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): January 26, 1999

Chevron 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 January 25, 1999, Chevron Corporation issued a press release announcing preliminary, unaudited earnings for the year ending December 31, 1998.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release of Chevron Corporation dated January 25, 1999, entitled "Chevron Reports 1998 Net Income of $1.976 Billion"

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: January 26, 1999

CHEVRON CORPORATION

By /s/ S. J. CROWE

S. J. Crowe, Comptroller
(Duly Authorized Officer)

EXHIBIT 99.1

Chevron Corporation
Public Affairs
P. O. Box 7753
San Francisco, CA 94120-7753
Phone 415 894 4246

News

For Release at 6:00 AM PST
January 25, 1999

Chevron Reports 1998 Net Income of $1.976 Billion

- Fourth quarter 1998 net income of $431 million declined 51 percent, while operating earnings of $503 million were down 38 percent
- Net income of $1.976 billion for 1998 declined 39 percent, compared with 1997's record level of $3.256 billion
- Average U.S. crude oil realizations for 1998 declined 35 percent to $11.42 per barrel
- Average U.S. natural gas realizations for 1998 declined 17 percent to $2.02 per thousand cubic feet
- International liquids production increased for the ninth consecutive year up 7 percent during 1998 and 14 percent in the fourth quarter
- Operating expenses for 1998 declined by $600 million
- Worldwide net oil and gas reserve additions exceeded production for the sixth consecutive year
- Annual dividends increased for the eleventh consecutive year

San Francisco, Jan. 25 - Chevron Corporation today reported 1998 preliminary net income of $1.976 billion ($3.01 per share - diluted), down 39 percent from 1997 net income of $3.256 billion ($4.95 per share - diluted). Net income for 1998 and 1997 included net benefits of $31 million and $76 million, respectively, from special items.

For the fourth quarter 1998, net income of $431 million ($.66 per share - diluted) included net charges of $72 million from special items. Charges associated with asset write-downs; reserves for environmental remediation and a litigation issue; and last-in, first-out (LIFO) inventory adjustments were partially offset by favorable prior-year tax adjustments and a gain from an asset sale. Fourth quarter 1997 net income included net benefits from special items totaling $68 million.

Excluding special items, operating earnings for 1998 were $1.945 billion ($2.96 per share), down 39 percent from operating earnings of $3.180 billion ($4.83 per share) in 1997. Fourth quarter 1998 operating earnings of $503 million ($.76 per share) decreased 38 percent.

Foreign currency effects had a major impact on the company's earnings in 1998 and 1997. Foreign currency losses included in 1998 net income were $57 million, compared with gains of $246 million in 1997. For the fourth quarter of 1998, foreign currency losses were $81 million, compared with currency gains of $205 million in the 1997 fourth quarter. The most significant changes occurred in areas of operations for Caltex, a 50-percent owned affiliate. Also included in fourth quarter 1998 operating earnings were net benefits of about $115 million associated with the finalization of the year 1997 income tax returns. These benefits are primarily reflected in the results of the international exploration and production ($60 million), chemicals ($25 million) and corporate ($30 million) operations.

Earnings Summary	Fourth Quarter		Year	
$ Millions	1998	1997	1998	1997
Operating Earnings	$503	$807	$1,945	$3,180
Special Items	(72)	68	31	76
Net Income	$431	$875	$1,976	$3,256

Chairman and CEO Ken Derr said, "Our results for the fourth quarter and full year 1998 reflected very depressed crude oil, natural gas and commodity chemical prices. U.S. crude oil realizations fell 35 percent to $11.42 per barrel, the lowest yearly average in 12 years, while U.S. natural gas prices dropped 17 percent to $2.02 per thousand cubic feet. Chemical prices eroded through the year, resulting in a falloff in operating earnings for our chemicals business, especially in the second half of 1998."

