paid directly when incurred; accordingly, these payments are not reflected as changes in plan assets in the following table. Benefits are presented and computed as of and for the twelve months ended December 31.

	Pension Benefits				Postretirement Benefits	
	2000		1999		2000	1999
	U.S.	INT'L	U.S.	Int'l		
CHANGE IN BENEFIT OBLIGATION						
Benefit obligation at January 1	$5,023	$1,784	$ 5,513	$1,859	$ 2,103	$ 2,320
Service cost	116	49	133	47	20	28
Interest cost	359	137	345	142	161	153
Plan participants' contributions	2	1	3	2	18	14
Plan amendments	7	3	89	23	--	(12)
Actuarial loss (gain)	76	85	(73)	16	134	(176)
Foreign currency exchange rate changes	--	(151)	--	(127)	(7)	(1)
Benefits paid	(652)	(128)	(1,191)	(181)	(182)	(151)
Curtailment	--	(3)	--	--	--	(12)
Special termination benefits(1)	--	6				

204 3 -- -- Plan
divestiture (1) -
- -- -- -- --
Acquisitions/joint
ventures -- -- --
-- -- (60) ------

-------- Benefit
obligation at
December 31 4,930
1,783 5,023 1,784
2,247 2,103 -----

--------- CHANGE
IN PLAN ASSETS
Fair value of
plan assets at
January 1 5,653
1,946 5,946 1,869
-- -- Actual
return on plan
assets 29 69 861
278 -- -- Foreign
currency exchange
rate changes --
(155) -- (91) --
-- Employer
contribution 18
50 15 68 -- --
Plan
participants'
contribution 2 1
3 2 -- --
Expenses (8) --
(7) -- -- --
Benefits paid
(622) (126)
(1,165) (180) --
-- Plan
divestiture (2) -
- -- -- -- -- ---

----------- Fair
value of plan
assets at
December 31 5,070
1,785 5,653 1,946
-- -- ----------

--- FUNDED STATUS
140 2 630 162
(2,247) (2,103)
Unrecognized net
actuarial gain
(39) 171 (686) 2
(145) (286)
Unrecognized
prior-service
cost 185 75 207
71 (7) (7)
Unrecognized net
transitional
assets (2) (12)
(33) (19) -- -- -

Total recognized
at December 31 $
284 $ 236 $ 118 $
216 $(2,399)
$(2,396) --------

(continued on next page)

CHEVRONTEXACO CORPORATION
NOTES TO SUPPLEMENTAL COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

Pension
Benefits
Postretirement
Benefits ----

2000 1999
2000 1999 ---

- U.S. INT'L
U.S. Int'l -

AMOUNTS
RECOGNIZED IN
THE
CONSOLIDATED
BALANCE SHEET
AT DECEMBER
31 Prepaid
benefit cost
$ 560 $ 557 $
461 $ 523 $ -
- $ --
Accrued
benefit
liability
(429) (339)
(485) (318)
(2,399)
(2,396)
Intangible
asset 10 12
15 11 -- --
Accumulated
other
comprehensive
income(2) 143
6 127 -- -- -
- -----------

------ Net
amount
recognized $
284 $ 236 $
118 $ 216
$(2,399)
$(2,396) ----

Weighted-
average
assumptions
as of
December 31
Discount rate
7.5% 7.8%
7.9% 7.7%
7.6% 8.0%
Expected

return on
plan assets
10.0% 9.0%
10.0% 8.8% --
-- Rate of
compensation
increase 4.1%
5.0% 4.3%
5.3% 4.4%
4.3% --------

----

(1) Primarily relates to a special involuntary termination enhancement to pension benefits under a Chevron companywide restructuring program.

(2) Accumulated other comprehensive income includes deferred income tax of $47 and $2 in 2000 for U.S. and International, respectively, and $46 in 1999 for U.S.

The components of net periodic benefit cost for 2000, 1999 and 1998 were:

Other
Postretirement
Pension
Benefits
Benefits ----

2000 1999
1998 2000
1999 1998 ---

U.S. INT'L
U.S. Int'l
U.S. Int'l -

Service cost
$ 116 $ 49 $
132 $ 48 $
159 $ 45 $ 20
$ 28 $ 30
Interest cost
359 137 345
142 352 146
161 153 149
Expected
return on
plan assets
(500) (170)
(487) (150)
(479) (154) -
- -- --
Amortization
of
transitional
assets (31)
(6) (36) (17)
(37) (15) --
-- --
Amortization
of prior-
service costs
30 12 27 16

24 9 (1) -- -
- Recognized
actuarial
losses
(gains) 9 (1)
2 (1) 10 1
(10) 1 (9)
Settlement
(gains)
losses (61) 1
(119) 17 (15)
17 -- -- --
Curtailment
(gains)
losses (20) 2
6 1 6 -- (15)
(12) 4
Special
termination
benefit
recognition*
-- 6 204 3 8
-- -- -- 5 --

Net periodic
benefit cost
$ (98) $ 30 $
74 $ 59 $ 28
$ 49 $155
$170 $179 ---

----

*Primarily relates to a special involuntary termination enhancement to pension benefits under a Chevron companywide restructuring program.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $850, $737 and $33, respectively, at December 31, 2000, and $863, $760 and $80, respectively, at December 31, 1999.

Actuarial estimates of Chevron postretirement benefits plans assumed separate health care cost-trend rates for pre-age 65 and age 65 or older retirees. The 2001 annual rates of change were assumed to be 7.2 percent and 16.2 percent, respectively, before gradually converging to the average ultimate rate of 5.0 percent in 2021 for both pre-age 65 and age 65 or older. For the Texaco plan, the obligation represents a fixed dollar contribution, which for measurement purposes is expected to increase by 4.0 percent per annum for all future years. Caltex assumed a health care trend rate of 10.0 percent. A one-percentage-point change in the assumed health care rates and contributions would have had the following combined effects:

Millions of dollars, except per-share amounts

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on total service and interest cost components	$ 17	$ (23)
Effect on postretirement benefit obligation	$188	$(161)

PROFIT SHARING/SAVINGS PLAN

Eligible employees of Chevron and certain of its subsidiaries who have completed one year of service may participate in the Profit Sharing/Savings Plan. Charges to expense for the profit sharing part of the Profit Sharing/Savings Plan were $62, $61 and $60 in 2000, 1999 and 1998, respectively. Chevron's Savings Plus Plan contributions were funded with leveraged employee stock ownership plan (ESOP) shares.

Eligible employees of Texaco and certain of its subsidiaries may participate in the Employees Thrift Plan of Texaco Inc. The Plan combines a profit-sharing plan and a stock bonus and leveraged employee stock ownership plan (ESOP). Eligible employees may contribute to the Plan the first month following their employment. These employees are eligible for Texaco's monthly ESOP allocation after completing one year of service.

EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

In December 1989, Chevron established a leveraged ESOP as part of the Profit Sharing/Savings Plan. The ESOP Trust Fund borrowed $1,000 and purchased 28.2 million previously unissued shares of Chevron common stock. In June 1999, the ESOP borrowed $25 at 6.98 percent interest, using the proceeds to pay interest due on the existing ESOP debt. In July 1999, the ESOP issued notes of $620 at an average interest rate of 7.42 percent, guaranteed by Chevron Corporation. The debt proceeds were paid to Chevron Corporation in exchange for Chevron's assumption of the existing 8.11 percent ESOP long-term debt of $620. The ESOP provides a partial prefunding of the company's future commitments to the Profit Sharing/Savings Plan, which will result in annual income tax savings for the company.

As permitted by American Institute of Certified Public Accountants (AICPA) Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans," Chevron has elected to continue its practices, which are based on Statement of Position 76-3, "Accounting Practices for Certain Employee Stock Ownership Plans" and subsequent consensus of the Emerging Issues Task Force of the Financial Accounting Standards Board, accordingly. The debt of the ESOP is recorded as debt, and shares pledged as collateral are reported as deferred compensation in the supplemental combined balance sheet and combined statement of stockholders' equity. Chevron reports compensation expense equal to the ESOP debt principal repayments less dividends received by the ESOP. Interest incurred on the ESOP debt is recorded as interest expense. Dividends paid on ESOP shares are reflected as a reduction of retained earnings. All ESOP shares are considered outstanding for earnings-per-share computations.

Expense recorded for the ESOP was $25, $59 and $58 in 2000, 1999 and 1998, respectively, including $47, $49 and $56 of interest expense related to the ESOP debt. All dividends paid on the shares held by the ESOP are used to service the ESOP debt. The dividends used were $54, $33 and $57 in 2000, 1999 and 1998, respectively.

