

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

TEXACO CAPITAL INC. (Exact name of Registrant as specified in its charter)  DELAWARE (State or other jurisdiction of incorporation or organization) 51-0271861 (I.R.S. Employer Identification No.) CARL B. DAVIDSON, SECRETARY  1013 CENTRE ROAD WILMINGTON, DELAWARE 19801 (800) 927-9800 (Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices and agent for service)	TEXACO INC. (Exact name of Registrant and Guarantor as specified in its charter)  DELAWARE (State or other jurisdiction of incorporation or organization) 74-1383447 (I.R.S. Employer Identification No.) CARL B. DAVIDSON, VICE PRESIDENT AND SECRETARY 2000 WESTCHESTER AVENUE, WHITE PLAINS, N.Y. 10650 (914) 253-4000 (Address, including zip code, and telephone number, including area code, of Registrant's and Guarantor's principal executive offices and agent for service)
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:  
From time to time after the effective date of this Registration Statement  
as determined by market conditions.

IF THE ONLY SECURITIES BEING REGISTERED ON THIS FORM ARE BEING OFFERED  
PURSUANT TO DIVIDEND OR INTEREST REINVESTMENT PLANS, PLEASE CHECK THE FOLLOWING  
BOX. / /

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE TO BE OFFERED ON  
A DELAYED OR CONTINUOUS BASIS PURSUANT TO RULE 415 UNDER THE SECURITIES ACT OF  
1933, OTHER THAN SECURITIES OFFERED ONLY IN CONNECTION WITH DIVIDEND OR INTEREST  
REINVESTMENT PLANS, CHECK THE FOLLOWING BOX. /X/

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(A)	AMOUNT OF REGISTRATION FEE
Guaranteed Debt Securities of Texaco Capital Inc.....				
Debt Securities of Texaco Inc.(b).....				
Common Stock of Texaco Inc.(b).....				
Preferred Stock of Texaco Inc.(b).....				
Depository Shares of Texaco Inc.(b).....				
Warrants to Purchase Guaranteed Debt Securities, Debt Securities of Texaco Inc., Common Stock or Preferred Stock.....				
Guaranties by Texaco Inc. of Debt Securities(c)...	(d)	(d)	\$750,000,000	\$221,250

- (a) Estimated solely for the purpose of calculating the registration fee.  
Excludes an aggregate of \$500,000,000 unsold Texaco Capital Inc. securities  
and Texaco Inc. guaranties included in Registration Statement No. 33-63996  
for which a registration fee was paid on June 7, 1993, which are covered by  
the Prospectus included in this Registration Statement pursuant to Rule 429.  
As a result, up to an aggregate of \$1,250,000,000 of the Securities referred  
to above may be sold pursuant to this Registration Statement.
- (b) In addition to any Preferred Stock, Depository Shares or Common Stock that  
may be issued directly under this Registration Statement, there are being  
registered hereunder an indeterminate number of shares of Preferred Stock,  
Depository Shares or Common Stock as may be issued upon conversion or  
exchange of Debt Securities, Preferred Stock, Depository Shares or Common  
Stock, as the case may be. In addition, Common Stock of Texaco Inc. issued  
under this Registration Statement will have Rights attached. No separate  
consideration will be received for any shares of Preferred Stock, Depository  
Shares or Common Stock so issued upon conversion or exchange or for any  
Rights issued in connection with Common Stock.
- (c) No consideration will be received by Texaco Inc. for the Guaranties.
- (d) Not applicable pursuant to Form S-3 General Instruction II(D) under the  
Securities Act of 1933.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR  
DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS  
SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION

STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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Pursuant to Rule 429 of the Securities Act of 1933, the prospectus included in this Registration Statement also relates to certain unsold securities of Texaco Capital Inc. and guaranties of Texaco Inc. registered under Registration Statement No. 33-63996.

SUBJECT TO COMPLETION DATED FEBRUARY 18, 1998

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BECOME EFFECTIVE. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

TEXACO INC.  
AND  
TEXACO CAPITAL INC.

