UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
October 25, 1999

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

Delaware	1-27	74-1383447
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2000 Westchester Avenue, White Plains, New York	10650
(Address of principal executive offices)	(Zip Code)

(914) 253-4000

(Registrant's telephone number, including area code)

Item 5. Other Events

On October 25, 1999, the Registrant issued an Earnings Press Release entitled "Texaco Reports Third Quarter Results," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

99.1 Press Release issued by Texaco Inc. dated October 25, 1999, entitled "Texaco Reports Third Quarter Results."

SIGNATURES

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

TEXACO INC.

(Registrant)

By: R. E. KOCH

(Assistant Secretary)

Date: October 25, 1999

EXHIBIT 99.1

TEXACO REPORTS THIRD QUARTER RESULTS

FOR IMMEDIATE RELEASE: MONDAY, OCTOBER 25, 1999.

WHITE PLAINS, N.Y. -- October 25, 1999 -- Texaco reported today third quarter 1999 income before special items of $453 million ($.83 per share). Net income for the period was $387 million ($.71 per share).

EARNINGS SUMMARY

	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Income before special items (millions)	$ 453	$ 208	$ 844	$ 802
Per share	$ 0.83	$ 0.37	$ 1.53	$1.44
Net income (millions)	$ 387	$ 215	$ 859	$ 791
Per share	$ 0.71	$ 0.38	$ 1.56	$1.42

Texaco Chairman and Chief Executive Officer Peter I. Bijur stated, "Boosted by significantly higher crude oil and natural gas prices, Texaco's third quarter results improved dramatically from the first half of the year to their highest quarterly level since 1997. Cutbacks in OPEC and non-OPEC production, plus improving global economies pushed benchmark crude oil prices over $20 a barrel. But, as we've seen in recent weeks, prices remain volatile. Operationally, we had strong production during September in the North Sea led by record production in the Captain field. In addition, we are benefiting significantly from synergy capture and expense reductions as our $650 million global target will be realized by year end, a full year ahead of schedule. In the downstream, our refineries ran well and sales volumes increased. However, these businesses, already burdened by generally low refining margins, were further hampered by the higher crude costs which could not be fully recovered in product prices."

Bijur continued, "Looking ahead, our recent announcement on acquiring a 45 percent interest in the Malampaya Deep Water Natural Gas Project in the Philippines exemplifies Texaco's strategy of pursuing projects that provide for long-term growth and strong near-term earnings and cash flow. We also continue to execute our long-term strategy of reducing refining exposure through the completion of

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Caltex's sale of its interest in Koa Oil Co. Ltd. and the anticipated sales by Equilon of its Wood River and El Dorado refineries."

Texaco Inc. (Millions of dollars):	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Income before special items	$ 453	$ 208	$ 844	$ 802
Inventory valuation adjustments	14	-	152	-
Write-down of assets	-	-	(76)	-
Tax issues	-	25	65	44
Gains (losses) on major asset sales	(80)	-	(59)	20
Reorganization, restructuring and employee separation costs	-	(18)	(67)	(50)
	(66)	7	15	14
Cumulative effect of accounting change	-	-	-	(25)
Total special items	(66)	7	15	(11)

Net income	$ 387	$ 215	$ 859	$ 791

Effective January 1, 1998, Texaco's Caltex affiliate adopted a new accounting standard, SOP 98-5, resulting in a change in accounting for start-up costs at its Thailand refinery. Texaco's first quarter 1998 results included a $25 million charge associated with this accounting change.

Details on special items are included in the following segment information.

OPERATING RESULTS

EXPLORATION AND PRODUCTION

	Third Quarter		Nine Months	
United States (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 258	$ 93	$ 423	$ 301
Special items	-	-	21	-
Total operating income	$ 258	$ 93	$ 444	$ 301

U.S. Exploration and Production earnings for the third quarter and nine months of 1999 were above last year's levels due to higher crude oil and natural gas prices and lower expenses. Prices continued to rise in the third quarter as production cutbacks by OPEC and several non-OPEC countries, coupled with increasing demand in improving global economies, led to a decline in worldwide inventory

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levels. Average realized crude oil prices for the third quarter and nine months of 1999 were $16.65 and $12.81 per barrel, 66 percent and 18 percent higher than the 1998 levels. For the third quarter and nine months of 1999, average natural gas prices were $2.44 and $2.09 per MCF, 29 percent and three percent above last year's periods.

Production decreased 11 percent for both the third quarter and nine months of 1999 due to natural field declines and asset sales. Capital expenditures for developmental activities such as infill drilling, recompletions and secondary recovery projects, normally undertaken to offset production declines within mature fields were reduced as Texaco and its operating partners concentrated on maximizing capital efficiency.