Chevron made contributions to the ESOP of $64 and $60 in 1999 and 1998, respectively, to satisfy ESOP debt service in excess of dividends received by the ESOP. No contributions were required in 2000. The ESOP shares were pledged as collateral for its debt. Shares are released from a suspense account and allocated to the accounts of Plan participants, based on the debt service deemed to be paid in the year in proportion to the total of current-year and remaining debt service. The (credit) charge to compensation expense was $(22), $10 and $2 in 2000, 1999 and 1998, respectively. The Chevron ESOP shares as of December 31, 2000 and 1999, were as follows:

Millions of dollars, except per-share amounts

Thousands	2000	1999
Allocated shares	11,969	10,785
Unallocated shares	10,823	12,963
Total ESOP shares	22,792	23,748

In 1988, Texaco established a leveraged ESOP as part of the Employees Thrift Plan of Texaco Inc. The Thrift Plan ESOP Trust purchased 833,333 1/3 shares of Series B ESOP Convertible Preferred Stock (Series B) from the company for an aggregate purchase price of $500. Similarly, in 1990, the Employees Savings Plan created a leveraged ESOP, and the Savings Plan ESOP Trust purchased 67,796.61 shares of Series F ESOP Convertible Preferred Stock (Series F) from Texaco for an aggregate purchase price of $50. Texaco guaranteed $500 and $50 variable-rate loans made to the ESOP, which were used to acquire the shares of Series B and Series F. In 1991, Texaco refinanced approximately $103 of the outstanding balance through a Grantor Trust structure at a fixed interest rate. In December 1997 and November 1998, a portion of the original loan was refinanced through a loan from Texaco. The Savings Plan ESOP loan was satisfied in January 1999. During 1999, Texaco called the Series B and Series F Convertible Preferred Stock and converted them into Texaco common stock, with future ESOP allocations being made in common stock. The Thrift Plan ESOP loan was satisfied in December 2000.

As permitted by AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans," Texaco elected to continue its practices, which are based on Statement of Position 76-3, "Accounting Practices for Certain Employee Stock Ownership Plans" and subsequent consensus of the Emerging Issues Task Force of the Financial Accounting Standards Board.

The ESOP loans guaranteed by Texaco were recorded as debt. As the ESOP repaid the original and refinanced ESOP loans, the remaining ESOP-related unearned employee compensation included as a component of stockholder's equity was reduced.

Effective March 1, 2000, the Employees Savings Plan of Texaco merged into the Employees Thrift Plan of Texaco Inc. Participants of the Employees Savings Plan became participants in the Employees Thrift Plan, and the Savings Plan assets were transferred to the Thrift Plan on May 31, 2000.

In 2000, 1999 and 1998, expense, company contributions, dividends and interest payments related to the ESOP were not material.

The Texaco ESOP shares as of December 31, 2000 and 1999, were as follows:

Thousands	2000	1999
Allocated shares	21,393	20,438
Unallocated shares	54	1,077
Total ESOP shares	21,447	21,515

MANAGEMENT INCENTIVE PLANS

Chevron had two incentive plans, the Management Incentive Plan (MIP) and the Long-Term Incentive Plan (LTIP) for officers and other regular salaried employees of the company and its subsidiaries who hold positions of significant responsibility. The MIP is an annual cash incentive plan that links awards to performance results of the prior year. The cash awards may be deferred by conversion to stock units or other investment fund alternatives. Awards under the LTIP may take the form of, but are not limited to, stock options, restricted stock, stock units and nonstock grants. Charges to expense for the combined management incentive plans, excluding expense related to LTIP stock options and restricted stock awards, which are discussed in Note 18, were $49, $41 and $28 in 2000, 1999 and 1998, respectively.

Millions of dollars, except per-share amounts

Caltex had two incentive plans, the Long-Term Incentive Plan and the Annual Incentive Plan. Charges to expense for the combined former-Caltex management incentive plans were not material.

Texaco's management incentive plans are incorporated into the Texaco Stock Incentive Plan discussed in Note 18.

OTHER INCENTIVE PLANS

Chevron has had a program that provides eligible employees with an annual cash bonus if the company achieves certain financial and safety goals. Charges for the program were $146, $47 and $51 in 2000, 1999 and 1998, respectively.

NOTE 18. STOCK OPTIONS

The company applies Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its stock-based compensation programs, which are described below. On a combined basis, stock-based compensation expense recognized in connection with these programs was $23, $21 and $19 in 2000, 1999 and 1998, respectively.

Had compensation cost for the company's combined stock options been determined based on the fair market value at the grant dates of the awards consistent with the methodology prescribed by FAS No. 123, the company's net income and earnings per share for 2000, 1999 and 1998 would have been the pro forma amounts shown below:

	2000	1999	1998
Net Income			
As reported	$7,727	$3,247	$1,917
Pro forma	$7,687	$3,134	$1,818
Earnings per share			
As reported - basic	$ 7.23	$ 3.01	$ 1.76
- diluted	$ 7.21		

$ 3.00
$ 1.75
Pro
forma -
basic $
7.19 $
2.91 $
1.66 -
diluted
$ 7.18
$ 2.90
$ 1.66
- -----

-

The effects of applying FAS No. 123 in this pro forma disclosure are not indicative of future amounts. FAS No. 123 does not apply to awards granted prior to 1995. In addition, certain options vest over several years, and awards in future years, whose terms and conditions may vary, are anticipated.

BROAD-BASED EMPLOYEE STOCK OPTIONS

In 1996, Chevron granted to all its eligible employees an option for 150 shares of stock or equivalents at an exercise price of $51.875 per share. In addition, a portion of the awards granted under the LTIP had terms similar to the broad-based employee stock options. The options vested in June 1997 when Chevron's share price closed above $75.00 for three consecutive days.

Options for 7,204,800 shares, including similar-termed LTIP awards, were granted for this program in 1996. Outstanding option shares were 2,213,450 at December 31, 1997. In 1998, exercises of 1,361,000 and forfeitures of 10,800 had reduced the outstanding option shares to 841,650 at year-end 1998. In 1999, exercises of 740,725, forfeitures of 61,850 and expirations of 39,075 reduced the outstanding option shares to zero at March 31, 1999, the date of expiration. The company recorded gains of $2 for these options in 1999. No gains or expenses for this program were recorded in 2000 and 1998.

The fair market value of each option share on the date of grant under FAS No. 123 was estimated at $5.66 using a binomial option-pricing model with the following assumptions: risk-free interest rate of 5.1 percent, dividend yield of 4.2 percent, expected life of three years and a volatility of 20.9 percent.

In 1998, Chevron announced another broad-based Employee Stock Option Program that granted to all eligible employees an option that varied from 100 to 300 shares of stock or equivalents, dependent on the employee's salary or job grade. These options vested after two years in February 2000. Options for 4,820,800 shares were awarded at an exercise price of $76.3125 per share. Forfeitures of options for 854,550 shares reduced the outstanding option shares to 3,966,250 at December 31, 1999. In 2000, exercises of 611,201 and forfeitures of 290,682 reduced the outstanding option balance to 3,064,367 at the end of the year. The options expire February 11, 2008. The company recorded expenses of $(2), $4 and $2 for these options in 2000, 1999 and 1998, respectively.

The fair value of each option share on the date of grant under FAS No. 123 was estimated at $19.08 using the average results of Black-Scholes models for the preceding 10 years. The 10-year averages of each assumption used by the Black-Scholes models were: risk-free interest rate of 7.0 percent, dividend yield of 4.2 percent, expected life of seven years and a volatility of 24.7 percent.

LONG-TERM INCENTIVE PLAN

Stock options granted under the Chevron LTIP are generally awarded at market price on the date of grant and are exercisable not earlier than one year and not later than 10 years from the date of grant. However, a portion of the LTIP options granted in 1996 had terms similar to the broad-based employee stock options. The maximum number of shares that may be granted each year is 1 percent of the total outstanding shares of common stock as of January 1 of such year.

Under the Texaco Stock Incentive Plan, stock options, restricted stock and other incentive award forms may be granted to executives, directors and key employees. The maximum number of shares that may be granted as stock options or restricted stock is 1 percent of the common stock outstanding on December 31 of the previous year. Restricted shares granted under the plan contain a performance element, which must be satisfied in order for all or a specified portion of the shares to vest. Upon the merger, all restricted shares became vested and converted to ChevronTexaco shares at the merger exchange ratio of 0.77. Restricted performance shares awarded in each year under the plan on a converted basis were as follows:

	2000	1999	1998
Shares (thousands)	409	214	258
Weighted-average fair value	$73.40	$81.53	$79.99

Stock options granted under the plan extend for 10 years from the date of grant and vest over a two-year period at a rate of 50 percent per year. The exercise price cannot be less than the fair market value of the underlying shares of common stock on the date of the grant. The plan provides for restored options. This feature enables a participant who exercises a stock option by exchanging previously acquired common stock or who has shares withheld to satisfy tax withholding obligations to receive new options equal to the number of shares exchanged or withheld. The restored options are fully exercisable six months after the date of grant and the exercise price is the fair market value of the common stock on the day the restored option is granted. Amounts charged to compensation expense in 2000, 1999 and 1998 were $25, $19 and $17.

