

PROSPECTUS
MARCH 29, 1995

CHEVRON TRANSPORT CORPORATION

WHOSE CHARTER OBLIGATIONS ARE GUARANTEED BY
CHEVRON CORPORATION

CHEVRON OBLIGATIONS

(AS DEFINED HEREIN)

Chevron Transport Corporation ("Chevron Transport") will enter into a bareboat charter (each, an "Initial Charter") with CalPetro Tankers (Bahamas I) Limited, CalPetro Tankers (Bahamas II) Limited, CalPetro Tankers (Bahamas III) Limited and CalPetro Tankers (IOM) Limited (each, an "Owner") for the charter of four recently constructed oil tankers (each, a "Vessel"). The Vessels consist of one double-hulled, 130,000 deadweight tonne oil tanker, two double-hulled, 150,000 deadweight tonne oil tankers and one single-hulled, 150,000 deadweight tonne oil tanker. Each Initial Charter will have a term expiring on April 1, 2015, subject to the earlier termination thereof at the option of Chevron Transport. If Chevron Transport elects to terminate the Initial Charter for a Vessel on any of the specified termination dates, Chevron Transport will be required to make a termination payment. The obligations of Chevron Transport under each Initial Charter will be guaranteed by Chevron Corporation ("Chevron") (each, a "Chevron Guarantee"). The obligations of Chevron Transport under the Initial Charters and the obligations of Chevron under the Chevron Guarantees are referred to herein collectively as the "Chevron Obligations." Chevron Transport is an indirect, wholly-owned subsidiary of Chevron.

At the same time as the issuance of the Chevron Obligations described herein, 8.52% First Preferred Mortgage Notes Due 2015 in an aggregate principal amount of \$117,900,000 (the "Term Mortgage Notes"), are being offered pursuant to a separate prospectus (the "Term Mortgage Notes Prospectus") by California Petroleum Transport Corporation, a Delaware corporation which is not affiliated with Chevron or Chevron Transport ("California Petroleum"). The Chevron Obligations are intended to fund certain payments of interest and principal on the Notes (as defined below) and will be assigned to the Collateral Trustee (as defined below) for the benefit of holders of the Notes. This Prospectus may be used only as an appendix to the Term Mortgage Notes Prospectus. Prospective investors in the Term Mortgage Notes should read and carefully consider the Term Mortgage Notes Prospectus. All statements in the Term Mortgage Notes Prospectus are made by California Petroleum and the Owners. Chevron and Chevron Transport assume no responsibility and shall have no liability for any such statements. Concurrent with the offering of Term Mortgage Notes, Serial First Preferred Mortgage Notes in an aggregate principal amount of \$167,500,000 (the "Serial Mortgage Notes" and, together with the Term Mortgage Notes, the "Notes"), which will mature serially from April 1, 1996 to April 1, 2006, are being offered pursuant to a separate prospectus by California Petroleum. The issuance of the Chevron Obligations described herein is dependent on the consummation of the sale of the Notes. However, the Notes are not obligations of, and are not guaranteed by, Chevron or Chevron Transport. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE CHEVRON OBLIGATIONS.

The Notes are being issued as full recourse obligations of California Petroleum. Chevron and Chevron Transport have been advised by California Petroleum that the proceeds from the sale of the Notes will be loaned by California Petroleum to the Owners on a non-recourse basis, secured jointly and severally by certain collateral, to fund, after paying certain fees and expenses, the acquisition by each Owner of its respective Vessel from Chevron Transport.

The Vessels are currently operated by Chevron Transport. The sale of the Vessels to the respective Owners and the commencement of the Initial Charters with respect to the Vessels will occur on the closing date (the "Closing Date") for the offering of the Notes.

See "Certain Considerations" for a discussion of certain factors which should be considered by persons to whom this Prospectus is delivered.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND

EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE
COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE
ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO
THE CONTRARY IS A CRIMINAL OFFENSE.

All references in this Prospectus to "\$" or "Dollars" shall be to the currency of the United States of America.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CHEVRON TRANSPORT OR CHEVRON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE CHEVRON OBLIGATIONS OR AN OFFER TO ANY PERSON IN ANY JURISDICTION WHERE SUCH OFFERS WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

AVAILABLE INFORMATION

Chevron Transport and Chevron have filed with the Securities and Exchange Commission (the "Commission") a combined registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Chevron Obligations (the "Registration Statement"). This Prospectus, which constitutes a part of the Registration Statement, does not contain all the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information with respect to Chevron Transport and Chevron and the Chevron Obligations, reference is made to the Registration Statement, including the exhibits thereto and the financial statements and notes filed as a part thereof. All of these documents may be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Offices of the Commission located at 7 World Trade Center, New York, New York 10048, and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661.

Chevron is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Commission. All of the reports, proxy statements and other documents filed by Chevron with the Commission, including the documents incorporated by reference herein, may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: 7 World Trade Center, New York, New York 10048; and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of all such reports, proxy statements and other documents can also be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, certain reports, proxy statements and other information concerning Chevron may be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10015; the Chicago Stock Exchange, 440 South LaSalle Street, Chicago, Illinois 60605; and The Pacific Stock Exchange, Inc., 301 Pine Street, San Francisco, California 94104 and 618 South Spring Street, Los Angeles, California 90014. Chevron is not required to, and will not, provide annual reports to holders of the Chevron Obligations unless specifically requested to do so by such a holder.

Chevron Transport is currently not subject to the informational requirements of the Exchange Act. Chevron Transport will not file separate periodic reports under the Exchange Act, as management of Chevron and Chevron Transport have determined that such separate financial information and other disclosures concerning Chevron Transport are not material to investors. Summarized financial information concerning Chevron Transport will be included in the footnotes to Chevron's consolidated financial statements so long as any Initial Charter is in effect.

Upon written or oral request, Chevron will provide, without charge, to each person to whom a copy of this Prospectus has been delivered a copy of any or all of the documents (without exhibits other than exhibits specifically incorporated by reference into such documents) incorporated by reference into this Prospectus. Requests for such copies should be directed to: Chevron Corporation, 225 Bush Street, San Francisco, California 94104, Attention: Office of the Comptroller (telephone: (415) 894-7700).

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by Chevron with the Commission are incorporated by reference in this Prospectus:

- (1) Chevron's Annual Report on Form 10-K for the year ended December 31, 1993.
- (2) Chevron's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994.
- (3) Chevron's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994.
- (4) Chevron's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994.
- (5) Chevron's Current Report on Form 8-K, dated July 26, 1994.
- (6) Chevron's Current Report on Form 8-K, dated August 1, 1994.
- (7) Chevron's Current Report on Form 8-K/A, dated August 1, 1994.
- (8) Chevron's Current Report on Form 8-K, dated August 3, 1994.
- (9) Chevron's Current Report on Form 8-K, dated October 25, 1994.
- (10) Chevron's Current Report on Form 8-K, dated October 28, 1994.
- (11) Chevron's Current Report on Form 8-K, dated January 24, 1995.
- (12) Chevron's Current Report on Form 8-K, dated February 27, 1995.
- (13) Chevron's Current Report on Form 8-K, dated March 10, 1995.
- (14) Chevron's Current Report on Form 8-K, dated March 10, 1995.