Derr added, "Our U.S. refining and marketing business posted strong profits for the second straight year on higher refined product sales volumes and lower operating expenses. Some of the major challenges faced by our U.S. refining and marketing business in 1998 included declining refined product margins and the shutdown of our Pascagoula, Mississippi, refinery for most of the fourth quarter for repairs of damages from Hurricane Georges." Derr said he believes the strong performance of the U.S. refining and marketing business will be sustained through increased sales volumes and additional operating efficiencies. He also noted that the international refining and marketing operations of Chevron's Caltex affiliate continued to suffer from the Asian economic downturn.

"We have focused on developing our many excellent international exploration and production opportunities, which we believe will be our growth engine for the long-term," Derr continued. "Our international crude oil production increased, for the ninth consecutive year, by 7 percent to 782,000 barrels per day in 1998, mitigating some of the effects of the poor price environment. The 1998 production represents a 67 percent increase since 1989, the last year international production declined. We will maintain our investment strategy through these difficult times by continuing to develop international upstream projects and by minimizing capital spending by our international chemicals and downstream businesses."

Derr commented, "These strategies taken together position Chevron for a strong rebound in profitability when the eventual improvement begins in crude oil and natural gas prices. Our employees continued to make significant strides in cost reductions during 1998. During this past year, operating expenses, excluding special items, declined by about $600 million, which included approximately $200 million from our exit from the U.K. refining and marketing business. Since 1991, we have removed about $2.4 billion from our operating cost structure, and we plan to realize additional cost savings of more than $500 million in 1999. To successfully weather the business conditions of low crude oil, natural gas and commodity chemicals prices, we have to continue to find ways to minimize the cost of operating our businesses, while selectively investing in areas that offer the greatest growth opportunities."

Derr highlighted a number of significant 1998 operating and strategic events for the company. These included:

- Worldwide Liquids Production. Worldwide net liquids production increased by 3 percent (international production increased 7 percent) to 1.107 million barrels per day (BPD), reflecting increased production from operations in Kazakhstan, Indonesia, offshore eastern Canada and West Africa.
- Worldwide Reserves Replacement. Chevron's 1998 worldwide net proved barrels of oil and equivalent gas (OEG) reserves additions exceeded production for the sixth consecutive year. The worldwide net proved OEG reserves replacement was about 109 percent for 1998, excluding sales and acquisitions.
- Caspian Sea Region. Total liquids production from the Tengiz field in 1998 averaged 188,000 BPD, an increase of 21 percent over 1997 average production of 155,000 BPD. Production in December 1998 averaged 218,000 BPD. Local government approvals were secured in December 1998 and construction will begin in 1999 on the Caspian Pipeline Consortium's pipeline that will deliver crude oil from the Tengiz Field in Kazakhstan to the Black Sea port of Novorossiysk.
- West Africa Exploration and Production. During 1998, Chevron made its third and fourth commercial discoveries in deepwater Angola Block 14, where first production is expected later in 1999. The four discoveries in Block 14 have an estimated 3 billion barrels of potential reserves. Production in Block 0 in Angola, in which Chevron has a 39 percent interest, reached a record 510,000 BPD in 1998. New production commenced during the year at the South Nemba and Lomba fields in Angola and from the Dibi, Ewan, Gbokoda and Opolo oil fields in Nigeria.
- Other International Exploration and Production. The company signed agreements to explore in Qatar and Bahrain during the first quarter of 1998. In the same quarter, production began at the Moran and Gobe fields in Papua New Guinea. New production commenced in August 1998 at the Britannia gas and condensate field in the U.K. North Sea. In December, Chevron announced it had executed a purchase agreement with Rutherford-Moran Oil Corporation, which owns a 46 percent interest in Block B8/32 in the Gulf of Thailand. While not yet finalized, this entry into Southeast Asia may lead to other attractive investments in the area.
- Deepwater Gulf of Mexico. Chevron acquired 66 additional deepwater tracts at federal lease sales during the year, furthering its intent to be a major participant in the development of the Gulf's deep waters. The company's deepwater inventory consisted of 428 tracts at year-end 1998. Construction and installation of production facilities at the company's first deepwater Gulf of Mexico operation, Genesis, neared completion. Chevron is the unit operator with a 57 percent working interest in Genesis and expects production to commence in February 1999. Another of the company's deepwater projects, Gemini, is expected to begin production later in 1999.