Millions of dollars, except per-share amounts

The fair market value of each stock option granted is estimated on the date of grant under FAS No. 123 using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2000	1999	1998
CHEVRON ASSUMPTIONS:			
Expected life in years	7	7	7
Risk-free interest rate	5.8%	5.5%	4.5%
Volatility	25.6%	20.1%	28.6%
Dividend yield	3.0%	3.0%	3.1%
TEXACO ASSUMPTIONS:			
Expected life in years	2	2	2
Risk-free interest rate	6.4%	5.4%	5.4%
Volatility	33.8%	29.1%	22.5%
Dividend yield	3.0%	3.0%	3.0%

The Black-Scholes weighted-average fair value of the Chevron options granted during 2000, 1999 and 1998 was $22.34, $20.40 and $21.10 per share respectively, and the weighted-average fair value of the Texaco options granted during 2000, 1999 and 1998 was $11.56, $11.21 and $8.48 per share.

Upon the merger, outstanding Texaco stock options were converted to ChevronTexaco options at the merger exchange rate of 0.77. The following table presents the combined stock options outstanding as of December 31, 2000, 1999 and 1998 with information on Texaco's stock options on a converted basis. This table excludes Chevron LTIP awards granted with terms similar to the broad-based employee stock options:

	Options (thousands)	Weighted-Average Exercise Price
Outstanding at December 31, 1997	16,008	$60.77
Granted	3,711	79.54
Exercised	(6,750)	65.69
Restored	5,305	78.92
Forfeited	(107)	80.91
Outstanding at December 31, 1998	18,167	$67.94
Granted	3,389	

86.05
Exercised
(7,584)
71.35
Restored
5,735
83.83
Forfeited
(783)
83.62 - --

Outstanding
at
December
31, 1999
18,924
$73.99 - -

Granted
3,763
77.18
Exercised
(1,460)
53.99
Restored
456 78.42
Forfeited
(807)
84.14 - --

Outstanding
at
December
31, 2000
20,876
$75.67 - -

Exercisable
at
December
31 1998
11,945
$62.52
1999
12,735

$68.87
2000
16,027
$74.96 - -

The following table summarizes information on stock options outstanding at December 31, 2000:

Options
Outstanding
Options
Exercisable

Weighted-
Average
Weighted-
Weighted-
Number
Remaining
Average
Number
Average
Outstanding
Contractual
Exercise
Exercisable
Exercise
Range of
Exercise
Prices
(000s)
Life
(Years)
Price
(000s)
Price - --

---- $31
to $41 317
1.2 $34.58
317 $34.58
41 to 51
2,585 3.8
45.38
2,585
45.38 51
to 61 90
6.0 56.21
86 56.08
61 to 71
789 5.7
66.29 778
66.28 71
to 81
7,944 7.5

78.10
5,620
79.65 81
to 91
9,128 6.7
84.55
6,618
85.68 91
to 101 23
8.6 92.14
23 92.14 -

------ $31
to $101
20,876 6.5
$75.67
16,027
$74.96 - -

NOTE 19. OTHER CONTINGENCIES AND COMMITMENTS

The U.S. federal income tax liabilities have been settled through 1993 for both Chevron and Caltex and through 1991 for Texaco. Chevron's California franchise tax liabilities have been settled through 1991.

Settlement of open tax years, as well as tax issues in other countries where the company conducts its businesses, is not expected to have a material effect on the consolidated financial position or liquidity of the company and, in the opinion of management, adequate provision has been made for income and franchise taxes for all years under examination or subject to future examination.

At December 31, 2000, the company and its subsidiaries, as direct or indirect guarantors, had contingent liabilities of $841 for notes of affiliated companies and $472 for notes of others.

The company and its subsidiaries have certain other contingent liabilities relating to long-term unconditional purchase obligations and commitments, throughput agreements and take-or-pay agreements, some of which relate to suppliers' financing arrangements. The aggregate amounts of required payments under these various commitments are 2001 - $1,320; 2002 - $1,277; 2003 - $1,258; 2004 - $1,243; 2005 - $1,196; 2006 and after - $2,798. Total payments under the agreements were $1,506 in 2000, $1,165 in 1999 and $1,226 in 1998.

The company is subject to loss contingencies pursuant to environmental laws and regulations that in the future may require the company to take action to correct or ameliorate the effects on the environment of prior release of chemical or petroleum substances, including MTBE, by the company or other parties. Such contingencies may exist for various sites including, but not limited to: Superfund sites and refineries, oil fields, service stations, terminals, and land development areas, whether operating, closed or sold. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination, the unknown timing and extent of the corrective actions that may be required, the determination of the company's liability in proportion to other responsible parties, and the extent to which such costs are recoverable from third parties. While the company has provided for known environmental obligations that are probable and reasonably estimable, the amount of future costs may be material to results of operations in the period in which they are recognized. The company does not expect these costs will have a material effect on its consolidated financial position or liquidity. Also, the company does not believe its obligations to make such expenditures have had, or will have, any significant impact on the company's competitive position relative to other U.S. or international petroleum or chemical concerns.

ChevronTexaco receives claims from, and submits claims to, customers, trading partners, U.S. federal, state and local regulatory bodies, host governments, contractors, insurers, and suppliers. The amounts of these claims, individually and in the aggregate, may be significant and take lengthy periods to resolve.

The company believes it has no material market or credit risks to its operations, financial position or liquidity as a result of its commodities and other derivatives activities, including forward exchange contracts and interest rate swaps. However, the results of operations and financial position of certain equity affiliates may be affected by their business activities involving the use of derivative instruments.

The company's operations, particularly exploration and production, can be affected by other changing economic, regulatory and political environments in the various countries in which it operates, including the United States. In certain locations, host governments have imposed restrictions, controls and taxes, and in others, political conditions have existed that may threaten the safety of employees and the company's continued presence in those countries. Internal unrest or strained relations between a host government and the company or other governments may affect the company's operations. Those developments have, at times, significantly affected the company's related operations and results, and are carefully considered by management when evaluating the level of current and future activity in such countries.

Also, for oil and gas producing operations, ownership agreements may provide for periodic reassessments of equity interests in estimated oil and gas reserves. These activities, individually or together, may result in gains or losses that could be material to earnings in any given period. One such equity redetermination process has been under way since 1996 for ChevronTexaco's interests in four producing zones at the Naval Petroleum Reserve at Elk Hills in California, for the time when the remaining interests in these zones were owned by the U.S. Department of Energy (DOE). A wide range remains for a possible net settlement amount for the four zones. ChevronTexaco currently estimates its maximum possible net before-tax liability at less than $400 million. At the same time, a possible maximum net amount that could be owed to ChevronTexaco is westimated at more than $200 million. The timing of the settlement and the exact amount within this range of estimates are uncertain.

Areas in which the company has significant operations include the United States, Canada, Australia, the United Kingdom, Norway, Denmark, Kuwait, Republic of Congo, Angola, Nigeria, Chad, Equatorial Guinea, Democratic Republic of Congo, Indonesia, Papua New Guinea, China, Thailand, Venezuela, Argentina, Brazil, Colombia and Trinidad. The company's Caltex downstream subsidiary and its affiliates have significant operations in Korea, Australia, Thailand, the Philippines, Singapore and South Africa. The company's Tengizchevroil affiliate operates in Kazakhstan. The company's Chevron Phillips Chemical Company LLC affiliate manufactures and markets a wide range of petrochemicals and plastics on a worldwide basis, with manufacturing facilities in existence or under construction in the United States, Puerto Rico, Singapore, China, South Korea, Saudi Arabia, Qatar, Mexico and Belgium. The company's Dynegy affiliate has operations in the United States, Canada, the United Kingdom and other European countries.