Operating expenses declined significantly for the first nine months of 1999 as a result of cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the third quarter and first nine months of 1999 were $12 million and $104 million before tax, $36 million and $91 million below the same periods of 1998.

Results for 1999 included a first quarter special benefit of $11 million for a production tax refund, a second quarter special gain of $21 million for the sale of our interest in six California onshore and offshore fields, and a second quarter special charge of $11 million for employee separation costs.

	Third Quarter		Nine Months	
International (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 129	$ 53	$ 191	$ 166
Special items	-	-	(2)	-
Total operating income	$ 129	$ 53	$ 189	$ 166

International Exploration and Production operating results for the third quarter and nine months of 1999 improved over last year's levels as crude oil prices continued to rise throughout the third quarter due to worldwide production cutbacks and improving demand. Average realized crude oil prices for the third quarter and nine months of 1999 were $16.96 and $13.36 per barrel, 53 percent and 16 percent above the 1998 periods. For the third quarter and first nine months of 1999, average natural gas prices were $1.35 and $1.36 per MCF, nine percent and 13 percent below last year.

Daily production in the third quarter and first nine months of 1999 was slightly below last year's levels. Third quarter production declines in the U.K. North Sea due to temporary operating problems early in the quarter and in Indonesia due to lower volumes as a result of higher prices were offset by increased production in the Partitioned Neutral Zone as a result of increased drilling activity. Year-to-date production declines in the U.K. North Sea and lower gas production in Latin America were offset by increased production in the Partitioned Neutral Zone.

Expenses were lower for the third quarter of 1999 as a result of continued cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the third quarter of 1999 were $60 million before taxes, $15 million higher than last year. Exploratory expenses for the first nine months of 1999 were $178 million before taxes, $49 million higher than last year.

Results for 1999 included a second quarter special charge of $2 million for employee separation costs.

REFINING, MARKETING AND DISTRIBUTION

	Third Quarter		Nine Months	
United States (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 118	$ 99	$ 283	$ 240
Special items	-	25	(79)	(7)
Total operating income	$ 118	$ 124	$ 204	$ 233

U.S. Refining, Marketing and Distribution earnings before special items were higher than last year for the third quarter and nine months 1999. U.S. downstream activities are primarily conducted through Equilon Enterprises LLC, Texaco's western alliance with Shell Oil Company, and Motiva Enterprises LLC, Texaco's eastern alliance with Shell Oil Company and Saudi Refining, Inc.

During the third quarter and nine months 1999, Equilon's earnings benefited from improved West Coast refining margins and improved utilization at the Martinez refinery, although operational problems at the Puget Sound refinery earlier this year had a negative impact on earnings. Refining margins on the West Coast benefited from industry refinery outages which caused market supply disruptions. Marketing margins were weak for the quarter as gasoline pump prices lagged increases in spot prices.

Motiva's earnings for the nine months were affected by weak refining margins on the East and Gulf Coasts due to high industry-wide refined product inventory levels. These effects were mitigated by higher gasoline sales volumes and improved refinery utilization in 1999.

The third quarter and nine months 1999 also benefited from the realization of synergies for Equilon and Motiva, including re-engineering of work processes, leveraging economies of scale to

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reduce supply costs, sharing best practices and capitalizing on logistical and trading opportunities including higher utilization of proprietary pipelines and other assets.

Results for 1999 included second quarter special charges of $76 million for asset write-downs on the pending sales of the El Dorado and Wood River refineries and $11 million for reorganization, restructuring and employee separation costs. Results for 1999 also included a first quarter special benefit of $8 million for inventory valuation adjustments to reflect higher prices for crude oil and refined products. Third quarter 1998 results included a net special gain of $25 million associated with the formation of the U.S. alliances, which included gains on asset sales, asset write-downs and other formation charges. The second quarter of 1998 included a special charge of $32 million, mainly for alliance employee separation costs.

	Third Quarter		Nine Months	
International (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 72	$ 81	$ 293	$ 457
Special items	(66)	(43)	84	(43)
Total operating income	$ 6	$ 38	$ 377	$ 414

Lower international refining and marketing results in 1999 reflected the squeeze on margins as escalating crude costs have outpaced product price increases. This pressure on refining margins impacted all major operating areas. Results were also adversely impacted by depressed marketing margins and lower volumes in Brazil due to poor economic conditions and related currency devaluation. In the Caltex region, results benefited from reduced currency volatility as economic conditions improved. The third quarter also included gains from the sales of marketable securities.