Total revenues in 1998 were $30.6 billion, down 27 percent from $42.0 billion in 1997. Fourth quarter revenues of $7.3 billion were 29 percent lower than 1997 fourth quarter revenues of $10.3 billion. Revenues for the year declined on lower crude oil, natural gas and refined product prices. These factors were mitigated partially by increased U.S. refined product sales volumes. The company's exit from the U.K. refining and marketing business in the fourth quarter 1997 caused approximately 27 percent of the annual decrease and about 22 percent of the quarterly decrease in total revenues.

Exploration and Production

U.S. Exploration and Production

$ Millions	Fourth Quarter 1998	Fourth Quarter 1997	Year 1998	Year 1997
Operating Earnings	$106	$268	$381	$ 972
Special Items	(34)	(3)	(16)	29
Net Income	$ 72	$265	$365	$1,001

U.S. exploration and production operating earnings declined for the year and fourth quarter, mainly due to lower crude oil and natural gas production and sales realizations. Partially offsetting the earnings declines in both periods were lower operating and exploration expenses. Operating earnings in the fourth quarter 1998 also benefited by approximately $30 million, primarily from aggregate net gains from a number of property sales.

For the year, the company's average crude oil realization of $11.42 per barrel was $6.26, or 35 percent, lower than the $17.68 averaged for 1997. In the fourth quarter, average realizations were $10.45, down $6.81 or 39 percent from $17.26 per barrel in the prior-year quarter. Average natural gas prices decreased $.40 to $2.02 per thousand cubic feet (MCF) for the year and decreased $.78 to $1.99 per MCF in the fourth quarter, from comparable 1997 periods.

Net liquids production for the year averaged 325,000 BPD, down from 343,000 BPD in 1997. Fourth quarter 1998 production averaged 306,000 BPD, down 37,000 BPD compared with the prior-year fourth quarter. Net natural gas production in 1998 averaged 1.739 billion cubic feet per day, down about 6 percent from 1997. For the 1998 fourth quarter, natural gas production averaged 1.661 billion cubic feet per day, down from 1.779 billion in the year-earlier quarter. The declines in liquids and natural gas production primarily reflect normal field declines, lost production from the September 1998 storms in the Gulf of Mexico and property sales.

Special items in the fourth quarter 1998 included charges for asset write-downs and other charges associated with the company's planned exit from offshore California upstream activities and a provision for litigation issues. These were partially offset by a net gain from a producing property sale and a benefit from reversals of certain environmental remediation reserves. Net income for the year also included a gain from the sale of an additional producing property earlier in the year.

International Exploration and Production

$ Millions	Fourth Quarter 1998	Fourth Quarter 1997	Year 1998	Year 1997
Operating Earnings	$209	$265	$717	$1,197
Special Items	(7)	(4)	(10)	55
Net Income	$202	$261	$707	$1,252

International exploration and production earnings declined in 1998 as a result of depressed crude oil prices, although international production increased during the year and fourth quarter compared with the prior-year periods. For the year 1998, net liquids production increased 7 percent to 782,000

BPD. Fourth quarter 1998 liquids production was 849,000 BPD, up 14 percent, compared with the 1997 quarter. Operations in Kazakhstan, offshore eastern Canada, Indonesia, Angola and Congo were the principal sources of the annual and quarterly increases. Net natural gas production increased about 14 percent for the year to 654 million cubic feet (MMCF) per day in 1998 and about 37 percent to 774 MMCF per day in the 1998 fourth quarter. Net natural gas production increases for the year and quarter occurred in the United Kingdom, due to the August 1998 start-up of production at the Britannia field, as well as in Indonesia and Nigeria. Partially offsetting these increases were production declines in western Canada.