NOTE 20. EARNINGS PER SHARE (EPS)

Basic EPS includes the effects of deferrals of salary and other compensation awards that are invested in ChevronTexaco stock units by certain officers and employees of the company and is based upon net income less preferred stock dividend requirements. Diluted EPS includes the effects of these deferrals as well as the dilutive effects of outstanding stock options awarded under the company's stock option programs (see Note 18, "Stock Options"). The following table sets forth the computation of basic and diluted EPS:

```
 2000 1999
1998 -----
----------
----------
----------
----------
----------
----------
----------
----------
----------
 ---- NET
  SHARES
 PER-SHARE
Net Shares
 Per-Share
Net Shares
 Per-Share
  INCOME
(MILLIONS)
  AMOUNT
  Income
(Millions)
  Amount
  Income
(Millions)
Amount - -
----------
----------
----------
----------
----------
----------
----------
----------
----------
```


Net income
$7,727
$3,247
$1,917
Weighted-
average
common
shares
outstanding
1,066.6
1,067.7
1,060.5
Dividend
equivalents
paid on
stock
units 2 3
3 Deferred
awards
held as
stock
units 0.9
1.1 1.2
Preferred
stock
dividends
(15) (29)
(54) - ---

BASIC EPS
COMPUTATION
$7,714
1,067.5
$7.23
$3,221
1,068.8
$3.01
$1,866
1,061.7
$1.76
Dilutive
effects of
stock
options,
restricted
stock and
convertible
debentures
3 2.4 3
4.8 1 2.7
- --------

DILUTED
EPS

COMPUTATION
$7,717
1,069.9
$7.21
$3,224
1,073.6
$3.00
$1,867
1,064.4
$1.75 - --

NOTE 21. NEW ACCOUNTING STANDARDS

The company adopted the Financial Accounting Standards Board (FASB) Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities"(FAS 133), as amended by FAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133," effective January 1, 2001. Most of the activity in commodity derivative instruments is intended to hedge physical transactions. For some of this derivative activity, the company has elected to apply fair value or cash flow hedge accounting. For other similar derivative instruments, the company has elected not to apply hedge accounting and changes in fair values beyond normal sales and purchases are reflected in current income. For derivative instruments used to hedge foreign currency exposures, gains and losses related to recorded monetary assets and liabilities are reported in current income, whereas gains and losses arising from hedges of some forecasted capital expenditures are deferred and amortized over the life of the hedged asset. Interest rate swaps - hedging a portion of the company's fixed rate debt - are accounted for as fair value hedges. The adoption of FAS 133 and FAS 138 did not have a significant impact on the company's results of operations or financial position.

In September 2000, the FASB issued Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - A Replacement of FASB Statement No. 125" (FAS 140). FAS 140 is effective for transfers occurring after March 31, 2001, and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Adoption of FAS 140 had no significant effect on ChevronTexaco's accounting or disclosures for the types of transactions in the scope of the new standard.

In June 2001, the FASB issued Statement No. 141, "Business Combinations" (FAS 141), Statement No. 142, "Goodwill and Other Intangible Assets" (FAS 142) and Statement No. 143, "Accounting for Asset Retirement Obligations" (FAS 143). FAS 141 is effective for all business combinations initiated after June 30, 2001, and for all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. FAS 142 is effective for fiscal years beginning after December 15, 2001, except for goodwill and intangible assets acquired after June 30, 2001, which were immediately subject to the amortization and nonamortization provisions of the Statement. FAS 143 is effective for fiscal years beginning after June 15, 2002. Adoption of FAS 141 will have no effect on the company's pooling-of-interests method of accounting for the merger of Chevron and Texaco, but will affect future transactions. Similarly, adoption of FAS 142 may affect future transactions, but is not expected to have an effect on the company's prior business combinations. FAS 143 differs in several significant respects from current accounting for asset retirements obligations under FAS 19, "Financial Accounting and Reporting by Oil and Gas Producing Companies". Adoption of FAS 143 will affect future accounting and reporting of the assets, liabilities and expenses related to these obligations. The magnitude of the effect has not yet been determined.

In August 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (FAS 144). FAS 144 is effective for fiscal years beginning after December 15, 2001, with initial application effective as of the beginning of the fiscal year adopted. Adoption of FAS 144 will not affect assets classified as held for disposal as a result of disposal activities that were initiated prior to its initial application, but will affect future disposals.

CHEVRONTEXACO CORPORATION
2000 COMBINED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

FIVE-YEAR FINANCIAL SUMMARY

2000 1999
1998 1997
1996 - -----

COMBINED
STATEMENT OF
INCOME DATA
REVENUES AND
OTHER INCOME
Sales and
other
operating
revenues
$117,095
$84,004
$71,937 $
99,964
$102,462
Income for
equity
affiliates
and other
income 2,035
1,709 1,321
2,347 1,982
- ----------

- TOTAL
REVENUES AND
OTHER INCOME
119,130
85,713
73,258
102,311
104,444
TOTAL COSTS
AND OTHER
DEDUCTIONS
105,081
79,901
70,422
93,118
95,739 - ---

INCOME
BEFORE
INCOME TAXES
14,049 5,812
2,836 9,193
8,705 INCOME
TAX EXPENSE
6,322 2,565

919 3,273
4,080 - ----

------- NET
INCOME $
7,727 $
3,247 $
1,917 $
5,920 $
4,625 - ----

------- NET
INCOME PER
SHARE -
BASIC $ 7.23
$ 3.01 $
1.76 $ 5.54
$ 4.33 -
DILUTED $
7.21 $ 3.00
$ 1.75 $
5.48 $ 4.29
- ----------

- CASH
DIVIDENDS
PER SHARE -
CHEVRON $
2.60 $ 2.48
$ 2.44 $
2.28 $ 2.08
- TEXACO $
1.80 $ 1.80
$ 1.80 $
1.75 $ 1.65
- ----------

- COMBINED
BALANCE
SHEET DATA
(AT DECEMBER
31) Current
assets $
17,913
$17,043
$14,157 $
16,161 $
18,486
Noncurrent
assets
59,708
58,337
55,967
53,699
48,124 - ---

TOTAL ASSETS
77,621
75,380
70,124
69,860
66,610 - ---

Short-term
debt 3,094
6,063 5,579
4,076 4,417
Other
current
liabilities
13,567
11,620 9,480
11,520
13,327 Long-
term debt
and capital
lease
obligations
12,821
13,145
11,675
10,708 9,826
Other
noncurrent
liabilities
14,770
14,761
14,523
13,318
13,045 - ---

TOTAL
LIABILITIES
44,252
45,589
41,257
39,622
40,615 - ---

STOCKHOLDERS'
EQUITY
33,369
29,791
28,867
30,238
25,995 - ---

- - - - - - - - - - - -
- - - - - - - - - - - -
- - - - - - - - - - - -
- - - - - - - - -

SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

In accordance with the Financial Accounting Standards Board Statement No. 69, "Disclosures About Oil and Gas Producing Activities" (FAS 69), this section provides supplemental information on oil and gas exploration and producing activities of the company in seven separate tables. Tables I through IV provide historical cost information pertaining to costs incurred in exploration, property acquisitions and development; capitalized costs; and results of operations. Tables V through VII present information on the company's estimated net proved reserve quantities, standardized measure of estimated discounted future net cash flows related to proved reserves, and changes in estimated discounted future net cash flows. The Africa geographic area includes activities principally in Nigeria, Angola, Chad, Republic of Congo and Democratic Republic of Congo. The Asia-Pacific geographic area includes activities principally in Australia, China, Indonesia, Kazakhstan, Kuwait, Papua New Guinea, Philippines and Thailand. The "Other" geographic category includes activities in Argentina, the United Kingdom, Canada, Colombia, Denmark, Netherlands, Norway, Trinidad, Venezuela, Brazil and other countries. Amounts shown for affiliated companies are ChevronTexaco's 45 percent equity share of Tengizchevroil (TCO), an exploration and production partnership operating in the Republic of Kazakhstan, and its 30 percent equity share of Hamaca, an exploration and production partnership in Venezuela, in which it invested effective 2000.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE I - COSTS INCURRED IN EXPLORATION, PROPERTY ACQUISITIONS AND DEVELOPMENT(1)

Affiliated Consolidated Companies Companies ----- --------------- --------------- --------------- --------------- ---------------
Millions of dollars U.S. Africa Asia-Pacific Other Total TCO Hamaca Worldwide - --- --------------- --------------- --------------- --------------- --------------- --------------- --------------- -----------
YEAR ENDED DECEMBER 31, 2000
Exploration Wells $ 526 $139 $ 179 $ 63 $ 907 $ -- $-- $ 907
Geological and geophysical 60 35 67 105 267 - - -- 267
Rentals and other 73 43 55 83 254 -- -- 254 - --------- --------------- --------------- --------------- --------------- --------------- --------------- --------------- -----
Total exploration 659 217 301 251 1,428 -- -- 1,428 - ------- --------------- --------------- --------------- --------------- --------------- --------------- --------------- -------
Property acquisitions(2) Proved(4) 162 1 278 1 442 -- -- 442 Unproved 66 9 -- 184 259 -- -- 259 - ------ --------------- --------------- --------------- --------------- --------------- ---------------