GUARANTEED DEBT SECURITIES  
DEBT SECURITIES  
PREFERRED STOCK  
DEPOSITARY SHARES  
COMMON STOCK  
WARRANTS

This Prospectus relates to the following securities:

(i) debt securities ("Debt Securities") to be issued by Texaco Capital Inc. ("Texaco Capital"), which will be guaranteed by Texaco Inc. ("Texaco Inc.");

(ii) debt securities to be issued by Texaco Inc. ("Texaco Inc. Debt Securities");

(iii) common stock to be issued by Texaco Inc. ("Common Stock");

(iv) preferred stock to be issued by Texaco Inc. ("Preferred Stock");

(v) warrants to purchase Debt Securities, Texaco Inc. Debt Securities, Common Stock or Preferred Stock ("Warrants") and

(vi) depositary shares relating to Preferred Stock ("Depositary Shares" and together with Debt Securities, Texaco Inc. Debt Securities, Common Stock and Preferred Stock, "Securities").

The specific terms of any such offering will be described in a supplement to this Prospectus. The net proceeds from such offerings will not exceed \$1,250,000,000.

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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.

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Securities may be offered directly to investors, through dealers, through underwriters, or through agents designated from time to time, as set forth in the Prospectus Supplement. Net proceeds to Texaco Capital or Texaco Inc. will be the purchase price in the case of a dealer, the public offering price less discount in the case of an underwriter or the bid purchase price less commission in the case of an agent--in each case less other expenses attributable to issuance and distribution. See "Plan of Distribution" for possible indemnification arrangements for dealers, underwriters and agents.

This Prospectus and the Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

February , 1998

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WHERE YOU CAN FIND MORE INFORMATION

Texaco Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance therewith files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). You may read and copy any reports, statements or other information filed by Texaco at the public reference rooms maintained by the SEC at its principal offices at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, in Washington, D.C. 20549 and its regional offices at Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and 7 World Trade Center, Suite 1300, New York, New York 10048. Texaco's SEC filings are also available to the public from commercial document retrieval services, from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates and at the web site maintained by the SEC at "<http://www.sec.gov>". Such material should also be available for inspection at the library of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

SEPARATE FINANCIAL INFORMATION FOR TEXACO CAPITAL IS NOT INCLUDED HEREIN AND WILL NOT BE INCLUDED IN ANY REPORTS FILED PURSUANT TO THE EXCHANGE ACT, AS TEXACO CAPITAL IS WHOLLY OWNED BY TEXACO INC., IT ESSENTIALLY HAS NO INDEPENDENT OPERATIONS, AND ANY DEBT SECURITIES ISSUED BY TEXACO CAPITAL WILL BE FULLY AND UNCONDITIONALLY GUARANTEED BY TEXACO INC.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS. NEITHER TEXACO CAPITAL NOR TEXACO INC. HAS AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROSPECTUS. THIS PROSPECTUS IS DATED FEBRUARY 18, 1998. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN SUCH DATE AND NEITHER THE DELIVERY OF THIS PROSPECTUS NOR THE ISSUANCE OF ANY SECURITIES UNDER IT SHALL CREATE ANY IMPLICATION TO THE CONTRARY.

DOCUMENTS INCORPORATED BY REFERENCE

The SEC rules allow Texaco to "incorporate by reference" information into this Prospectus, which means important information may be disclosed to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this Prospectus, except for any information superseded by information in (or incorporated by reference in) this Prospectus. This Prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about Texaco and its finances.

TEXACO SEC FILINGS (FILE NO. I-27)	PERIOD
Annual Report on Form 10-K.....	Year ended December 31, 1996.
Quarterly Reports on Form 10-Q.....	Quarters ended September 30, 1997, June 30, 1997 and March 31, 1997.
Current Reports on Form 8-K.....	Filed January 30, 1998; January 23, 1998; November 6, 1997; October 21, 1997; August 19, 1997; July 25, 1997; July 22, 1997; July 17, 1997; June 19, 1997; April 22, 1997; March 19, 1997; January 29, 1997; January 23, 1997; January 7, 1997.

Texaco is also incorporating by reference additional documents that it may file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this Prospectus and the termination of the offering described in this Prospectus.