For the ninth consecutive year, net production and proved reserves increased, reflecting the company's success in growing its international upstream operations. In 1998, the company estimated it replaced 149 percent of its international oil and gas production through additions to proved reserves. Further production increases are expected in 1999 as new developments come on-stream in West Africa and from production increases at the Tengiz field in Kazakhstan.

Special items for the 1998 fourth quarter income included charges for asset write-downs and from LIFO valuation losses, partially offset by favorable prior-year tax adjustments. For the year, net income also included a special charge for the deferred tax effects from the exchange of international exploration and production properties and additional favorable prior-year tax adjustments. Included in these prior-year tax adjustments is a favorable cumulative effect of $32 million from the change in accounting for Canadian deferred income taxes, effective January 1, 1998. The company restated first quarter 1998 earnings for the cumulative effect of this change.

Earnings for the year 1998 included net foreign currency gains of $29 million, compared with gains of $77 million for the year 1997. Earnings for the fourth quarter 1998 included foreign currency losses of $2 million, compared with gains of $43 million for the 1997 period. These items primarily reflected currency rate swings of the U.S. dollar relative to the Australian dollar.

Refining, Marketing and Transportation

U.S. Refining, Marketing and Transportation

$ Millions	Fourth Quarter		Year	
	1998	1997	1998	1997
Operating Earnings	$162	$174	$633	$662
Special Items	(48)	(18)	(61)	(61)
Net Income	$114	$156	$572	$601

Operating earnings for U.S. refining, marketing and transportation in 1998 declined slightly after a strong year in 1997. Declines in refined product margins and the effects on earnings of Hurricane Georges were partially offset by decreases in operating expenses and increases in refined products sales volumes.

Refined product sales volumes increased by 4 percent to 1,243,000 BPD in 1998; fourth quarter 1998 volumes also increased by 4 percent to 1,212,000 BPD. Most of the increases in the 1998 periods reflected higher gasoline sales volumes, including branded gasoline sales, which were up 7 percent and 5 percent for the quarter and full year, respectively.

For 1998, U.S. refined product sales realizations declined $6.56, or 23 percent, to $22.37 per barrel. Fourth quarter realizations declined about 25 percent compared with the 1997 quarter.

Fourth quarter 1998 net income included special charges arising from the write-down for transportation facilities related to the company's planned exit from offshore California production operations and provisions for environmental remediations. Special items for the year 1998 included additional provisions for environmental remediation.

International Refining, Marketing, and Transportation

$ Millions	Fourth Quarter 1998	Fourth Quarter 1997	Year 1998	Year 1997
Operating (Losses) Earnings	$ (91)	$133	$123	$367
Special Items	(27)	6	(95)	(69)
Net (Loss) Income	$(118)	$139	$ 28	$298

International refining, marketing and transportation operational earnings decreased significantly for the fourth quarter and year 1998 relative to the comparable 1997 periods. Operational earnings included foreign currency losses of $80 million and $82 million for the year 1998 and fourth quarter 1998, respectively. The comparable 1997 periods included foreign currency gains of $169 million and $166 million, respectively. Operating earnings in the fourth quarter also included a charge of about $40 million for Caltex inventory adjustments.

Operating results for Caltex included foreign currency losses of $79 million for the year and $78 million for the quarter, compared with foreign currency gains of $177 million and $158 million for the respective 1997 periods. The most significant changes occurred in operations of Caltex's Korean and Japanese affiliates. Caltex's operating earnings improved slightly for the year 1998 over 1997, due to stronger earnings in Korea, while operating earnings in the fourth quarter of both years were about the same. This comparison excludes the effects of foreign currency gains or losses in both years and higher aggregate charges in 1997 for inventory adjustments and provisions for uncollectible accounts receivable in Asia.