----
-------- Total
property
acquisitions
228 10 278 185
701 -- -- 701 -

Development
1,453 435 1,067
718 3,673 240 -
- 3,913 - -----

--------- TOTAL
COSTS INCURRED
$2,340 $662
$1,646 $1,154
$5,802 $240 $--
$6,042 - ------

-------- YEAR
ENDED DECEMBER
31, 1999
Exploration
Wells $ 361
$115 $ 132 $ 94
$ 702 $ -- $--
$ 702
Geological and
geophysical 87
48 65 94 294 --
-- 294 Rentals
and other 81 40
70 57 248 -- --
248 - ---------

----- Total
exploration 529
203 267 245
1,244 -- --
1,244 - -------

Property
acquisitions(2),
(3) Proved(4)
13 -- 687 864
1,564 -- --
1,564 Unproved
66 38 750 477
1,331 -- --

1,331 - -------

------- Total
property
acquisitions 79
38 1,437 1,341
2,895 -- --
2,895 - -------

Development
1,230 540 829
606 3,205 148 -
- 3,353 - -----

--------- TOTAL
COSTS INCURRED
$1,838 $781
$2,533 $2,192
$7,344 $148 $--
$7,492 - ------

-------- YEAR
ENDED DECEMBER
31, 1998
Exploration
Wells $ 586
$177 $ 144 $ 93
$1,000 $-- $--
$1,000
Geological and
geophysical 134
75 75 131 415 -
- -- 415
Rentals and
other 140 32 97
76 345 -- --
345 - ---------

----- Total
exploration 860
284 316 300
1,760 -- --
1,760 - -------

Property acquisitions(2) Proved(4) 39 -- 199 -- 238 -- -- 238 Unproved 143 5 27 15 190 -- -- 190 - --- --------------- --------------- --------------- --------------- --------------- --------------- --------------- -----------
Total property acquisitions 182 5 226 15 428 -- -- 428 - --------------- --------------- --------------- --------------- --------------- --------------- --------------- --------------
Development 1,753 590 584 651 3,578 120 -- 3,698 - ----- --------------- --------------- --------------- --------------- --------------- --------------- --------------- --------- TOTAL COSTS INCURRED $2,795 $879 $1,126 $ 966 $5,766 $120 $-- $5,886 - ------ --------------- --------------- --------------- --------------- --------------- --------------- --------------- --------

(1) Includes costs incurred whether capitalized or expensed. Excludes support equipment expenditures.
(2) Proved amounts include wells, equipment and facilities associated with proved reserves.
(3) Includes acquisition costs and related deferred income taxes for purchases of Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A.
(4) Does not include properties acquired through property exchanges.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE II - CAPITALIZED COSTS RELATED TO OIL AND GAS PRODUCING ACTIVITIES

Millions of dollars	Consolidated Companies					Affiliated Companies		
	U.S.	Africa	Asia-Pacific	Other	Total	TCO	Hamaca*	Worldwide
AT DECEMBER 31, 2000								
Unproved properties	$ 1,233	$ 176	$ 540	$ 1,219	$ 3,168	$ 378	$ 63	$ 3,609
Proved properties and related producing assets	34,587	5,050	8,701	8,702	57,040	1,158	71	58,269
Support equipment	721	366	2,122	272	3,481	254	42	3,777
Deferred exploratory wells	182	407	180	161	930	--	--	930
Other uncompleted projects	741	640	669	570	2,620	136	--	2,756

-- GROSS
CAPITALIZED
COSTS
37,464
6,639
12,212
10,924
67,239
1,926 176
69,341 - --

Unproved
properties
valuation
317 69 66
170 622 --
-- 622
Proved
producing
properties
-
Depreciation
and
depletion
23,528
2,700 3,977
3,940
34,145 131
-- 34,276
Future
abandonment
and
restoration
1,071 413
274 317
2,075 13 --
2,088
Support
equipment
depreciation
380 141
1,221 172
1,914 97 1
2,012 - ---

--
Accumulated
provisions
25,296
3,323 5,538
4,599
38,756 241

1 38,998 -

----- NET
CAPITALIZED
COSTS
$12,168
$3,316 $
6,674 $
6,325
$28,483
$1,685 $175
$30,343 - -

---- AT
DECEMBER
31, 1999
Unproved
properties
$ 1,190 $
185 $ 617 $
1,204 $
3,196 $ 378
$ -- $
3,574
Proved
properties
and related
producing
assets
36,614
4,442 6,650
10,657
58,363 689
-- 59,052
Support
equipment
913 322
2,151 244
3,630 243 -
- 3,873
Deferred
exploratory
wells 196
304 169 141
810 -- --
810 Other
uncompleted
projects
822 758 969
633 3,182
405 --
3,587 - ---

-- GROSS
CAPITALIZED
COSTS
39,735
6,011
10,556
12,879
69,181
1,715 --
70,896 - --

Unproved
properties
valuation
282 54 82
109 527 --
-- 527
Proved
producing
properties
-
Depreciation
and
depletion
25,301
2,317 3,376
5,770
36,764 99 -
- 36,863
Future
abandonment
and
restoration
1,189 383
252 535
2,359 10 --
2,369
Support
equipment
depreciation
321 114
1,083 76
1,594 80 --
1,674 - ---

--
Accumulated
provisions
27,093
2,868 4,793
6,490
41,244 189
-- 41,433 -

----- NET
CAPITALIZED
COSTS
$12,642
$3,143 $
5,763 $
6,389
$27,937
$1,526 $ --
$29,463 - -

---- AT
DECEMBER
31, 1998
Unproved
properties
$ 1,466 $
161 $ 339 $
266 $ 2,232
$ 378 $ --
$ 2,610
Proved
properties
and related
producing
assets
37,054
4,091 5,372
9,218
55,735 629
-- 56,364
Support
equipment
628 208
1,745 313
2,894 232 -
- 3,126
Deferred
exploratory
wells 131
113 199 149
592 -- --
592 Other
uncompleted
projects
1,319 893
998 385
3,595 245 -
- 3,840 - -

---- GROSS
CAPITALIZED
COSTS
40,598
5,466 8,653

10,331
65,048
1,484 --
66,532 - --

Unproved
properties
valuation
273 49 49
83 454 -- -
- 454
Proved
producing
properties
-
Depreciation
and
depletion
25,432
2,027 3,228
4,958
35,645 72 -
- 35,717
Future
abandonment
and
restoration
1,250 337
235 467
2,289 8 --
2,297
Support
equipment
depreciation
320 101 823
117 1,361
67 -- 1,428
- ---------

Accumulated
provisions
27,275
2,514 4,335
5,625
39,749 147
-- 39,896 -

----- NET
CAPITALIZED
COSTS

$13,323
$2,952 $
4,318 $
4,706
$25,299
$1,337 $ --
$26,636 - -

----

*Existing costs were transferred from a consolidated subsidiary to an affiliate at year-end 2000. Previously in Consolidated Companies -- Other.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE III - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES(1)

The company's results of operations from oil and gas producing activities for the years 2000, 1999 and 1998 are shown in the following table. Net income from exploration and production activities as reported on page 5 reflects income taxes computed on an effective rate basis. In accordance with FAS 69, income taxes in Table III are based on statutory tax rates, reflecting allowable deductions and tax credits. Interest income and expense are excluded from the results reported in Table III and from the net income amounts on page 5.

Affiliated
Consolidated
Companies
Companies --

Millions of
dollars U.S.
Africa Asia-
Pacific
Other Total
TCO Hamaca
Worldwide -

---- YEAR
ENDED
DECEMBER 31,
2000
Revenues
from net
production
Sales $
5,878 $
2,804 $
1,404 $2,310
$12,396 $
710 $--
$13,106
Transfers
4,387 650
3,203 1,409
9,649 -- --
9,649 - ----

Total 10,265
3,454 4,607
3,719 22,045
710 --
22,755
Production
expenses
(2,182)
(405) (865)

(727)
(4,179)
(114) --
(4,293)
Proved
producing
properties:
depreciation,
depletion
and
abandonment
provision
(1,558)
(337) (585)
(676)
(3,156) (53)
-- (3,209)
Exploration
expenses
(395) (166)
(176) (217)
(954) -- --
(954)
Unproved
properties
valuation
(49) (16)
(7) (75)
(147) -- --
(147) Other
income
(expense)(2)
(631) 45
(13) 237
(362) (56) -
- (418) - --

-- Results
before
income taxes
5,450 2,575
2,961 2,261
13,247 487 -
- 13,734
Income tax
expense
(1,927)
(1,974)
(1,724)
(984)
(6,609)
(146) --
(6,755) - --

