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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

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FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15 (d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
September 3, 1998

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TEXACO INC.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-27 (Commission File Number)	74-1383447 (I.R.S. Employer Identification Number)
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2000 Westchester Avenue, White Plains, New York (Address of principal executive offices)	10650 (Zip Code)
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(914) 253-4000  
(Registrant's telephone number, including area code)

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Item 5. Other Events  
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1. On September 3, 1998, Texaco Inc. and Shell Oil Company announced that they have signed a non-binding Memorandum of Understanding with the intention of forming an alliance for their European oil products marketing and manufacturing activities.

In this connection, on September 3, 1998, the Registrant issued a Press Release entitled "Texaco and Shell Announce Signing of Memorandum of Understanding on European Marketing & Manufacturing Venture," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits  
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(c) Exhibits

- 99.1 Press Release issued by the Registrant dated September 3, 1998, entitled "Texaco and Shell Announce Signing of Memorandum of Understanding on European Marketing & Manufacturing Venture."

SIGNATURES

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.

TEXACO INC.

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(Registrant)

By: K. M. Anderson

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(Secretary)

Date: September 3, 1998

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## TEXACO AND SHELL ANNOUNCE

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 SIGNING OF MEMORANDUM OF UNDERSTANDING ON  
 -----  
 EUROPEAN MARKETING & MANUFACTURING VENTURE  
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FOR IMMEDIATE RELEASE: THURSDAY, SEPTEMBER 3, 1998  
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LONDON, U.K., September 3rd - Texaco and Shell Europe Oil Products today announced the signing of a non-binding Memorandum Of Understanding (MOU) with the intention of establishing an alliance for their European oil products marketing and manufacturing activities. This MOU culminates talks that began in 1997.

The proposed venture would draw upon the combined strengths of Shell and Texaco, with the aim of improving shareholder returns and value for customers in the highly competitive European market. The proposed venture would market using both the Shell and Texaco brands.

The two companies will now undertake detailed discussions with the goal of finalising agreement on the formation of a new joint venture as soon as possible. Subject to final definitive agreements, regulatory reviews and staff consultation procedures, the new venture could be operational by mid-1999.

Under the terms of the MOU, Shell companies will have an interest of 88% and Texaco 12% of the new venture, with certain governance matters requiring joint agreement.

The proposed alliance would not involve the companies' other activities in Europe or their LPG, coolants, international aviation and marine products businesses. The new venture would be in addition to the Shell-Texaco joint ventures in the United States.

- xxx -

(This press release contains projections and other forward-looking statements within the meaning of section 21E of the U.S. Securities Exchange Act of 1934. These projections and statements reflect Texaco's current views with respect to future revenues. No assurances can be given, however, that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors, such as market conditions and other factors included in Texaco's periodic reports filed with the Securities and Exchange Commission.)

Note to Editors: The attached fact sheet outlines significant details of the assets anticipated to be included in the proposed joint venture.

For more information contact:

Texaco:	New York Public Relations	
	Kelly McAndrew	001 914 253 6295
	Chris Gidez	001 914 253 4042
	London Press Office	
	Paul Bray	0171 719 4452
	Rachel Moore	0171 719 4459 or 4477
Shell:	London Press Office	
	Eric Nickson	0171 934 4488

Additional Texaco information is available on the World Wide Web at  
<http://www.texaco.com>  
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FACT SHEET:  
PROPOSED SHELL/TEXACO  
EUROPEAN MARKETING & MANUFACTURING ALLIANCE

(Note: All Numbers as of end 1997)

EMPLOYEES (including subsidiaries)

	SHELL	TEXACO
	25,000	4,300

REFINERIES (figures in brackets are: % equity interest and capacity

in 1,000 barrels per day)

SHELL -----	TEXACO -----
Stanlow, UK (100%, 260) Shell Haven, UK (100%, 92) Eastham, UK (50%, 20)	Pembroke, United Kingdom (100% 190)
Pernis, Netherlands (100%, 374)	Rotterdam, The Netherlands (35%, 140)
Godorf, Germany (100%, 170) Harburg, Germany (100%, 102)	
Petit-Couronne, France (100%, 141) Berre-l-Etang, France (100%, 127) Vendenheim, France (65%, 80)	
Fredericia, Denmark (100%, 70)	
Gothenburg, Sweden (100%, 81)	
Cressier, Switzerland (100%, 60)	
Sola, Norway (100%, 53)	
Mersin, Turkey (27%, 100 - for sale)	
Pantano di Grano (20%, 85)	
Litvinov, Czech Republic (16%, 110) Kralupy, Czech Republic (16%, 68)	

MARKETING (BY COUNTRY) - Branded outlets

COUNTRY -----	SHELL -----	TEXACO -----
Austria	431	
Belgium/Luxembourg	448	483
Central and Eastern Europe	365	19 Poland
Denmark	276	(See notes, below)
Finland	434	
France	1,406	
Germany	1,715	
Greece	780	373
Italy	1,759	
Rep. Of Ireland	340	432
Netherlands	800	557

Norway	449	(See notes, below)
Portugal	250	
Spain	285	55
Sweden	602	
Switzerland	547	
Turkey	608	
	(for sale)	
United Kingdom	1,459	1,065
	(Excluding 382 Gulf sites acquired Dec. 8, 1997)	
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TOTAL:	12,954	2,984

NOTE: Hydro-Texaco Holdings is a joint venture of Texaco and Norsk Hydro, formed in December 1994, that sells petroleum products in Norway, Denmark and the Baltic states. Altogether, Hydro Texaco operates approximately 990 branded sites.

LUBES PLANTS  
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SHELL  
-----  
13

TEXACO  
-----  
3

TERMINALS

SHELL (including refinery terminals)  
-----  
78 - 100% owned  
255 - JVs, Equity interest or throughput

TEXACO  
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11 - 100% owned  
23 - JVs, Equity  
interest or throughput