During the fourth quarter 1997, the company withdrew from the U.K. refining and marketing business. Excluding the 1997 sales volumes from this discontinued business, refined product sales volumes for the year were essentially flat at 784,000 BPD. For the fourth quarter 1998, sales volumes declined by 6 percent to 765,000 BPD compared with sales for the same period in 1997. Declines in international trading and Canadian refined products sales volumes were partially offset by increases from Caltex's operations.

Earnings for international refining, marketing and transportation in the fourth quarter 1998 included special charges from last-in, first-out (LIFO) inventory adjustments, mostly from Caltex operations, and for an environmental remediation reserve. For the year 1998, earnings included special charges for the company's share of Caltex's costs of restructuring its management and administrative functions and the associated relocation to Singapore. In addition, net income included a charge of $25 million from Caltex's adoption, effective January 1, 1998, of a new accounting standard -- SOP 98-5, "Reporting on the Costs of Start-up Activities." The company restated first quarter 1998 earnings for the effect of the implementation of this new accounting standard.

Chemicals

Chemicals	Fourth Quarter		Year	
$ Millions	1998	1997	1998	1997
Operating Earnings	$ 22	$ 41	$151	$224
Special Items	(24)	22	(29)	4
Net (Loss) Income	$ (2)	$ 63	$122	$228

Operating earnings for the year 1998 declined compared with 1997, as product margins continued to decline from price decreases in response to industry over-capacity and the effects on demand from the Asian economic crisis. Lower earnings from equity affiliates, primarily as a result of a sale of an equity investment in the fourth quarter 1997, also contributed to the decline in earnings.

Fourth quarter 1998 net income included special charges for asset write-offs and an unfavorable LIFO inventory adjustment. Special items for the year also included an environmental remediation provision.

All Other

All Other	Fourth Quarter		Year	
$ Millions	1998	1997	1998	1997
Operating Earnings (Losses)	$ 95	$(74)	$(60)	$(242)
Special Items	68	65	242	118
Net Income (Loss)	$163	$ (9)	$182	$(124)

Excluding special items, 1998 net charges for All Other declined to $60 million compared with net charges of $242 million in 1997. For the fourth quarter 1998, All Other provided a net benefit of $95 million, compared with net charges of $74 million in the fourth quarter 1997.

Operating earnings from the company's coal operations increased by $36 million and $31 million for the year 1998 and fourth quarter 1998 to $77 million and $39 million, respectively. Sales volumes improved at most of the company's mines. In addition, favorable adjustments of about $20 million, primarily to depreciation expense and reserves for certain claims, occurred during the fourth quarter of 1998. The company expects to reach an agreement on the sale of its coal business during early 1999.

Included in the fourth quarter 1998 operating earnings for the balance of All Other were net benefits totaling approximately $80 million, consisting mainly of tax-related credits connected with the utilization of capital loss benefits, various other tax-related adjustments, and the receipt of proceeds from favorable insurance settlements, partially offset by higher interest expenses and lower interest income.

Special items for the fourth quarter 1998 included a favorable prior-year tax adjustment, partially offset by an environmental remediation provision. For the year, additional prior-year tax adjustments and the proceeds from several insurance settlements related to environmental cost recovery claims were partially offset by charges related to the outsourcing of the company's mainframe computer and telecommunications operations and the write-off of certain desktop computer equipment.

Capital and Exploratory Expenditures

Capital and exploratory expenditures, including the company's share of affiliates' expenditures, were $5.314 billion for the year 1998, compared with $5.541 billion spent in 1997. Fourth quarter expenditures were $1.499 billion and $1.740 billion in 1998 and 1997, respectively. In 1998, exploration and production spending totaled $3.262 billion, of which 60 percent was spent in international areas.

The company recently announced its 1999 capital and exploratory budget of $5.1 billion, $200 million lower than 1998 expenditures. Approximately $3.7 billion of this funding will relate to key exploration and production growth projects, with approximately $2.6 billion earmarked for international upstream areas.