-- RESULTS
OF PRODUCING
OPERATIONS $
3,523 $ 601
$ 1,237
$1,277 $
6,638 $ 341
$-- $ 6,979
- ----------

------ YEAR ENDED DECEMBER 31, 1999
Revenues from net production
Sales $ 3,411 $ 1,756 $ 861 $1,548 $ 7,576 $ 356 $-- $ 7,932
Transfers 2,830 446 2,108 948 6,332 -- -- 6,332
- ----

Total 6,241 2,202 2,969 2,496 13,908 356 -- 14,264
Production expenses (1,948) (394) (747) (747) (3,836) (88) -- (3,924)
Proved producing properties: depreciation, depletion and abandonment provision (1,527) (338) (469) (624) (2,958) (47) -- (3,005)
Exploration expenses (410) (164) (286) (227) (1,087) -- -- (1,087)
Unproved properties valuation (53) (8) (26) (30) (117) -- -- (117)
Other income (expense)(2) (585) (61) (69) 5 (710) (9) -- (719)
- ---------

Results before income taxes 1,718 1,237 1,372 873 5,200 212 -- 5,412 Income tax expense (539) (848) (852) (452) (2,691) (63) -- (2,754) -
----

---- RESULTS OF PRODUCING OPERATIONS $ 1,179 $ 389 $ 520 $ 421 $ 2,509 $ 149 $-- $ 2,658 - ----
----

YEAR ENDED DECEMBER 31, 1998 Revenues from net production Sales $ 2,878 $ 1,118 $ 610 $1,075 $ 5,681 $ 176 $-- $ 5,857 Transfers 2,481 330 1,479 657 4,947 -- -- 4,947 - ----
----

Total 5,359 1,448 2,089 1,732 10,628 176 --

10,804
Production
expenses
(2,238)
(388) (606)
(644)
(3,876) (76)
-- (3,952)
Proved
producing
properties:
depreciation,
depletion
and
abandonment
provision
(1,507)
(333) (414)
(633)
(2,887) (40)
-- (2,927)
Exploration
expenses
(499) (129)
(158) (231)
(1,017) -- -
- (1,017)
Unproved
properties
valuation
(59) (8) (7)
(15) (89) --
-- (89)
Other income
(expense)(2)
(241) 47 8
(12) (198)
(7) -- (205)
- ----------

Results
before
income taxes
815 637 912
197 2,561 53
-- 2,614
Income tax
expense
(178) (321)
(493) (223)
(1,215) (16)
-- (1,231) -

---- RESULTS
OF PRODUCING
OPERATIONS $
637 $ 316 $
419 $ (26) $
1,346 $ 37
$-- $ 1,383
- ----------

------

(1) The value of owned production consumed as fuel has been eliminated from revenues and production expenses, and the related volumes have been deducted from net production in calculating the unit average sales price and production cost; this has no effect on the results of producing operations.

(2) Includes gas processing fees, net sulfur income, currency transaction gains and losses, certain significant impairment write-downs, miscellaneous expenses, etc. Also includes net income from related oil and gas activities that do not have oil and gas reserves attributed to them (for example, net income from technical and operating service agreements) and items identified in the financial report on page 5.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE IV - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES - UNIT PRICES AND COSTS (1)(2)

Affiliated
Consolidated
Companies
Companies -

Millions of
dollars
U.S. Africa
Asia-
Pacific
Other Total
TCO Hamaca
Worldwide -

YEAR ENDED
DECEMBER
31, 2000
Average
sales
prices
Liquids,
per barrel
$25.61
$26.58
$22.97
$27.34
$25.35
$20.14 $--
$25.09
Natural
gas, per
thousand
cubic feet
3.87 0.03
2.57 2.29
3.39 0.13 -
- 3.33
Average
production
costs, per
barrel 5.23
3.04 4.17
4.49 4.55
2.91 --
4.48 - ----

----- YEAR

ENDED
DECEMBER
31, 1999
Average
sales
prices
Liquids,
per barrel
$14.92
$17.39
$14.67
$16.94
$15.63
$10.53 $--
$15.40
Natural
gas, per
thousand
cubic feet
2.12 0.05
1.86 1.83
2.02 0.38 -
- 2.00
Average
production
costs, per
barrel 4.37
3.06 3.61
4.48 4.04
2.39 --
3.98 - ----

----- YEAR
ENDED
DECEMBER
31, 1998
Average
sales
prices
Liquids,
per barrel
$10.62
$11.53
$10.10
$11.25
$10.74 $
5.53 $--
$10.53
Natural
gas, per
thousand
cubic feet
1.98 0.07
2.08 1.88
1.95 0.57 -
- 1.94
Average
production
costs, per
barrel 4.65
3.04 2.98
4.18 4.01
2.32 --
3.95 - ----

-----

(1) The value of owned production consumed as fuel has been eliminated from revenues and production expenses, and the related volumes have been deducted from net production in calculating the unit average sales price and production cost; this has no effect on the results of producing operations.

(2) Natural gas converted to crude oil-equivalent gas (OEG) barrels at a rate of 6 MCF=1 OEG barrel.

TABLE V - RESERVE QUANTITY INFORMATION

The company's estimated net proved underground oil and gas reserves and changes thereto for the years 2000, 1999 and 1998 are shown in the following table. Proved reserves are estimated by company asset teams composed of earth scientists and reservoir engineers. These proved reserve estimates are reviewed annually by the company's Reserves Advisory Committee to ensure that rigorous professional standards and the reserves definitions prescribed by the U.S. Securities and Exchange Commission are consistently applied throughout the company.

Proved reserves are the estimated quantities that geologic and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Due to the inherent uncertainties and the limited nature of reservoir data, estimates of underground reserves are subject to change as additional information becomes available.

Proved reserves do not include additional quantities recoverable beyond the term of the lease or concession agreement or that may result from extensions of currently proved areas or from applying secondary or tertiary recovery processes not yet tested and determined to be economic.

Proved developed reserves are the quantities expected to be recovered through existing wells with existing equipment and operating methods.

"Net" reserves exclude royalties and interests owned by others and reflect contractual arrangements and royalty obligations in effect at the time of the estimate.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

ChevronTexaco operates under a risked service agreement Venezuela's Block LL-652, located in the northeast section of Lake Maracaibo. ChevronTexaco is accounting for LL-652 as an oil and gas activity and, at December 31, 2000, had recorded 57 million barrels of proved crude oil reserves.

No reserve quantities have been recorded for the company's other service agreements - the Boscan Field in Venezuela and a long-term purchase agreement associated with a service agreement for the Chuchupa Field in Colombia during the period 2005 - 2016.

Net Proved Reserves of Crude Oil, Condensate and Natural Gas Liquids Millions of barrels --- -- -
Consolidated Companies Affiliates -- ---- Asia- World- U.S. Africa Pacific Other Total TCO Hamaca wide ------ --- ---------
RESERVES AT JANUARY 1, 1998 2,963 1,192 1,743 793 6,691 1,082 -- 7,773
Changes attributable to:
Revisions 45 113 306 24 488 7 -- 495
Improved recovery 172 88 187 49 496 -- -- 496
Extensions and discoveries 113 93 34 17 257 16 -- 273
Purchases(1) 35 -- 26 30 91 -- -- 91
Sales(2) (80) -- --

(22) (102)
-- -- (102)
Production
(276) (127)
(214) (109)
(726) (30)
-- (756) -

RESERVES AT
DECEMBER
31, 1998
2,972 1,359
2,082 782
7,195 1,075
-- 8,270
Changes
attributable
to:
Revisions
(12) 4
(178) 31
(155) 115 -
- (40)
Improved
recovery 78
62 112 21
273 -- --
273
Extensions
and
discoveries
116 47 27
49 239 76 -
- 315
Purchases(1)
35 -- 59
177 271 --
-- 271
Sales(2)
(76) -- --
(2) (78) --
-- (78)
Production
(259) (128)
(215) (112)
(714) (33)
-- (747) -

RESERVES AT
DECEMBER
31, 1999
2,854 1,344
1,887 946
7,031 1,233
-- 8,264
Changes
attributable
to:
Revisions
(26) 48 109
14 145 105
-- 250
Improved
recovery 83
20 69 9 181

-- -- 181
Extensions
and
discoveries
85 92 40 57
274 7 374
655
Purchases(1)
8 131 -- 3
142 -- --
142
Sales(2)
(146) -- --
(96) (242)
-- -- (242)
Production
(244) (130)
(211) (111)
(696) (35)
-- (731) -

RESERVES AT
DECEMBER
31, 2000
2,614 1,505
1,894 822
6,835 1,310
374 8,519 -

Developed
reserves At
January 1,
1998 2,399
769 1,355
406 4,929
532 --
5,461 At
December
31, 1998
2,397 941
1,477 482
5,297 646 -
- 5,943 At
December
31, 1999
2,266 980
1,314 636
5,196 790 -
- 5,986 AT
DECEMBER
31, 2000
2,083 976
1,276 538
4,873 795 -
- 5,668 - -