You can obtain copies of any of the documents described above through Texaco or the SEC. Documents incorporated by reference are available from Texaco without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this Prospectus. You may obtain documents incorporated by reference in this Prospectus by requesting them in writing or by telephone from Texaco at the following address:

Texaco Inc.  
2000 Westchester Avenue  
White Plains, New York 10650  
Tel: (914) 253-4000  
Attention: Secretary

TEXACO INC.

Texaco Inc. was incorporated in Delaware on August 26, 1926 as The Texas Corporation. Its name was changed in 1941 to The Texas Company and in 1959 to Texaco Inc. It is the successor of a corporation incorporated in Texas in 1902. Its principal executive offices are located at 2000 Westchester Avenue, White Plains, New York 10650; telephone: (914) 253-4000. As used herein, Texaco (unless the context otherwise indicates) refers to Texaco Inc. and all of its consolidated subsidiary companies.

Texaco and its affiliates owned 50% or less, represent a vertically integrated enterprise principally engaged in the worldwide exploration for and production, transportation, refining and marketing of crude oil, natural gas and petroleum products.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO  
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	NINE MONTHS ENDED SEPTEMBER 30, 1997	YEAR ENDED DECEMBER 31,				
		1996	1995(A)	1994(B)	1993(B)	1992(A)(B)
Ratio of earnings to fixed charges of Texaco Inc. on a total enterprise basis (unaudited).....	5.90	5.75	2.55	2.86	2.91	3.10
Ratio of earnings to combined fixed charges and preferred stock dividends of Texaco Inc. on a total enterprise basis (unaudited) (c)....	5.57	5.36	2.40	2.58	2.61	2.75

(a) Excludes cumulative effect of accounting changes.

(b) Excludes discontinued operations.

(c) Preferred stock dividend requirements have been adjusted to reflect the pre-tax earnings which would be required to cover the Series C Variable Rate Cumulative Preferred Stock (redeemed on September 30, 1994), Series E Variable Rate Cumulative Preferred Stock (exchanged for Common Stock on November 8, 1994) and Market Auction Preferred Shares dividends and to exclude the interest portion of the Series B and Series F ESOP Convertible Preferred Stock dividends.

TEXACO CAPITAL INC.

Texaco Capital Inc., a wholly owned subsidiary of Texaco Inc., is a Delaware corporation which was incorporated on June 24, 1983. Its principal executive offices are located at 1013 Centre Road, Wilmington, Delaware 19801; telephone: (800) 927-9800. The Company is engaged principally in the business of lending funds borrowed from unrelated persons to Texaco Inc. and its subsidiaries for general corporate purposes.

USE OF PROCEEDS

The net proceeds from the sale of the Securities by Texaco Inc. will be used for working capital, for retirement of debt and for other general corporate purposes. The net proceeds from the sale of any Debt Securities by Texaco Capital will be lent to Texaco Inc. or its subsidiaries to be used for similar purposes.

PLAN OF DISTRIBUTION

The Securities may be sold in any one or more of the following ways: (1) directly to investors, (2) to investors through agents, (3) to dealers, (4) through underwriting syndicates led by one or more managing underwriters as Texaco Capital or Texaco Inc. may select from time to time, or (5) through one or more underwriters acting alone.

If underwriters are utilized in the sale, the obligations of the underwriters will be subject to certain conditions precedent and the underwriters will be obligated to purchase all Securities, if any are purchased. The specific managing underwriter or underwriters, if any, with respect to the offer and sale of the Securities are set forth on the cover of the Prospectus Supplement relating to such Securities and the members of the underwriting syndicate, if any, are named in such Prospectus Supplement. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby and any firms not named in the Prospectus Supplement are not parties to the Underwriting Agreement in respect of such Securities, will not be purchasing any of the Securities from Texaco Capital or Texaco Inc. and will have no direct or indirect participation in the underwriting of such

Securities, although they may participate in the distribution of such Securities under circumstances where they may be entitled to a dealer's commission. The Prospectus Supplement also describes the discounts and commissions to be allowed or paid to the underwriters, all other items constituting underwriting compensation, the discounts and commissions to be allowed or paid to dealers, if any, and the exchanges, if any, on which the Securities will be listed.