All documents filed by Chevron pursuant to Sections 13, 14 or 15(d) of the Exchange Act after the date hereof and prior to the issuance of the Chevron Obligations shall also be deemed to be incorporated by reference herein and be a part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

ENFORCEABILITY OF CIVIL LIABILITIES

Chevron Transport is organized under the laws of the Republic of Liberia ("Liberia") and a substantial portion of its assets are or may be located outside the United States. Certain directors of Chevron Transport are residents of jurisdictions other than the United States, and all or a significant portion of the assets of these directors of Chevron Transport may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or against Chevron Transport in the United States judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is currently no treaty between the United States and Liberia providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, and a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Liberia. However, such judgment would be admissible in evidence and would be enforceable by the courts of Liberia without re-trial or examination of the merits of the case if the court which rendered the judgment had jurisdiction over the parties and subject matter, the judgment was for a fixed or definite sum, the judgment was not a default judgment and if enforcement of the judgment is not contrary to the public policy of Liberia. Chevron Transport has irrevocably submitted to the jurisdiction of the federal and state courts in New York City for the purpose of any legal suit, action or proceeding against Chevron Transport in connection with the issuance of the Chevron Obligations.

CHEVRON TRANSPORT AND CHEVRON

Chevron Transport Corporation, a Liberian corporation ("Chevron Transport"), is principally engaged in the marine transportation of oil and refined petroleum products. As of December 31, 1994, Chevron Transport operated 30 internationally flagged vessels which it owned or bareboat chartered. In addition, as of the date of this Prospectus, Chevron Transport has an additional 28 ships on time or single-voyage charters. Chevron Transport's primary transportation routes are from the Middle East, Indonesia, Mexico, West Africa and the North Sea to ports in the United States, Europe, the United Kingdom and Asia. Refined petroleum products are transported worldwide. Chevron Transport expects to use each Vessel worldwide as permitted under the Initial Charters.

Chevron Corporation, a Delaware corporation ("Chevron"), a major international oil company, will guarantee the payment and performance obligations of Chevron Transport under each Initial Charter. Chevron provides administrative, financial and management support for, and manages its investment in, domestic and foreign subsidiaries and affiliates, which engage in fully integrated petroleum operations, chemical operations, real estate development and other mineral and energy related activities in the United States and approximately 100 other countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; transporting crude oil, natural gas and petroleum products by pipelines, marine vessels and motor equipment; refining crude oil into finished petroleum products; and marketing crude oil, natural gas and the many products derived from petroleum. Chemical operations include the manufacture and marketing of a wide range of chemicals primarily for industrial uses. Chevron Transport is an indirect, wholly-owned subsidiary of Chevron.

Chevron's executive offices are located at 225 Bush Street, San Francisco, California 94104, and its telephone number is (415) 894-7700. Chevron Transport's executive offices are located at Chevron House, 11 Church Street, Hamilton, Bermuda HM11, and its telephone number is (809) 295-1774.

CERTAIN CONSIDERATIONS

Chevron Transport is entering into the sale and charterback of the Vessels because of the termination options in the Initial Charters. Under each Initial Charter, Chevron Transport has the right to terminate such Initial Charter (and the related Chevron Guarantee) on any of four, in the case of the double-hulled Vessels, or three, in the case of the single-hulled Vessel, termination dates which occur for each Vessel at two-year intervals beginning in 2003, 2004, 2005 or 2006, as the case may be. See "The Chevron Obligations--Termination Options." The exercise of the termination options is completely within Chevron Transport's discretion and Chevron Transport will not take into consideration the interests of holders of Term Mortgage Notes in deciding whether to exercise its termination options. Such termination options are valuable to Chevron Transport because they provide protection against the risks of a decline in future vessel values and a reduction in Chevron Transport's future needs for oil tankers. Chevron Transport has analyzed various forecasts of future vessel values and its future needs and based on that analysis Chevron Transport is unable to predict whether it will or will not exercise the termination options with respect to any or all of the Vessels. Accordingly, investors should not assume that the Initial Charters will continue to be in effect beyond the first optional termination date for each Vessel.

In deciding whether to exercise any termination option, Chevron Transport anticipates that it will consider a variety of factors, including:

(i) Transportation requirements. At the time any termination option is exercisable, Chevron Transport's perceived needs for marine transportation may be insufficient to justify continuation of the related Initial Charter. Such a development could result from changes in Chevron's supply or predicted supply of crude oil, or from changes in crude oil demand or predicted demand. Chevron Transport's perceived transportation requirements could justify termination of an Initial Charter regardless of the rates which would then be payable to charter a similar vessel and regardless of prevailing market prices for the purchase of a similar vessel.

(ii) Charterhire rates and vessel purchase prices. At the time any Initial Charter is terminable, the amounts payable to charter or purchase a similar vessel might be sufficiently low to make termination of such Initial Charter attractive to Chevron Transport. Chevron and Chevron Transport believe that such a result would depend primarily upon the worldwide supply of or demand for oil tankers.

(iii) Obsolescence. For a variety of legal, regulatory, technological and other reasons, a Vessel might become obsolete before or during the period of exercisability of the related termination option, making it more likely that Chevron Transport would terminate the related Initial Charter. Many of the factors which could cause such obsolescence, such as changes in government regulations or developments in ship construction technology, are outside of the control of Chevron and Chevron Transport.

The Term Mortgage Notes are not obligations of, and are not guaranteed by, Chevron Transport or Chevron. This Prospectus does not contain certain important information necessary to evaluate an investment in the Term Mortgage Notes. Statements in the Term Mortgage Notes Prospectus are made by California Petroleum and the Owners rather than by Chevron or Chevron Transport. Chevron and Chevron Transport assume no responsibility and shall have no liability for such statements. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Chevron Obligations.

USE OF PROCEEDS

Neither Chevron nor Chevron Transport will receive any proceeds with respect to the issuance of the Chevron Obligations other than as set forth below. The Chevron Obligations will be issued only in connection with the sale by California Petroleum of the Term Mortgage Notes. Chevron and Chevron Transport have been advised by California Petroleum that the proceeds from the sale of the Term Mortgage Notes, together with the proceeds from the sale of the Serial Mortgage Notes, will be loaned by California Petroleum to the Owners to fund the acquisition of the Vessels from Chevron Transport and to pay the underwriting commissions and certain fees and expenses as set forth on the cover of the Term Mortgage Notes Prospectus. The Vessels will be acquired by the Owners on the Closing Date for the offering of the Notes, and each Vessel will be chartered on such date by Chevron Transport. The net proceeds of the sale of the Notes to be applied by the respective Owners to purchase the Vessels from Chevron Transport will be approximately \$80,666,667 for each double-hulled Vessel and \$40,000,000 for the single-hulled Vessel.