Net Proved

Reserves of
Natural Gas
Billions of
cubic feet

Consolidated
Companies
Affiliates

Asia-
World- U.S.
Africa
Pacific
Other Total
TCO Hamaca
wide ------

RESERVES AT
JANUARY 1,
1998 9,013
227 2,393
3,171
14,804
1,401 --
16,205
Changes
attributable
to:
Revisions 1
77 55 (9)
124 (17) --
107
Improved
recovery 11
-- 15 7 33
-- -- 33
Extensions
and
discoveries
971 -- 100
56 1,127 21
-- 1,148
Purchases(1)
34 -- 250 5
289 -- --
289
Sales(2)
(160) -- --
(50) (210)
-- -- (210)
Production
(1,268)
(12) (153)
(298)
(1,731)
(21) --
(1,752) - -

RESERVES AT
DECEMBER
31, 1998
8,602 292
2,660 2,882
14,436
1,384 --
15,820
Changes
attributable
to:
Revisions
(141) 49
411 251 570
126 -- 696
Improved
recovery 11
-- 237 10
258 -- --
258
Extensions
and
discoveries
789 -- 51
186 1,026
98 -- 1,124
Purchases(1)
35 -- 901
183 1,119 -
- -- 1,119
Sales(2)
(155) -- --
-- (155) --
-- (155)
Production
(1,148)
(15) (172)
(337)
(1,672)
(27) --
(1,699) - -

RESERVES AT
DECEMBER
31, 1999
7,993 326
4,088 3,175
15,582
1,581 --
17,163
Changes
attributable
to:
Revisions
92 450 308
67 917 126
-- 1,043
Improved
recovery 17
-- -- 5 22
-- -- 22
Extensions
and
discoveries
990 1 236
143 1,370 9
33 1,412
Purchases(1)
262 12 -- -
- 274 -- --
274

Sales(2)
(367) -- --
(70) (437)
-- -- (437)
Production
(1,064)
(17) (190)
(329)
(1,600)
(33) --
(1,633) - -

RESERVES AT
DECEMBER
31, 2000
7,923 772
4,442 2,991
16,128
1,683 33
17,844 - --

--------- -

Developed
reserves At
January 1,
1998 7,770
226 1,728
1,732
11,456 688
-- 12,144
At December
31, 1998
7,262 266
1,894 2,125
11,547 832
-- 12,379
At December
31, 1999
6,733 276
2,342 2,368
11,719
1,011 --
12,730 AT
DECEMBER
31, 2000
6,408 294
3,108 2,347
12,157
1,019 --
13,176 - --

--------- -

-----

(1) Includes reserves acquired through property exchanges.

(2) Includes reserves disposed of through property exchanges.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE VI - STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATED TO PROVED OIL AND GAS RESERVES

The standardized measure of discounted future net cash flows, related to the above proved oil and gas reserves, is calculated in accordance with the requirements of FAS 69. Estimated future cash inflows from production are computed by applying year-end prices for oil and gas to year-end quantities of estimated net proved reserves. Future price changes are limited to those provided by contractual arrangements in existence at the end of each reporting year. Future development and production costs are those estimated future expenditures necessary to develop and produce year-end estimated proved reserves based on year-end cost indices, assuming continuation of year-end economic conditions. Estimated future income taxes are calculated by applying appropriate year-end statutory tax rates. These rates reflect allowable deductions and tax credits and are applied to estimated future pretax net cash flows, less the tax basis of related assets. Discounted future net cash flows are calculated using 10 percent midperiod discount factors. Discounting requires a year-by-year estimate of when future expenditures will be incurred and when reserves will be produced.

The information provided does not represent management's estimate of the company's expected future cash flows or value of proved oil and gas reserves. Estimates of proved reserve quantities are imprecise and change over time as new information becomes available. Moreover, probable and possible reserves, which may become proved in the future, are excluded from the calculations. The arbitrary valuation prescribed under FAS 69 requires assumptions as to the timing and amount of future development and production costs. The calculations are made as of December 31 each year and should not be relied upon as an indication of the company's future cash flows or value of its oil and gas reserves.

Affiliated
Consolidated
Companies
Companies -

-- Millions
of dollars
U.S. Africa
Asia-
Pacific
Other Total
TCO Hamaca
Worldwide -

-------- AT
DECEMBER
31, 2000
Future cash
inflows
from
production
$127,945 $
34,856 $
47,351
$27,426
$237,578 $
30,350 $
3,917

$271,845
Future
production
and
development
costs
(30,305)
(8,023)
(18,416)
(7,466)
(64,210)
(7,250)
(679)
(72,139)
Future
income
taxes
(33,614)
(16,124)
(13,245)
(7,481)
(70,464)
(6,440)
(1,101)
(78,005) -

Undiscounted
future net
cash flows
64,026
10,709
15,690
12,479
102,904
16,660
2,137
121,701 10
percent
midyear
annual
discount
for timing
of
estimated
cash flows
(27,747)
(4,186)
(6,764)
(4,405)
(43,102)
(11,180)
(1,431)
(55,713) -

STANDARDIZED
MEASURE OF
DISCOUNTED
FUTURE NET
CASH FLOWS

$ 36,279 $
6,523 $
8,926 $
8,074 $
59,802 $
5,480 $ 706
$ 65,988 -

-------- AT
DECEMBER
31, 1999
Future cash
inflows
from
production
$ 76,931 $
33,218 $
45,358
$27,973
$183,480 $
24,380 $ --
$207,860
Future
production
and
development
costs
(26,159)
(6,430)
(17,136)
(8,802)
(58,527)
(4,900) --
(63,427)
Future
income
taxes
(15,354)
(17,178)
(13,553)
(6,970)
(53,055)
(4,980) --
(58,035) -

Undiscounted
future net
cash flows
35,418
9,610
14,669
12,201
71,898
14,500 --
86,398 10
percent
midyear
annual
discount
for timing

of
estimated
cash flows
(16,296)
(2,996)
(6,249)
(4,607)
(30,148)
(10,400) --
(40,548) -

Standardized
Measure of
Discounted
Future Net
Cash Flows
$ 19,122 $
6,614 $
8,420 $
7,594 $
41,750 $
4,100 $ --
$ 45,850 -

-------- AT
DECEMBER
31, 1998
Future cash
inflows
from
production
$ 42,957 $
13,208 $
21,612
$14,532 $
92,309 $
8,360 $ --
$100,669
Future
production
and
development
costs
(27,460)
(7,293)
(11,873)
(8,337)
(54,963)
(5,860) --
(60,823)
Future
income
taxes
(4,553)
(2,329)
(4,173)
(2,242)
(13,297)
(200) --
(13,497) -

Undiscounted future net cash flows 10,944 3,586 5,566 3,953 24,049 2,300 -- 26,349 10 percent midyear annual discount for timing of estimated cash flows (4,506) (1,094) (2,461) (1,541) (9,602) (1,990) -- (11,592) -
----

Standardized Measure of Discounted Future Net Cash Flows $ 6,438 $ 2,492 $ 3,105 $ 2,412 $ 14,447 $ 310 $ -- $ 14,757 - --
----

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

TABLE VII - CHANGES IN THE STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS FROM PROVED RESERVES

Millions of dollars	Consolidated Companies 2000	1999	1998	Affiliated Companies 2000	1999	1998	Worldwide 2000	1999	1998
PRESENT VALUE AT JANUARY 1	$ 41,750	$ 14,447	$ 26,023	$4,100	$ 310	$ 1,034	$ 45,850	$ 14,757	$ 27,057
Sales and transfers of oil and gas produced, net of production costs	(17,866)	(10,072)	(6,752)	(596)	(268)	(100)	(18,462)	(10,340)	(6,852)
Development costs incurred	3,673	3,205	3,578	240					

148 120
3,913 3,353
3,698
Purchases
of reserves
2,055 3,706
256 -- -- -
- 2,055
3,706 256
Sales of
reserves
(5,010)
(696) (507)
-- -- --
(5,010)
(696) (507)
Extensions,
discoveries
and
improved
recovery,
less
related
costs 8,710
4,866 1,577
1,112 226
13 9,822
5,092 1,590
Revisions
of previous
quantity
Estimates
(428) (856)
1,345 1,284
738 49 856
(118) 1,394
Net changes
in prices,
development
and
production
costs
29,358
49,264
(24,751)
457 4,650
(1,104)
29,815
53,914
(25,855)
Accretion
of discount
7,027 2,131
4,169 582
50 132
7,609 2,181
4,301 Net
change in
income tax
(9,467)
(24,246)
9,509 (993)
(1,753) 166
(10,460)
(25,999)
9,675 -----

Net change
for the
year 18,052
27,302
(11,576)
2,086 3,791
(724)

20,138
31,093
(12,300) --

-- PRESENT
VALUE AT
DECEMBER 31
$ 59,802 $
41,749 $
14,447
$6,186 $
4,101 $ 310
$ 65,988 $
45,850 $
14,757 ----

The changes in present values between years, which can be significant, reflect changes in estimated proved reserve quantities and prices and assumptions used in forecasting production volumes and costs. Changes in the timing of production are included within "Revisions of previous quantity estimates."