Cautionary Statement Relevant to Forward-Looking Information for the Purpose of "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995.

Some of the items discussed in this earnings release are forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemical and other industries, in which the company operates. The statements included in this release are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. These include potential changes in crude oil, natural gas and other commodity prices and potential delays or other changes in work and repairs schedule. Actual results could differ materially from management's estimates.

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Note to the reader: Net income for 1998 and special items reported for 1998 included a net benefit of $7 million from the cumulative effects from the implementation of accounting changes, effective January 1, 1998. The company restated its first quarter 1998 earnings to reflect these changes. Page 3 of the attached schedules provides preliminary restated income statements and earnings by segments for the year-to-date periods ending March 31, 1998, June 30, 1998 and September 30, 1998.

# # #

1/25/99

CONSOLIDATED STATEMENT OF INCOME
(unaudited)

	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998 (2)	Year Ended December 31, 1997
REVENUES:				
Sales and Other Operating Revenues (1)	$ 7,177	$ 9,712	$ 29,956	$ 40,583
Income from Equity Affiliates	(66)	153	228	688
Other Income	184	390	386	679
	7,295	10,255	30,570	41,950
COSTS AND OTHER DEDUCTIONS:				
Purchased Crude Oil and Products	3,358	4,599	14,036	20,223
Operating Expenses	1,160	1,303	4,834	5,280
Selling and Administrative Expenses	456	496	1,352	1,533
Exploration Expenses	117	205	478	493
Depreciation, Depletion and Amortization	646	657	2,320	2,300
Taxes Other Than on Income (1)	1,128	1,512	4,424	6,307
Interest and Debt Expense	109	85	405	312
	6,974	8,857	27,849	36,448
INCOME BEFORE INCOME TAX EXPENSE	321	1,398	2,721	5,502
Income Tax Expense	(110)	523	745	2,246
NET INCOME	$ 431	$ 875	$ 1,976	$ 3,256
PER-SHARE AMOUNTS				
Earnings - Basic	$ .66	$ 1.33	$ 3.02	$ 4.97
Earnings - Diluted	$ .66	$ 1.33	$ 3.01	$ 4.95
Dividends	$ .61	$ .58	$ 2.44	$ 2.28
Average Common Shares Outstanding (000's)				
- Basic	654,076	658,249	654,858	656,306
- Diluted	656,237	660,826	657,076	658,403

NET INCOME BY MAJOR OPERATING AREA
(unaudited)

	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998	Year Ended December 31, 1997
Exploration and Production				
United States	$ 72	$ 265	$ 365	$ 1,001
International	202	261	707	1,252
Total Exploration and Production	274	526	1,072	2,253
Refining, Marketing and Transportation				
United States	114	156	572	601
International	(118)	139	28	298
Total Refining, Marketing and Transportation	(4)	295	600	899
Chemicals	(2)	63	122	228
All Other (3) (4)	163	(9)	182	(124)
NET INCOME	$ 431	$ 875	$ 1,976	$ 3,256

(1) Includes consumer excise taxes	$ 956	$ 1,326	$ 3,769	$ 5,574

(2) See page 3 for restatements of 1998 periods for the company's share of the cumulative effect of Caltex's implementation, effective January 1, 1998, of a new accounting standard - SOP 98-5, "Reporting on the Costs of Start-up Activities" and the cumulative effect from a change in the company's method of applying an accounting principle relating to Canadian deferred income taxes, effective January 1, 1998.

(3) Renamed in connection with the fourth quarter 1998 implementation of SFAS 131, "Disclosures about Segments of an Enterprise and Related Information".

(4) "All Other" includes interest expense, interest income on cash and marketable securities, corporate center costs, coal operations, real estate and insurance activities.