CAPITALIZATION

CHEVRON

The capitalization of Chevron and its consolidated subsidiaries as of December 31, 1994 is set forth in the following table. This table should be read in conjunction with the consolidated financial statements of Chevron and the related notes thereto incorporated by reference herein.

	DECEMBER 31, 1994

	(DOLLARS IN MILLIONS)
Short-term debt.....	\$ 4,014
Long-term debt and capital lease obligations:	
Long-term debt.....	3,955
Capital lease obligations.....	173

Total debt.....	\$ 8,142
	=====
Stockholders' equity	
Preferred stock--\$1.00 par value.....	--
Authorized--100,000,000 shares	
Issued--None	
Common stock--\$1.50 par value.....	\$ 1,069
Authorized--1,000,000,000 shares	
Issued--712,487,068 shares	
Capital in excess of par value.....	1,858
Deferred compensation--Employee Stock Ownership Plan....	(900)
Currency translation adjustment and other.....	175
Retained earnings.....	14,457
Treasury stock, at cost (60,736,435 shares).....	(2,063)

Total stockholders' equity.....	\$14,596

Total debt and stockholders' equity.....	\$22,738
	=====

SELECTED FINANCIAL DATA

CHEVRON

The selected financial information presented in the table below should be read in conjunction with the consolidated financial statements and related notes contained in Chevron's Current Report on Form 8-K, dated March 10, 1995, referred to under "Incorporation of Certain Documents by Reference." The selected financial information for each of the five years in the period ended December 31, 1994 has been derived from audited financial statements. Chevron adopted Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and No. 109, "Accounting for Income Taxes," effective January 1, 1992.

	YEAR ENDED DECEMBER 31,				
	1994	1993	1992	1991	1990
	(DOLLARS IN MILLIONS, EXCEPT FOR PER-SHARE AMOUNTS)				
Sales and other operating revenues.....	\$35,130	\$36,191	\$38,212	\$38,118	\$41,540
Equity in net income of affiliates and other income.....	724	891	1,465	825	1,026
Total costs.....	33,051	34,656	36,214	36,691	38,353
Income before income tax expense and cumulative effect of changes in accounting principles.....	\$ 2,803	\$ 2,426	\$ 3,463	\$ 2,252	\$ 4,213
Income tax expense.....	1,110	1,161	1,253	959	2,056
Income before cumulative effect of changes in accounting principles.....	\$ 1,693	\$ 1,265	\$ 2,210	\$ 1,293	\$ 2,157
Cumulative effect of changes in accounting principles.....	--	--	(641)	--	--
Net income.....	\$ 1,693	\$ 1,265	\$ 1,569	\$ 1,293	\$ 2,157
Per share of common stock(1)					
Income before cumulative effect of changes in accounting principles.....	\$ 2.60	\$ 1.94	\$ 3.26	\$ 1.85	\$ 3.05
Cumulative effect of changes in accounting principles.....	--	--	(.95)	--	--
Net income per share of common stock.....	\$ 2.60	\$ 1.94	\$ 2.31	\$ 1.85	\$ 3.05
Cash dividends per share of common stock.....	\$ 1.85	\$ 1.75	\$ 1.65	\$ 1.63	\$ 1.48
Ratio of earnings to fixed charges of Chevron on a total enterprise basis.....	5.31	5.23	6.35	4.34	6.07

(1) All per share amounts reflect a two-for-one stock split in May 1994.

The ratios of earnings to fixed charges set forth in the table above are computed using amounts for Chevron as a whole, including its majority owned subsidiaries and its proportionate share of 50 percent owned entities (primarily the Caltex Group of Companies). For the purpose of determining earnings in the calculation of the ratios, equity in net income of less than 50 percent owned affiliates is adjusted to the amount of distributions received (but not undistributed amounts). In addition, consolidated income before cumulative effect of changes in accounting principles is increased by income taxes, previously capitalized interest charged to earnings during the period, the minority interest's share of net income, and fixed charges, excluding capitalized interest. Fixed charges consist of interest on debt (including capitalized interest and amortization of debt discount and expense) and a portion of rentals determined to be representative of interest.

SUMMARIZED FINANCIAL DATA

CHEVRON TRANSPORT

Summarized financial information for Chevron Transport for each of the three years ended December 31, 1994 is contained in Chevron's Current Report on Form 8-K, dated March 10, 1995, referred to under "Incorporation of Certain Documents By Reference."

THE CHEVRON OBLIGATIONS

The Chevron Obligations will arise pursuant to the Initial Charters and the Chevron Guarantees. The forms of the Initial Charters and the Chevron Guarantees have been filed as exhibits to the Registration Statement of which this Prospectus is a part. The following statements are summaries and do not purport to be complete. The summaries make use of terms defined in the Glossary attached hereto, and are qualified in their entirety by reference to all of the provisions of the Initial Charters and the Chevron Guarantees.

THE VESSELS

The Vessels are currently owned and operated by Chevron Transport in the business of maritime transportation of oil. Each Vessel is a Suezmax oil tanker designed to Chevron Transport's specifications. The Vessels consist of the Samuel Ginn ("S. Ginn") and the Chevron Mariner, each of which is a 150,000 deadweight tonne, double-hulled tanker; the Condoleezza Rice ("C. Rice"), a 130,000 deadweight tonne, double-hulled tanker; and the William E. Crain ("W.E. Crain"), a 150,000 deadweight tonne, single-hulled tanker.

TERM OF THE INITIAL CHARTERS

On the Closing Date, the Owners will each purchase a Vessel from Chevron Transport, and Chevron Transport will charter each such Vessel from its Owner under an Initial Charter commencing on such date. Each Initial Charter will expire on April 1, 2015, subject to Chevron Transport's right to terminate each Initial Charter as described below. See "--Termination Options." If (a) Chevron Transport exercises its termination option with respect to an Initial Charter for any Vessel and makes the related Termination Payment or (b) a Total Loss occurs with respect to a Vessel and Chevron Transport makes the payments required under the related Initial Charter, then such Initial Charter will continue in effect with respect to Chevron Transport's obligation to make such Termination Payment or payment upon Total Loss, as the case may be, until the expiration of certain periods specified in the Initial Charter during which periods such Termination Payment or payment upon Total Loss, as the case may be, might be a voidable payment under applicable bankruptcy, insolvency, creditor's rights or similar laws. For any Initial Charter, the period from the date of commencement of such Initial Charter to the expiration or earlier termination of such Initial Charter will be referred to in this Prospectus as the "Initial Charter Period."