At December 31, 2000, the company owned or had under lease or similar agreements undeveloped and developed oil and gas properties located throughout the world. Undeveloped acreage includes undeveloped proved acreage. The geographical distribution of the company's acreage is shown in the following table.

ACREAGE* AT DECEMBER 31, 2000
(Thousands of Acres)

Developed
Undeveloped
Developed and
Undeveloped ---

-------- Gross
Net Gross Net
Gross Net - ---

United States
11,652 5,191
5,521 1,563
17,173 6,754 --

Africa 27,182
9,769 420 118
27,602 9,887
Asia-Pacific
54,816 27,632
1,377 587
56,193 28,219
Other
International

58,512 32,120
2,106 778
60,618 32,898 -

Total
International
140,510 69,521
3,903 1,483
144,413 71,004

Total
Consolidated
Companies
152,162 74,712
9,424 3,046
161,586 77,758
ChevronTexaco's
Share in
Affiliates
1,199 518 61 32
1,260 550 -----

------ Total
Including
Affiliates
153,361 75,230
9,485 3,078
162,846 78,308

----

*Gross acreage includes the total number of acres in all tracts in which the company has an interest. Net acreage is the sum of the company's fractional interests in gross acreage.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

Refer to Table IV on page 63 for data about the company's average sales price per unit of oil and gas produced, as well as the average production cost per unit for 2000, 1999 and 1998. The following table summarizes gross and net productive wells at year-end 2000 for the company and its affiliates.

PRODUCTIVE OIL AND GAS WELLS AT DECEMBER 31, 2000

	Productive(1) Oil Wells		Productive(1) Gas Wells	
	Gross(2)	Net(2)	Gross(2)	Net(2)
United States	37,229	27,502	10,893	5,596
Africa	1,457	551	9	3
Asia-Pacific	9,897	9,206	210	98
Other International	1,971	1,337	330	207
Total International	13,325	11,094	549	308
Total Consolidated Companies	50,554	38,596	11,442	5,904
ChevronTexaco's Share in Affiliates	52	23	--	--
Total Including Affiliates	50,606	38,619	11,442	5,904
Multiple completion wells included above:	743	413	424	256

(1) Includes wells producing or capable of producing and injection wells temporarily functioning as producing wells. Wells that produce both oil and gas are classified as oil wells.

(2) Gross wells include the total number of wells in which the company has an interest. Net wells are the sum of the company's fractional interests in

gross wells.

DEVELOPMENT ACTIVITIES

Details of the company's development expenditures and costs of proved property acquisitions for 2000, 1999 and 1998 are presented in Table I on page 60.

The table below summarizes the company's net interest in productive and dry development wells completed in each of the past three years and the status of the company's development wells drilling at December 31, 2000. A "development well" is a well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive. "Wells drilling" includes wells temporarily suspended.

DEVELOPMENT WELL ACTIVITY

	Wells Drilling At 12/31/00		Net Wells Completed(1)					
			2000		1999		1998	
	Gross(2)	Net(2)	Prod.	Dry	Prod.	Dry	Prod.	Dry
United States	228	142	919	14	857	14	1,015	19
Africa	12	3	39	--	19	--	40	1
Asia-Pacific	79	30	501	1	530	1	620	--
Other International	29	14	113	--	30	--	152	2
Total International	120	47	653	1	579	1	812	3
Total Consolidated Companies	348	189	1,572	15	1,436	15	1,827	22
ChevronTexaco's Share in Affiliates	49	16	33	--	1	--	1	--

Total Including
Affiliates 397
205 1,605 15
1,437 15 1,828
22 ------------

----

(1) Indicates the number of wells completed during the year regardless of when drilling was initiated. Completion refers to the installation of permanent equipment for the production of oil or gas or, in the case of a dry well, the reporting of abandonment to the appropriate agency.

(2) Gross wells include the total number of wells in which the company has an interest. Net wells are the sum of the company's fractional interests in gross wells.

CHEVRONTEXACO CORPORATION
SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES - (UNAUDITED)

EXPLORATION ACTIVITIES

The following table summarizes the company's net interests in productive and dry exploratory wells completed in each of the last three years and the number of exploratory wells drilling at December 31, 2000.

EXPLORATORY WELL ACTIVITY

	Net Wells Completed(1)						Wells Drilling At 12/31/00	
	2000		1999		1998			
	Prod.	Dry	Prod.	Dry	Prod.	Dry	Gross(2)	Net(2)
United States	73	31	69	30	90	40	74	38
Africa	11	4	2	4	2	2	7	2
Asia-Pacific	18	7	15	11	6	12	14	7
Other International	7	5	7	7	8	5	8	7
Total International	36	16	24	22	16	19	29	16
Total Consolidated Companies	109	47	93	52	106	59	103	54
ChevronTexaco's Share in Affiliates	7	3	--	--	--	--	--	--
Total Including Affiliates	116	50	93	52	106	59	103	54

 ----

(1) Indicates the number of wells completed during the year regardless of when drilling was initiated. Completion refers to the installation of permanent equipment for the production of oil or gas or, in the case of a dry well, the reporting of abandonment to the appropriate agency.

(2) Gross wells include the total number of wells in which the company has an interest. Net wells are the sum of the company's fractional interests in gross wells.

"Exploratory wells" are wells drilled to find and produce oil or gas in unproved areas and include delineation wells, which are wells drilled to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir beyond the proved area. "Wells drilling" includes wells temporarily suspended. The wells are suspended pending a final determination of the commercial potential of the related oil and gas fields. The ultimate disposition of these well costs is dependent on: (1) decisions on additional major capital expenditures, (2) the results of additional exploratory drilling that is underway or firmly planned and, in some cases, (3) securing final regulatory approvals for development.

RESERVES AND CONTRACT OBLIGATIONS

Table V on pages 63 and 64 sets forth the company's net proved oil and gas reserves, by geographic area, as of December 31, 2000, 1999 and 1998. The company files estimates of oil and gas reserves with the Department of Energy, Energy Information Agency and other governmental bodies annually. Those estimates are consistent with the reserve data reported on page 64.

The company sells crude oil and gas from its producing operations under a variety of contractual arrangements. Most contracts generally commit the company to sell quantities based on production from specified properties, but certain gas sales contracts specify delivery of fixed and determinable quantities. In the United States, ChevronTexaco is obligated to sell substantially all of the natural gas produced and owned or controlled by the company's subsidiary Chevron U.S.A. Inc. in the lower 48 states to Dynegy Inc. Only a small amount of the natural gas produced and controlled by the company's other subsidiaries is subject to long-term contractual commitments. Outside the United States, the company is contractually committed to deliver approximately 110 billion cubic feet of natural gas through 2003 from both Australian and U.K. reserves, and approximately 375 billion cubic feet of natural gas post-2003 through 2020 from Australian reserves only. Substantially all of these contracts include variable-pricing terms. The company believes it can satisfy these contracts from quantities available from production of the company's proved developed Australian and U.K. natural gas reserves.

CHEVRONTEXACO CORPORATION
SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

Millions of dollars	Year ended December 31, 2000	1999	1998
EMPLOYEE TERMINATION BENEFITS			
Balance at January 1	$ 130	$ 156	$ 20
Additions charged to expense	15	291	175
Payments/transfers to other accounts	(144)	(317)	(39)
BALANCE AT DECEMBER 31	$ 1	$ 130	$ 156
ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Balance at January 1	$ 113	$ 90	$ 76
Additions charged to expense	74	97	53
Bad debt write-offs	(51)	(74)	(39)
BALANCE AT DECEMBER 31	$ 136	$ 113	$ 90
DEFERRED INCOME TAX VALUATION ALLOWANCE			
Balance at January 1	$1,588	$1,295	$1,334
Additions charged to deferred income tax expense	326	381	285
Deductions credited to deferred income tax expense	(340)	(88)	(324)
BALANCE AT DECEMBER 31	$1,574	$1,588	$1,295
INVENTORY VALUATION ALLOWANCE			
Balance at January 1	$ --	$ 170	$ 53
Additions	4	--	117
Deductions	--	(170)	--

- BALANCE AT
DECEMBER 31 $ 4 $
-- $ 170 --------

-