If offers to purchase are to be solicited by agents designated by Texaco Capital or Texaco Inc., any such agent may be deemed to be an underwriter as that term is defined in the Securities Act of 1933, as amended (the "Securities Act"). Agents involved in the offer or sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by Texaco Capital or Texaco Inc. to such agents set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If a dealer is utilized in the sale of the Securities in respect of which this Prospectus is delivered, Texaco Capital or Texaco Inc. will sell such Securities to the dealer as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale.

Securities may also be offered and sold, if so indicated in the Prospectus Supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms ("remarketing firms"), acting as principals for their own accounts or as agents for Texaco Capital or Texaco Inc.. Any remarketing firm will be identified and the terms of its agreement, if any, with Texaco Capital or Texaco Inc. and its compensation will be described in the Prospectus Supplement. Remarketing firms may be deemed to be underwriters in connection with the Securities remarketed thereby.

If so indicated in the Prospectus Supplement, Texaco Capital or Texaco Inc. will authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Securities from Texaco Capital or Texaco Inc. at the price set forth in the Prospectus Supplement pursuant to Delayed Delivery Contracts providing for payment and delivery at a future date.

Underwriters, agents, dealers and remarketing firms may be entitled under agreements which may be entered into with Texaco Capital and Texaco Inc. to indemnification by Texaco Capital and Texaco Inc. against certain civil liabilities, including liabilities under the Securities Act and may be customers of, engage in transactions with or perform services for Texaco Capital or Texaco Inc. in the ordinary course of business.

#### DESCRIPTION OF THE DEBT SECURITIES

The Debt Securities will be offered by Texaco Capital and will be fully and unconditionally guaranteed by Texaco Inc. The Debt Securities are to be issued under an indenture dated as of August 24, 1984 as supplemented and restated by (1) the First Supplemental Indenture dated as of January 31, 1990 (a copy of which is filed as Exhibit 4.1 to Registration Statement Nos. 33-33303 and 33-33303-01, filed on February 1, 1990), (2) the First Supplement to the First Supplemental Indenture dated as of October 11, 1990 (a copy of which is filed as Exhibit 4.1(a) to Texaco Inc.'s Current Report on Form 8-K, dated October 12, 1990 and filed on October 15, 1990), and (3) the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, (a copy of which is filed as Exhibit 4.1(b) to Texaco Inc.'s Form 10-Q for the quarterly period ended June 30, 1997, and filed on August 13, 1997) (as so supplemented and amended, the "Indenture") among Texaco Capital, Texaco Inc. and The Chase Manhattan Bank, as Trustee (the "Trustee"). The following summary of certain provisions of the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the Indenture. Unless otherwise defined herein, all capitalized terms shall have the definitions set forth in the Indenture.

The following description of the Indenture is subject to the detailed provisions of such Indenture; whenever particular provisions of the Indenture are referred to, such provisions are incorporated by



reference as a part of the statement made, and the statement is qualified in its entirety by such reference. Whenever a defined term is referred to and not defined under "Description of the Debt Securities", the definition thereof is contained in the Indenture.

The Indenture provides that, in addition to the Debt Securities offered hereby, additional Debt Securities may be issued thereunder without limitation as to aggregate principal amount, but subject to limitations from time to time established by Texaco Capital's Board of Directors.

Unless specified in the Prospectus Supplement, Debt Securities offered by Texaco Capital hereby will rank equally and ratably with all other unsecured and unsubordinated indebtedness of Texaco Capital. The Guaranties will rank equally with all other unsecured and unsubordinated indebtedness of Texaco Inc.

Reference is made to the Prospectus Supplement for the following terms of the Debt Securities being offered hereby: (1) the designation of such Debt Securities; (2) the aggregate principal amount and currency or currency unit of such Debt Securities; (3) the denominations in which such Debt Securities are authorized to be issued; (4) the percentage of their principal amount at which such Debt Securities will be issued; (5) the date on which such Debt Securities will mature; (6) if the Debt Securities are to bear interest, the rate per annum at which such Debt Securities will bear interest (or the method by which such rate will be determined); (7) the times at which such interest, if any, will be payable or the manner of determining the same; (8) the date, if any, after which such Debt Securities may be redeemed or purchased and the redemption or purchase price; (9) the sinking fund requirements, if any; (10) special United States federal income tax considerations, if any; (11) whether such Debt Securities are to be issued in the form of one or more temporary or permanent Global Securities and, if so, the identity of the Depository for such Global Securities; (12) information with respect to book-entry procedures, if any; (13) the manner in which the amount of any payments of principal and interest on the Debt Securities determined by reference to an index are determined; and (14) any other terms of the Debt Securities not inconsistent with the Indenture.