USE AND TRADE OF THE VESSEL

Chevron Transport will have full use of each Vessel during the term of the Initial Charter Period and will have the right to operate the Vessel throughout the world (within Institute Warranty Limits) in the carriage of suitable lawful merchandise. As to those trades in which a Vessel is employed, Chevron Transport shall comply with any and all requirements regarding financial responsibility or security in respect of oil or other pollution damage as required by any government, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any other governmental entity with authority over Chevron Transport or the related Owner, as the case may be, or ownership, use and operation of such Vessel (whether or not such requirement has been lawfully imposed or not) to enable such Vessel, without penalty or charges, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of the related Initial Charter without delay. Chevron Transport shall make and maintain all arrangements

for a security bond or otherwise as may be necessary to satisfy such requirements at Chevron Transport's sole expense and Chevron Transport shall indemnify the related owner against any and all losses, damages, claims, expenses or liabilities incurred by reason of Chevron Transport's failure to comply with the requirements described in this paragraph. Chevron Transport shall enter and maintain each Vessel under the TOVALOP Scheme or under any similar compulsory scheme during the term of each Initial Charter. In no event will Chevron Transport carry on board a Vessel nuclear fuels or radioactive products during the term of the related Initial Charter; provided, however, with the prior written consent of the related Owner, Chevron Transport may carry on board a Vessel radioisotopes used or intended to be used for any industrial, agricultural, medical or scientific purposes.

FLAG AND NAME OF VESSEL

Chevron Transport shall, throughout the term of each Initial Charter, maintain the documentation of the Vessel under the laws of the Registration Jurisdiction at the related Owner's cost and expense, provided, however, in the event that the costs and expenses of maintaining such documentation are in excess of \$10,000 per annum, then Chevron Transport shall either (i) pay all amounts in excess of \$10,000 per annum or (ii) cooperate with the Owner to change the registry or port of documentation of the Vessel. Chevron Transport will not change the registry or port of documentation of the Vessel without prior written consent of the related Owner, which consent shall not be unreasonably withheld, or do or suffer or permit to be done anything which will injuriously affect the documentation of the Vessel as a vessel documented under the laws and regulations of the Registration Jurisdiction. If Chevron Transport changes the registry or port of documentation of the Vessel, it shall, at the time of redelivery, if the related Owner so requests and at Chevron Transport's expense, change the registry and port of documentation back to that of the Registration Jurisdiction.

Chevron Transport shall have the right to re-name each Vessel, paint each Vessel in its own colors, install and display its funnel insignia and fly its own house flag.

COVENANTS

Each Initial Charter will contain certain covenants pursuant to which Chevron Transport will agree, among other things, that:

(a) Chevron Transport will maintain the Vessel in a good state of repair and in efficient operating condition in accordance with good commercial maintenance practice commensurate with other vessels in Chevron Transport's fleet of similar size and trade, ordinary wear and tear excepted;

(b) Chevron Transport will keep the Vessel with unexpired classification in accordance with the highest classification of the American Bureau of Shipping (or such other classification society as shall previously have been approved in writing by the related Owner) and other required certificates in force and shall make any improvement or structural changes or acquire equipment necessary to comply with the requirements of such classification;

(c) Chevron Transport shall not permit the Vessel to proceed to any port which shall have been the subject of a prohibition by the Registration Jurisdiction;

(d) In the event of hostilities in any part of the world Chevron Transport will not employ the Vessel nor suggest her employment in carrying any goods which are declared contraband nor suffer her to enter to trade to any zone which is declared a "war zone" by the war risks insurers unless Chevron Transport has made arrangements with the said insurers for the payment of such additional premiums as said insurers may require to maintain the relevant insurance in force or in any zone in respect of which the war risks insurers have withdrawn coverage for the Vessel;

(e) Chevron Transport will not use the Vessel in any manner or for any purpose excepted from any insurance policy or policies taken out in compliance with the Initial Charter or for the purpose of carriage of goods of any description excepted from such insurance policy or policies and shall not do or

permit to be done anything which could reasonably be expected to invalidate any of such insurance policy or policies;

(f) Chevron Transport shall man, victual, navigate, operate, supply, fuel and repair the Vessel whenever required during the Initial Charter Period and shall be responsible for all charges and expenses of every kind and nature whatsoever incidental to its use and operation of the Vessel under the Initial Charter, including any foreign, general, municipal, value added or other taxes, except that Chevron Transport shall not be responsible for documentation costs (except as otherwise provided for in the Initial Charters) or for Owner Taxes;

(g) Chevron Transport shall drydock the Vessel and clean and paint her underwater parts in accordance with good commercial practice, but not less than as may be required by the American Bureau of Shipping (or such other classification society as shall previously have been approved in writing by the related Owner) in order to maintain the Vessel's highest classification; and

(h) Chevron Transport will not allow, nor permit to be continued, any Lien incurred by Chevron Transport or its agents, which might have priority over the title and interest of the Owner in the related Vessel, and will indemnify and hold the Owner harmless against any Lien arising upon such Vessel during the Initial Charter Period while the Vessel is under the control of Chevron Transport and against any claims against the Owner arising out of or in relation to the operation of the Vessel by Chevron Transport.

In general, all amounts, excluding certain indemnification payments and documentation costs for the Owners' account, payable by Chevron Transport shall be made without deduction for any taxes (including value added, turnover, sales and use taxes) except as required by law, and Chevron Transport shall, in addition to the sums payable by Chevron Transport under each Initial Charter, pay such taxes as aforesaid as are required from time to time by law to be paid by Chevron Transport; provided, Chevron Transport shall not be liable for documentation costs (except as otherwise provided for in the Initial Charters). Under each Initial Charter, the related Owner will agree to take any lawful action to the extent necessary to prevent or avoid the imposition of any taxes, including any withholding tax with respect to charterhire, by any taxing jurisdiction (including the Registration Jurisdiction for such Owner), including changing its jurisdiction of incorporation or residence; provided, that it shall not be required to take, or fail to take, any action (i) if in the opinion of counsel such act or failure to act would violate applicable law or (ii) if in the reasonable opinion of the Owner the actions necessary to avoid or prevent imposition of such taxes would be unduly burdensome. For purposes of clause (ii) above, a requirement to change the jurisdiction of the Owner's incorporation or residence shall not be treated as unduly burdensome.