(MILLIONS OF DOLLARS)

SPECIAL ITEMS BY MAJOR OPERATING AREA (unaudited)	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998 (1)	Year Ended December 31, 1997
U. S. Exploration and Production	$ (34)	$ (3)	$ (16)	$ 29
International Exploration and Production	(7)	(4)	(10)	55
U. S. Refining, Marketing and Transportation	(48)	(18)	(61)	(61)
International Refining, Marketing and Transportation	(27)	6	(95)	(69)
Chemicals	(24)	22	(29)	4
All Other (2) (3)	68	65	242	118
Total Special Items	$ (72)	$ 68	$ 31	$ 76

SUMMARY OF SPECIAL ITEMS (unaudited)	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998	Year Ended December 31, 1997
Asset Dispositions	$ 29	$ 156	$ (9)	$ 183
Asset Write-offs and Revaluations	(91)	(78)	(159)	(86)
Environmental Remediation Provisions	(21)	-	(39)	(35)
Prior-Year Tax Adjustments	81	54	271	152
Restructurings & Reorganizations	-	(60)	(43)	(60)
LIFO Inventory (Losses) Gains	(25)	5	(25)	5
Other, Net	(45)	(9)	35	(83)
Total Special Items	$ (72)	$ 68	$ 31	$ 76

FOREIGN EXCHANGE GAINS (LOSSES)	$ (81)	$ 205	$ (57)	$ 246

EARNINGS BY MAJOR OPERATING AREA EXCLUDING SPECIAL ITEMS (unaudited)	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998	Year Ended December 31, 1997
Exploration and Production				
United States	$ 106	$ 268	$ 381	$ 972
International	209	265	717	1,197
Total Exploration and Production	315	533	1,098	2,169
Refining, Marketing and Transportation				
United States	162	174	633	662
International	(91)	133	123	367
Total Refining, Marketing and Transportation	71	307	756	1,029
Chemicals	22	41	151	224
All Other (2) (3)	95	(74)	(60)	(242)
Earnings Excluding Special Items	503	807	1,945	3,180
Special Items	(72)	68	31	76
Net Income	$ 431	$ 875	$ 1,976	$ 3,256

(1) See page 3 for restatements of 1998 periods for the company's share of the cumulative effect of Caltex's implementation, effective January 1, 1998, of a new accounting standard - SOP 98-5, "Reporting on the Costs of Start-up Activities" and the cumulative effect from a change in the company's method of applying an accounting principle relating to Canadian deferred income taxes, effective January 1, 1998.

(2) "All Other" includes interest expense, interest income on cash and marketable securities, corporate center costs, coal operations, real estate and insurance activities.

(3) Renamed in connection with the fourth quarter 1998 implementation of SFAS 131, "Disclosures about Segments of an Enterprise and Related Information".

RESTATEMENT OF 1998 RESULTS
(MILLIONS OF DOLLARS EXCEPT PER-SHARE AMOUNTS)

CONSOLIDATED STATEMENT OF INCOME
(unaudited)

REVENUES:	Three Months Ended March 31,1998	Six Months Ended June 30,1998	Nine Months Ended September 30,1998
Sales and Other Operating Revenues (1)	$ 7,464	$ 15,218	$ 22,779
Income from Equity Affiliates (2)	126	281	294
Other Income	38	98	202
	7,628	15,597	23,275
COSTS AND OTHER DEDUCTIONS:			
Purchased Crude Oil and Products	3,635	7,184	10,678
Operating Expenses	1,206	2,561	3,674
Selling and Administrative Expenses	253	529	896
Exploration Expenses	101	235	361
Depreciation, Depletion and Amortization	554	1,111	1,674
Taxes Other Than on Income (1)	1,011	2,151	3,296
Interest and Debt Expense	94	193	296
	6,854	13,964	20,875
INCOME BEFORE INCOME TAX EXPENSE	774	1,633	2,400
Income Tax Expense (3)	267	549	855
NET INCOME	$ 507	$ 1,084	$ 1,545
PER-SHARE AMOUNTS			
Earnings - Basic	$ .78	$ 1.66	$ 2.36
Earnings - Diluted	$ .77	$ 1.65	$ 2.35
Dividends	$ .61	$ 1.22	$ 1.83
Average Common Shares Outstanding (000's)			
- Basic	654,871	655,167	655,122
- Diluted	657,128	657,503	657,359