The Indenture does not contain any provisions which may afford holders of the Securities protection in the event of a highly leveraged transaction, although such a provision could be added to the Indenture in the future with respect to the Securities or any series thereof, in which event a description thereof will be included in the applicable Prospectus Supplement.

#### DENOMINATIONS, REGISTRATION, TRANSFER AND PAYMENT

Unless otherwise indicated in the Prospectus Supplement, the Debt Securities of a series will be issuable in registered form without coupons ("Registered Securities") or in the form of one or more global securities ("Global Securities"), as described below under "Global Securities". Unless otherwise provided in an applicable Prospectus Supplement with respect to a series of Debt Securities, Registered Securities denominated in U.S. dollars will be issued only in denominations of \$1,000 or any integral multiple thereof. One or more Global Securities will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding Debt Securities of the series represented by such Global Security. The Prospectus Supplement relating to a series of Debt Securities denominated in a foreign or composite currency will specify the denominations thereof.

Unless otherwise indicated in the Prospectus Supplement, Registered Securities (other than a Global Security) may be presented for registration of transfer (with the form of transfer duly executed), at the office of the Registrar or at the office of any transfer agent designated by Texaco Capital for such purpose with respect to any series of Debt Securities and referred to in an applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Such transfer or exchange will be effected upon the Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. Texaco Capital has initially appointed the Trustee as Registrar under the Indenture. If a Prospectus Supplement refers to any transfer agents (in addition to the Registrar) initially designated by Texaco Capital with

respect to any series of Registered Securities, Texaco Capital may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that Texaco Capital will maintain a transfer agent in the City of New York. Texaco Capital may at any time designate additional transfer agents with respect to any series of Debt Securities.

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of (and premium, if any) and interest, if any, on Registered Securities (other than a Global Security) will be made at the office of such Paying Agent or Paying Agents as Texaco Capital may designate from time to time, except that at the option of Texaco Capital, payment of any interest may be made (i) by check mailed to the address of the person entitled thereto as such address shall appear in the register or (ii) by wire transfer to an account maintained by the person entitled thereto as specified in the register. Unless otherwise indicated in an applicable Prospectus Supplement, payment of any installment of interest on Registered Securities will be made to the person in whose name such Debt Security is registered at the close of business on the regular Record Date for such interest payment.

Unless otherwise indicated in an applicable Prospectus Supplement, the principal office of the Trustee in the City of New York will be designated as Texaco Capital's sole Paying Agent for payments with respect to Registered Securities.

All moneys paid by Texaco Capital to a Paying Agent for the payment of principal of (and premium, if any) and interest, if any, on any Debt Security which remains unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will be repaid to Texaco Capital and the Holder of such Debt Security will thereafter look only to Texaco Capital for payment thereof.

#### GUARANTIES

Texaco Inc. will unconditionally guarantee the due and punctual payment of the principal of, (and premium, if any) and interest, if any, on the Debt Securities issued by Texaco Capital, when and as the same shall become due and payable, whether at maturity or upon redemption, declaration or otherwise.

#### GLOBAL SECURITIES

The Debt Securities of a series may be issued in the form of one or more fully registered global Debt Securities (a "Global Security") that will be deposited with a depository (the "Depository"), or with a nominee for a Depository identified in the Prospectus Supplement relating to such series. In such case, one or more Global Securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding Debt Securities of such series. Unless and until it is exchanged in whole or in part for Debt Securities in definitive registered form, a Global Security may not be transferred except as a whole by the Depository for such Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor of such Depository or a nominee of such successor.

The specific terms of the depository arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will be described in the Prospectus Supplement relating to such series. Texaco Capital anticipates that the following provisions will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository for such Global Security will credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of persons that have accounts with such Depository ("participants"). The accounts to be credited shall be designated by any underwriters or agents participating in the distribution of such Debt Securities. Ownership of beneficial interests in a Global Security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial

interests in such Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary for such Global Security (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants).