CHARTERHIRE

During the Initial Charter Period for each Vessel, Chevron Transport shall pay charterhire for the use and hire of such Vessel on each April 1 and October 1, commencing on the first such date to occur following the commencement of the related Initial Charter. During any extension of the Initial Charter Period, the rate of hire shall be calculated on the basis of the then current charterhire rate converted to a daily rate using a 365-day year. If any payment of charterhire under the Initial Charters shall not be paid when due interest shall accrue thereon at the Default Rate from and including the due date to the date of actual payment (after as well as before judgment).

The following table sets forth the charterhire payments for each Vessel under the related Initial Charter, assuming that no Initial Charter is terminated.

CHARTERHIRE PAYMENTS UNDER INITIAL CHARTERS
 ASSUMING NO INITIAL CHARTER IS TERMINATED
 (DOLLARS IN MILLIONS)

PAYMENT DATE	S. GINN	C. RICE	CHEVRON MARINER	W.E. CRAIN	TOTAL
October 1, 1995.....	\$5.657	\$5.633	\$5.609	\$2.740	\$19.639
April 1, 1996.....	5.657	5.633	5.609	2.740	19.639
October 1, 1996.....	5.660	5.635	5.612	2.773	19.680
April 1, 1997.....	5.660	5.635	5.612	2.773	19.680
October 1, 1997.....	5.478	5.454	5.430	2.685	19.047
April 1, 1998.....	5.478	5.454	5.430	2.685	19.047
October 1, 1998.....	5.292	5.267	5.243	2.594	18.396
April 1, 1999.....	5.292	5.267	5.243	2.594	18.396
October 1, 1999.....	5.102	5.077	5.053	2.502	17.734
April 1, 2000.....	5.102	5.077	5.053	2.502	17.734
October 1, 2000.....	4.911	4.886	4.862	2.409	17.068
April 1, 2001.....	4.911	4.886	4.862	2.409	17.068
October 1, 2001.....	4.717	4.692	4.668	2.315	16.392
April 1, 2002.....	4.717	4.692	4.668	2.315	16.392
October 1, 2002.....	4.522	4.497	4.473	2.220	15.712
April 1, 2003.....	4.522	4.497	4.473	2.220	15.712
October 1, 2003.....	3.422	4.300	4.276	2.124	14.122
April 1, 2004.....	3.422	4.300	4.276	2.124	14.122
October 1, 2004.....	3.280	3.118	4.079	2.029	12.506
April 1, 2005.....	3.280	3.118	4.079	2.029	12.506
October 1, 2005.....	3.137	2.982	2.795	1.933	10.847
April 1, 2006.....	3.137	2.982	2.795	1.933	10.847
October 1, 2006.....	2.994	2.846	2.668	1.293	9.801
April 1, 2007.....	2.994	2.846	2.668	1.293	9.801
October 1, 2007.....	2.851	2.710	2.541	1.232	9.334
April 1, 2008.....	2.851	2.710	2.541	1.232	9.334
October 1, 2008.....	2.708	2.574	2.414	1.172	8.868
April 1, 2009.....	2.708	2.574	2.414	1.172	8.868
October 1, 2009.....	2.565	2.439	2.287	1.112	8.403
April 1, 2010.....	2.565	2.439	2.287	1.112	8.403
October 1, 2010.....	2.422	2.303	2.160	1.051	7.936
April 1, 2011.....	2.422	2.303	2.160	1.051	7.936
October 1, 2011.....	2.279	2.167	2.033	0.991	7.470
April 1, 2012.....	2.279	2.167	2.033	0.991	7.470
October 1, 2012.....	2.136	2.031	1.906	0.931	7.004
April 1, 2013.....	2.136	2.031	1.906	0.931	7.004
October 1, 2013.....	1.993	1.896	1.778	0.870	6.537
April 1, 2014.....	1.993	1.896	1.778	0.870	6.537
October 1, 2014.....	1.851	1.757	1.652	0.810	6.070
April 1, 2015.....	1.851	1.757	1.652	0.810	6.070

INSURANCE

Each Initial Charter provides that during the Initial Charter Period the insurance arrangements in effect with respect to Chevron Transport's fleet at the time of the commencement of such Initial Charter will be

applicable to the related Vessel and will satisfy the insurance requirements of the Initial Charter, subject to adjustments of such insurance arrangements in light of changes in market practice and in accepted tanker practice. Currently, Chevron Transport's hull and machinery insurance includes a deductible of \$15 million per occurrence and its protection and indemnity insurance is subject to a \$1 million deductible per occurrence (other than with respect to liabilities involving pollution, as to which there is a nominal or no deductible). In addition, each Initial Charter provides that Chevron Transport may self-insure against the risks required to be covered thereunder. Therefore, there can be no assurance that any insurance for such risks will be carried during the Initial Charter Period for any Vessel or, if it is carried, as to the amount of such insurance.

INSURANCE PROCEEDS

The proceeds of any insurances or entries referred to in the Initial Charters will be applied as follows:

Until the termination of an Initial Charter, any claim under any such insurance proceeds in respect of the related Vessel (other than in respect of Total Loss) shall be paid directly to Chevron Transport. Chevron Transport shall be liable for any loss of any part of or damage to the Vessel (other than a Total Loss) during the Initial Charter Period from whatsoever cause such loss or damage may arise, unless the same shall have been caused by the negligence or willful act of the Owners, their servants or agents (except where Chevron Transport or its servants and agents are acting as agents of the Owners).

Any claim in respect of a Total Loss shall be paid directly to the related Owner or to a collateral trustee (the "Collateral Trustee") which will hold certain collateral for the benefit of the holders of Notes pursuant to a Collateral Trust Agreement with California Petroleum.

PAYMENT ON TOTAL LOSS

The amount payable on the date which is 90 days after the occurrence of a Total Loss with respect to a Vessel (the "Loss Date") by Chevron Transport shall be the sum of (i) any deficiency between (A) the Stipulated Loss Value (which is an amount at least sufficient to redeem the Allocated Principal Amount of Notes with respect to such Vessel) in relation to the period in question and (B) all insurance proceeds for damage to or loss of the Vessel and amounts paid by any governmental authority in connection with any requisition, seizure or forfeiture actually received in hand by the related Owner or the Collateral Trustee, as assignee of California Petroleum, prior to or on such Loss Date; and (ii) all charterhire accrued (on a daily basis) but unpaid under the Initial Charter to such Loss Date and any other sums due under any provisions of the Initial Charter, together with interest thereon at the Default Rate from the date upon which any such charterhire or other sums was due until the date upon which such calculations are made. In the event of a Total Loss, the Initial Charter and the obligation of Chevron Transport to pay charterhire shall continue and be payable until Chevron Transport has paid the amounts described above. The obligations of Chevron Transport described above will apply regardless of whether or not any moneys are payable under the insurances effected in compliance with the Initial Charter in respect of the Vessel, regardless also of the amount payable thereunder, regardless also of the cause of the Total Loss and regardless of whether or not any of such compensation shall be payable.