Results for the third quarter of 1999 included net special charges of $66 million. Special charges included $32 million for our 50 percent share of Caltex's loss on the sale of its equity interest in Koa Oil Co. Ltd. and $48 million for related deferred currency translation amounts. Other special items for the quarter included favorable inventory valuation adjustments of $14 million. Additionally, results for 1999 included second quarter special benefits of $55 million for favorable inventory valuation adjustments and $54 million for a Korean tax benefit, partially offset by restructuring charges in Caltex of $25 million and employee separation costs in Europe and Latin America of $9 million. First quarter 1999 results included a special benefit of $75 million for inventory valuation adjustments. Results for 1998 included a third quarter net special charge of $43 million for a reorganization program in Caltex.

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GLOBAL GAS AND POWER

(Millions of dollars):	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Operating income (loss) before special items	$ 6	$ (8)	$ 16	$ (29)
Special items	-	-	(3)	20
Total operating income (loss)	$ 6	$ (8)	$ 13	$ (9)

During the third quarter 1999, responsibility for the Global Gas Marketing segment and the company's cogeneration, gasification, hydrocarbons-to-liquids and fuel cell technology units was combined under a single senior executive, creating the Global Gas and Power segment. Prior period information has been restated to reflect this change.

Gas marketing operating results for the third quarter and nine months of 1999 benefited from the continued improvement of natural gas margins. Results for the nine months of 1999 reflected gains on normal asset sales, including our interest in a U.K. retail gas marketing operation and the sale of a U.S. gas gathering pipeline as well as lower operating expenses.

Operating results for the power related activities in the third quarter and nine months of 1999 reflect lower margins from Indonesian geothermal activities, due to higher costs and lower revenues caused by the currency devaluation, nonrecurring recoupment of development costs in 1998 and lower gasification licensing revenues.

Results for 1999 included a second quarter special charge of $3 million for employee separation costs. Results for 1998 included a second quarter special gain of $20 million from the sale of a partial interest in a pipeline.

CORPORATE/NON-OPERATING RESULTS

(Millions of dollars):	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Results before special items	$(129)	$(109)	$(359)	$(332)
Special items	-	25	(6)	44
Total corporate/non-operating	$(129)	$ (84)	$(365)	$(288)

Corporate/Non-operating results for the third quarter and nine months of 1999 reflected higher interest expense from increases in interest rates and debt levels. Additionally, third quarter 1998 results included gains from the sale of securities by a subsidiary.

Results for 1999 included a second quarter special charge of $6 million for employee separation costs. Results for 1998 included a third quarter special benefit of $25 million to adjust for prior years' tax liabilities and a second quarter special tax benefit of $19 million attributable to the sale of an interest in a subsidiary.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and Exploratory Expenditures were $2,176 million for the nine months of 1999 and $2,769 million for the same period in 1998. In response to the difficult market conditions existing in the downstream and depressed crude oil prices during the first half of 1999, spending declined in most segments.

In the U.S. upstream, expenditures for developmental activities dropped significantly and platform construction activity slowed in the deepwater Gulf of Mexico. Spending increased for enhanced oil recovery projects in California which continues to be an area of focus. Internationally, spending rose slightly as compared to the prior year as development work continued on the Captain B project in the U.K. North Sea. Also, 1999 levels reflect higher spending for lease acquisitions offshore Nigeria and increased ownership in the Venezuelan Hamaca project. Project completions during 1998 in other U.K. North Sea fields led to comparatively lower spending in 1999.

In the downstream, spending declines reflect the completion last year of refinery upgrade projects in the United States and abroad. Also, poor economic conditions in international areas and globally depressed downstream returns resulted in deferrals of selected refinery and marketing expansion projects.

Global Gas and Power continues to invest in cogeneration projects in California and in Indonesia, while spending on natural gas transportation is down due to pipeline completions last year.

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Listen in live to Texaco's third quarter 1999 earnings discussion with financial analysts on Tuesday, October 26, at 11:30 am EDT at:

http://www.webevents.broadcast.com/texaco/q399earnings

For technical assistance, call Sheila Lujan at 800-366-9831

Note: This press release contains forward-looking statements about Texaco's expectations for cost and expense reductions in 1999. Our actual results may be different as a result of worldwide and industry economic conditions, or if we fail to achieve the re-engineering of our processes or reductions in the number of our employees that we expect. For a further discussion of additional factors that could cause actual results to materially differ from those in the forward-looking statement, please refer to the section entitled "Forward-Looking Statements and Factors That May Affect Our Business" in Texaco's 1998 Annual Report on Form 10-K.