NET INCOME BY MAJOR OPERATING AREA (2) (3) (4)

(unaudited)	Three Months Ended March 31,1998	Six Months Ended June 30,1998	Nine Months Ended September 30,1998
Exploration and Production			
United States	$ 106	$ 191	$ 293
International	133	344	505
Total Exploration and Production	239	535	798
Refining, Marketing and Transportation			
United States	45	270	458
International	76	192	146
Total Refining, Marketing and Transportation	121	462	604
Chemicals	63	110	124
All Other (5)	84	(23)	19
NET INCOME	$ 507	$ 1,084	$ 1,545

(1) Includes consumer excise taxes	$ 852	$ 1,840	$ 2,813

(2) Amounts have been restated for the company's share of the cumulative effect of Caltex's implementation, effective January 1, 1998, of a new accounting standard - SOP 98-5, "Reporting on the Costs of Startup Activities."

(3) Amounts have been restated for the cumulative effect from the change in the company's method of applying an accounting principle relating to Canadian deferred income taxes, effective January 1, 1998.

(4) Renamed in connection with the fourth quarter 1998 implementation of SFAS 131, "Disclosures about Segments of an Enterprise and Related Information".

(5) "All Other" includes interest expense, interest income on cash and marketable securities, corporate center costs, coal operations, real estate and insurance activities.

CAPITAL AND EXPLORATORY EXPENDITURES (1)

(millions of dollars)	Fourth Quarter 1998	Fourth Quarter 1997	Year Ended December 31, 1998	Year Ended December 31, 1997
United States				
Exploration and Production	$ 336	$ 385	$ 1,320	$ 1,659
Refining, Marketing and Transportation	179	266	654	520
Chemicals	115	120	385	470
Other	56	65	223	140
Total United States	686	836	2,582	2,789
International				
Exploration and Production	545	626	1,942	1,956
Refining, Marketing and Transportation	205	214	431	602
Chemicals	63	64	359	194
Total International	813	904	2,732	2,752
Worldwide	$ 1,499	$ 1,740	$ 5,314	$ 5,541
OPERATING STATISTICS (1)				
NET LIQUIDS PRODUCTION (MB/D):				
United States	306	343	325	343
International	849	743	782	731
Worldwide	1,155	1,086	1,107	1,074
NET NATURAL GAS PRODUCTION (MMCF/D):				
United States	1,661	1,779	1,739	1,849
International	774	567	654	576
Worldwide	2,435	2,346	2,393	2,425
SALES OF NATURAL GAS (2) (MMCF/D):				
United States	3,039	3,625	3,275	3,400
International	1,588	1,397	1,476	1,209
Worldwide	4,627	5,022	4,751	4,609
SALES OF NATURAL GAS LIQUIDS (2) (MB/D):				
United States	137	144	130	133
International	36	80	52	69
Worldwide	173	224	182	202
SALES OF REFINED PRODUCTS (MB/D):				
United States	1,212	1,164	1,243	1,193
International	765	889	787	886
Worldwide	1,977	2,053	2,030	2,079
REFINERY INPUT (MB/D):				
United States	697	933	869	933
International	472	556	475	565
Worldwide	1,169	1,489	1,344	1,498
CHEMICALS SALES & OTHER OPERATING REVENUES (millions of dollars) (3)				
United States	$ 604	$ 742	$ 2,592	$ 3,045
International	200	155	635	588
Worldwide	$ 804	$ 897	$ 3,227	$ 3,633

(1) Includes interest in affiliates.
(2) Restated to include affiliate's 1997 volumes.
(3) Includes sales to other Chevron companies.