CHARTER EVENTS OF DEFAULT

The following constitute events of default under each Initial Charter ("Charter Events of Default"):

(a) Chevron Transport shall default for two business days in the payment of charterhire due under the terms of the Initial Charter;

(b) Chevron Transport shall fail for a period of 30 business days after written notice to perform and observe any of the covenants, conditions, agreements or stipulations on the part of Chevron Transport to be performed or observed contained in the Initial Charter, other than those referred to in clause (a) or (e) of this paragraph;

(c) Chevron Transport ceases doing business as a going concern or generally ceases to pay its debts as they become due or any proceedings under any bankruptcy or insolvency laws are instituted against Chevron Transport or if a receiver or trustee is appointed for Chevron Transport for any of its assets or properties, and such proceeding is not dismissed, vacated or fully stayed within 60 days;

(d) Chevron Transport shall create or suffer to exist any mortgage, charge, pledge or other like encumbrance over the Vessel or any part thereof or shall have abandoned the Vessel (not including any notice of abandonment which Chevron Transport may give to insurers under the provisions of the Initial Charter regarding insurance in the event of a Total Loss);

(e) Chevron Transport fails to comply with any of its obligations as to insurance contained in the Initial Charter; and

(f) Chevron Transport shall within 30 days of any scheduled date of redelivery under the Initial Charter fail to provide adequate bail or security when required to do so in respect of any maritime lien, possessory lien or statutory right in rem which may be acquired over the Vessel in order to prevent the Vessel being arrested, impounded or seized or if any such lien, right or claim over the Vessel is exercised by the arrest, attachment, determination, impounding or seizure of the Vessel under any distress, execution or other process, or any distress or execution is levied thereon, and Chevron Transport fails to use its best endeavors to procure the release of the Vessel therefrom within 30 days of any scheduled date of redelivery under the Initial Charter.

REMEDIES

If any Charter Event of Default shall have occurred and be continuing, the Owner under the related Initial Charter may, by written notice to Chevron Transport, declare such Initial Charter to be in default and enforce any or all of the remedies under such Initial Charter, including:

(a) requiring Chevron Transport, at its expense, to redeliver the Vessel to the related Owner with Chevron Transport to have the same obligations in connection with such redelivery as described below in connection with redelivery of the Vessel at the termination of the Initial Charter;

(b) retaking the Vessel by the related Owner or its agent, without prior demand or legal process;

(c) holding Chevron Transport liable for all charterhire payments payable before, during or after exercise of the foregoing remedies and the remedy described in paragraph (d) below and for all reasonable costs and expenses incurred by the related Owner (including legal fees) by reason of the occurrence of any default or the exercise of remedies by the related Owner; and

(d) the related Owner or its agent may sell the Vessel at public or private sale, with or without notice to Chevron Transport, advertisement or publication, as such Owner may determine, or otherwise may dispose of, hold, use, operate, charter to others or keep the Vessel idle.

The Collateral Trustee, as assignee of California Petroleum, would have the right to exercise the rights of an Owner under an Initial Charter upon the occurrence of a Charter Event of Default.

LIQUIDATED DAMAGES

Whether or not the related Owner shall have exercised, or shall thereafter at any time exercise, any options, rights or remedies described above, upon or as a consequence of a breach of contract by Chevron Transport amounting to repudiation by Chevron Transport of the Initial Charter, the related Owner may immediately require Chevron Transport to pay to such Owner as liquidated damages for loss of a bargain and not as a penalty, an amount equal to (i) the sum of (A) the applicable Stipulated Loss Value, (B) all outstanding accrued and unpaid charterhire and (c) any other amounts due to such Owner under the Initial Charter on or prior to the date of payment and (ii) interest thereon (before and after judgment) at the Default Rate from the date such amounts were payable to the actual date of payment. Chevron Transport shall not be entitled to any part of the net proceeds of the Vessel (if any) whether by way of rebate of charterhire or otherwise.

REDELIVERY

Unless a Vessel is a Total Loss or Chevron Transport purchases such Vessel pursuant to the terms of the Initial Charter, Chevron Transport shall at the termination of the Initial Charter redeliver the Vessel to the related Owner at a safe and ice-free port or a place selected by Chevron Transport within the Vessel's trading limits (within 10 steaming days from a recognized loading area) or at such other safe port as shall be agreed between Chevron Transport and the related Owner.

At or about the time of redelivery if the related Owner so requires, a survey shall be made to determine the condition and fitness of the Vessel, her machinery and equipment. In the event that such Vessel has been dry-docked within 30 months prior to redelivery and Chevron Transport certifies in writing that, to the best of its knowledge, the Vessel has had no bottom touching since such dry-docking, such survey may be conducted while the Vessel is afloat. The related Owner may require a divers' survey of the Vessel. Chevron Transport shall bear all expenses of any such survey. Chevron Transport shall at its expense make all such repairs and do all such work so found to be necessary before redelivery or, at the related Owner's option, shall discharge its obligations by payment of a sum sufficient to provide, at the prices current at the time of redelivery, for the work and repairs necessary to place the Vessel in the required structure, state and condition. The Initial Charter Period shall be extended until the completion of any such repairs and work found to be necessary or the payment of the amounts described above. Each Vessel upon redelivery shall have her survey cycles up to date and class certificates valid for at least six calendar months and Chevron Transport shall ensure that Vessel shall have been dry-docked within 30 months prior to redelivery.

ASSIGNMENT AND SUB-CHARTER

Chevron Transport may not assign all or part of its rights and obligations under any Initial Charter nor may it charter the related Vessel by demise to any other entity without the prior written consent of the related Owner, such consent not to be unreasonably withheld, subject always to the Vessel being maintained and insured to the same standards as are adopted by Chevron Transport in respect of the vessels owned by it; provided, however, that Chevron Transport may assign its rights and obligations under any Initial Charter to a corporation more than 50% of which is owned directly or indirectly by Chevron so long as Chevron Transport remains responsible as principal for the due fulfillment of the Initial Charter. Chevron Transport may otherwise charter the Vessel without the prior consent of the related Owner provided that Chevron Transport remains responsible as principal (or appoints another person to be responsible in its stead) for navigating and managing the Vessel throughout the period of such charter and for defraying all expenses in connection with the Vessel throughout such period or substantially all such expenses other than those directly incidental to a particular voyage or to the employment of the Vessel during that period.

For each Initial Charter, the related Owner may not transfer or assign to any other person or entity all or part of its rights or obligations under such Initial Charter, except to California Petroleum (which assignment includes the reassignment by California Petroleum of such Initial Charter as Collateral to the Collateral Trustee), unless such transferee or assignee also assumes the obligations of such Owner under the related Security Documents and Chevron Transport shall have given its prior written consent to such assignment and assumption, which consent shall not be unreasonably withheld.