Income (loss) (Millions of dollars)	Third Quarter(a) 1999	1998	Nine Months(a) 1999	1998
Exploration and production				
United States	$ 258	$ 93	$ 444	$ 301
International	129	53	189	166
Total	387	146	633	467
Refining, marketing and distribution				
United States	118	124	204	233
International	6	38	377	414
Total	124	162	581	647
Global gas and power	6	(8)	13	(9)
Total operating segments	517	300	1,227	1,105
Other business units	(1)	(1)	(3)	(1)
Corporate/Non-operating	(129)	(84)	(365)	(288)
Income before cumulative effect of accounting change	387	215	859	816
Cumulative effect of accounting change (b)	-	-	-	(25)
Net income	$ 387	$ 215	$ 859	$ 791
Net income per common share (dollars) - diluted	$ .71	$ .38	$1.56	$1.42
Average number of common shares outstanding for computation of earnings per share (millions) - diluted	546.3	526.4	535.2	548.6
Provision for income taxes included in net income	$ 386	$ 34	$ 493	$ 258

(a) Includes special items indicated in this release.

(b) Caltex adoption of SOP 98-5 of the AICPA, "Reporting on the Costs of Start-Up Activities".

Other Financial Data (Millions of dollars)	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Revenues	$ 9,677	$ 7,707	$25,136	$23,898
Total assets as of September 30			(c)$28,900	$28,495
Stockholders' equity as of September 30			(c)$11,960	$12,325
Total debt as of September 30			(c)$ 7,300	$ 6,960
Capital and exploratory expenditures				
Exploration and production				
United States	$ 162	$ 328	$ 623	$ 1,142
International	304	276	865	812
Total	466	604	1,488	1,954
Refining, marketing and distribution				
United States	85	116	243	298
International	118	127	294	355
Total	203	243	537	653
Global gas and power	43	39	129	141
Total operating segments	712	886	2,154	2,748
Other business units	6	2	22	21
Total	$ 718	$ 888	$ 2,176	$ 2,769
Exploratory expenses included above				
United States	$ 12	$ 48	$ 104	$ 195
International	60	45	178	129
Total	$ 72	$ 93	$ 282	$ 324
Dividends paid to common stockholders	$ 245	$ 237	$ 719	$ 716
Dividends per common share (dollars)	$ .45	$ .45	$ 1.35	$ 1.35
Dividend requirements for preferred stockholders	$ 3	$ 13	$ 26	$ 40

(c) Preliminary

Operating Data	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Exploration and production				
United States				
Net production of crude oil and natural gas liquids (MBPD)	395	432	400	443
Net production of natural gas available for sale (MMCFPD)	1,416	1,641	1,460	1,694
Total net production (MBOEPD)	631	706	643	726
Natural gas sales (MMCFPD)	3,263	3,963	3,284	3,926
Average U.S. crude (per bbl.)	$16.65	$10.06	$12.81	$10.87
Average U.S. natural gas (per mcf)	$ 2.44	$ 1.89	$ 2.09	$ 2.03
Average WTI (Spot) (per bbl.)	$21.71	$14.16	$17.58	$14.89
Average Kern (Spot) (per bbl.)	$15.38	$ 8.65	$11.49	$ 8.43
International				
Net production of crude oil and natural gas liquids (MBPD)				
Europe	152	163	142	157
Indonesia	141	168	156	159
Partitioned Neutral Zone	127	104	122	106
Other	60	59	65	66
Total	480	494	485	488
Net production of natural gas available for sale (MMCFPD)				
Europe	252	261	261	255
Colombia	161	165	158	185
Other	91	87	105	108
Total	504	513	524	548
Total net production (MBOEPD)	564	580	573	579
Natural gas sales (MMCFPD)	539	633	551	692
Average International crude (per bbl.)	$16.96	$11.05	$13.36	$11.55
Average International natural gas (per mcf)	$ 1.35	$ 1.49	$ 1.36	$ 1.57
Average U.K. natural gas (per mcf)	$ 2.34	$ 2.34	$ 2.37	$ 2.53
Average Colombia natural gas (per mcf)	$ .67	$ .79	$ .64	$ .88
Total worldwide net production (MBOEPD)	1,195	1,286	1,216	1,305

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Operating Data	Third Quarter 1999	Third Quarter 1998	Nine Months 1999	Nine Months 1998
Refining, marketing and distribution				
United States				
Refinery input (MBPD)				
Equilon area	390	410	376	388
Motiva area	307	301	307	316
Total	697	711	683	704
Refined product sales (MBPD)				
Equilon area	752	616	697	579
Motiva area	371	421	376	366
Other	290	216	296	228
Total	1,413	1,253	1,369	1,173
International				
Refinery input (MBPD)				
Europe	331	326	356	356
Caltex area	381	397	411	417
Latin America/West Africa	68	66	71	64
Total	780	789	838	837
Refined product sales (MBPD)				
Europe	585	547	609	567
Caltex area	654	563	663	580
Latin America/West Africa	479	474	485	455
Other	86	56	90	53
Total	1,804	1,640	1,847	1,655