So long as the Depositary for a Global Security, or its nominee, is the registered owner of such Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or Holder of the Debt Securities represented by such Global Security for all purposes under the Indenture. Except as set forth below, owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payments of principal of (and premium, if any) and interest, if any, on Debt Securities represented by a Global Security registered in the name of a Depositary or its nominee will be made to such Depositary or its nominee, as the case may be, as the registered owner of such Global Security. None of Texaco Capital, Texaco Inc., the Trustee or any Paying Agent for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Texaco Capital expects that the Depositary for any Debt Securities represented by a Global Security, upon receipt of any payment of principal, premium or interest, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of such Depositary. Texaco Capital also expects that payments by participants to owners of beneficial interest in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street names" and will be the responsibility of such participants.

If the Depositary for any Debt Securities represented by a Global Security is at any time unwilling or unable to continue as Depositary and a successor Depositary is not appointed by Texaco Capital within ninety days, Texaco Capital will issue such Debt Securities in definitive form in exchange for such Global Security. In addition, Texaco Capital may at any time and in its sole discretion determine not to have any of the Debt Securities of a series represented by one or more Global Securities and, in such event, will issue Debt Securities of such series in definitive form in exchange therefor.

#### CERTAIN LIMITATIONS ON LIENS

The Indenture provides that Texaco Inc. shall not, and it shall not permit any Principal Subsidiary (defined as a Subsidiary (i) substantially all of the assets of which are located, and substantially all of the operations of which are conducted, in the United States, (ii) which owns a Principal Property, defined as an important oil and gas producing property onshore or offshore the United States or any important refinery or manufacturing plant located in the United States and (iii) in which Texaco Inc.'s direct or indirect net investment exceeds \$100,000,000) to, incur a Lien to secure a Long-Term Debt on a Principal Property, any Capital Stock or a Long-Term Debt ("Debt") of a Principal Subsidiary unless: (1) the Lien equally and ratably secures the Debt Securities and the secured Debt; (2) the Lien is in existence at the time a corporation merges into or consolidates with Texaco Inc. or a Principal Subsidiary or becomes a Principal Subsidiary; (3) the Lien is on a Principal Property at the time Texaco Inc. or a Principal Subsidiary acquires the Principal Property; (4) the Lien secures Debt incurred to finance all or some of the purchase price of a Principal Property or a Principal Subsidiary; (5) the Lien secures Debt incurred to finance all or some of the costs of Improvements on a Principal Property; (6) the Lien secures Debt of a Principal Subsidiary owing to Texaco Inc. or another Principal Subsidiary; (7) the Lien extends, renews or replaces in whole or

in part a Lien permitted by any of clauses (1) through (6); or (8) the secured Debt plus all other Debt secured by Liens on Principal Properties, Capital Stock or Debt of a Principal Subsidiary at the time does not exceed 10% of Texaco's Consolidated Net Tangible Assets. However, Debt secured by a Lien permitted by any of clauses (1) through (7) shall be excluded from all other Debt in the determination.

#### LIMITATIONS ON SALE AND LEASEBACK

The Indenture provides that Texaco Inc. shall not, and it shall not permit any Principal Subsidiary to, enter into a Sale-Leaseback Transaction unless: (1) the lease has a term of three years or less; (2) the lease is between Texaco Inc. and a Principal Subsidiary or between Principal Subsidiaries; (3) Texaco Inc. or a Principal Subsidiary under the terms of the Indenture could create a Lien on the Principal Property to secure a Debt at least equal in amount to the Attributable Debt for the lease; or (4) Texaco Inc. or a Principal Subsidiary within 120 days of the effective date of the Sale-Leaseback Transaction (i) retires Debt of Texaco Inc. or of a Principal Subsidiary at least equal in amount to the fair value (as determined by Texaco Inc.'s Board of Directors) of the Principal Property at the time the Principal Property is leased or (ii) if the net proceeds of the Sale-Leaseback Transaction equal or exceed the fair value of the Principal Property (as determined by Texaco Inc.'s Board of Directors), applies the net proceeds to fund investment in other Principal Properties which investments were made within twelve months prior to or subsequent to the transaction.

