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):
January 7, 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 January 7, 1999, the Registrant issued a Press Release entitled "Texaco Announces $600 Million Reduction in 1999 Capital and Exploratory Spending Plan - Spending Plan Coupled with Accelerated $650 Million Cost Reduction Program," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

On January 8, 1999, the Registrant issued a Press Release entitled "Texaco Announces Fourth Quarter Charges - Inventory and Asset Write-Downs, Restructuring Costs Noted," a copy of which is attached hereto as Exhibit 99.2 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 January 7, 1999, entitled "Texaco Announces $600 Million Reduction in 1999 Capital and Exploratory Spending Plan."

99.2 Press Release issued by Texaco Inc. dated January 8, 1999, entitled "Texaco Announces Fourth Quarter Charges."

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: January 8, 1999

EXHIBIT 99.1

TEXACO ANNOUNCES $600 MILLION REDUCTION IN 1999 CAPITAL AND EXPLORATORY SPENDING PLAN

Spending Plan Coupled with Accelerated $650 Million Cost Reduction Program

FOR IMMEDIATE RELEASE: THURSDAY, JANUARY 7, 1999.

WHITE PLAINS, N.Y., Jan. 7 - Texaco Inc. today announced a revised 1999 capital and exploratory (capex) plan of $3.7 billion, including subsidiaries and affiliates, down $600 million from its original $4.3 billion plan. Texaco will also accelerate its $650 million cost and expense reduction program announced in December 1998.

Commenting on the revised capex plan, Texaco Chairman and Chief Executive Officer Peter I. Bijur stated, "Given this period of low energy prices, our revised spending plan together with our cost and expense reduction program are appropriate actions. We are strategically focusing capital on the key projects that represent optimum long-term growth opportunities, and at the same time continuing our effort to drive down costs. These measures will assist Texaco in weathering this extended period of low prices."

At Texaco's annual security analysts meeting in December 1998, the company announced a 1999 capex plan of $4.3 billion, based on an average WTI crude price of $15.00 per barrel. The revised plan of $3.7 billion is based on a lower crude price premise, reflecting general industry consensus that crude oil prices will not rebound as previously expected.

For the year 1998, capital expenditures are expected to be 11 percent below the $4.6 billion originally planned. Texaco reduced its spending program during 1998 when it became evident that oil prices would remain low for an extended period. Preliminary 1998 and forecasted 1999 expenditures for subsidiaries and affiliates are as follows (in billions of dollars):

	1998	1999
Subsidiaries	$3.0	$2.7
Affiliates	1.1	1.0
Total	$4.1	$3.7

The subsidiary capital program includes most of Texaco's worldwide upstream business and its European and Latin American downstream businesses, as well as natural gas and other businesses.

The affiliate capital program includes Texaco's share of the U.S. downstream alliance companies (Equilon and Motiva), Caltex, and power and cogeneration projects in Thailand, Italy, Philippines and Brazil. The capital requirements of Equilon, Motiva and Caltex, which are fully funded through affiliates, will be lower in 1999. Expenditures for the power and cogeneration projects, also funded through affiliates, will increase by some $250 million in 1999.

In the U.S. upstream, spending will be directed primarily toward continuing development of the Deepwater Gulf of Mexico. Major international upstream projects include exploration activities in Nigeria, Angola and Trinidad. Development work on the Captain B, Jade and Elgin-Franklin fields in the U.K. North Sea and projects in Denmark will be fully funded. However, development expenditures in certain other international areas will be deferred due to depressed economic conditions.

In the Europe and Latin America downstream regions, 80 percent of the expenditures are centered on marketing and 20 percent on manufacturing. Marketing expenditures are for service stations and logistical support, primarily in growth-oriented markets such as the U.K., Ireland and the Caribbean. Most of the manufacturing capital will be spent at the Pembroke Plant in the U.K. on feedstock flexibility and projects to satisfy the more stringent European fuel specification requirements.

At the security analysts meeting, Texaco outlined other steps the company is taking to manage in the low price environment, including cost and expense reductions. The company identified recurring annual cost and expense reductions of $650 million through the year 2000, of which $450 million is expected to be realized in 1999. Significant efforts are underway to accelerate the realization of the full $650 million in 1999.

- xxx -

Note: This press release contains forward-looking statements about Texaco's plans for capital and exploratory spending and for cost and expense reductions. These plans may change if business conditions, such as energy prices and world economic conditions, change. For a further discussion of additional factors that could cause actual results to materially differ from those in the forward-looking statements, please refer to the section entitled "Forward-Looking Statements" in Texaco's 1997 Annual Report on Form 10-K.

CONTACTS: Faye Cox (914) 253-7745
Chris Gidez (914) 253-4042

EXHIBIT 99.2

TEXACO ANNOUNCES FOURTH QUARTER CHARGES

Inventory and Asset Write-Downs, Restructuring Costs Noted

FOR IMMEDIATE RELEASE: FRIDAY, JANUARY 8, 1999.

WHITE PLAINS, N.Y., Jan. 8 - Texaco announced today that its fourth quarter 1998 results will include net special charges of approximately $350 million. Texaco Senior Vice President and Chief Financial Officer Patrick J. Lynch noted, "Continuing weak demand and surplus supplies have driven crude oil, natural gas and refined product prices sharply downward. In this low price environment, we will be required to revalue inventories. We will also write-down oil and gas properties where remaining investments will not be fully recovered."

Fourth quarter 1998 net after-tax charges will include:

* Inventory write-downs of approximately $170 million in businesses in Europe, the U.S. and the Caltex operating areas to recognize current market values;

* Asset write-downs of $100 million relating to the impairment of upstream investments in the U.S., Canada and the U.K. North Sea;

* Employee separation costs of $95 million relating to previously announced restructuring of Worldwide Upstream and Natural Gas businesses, along with Corporate Center restructuring and other cost-cutting initiatives; and

* Tax benefits of $20 million on asset sales.

Additionally, Caltex has elected to adopt, effective January 1, 1998, SOP 98-5 of the AICPA, causing Caltex to change the accounting for start-up costs at its Thailand refinery. Texaco's first quarter 1998 earnings will be restated to include an after-tax charge of $25 million for the accounting change. (See editor's notes for definition of SOP 98-5.)

Commenting on fourth quarter 1998 earnings, Lynch said, "Due to continuing low crude oil prices, weak refining margins and currency translation losses of $65 million in the Caltex Asian operations, results for the fourth quarter, excluding net special charges, are estimated to be in the range of $.13 to $.16 per share."

Lynch went on to say, "This past year was extremely difficult for the entire industry and first quarter 1999 appears to be equally challenging; however, Texaco will continue to effectively manage its business during this period of low energy prices."

-xxx-

Note: SOP 98-5 is an accounting rule adopted by the American Institute of Certified Public Accountants (AICPA) in 1998. It provides that costs incurred during the start-up period for a new facility, new product, process or service, or expansion of business area or customer base must be charged to expense as incurred. This does not include costs during the construction phase of a new facility.

The comment in this press release regarding anticipated fourth quarter results is a "forward-looking statement." Final fourth quarter results may be different when actual results are determined. 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" in Texaco's 1997 Annual Report on Form 10-K.

CONTACTS: Faye Cox 914-253-7745

Additional Texaco information is available on the World Wide Web at:
http://www.texaco.com