INDEMNITY

Pursuant to each Initial Charter, Chevron Transport will indemnify the related Owner against the following:

(a) all costs and expenses of operating and maintaining the related Vessel and of operating, maintaining and replacing all parts including (but without prejudice to the generality of the foregoing) all fuel, oil, port charges, fees, taxes, levies, fines, penalties, charges, insurance premiums, victualing, crew, navigation, manning, operating and freight expenses and all other outgoings whatsoever payable by the Owner or Chevron Transport in respect of the possession or operation of a Vessel or any part

thereof, or the purchase, ownership, delivery, chartering, possession and operation, import to or export from any country, return, sale or disposition of such Vessel or any part thereof or upon the hire, receipts or earnings arising therefrom (other than Owner Taxes or documentation costs except as otherwise provided for in the Initial Charter);

(b) all liabilities, claims, proceedings (whether civil or criminal), penalties, fines or other sanctions, judgments, charges, taxes, impositions, liens, salvage, general average, costs and expenses whatsoever which may at any time be made or claimed by Chevron Transport or any employee, servant, agent or sub-contractor, passenger, owner, shipper, consignee, and receiver of goods or any third party (including governments or other authorities) or by their respective dependents arising directly or indirectly in any manner out of the design, construction, possession, management, repair, certification, manning, provisioning, supply or servicing of the Vessel (whether at sea or not) or the chartering thereof under the Initial Charter whether such liability, claims, proceedings, penalties, fines, sanctions, judgments, charges, taxes, impositions, liens, salvage, general average, costs or expenses may be attributable to any defect in such Vessel or the design, construction, testing or use thereof from any maintenance, service, repair, overhaul or otherwise and regardless of when or where the same shall arise and whether or not such Vessel or the relevant part thereof is in the possession or control of Chevron Transport (other than Owner Taxes or documentation costs except as otherwise provided for in the Initial Charter); and

(c) any and all losses, damages and expenses which Owner may incur as a result of any oil or other pollution damage resulting from Chevron Transport's operation of the Vessel under the Initial Charter, including, but not limited to, such Owner's liability under OPA 90 or the laws of any other jurisdiction relating to oil spills.

Chevron Transport's indemnity under each Initial Charter shall extend to claims of persons (including governments or other bodies whether corporate or otherwise) who have suffered or allege that they have suffered loss, damage or injury in connection with anything done or not done by a Vessel, including in connection with any oil or other substance emanating or threatening to emanate from such Vessel, and shall extend to levies, impositions, calls or contributions on or required to be made by the Owner during or in respect of the Initial Charter Period.

TERMINATION OPTIONS

Under each Initial Charter, Chevron Transport has the right to terminate such Initial Charter on any of four, in case of the double-hulled Vessels, or three, in the case of the single-hulled Vessel, termination dates which, for each Vessel, occur at two-year intervals beginning in 2003, 2004, 2005 or 2006, as the case may be. Chevron Transport is required to give the related Owner (i) nonbinding notice of its intent to exercise such option, determined on a good faith basis, at least 12 months prior to such termination date and (ii) irrevocable notice of such exercise nine months prior to such termination date, if such termination date is the first of the termination dates for such Vessel, or seven months prior to such termination date, if such termination date is subsequent to the first such termination date. Chevron Transport is required to pay the Termination Payment to such Owner on or prior to the termination date.

The table below sets forth the termination dates for each Vessel and the amount of the Termination Payment that will be payable if the related Initial Charter is terminated as of the corresponding termination date.

APPROXIMATE TERMINATION PAYMENTS
(DOLLARS IN MILLIONS)

OPTIONAL TERMINATION DATE	CHEVRON		
	S. GINN	C. RICE	MARINER W.E. CRAIN
April 1, 2003.....	\$13.40		
April 1, 2004.....		\$12.20	
April 1, 2005.....	12.26		\$10.93
April 1, 2006.....		11.11	\$5.05
April 1, 2007.....	11.12		9.91
April 1, 2008.....		10.03	4.57
April 1, 2009.....	9.97		8.89
April 1, 2010.....		8.94	4.08
April 1, 2011.....			7.88

PURCHASE OPTION

On the Term Mortgage Notes Maturity Date, so long as the related Initial Charter has not been terminated earlier and no Charter Event of Default has occurred and is continuing and all payments due under such Initial Charter have been paid in full, Chevron Transport shall have the right to purchase the related Vessel at a purchase price equal to \$1.00. Chevron Transport is required to give the related Owner at least 90 days' prior written notice of its election to so purchase the related Vessel.

CHEVRON GUARANTEES

Chevron will fully and unconditionally guarantee the due and faithful performance by Chevron Transport under each Initial Charter of all of Chevron Transport's liabilities and responsibilities thereunder and under any supplement, amendment, change or modification thereof agreed to by Chevron Transport.

GOVERNING LAW

Each Initial Charter and each Chevron Guarantee shall be governed by and be construed in accordance with the federal laws of the United States of America and the laws of the State of New York.

NON-DISTURBANCE

Pursuant to the terms of each Initial Charter, each Owner agrees that the related Mortgage and any other mortgage thereafter placed on the Vessel by such Owner will contain a provision to the effect that throughout the term of the related Initial Charter, so long as no Charter Event of Default shall have occurred and be continuing and so long as Chevron Transport shall have performed its obligations thereunder, Chevron Transport shall be entitled to the quiet enjoyment of the Vessel.

PLAN OF DISTRIBUTION

The Chevron Obligations are being issued in connection with the sale of the Term Mortgage Notes by California Petroleum. This Prospectus may be used only as an appendix to the Term Mortgage Notes Prospectus. In connection with the sale by California Petroleum of the Term Mortgage Notes, Chevron has agreed to indemnify the underwriter thereof against certain liabilities relating solely to the information contained in this Prospectus and certain other information relating to Chevron and Chevron Transport, including liabilities under the Securities Act, and such underwriter has agreed to indemnify Chevron and Chevron Transport against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters in connection with the Chevron Obligations will be passed upon for Chevron and Chevron Transport by Pillsbury Madison & Sutro, San Francisco, California.

EXPERTS

The financial statements of Chevron incorporated in this Prospectus by reference to Chevron's Annual Report on Form 10-K for the year ended December 31, 1993 and by reference to Chevron's Current Report on Form 8-K, dated March 10, 1995 have been audited by Price Waterhouse LLP, independent accountants. The financial statements of the Caltex Group of Companies incorporated in this Prospectus by reference to Chevron's Annual Report on Form 10-K for the year ended December 31, 1993 have been audited by KPMG Peat Marwick LLP, independent accountants. Such financial statements have been so incorporated in reliance on the reports of the respective independent accountants given on the authority of such firms as experts in auditing and accounting.

GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Definitions in this glossary that are also used in the Initial Charters are qualified in their entirety by reference to the definitions therein.

"Allocated Principal Amount of Notes" means, when used with reference to the Notes relating to any Vessel at any time, an aggregate principal amount of outstanding Notes equal to the aggregate principal amount of the collective loans of the related Owner from California Petroleum to fund the acquisition of such Vessel then outstanding plus any payment of principal, if any, on such loans since the last date on which payment of principal on the Notes was made.

"Collateral" means, at any time, the security for the payment and performance of the obligations of California Petroleum under the Term Indenture, the Serial Indenture or both, as the case may be.

"Collateral Trust Agreement" means the collateral trust agreement among the Collateral Trustee, California Petroleum, the Indenture Trustee under the Term Indenture and the Indenture Trustee under the Serial Indenture, pursuant to which California Petroleum assigns and pledges to the Collateral Trustee all of its right, title and interest in the Collateral for the benefit of the holders of the Notes.

"Collateral Trustee" means Chemical Trust Company of California, not in its individual capacity but solely as Collateral Trustee under the Collateral Trust Agreement.

"Compulsory Acquisition" means requisition for title or other compulsory acquisition of any Vessel (otherwise than by requisition for hire), capture, seizure, condemnation, destruction, detention or confiscation of such Vessel by any government or by persons acting or purporting to act on behalf of any governmental authority.

"Default Period" means the period commencing on the due date of the charterhire payment until such payment shall be paid in full.

"Default Rate" means a rate per annum for each day during the Default Period until such payment shall be paid in full equal to 1.50% above LIBOR at the commencement of such period.

"Indenture Trustee" means Chemical Trust Company of California, not in its individual capacity but solely as Indenture Trustee under the Serial Indenture or the Term Indenture, or both, as the case may be.

"Institute Warranty Limits" means the Institute Warranties as defined by the Institute of London Underwriters.

"LIBOR" means the rate calculated on the basis of the offered rates for deposits in dollars for a one-month period which appear on the Reuters Screen LIBO Page as of 11:00 A.M., London time, on the date that is two London Banking Days (as defined in the Initial Charters) preceding the date of calculation. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR will be the arithmetic mean of such offered rates (rounded to the nearest .0001 percentage point). If, at any time of determination, the Reuters Screen LIBO Page is not available, LIBOR will be calculated as the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective ratio per annum at which deposits in dollars for a one-month period are offered to each of three reference banks in the London interbank market at approximately 11:00 A.M., London time, on the date that is two London Banking Days (as defined in the Initial Charters) preceding the date of calculation. Under the Initial Charters, each of Chevron Transport and the Collateral Trustee (as assignee of the applicable Owner) will select a reference bank and the third reference bank will be selected by Chevron Transport and the Collateral Trustee together or, failing agreement, by the previously selected reference banks together.

"Lien" means any mortgage, pledge, lien (statutory or other), charge, encumbrance, lease, claim, security interest, hypothecation, assignment for security, deposit arrangement or preference or other security agreement of any kind or nature whatsoever.

"Mortgage" means, for each Vessel, the first preferred ship mortgage on such Vessel granted by the related Owner to California Petroleum and assigned by California Petroleum to the Collateral Trustee.

"OPA 90" means the United States Oil Pollution Act of 1990, as amended.

"Owner Taxes" means any income, franchise or equivalent tax, imposed upon or measured by the net income, stated capital or earned surplus of an Owner by any federal, state, local or other taxing authority of any jurisdiction worldwide, or any tax imposed pursuant to Section 887 of the United States Internal Revenue Code of 1986, as amended, or any taxes that result from the willful misconduct or gross negligence of such Owner or from the inaccuracy or breach of any representation, warranty or covenant of such Owner contained in certain clauses of the related Initial Charter or in any document furnished in connection with such clauses by such Owner, or any taxes that would not have been imposed but for the failure of such Owner (a) to provide to Chevron Transport (for filing by Chevron Transport with the taxing jurisdiction imposing such taxes or retention in Chevron Transport's records) upon Chevron Transport's timely request such certifications, information, documentation or reports concerning such Owner's identity, jurisdiction of incorporation or residency, or connection with such taxing jurisdiction or (b) to promptly file upon Chevron Transport's timely request such reports or returns (which shall be prepared with reasonable care in accordance with Chevron Transport's written instructions) claiming (or availing itself of) any applicable extensions or exemptions (to the extent that timely notice thereof is provided by Chevron Transport); provided that Owner Taxes shall not include any such tax imposed on any amount that is (i) an indemnity or reimbursement of an Owner, (ii) an operating or maintenance expense, or (iii) a tax for which Chevron Transport is otherwise liable under the related Initial Charter; and provided further that Owner Taxes shall not include any such tax imposed by any government, jurisdiction or taxing authority other than the United States Federal government solely as a result of the location of the Vessel or the Vessel's use by Chevron Transport.

"Registration Jurisdiction" means the Republic of Liberia or the Commonwealth of the Bahamas as applicable to each Vessel.

"Security Documents" means, for each Vessel and Owner, the Loan Agreements, the Mortgage, the Assignment of Initial Charter, the Assignment of Earnings and Insurances, the Assignment of Initial Charter Guarantee, the Assignment of Management Agreement, the Issue of One Debenture, the Stock Pledge, the Assignment of Vessel Purchase Agreement, the Collateral Trust Agreement, and any additional security agreement, assignment or mortgage document entered into by any Owner from time to time in connection with such Owner's Loan Agreement.

"Serial Indenture" means the indenture among California Petroleum, the Indenture Trustee and, solely for purposes of the Trust Indenture Act, Chevron, pursuant to which the Serial Mortgage Notes will be issued.

"Stipulated Loss Value" means, for any Vessel on any date, the amount specified in the related Initial Charter as the "Stipulated Loss Value" for such date, which amount will be at least sufficient to redeem in full the Allocated Principal Amount of Notes for such Vessel.

"Term Indenture" means the indenture between California Petroleum and Chemical Trust Company of California pursuant to which the Term Mortgage Notes will be issued.

"Term Mortgage Notes Maturity Date" means April 1, 2015.

"Termination Payment" means the payment that Chevron Transport is required to make pursuant to the applicable Initial Charter if Chevron Transport elects to terminate the Initial Charter for any Vessel on a specified termination date.

"Total Loss" means (a) an actual or constructive or comprised or arranged total loss of a Vessel, (b) a Compulsory Acquisition of a Vessel or (c) if so declared by Chevron Transport at any time and in its sole discretion a requisition for hire of the Vessel for a period in excess of 180 days.

"TOVALOP Scheme" means the Tankers Owners Voluntary Agreement concerning Liability for Oil Pollution dated January 7, 1969, as amended.