#### CONSOLIDATION AND MERGER

The Indenture provides that either Texaco Capital or Texaco Inc. may consolidate or merge into, or transfer its properties and assets substantially as an entirety to, another person without the consent of the Holders of any of the Debt Securities outstanding under the Indenture, provided the person assumes by supplemental indenture all the obligations of Texaco Capital or Texaco Inc., as the case may be, under the Debt Securities and the Indenture and immediately after the transaction no Default exists. Thereafter, all such obligations of Texaco Capital or Texaco Inc., as the case may be, shall terminate.

#### DEFAULT

The Indenture defines an "Event of Default" with respect to any series of the Debt Securities as being any one of the following events: (1) default for 30 days in the payment of interest on any Debt Security of that series; (2) default in the payment of the principal of, or premium, if any, on, or in the making of any sinking fund payments on any Debt Security of that series when due; (3) failure to comply with any other agreements in the Debt Securities of that series, the Indenture or any supplemental indenture under which the Debt Securities may have been issued and continuation of the default for the period and after the notice specified below; and (4) certain events in bankruptcy, insolvency, or reorganization.

A default under clause (3) is not an Event of Default until the Trustee or the Holders of at least 25% in principal amount of all of the Debt Securities of that series outstanding notify Texaco Capital of the default and the default is not cured within 90 days after receipt of the notice.

If an Event of Default occurs with respect to the Debt Securities of any series and is continuing, the Trustee by notice to Texaco Capital, or the Holders of at least 25% in principal amount of all of the Debt Securities of that series outstanding by notice to Texaco Capital and the Trustee, may declare the principal of and premium and accrued interest, if any, on all the Debt Securities of that series to be due and payable immediately. The Holders of a majority in principal amount of all of the Debt Securities of that series by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree by a court of competent jurisdiction and if all existing Events of Default have been cured or waived except nonpayment of principal or premium or interest, if any, that has become due solely because of the acceleration.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal or premium or interest, if any, on the Debt Securities of the series that is in default or to enforce the performance of any provision of the Debt Securities or the Indenture.

Subject to certain exceptions, the Holders of a majority in principal amount of the Debt Securities by notice to the Trustee may waive an existing default and its consequences.

#### MODIFICATION OF THE INDENTURE

The Indenture provides that Texaco Capital, Texaco Inc. and the Trustee may enter into a supplemental indenture to amend the Indenture or the Debt Securities without the consent of any Securityholder: (1) to cure any ambiguity, defect or inconsistency; (2) to comply with Article 5 of the Indenture to permit a successor to assume Texaco Capital's or Texaco Inc.'s obligations under the Indenture; (3) to make any change that does not adversely affect the rights of any Securityholder; or (4) to provide for the issuance of and establish the terms and conditions of Debt Securities of any series.

Texaco Capital, Texaco Inc. and the Trustee may enter into a supplemental indenture to amend the Indenture or the Debt Securities of a series with the written consent of the Holders of at least 50.1% in principal amount of the Debt Securities of the series affected. The Holders of at least 50.1% in principal amount of the Debt Securities by notice to the Trustee may waive compliance by Texaco Capital or Texaco Inc. with any provision of the Indenture or the Debt Securities.

Notwithstanding the foregoing, without the consent of each Securityholder affected, an amendment or waiver may not: (1) reduce the amount of Debt Securities whose Holders must consent to an amendment or waiver; (2) reduce the rate of or extend the time for payment of interest on any Debt Security; (3) reduce the principal of or extend the fixed maturity of any Debt Security; (4) waive a default in the payment of the principal, premium or interest, if any, on any Debt Security; or (5) make any Debt Security payable in money other than that stated in the Debt Security.

#### DEFEASANCE AND DISCHARGE

The Indenture provides that Texaco Capital may terminate its obligations with respect to any series of Debt Securities, on the terms and subject to the conditions contained in the Indenture, by depositing in trust with the Trustee money or U.S. Government Obligations sufficient to pay principal, premium and interest, if any, on such series to redemption or maturity. Upon the termination of the Company's obligations with respect to all the Debt Securities of a series, the Trustee, at the request of Texaco Capital, shall release its rights and interests with respect to such series of Debt Securities in any security granted by Texaco Capital or Texaco Inc. As a condition to any such termination, Texaco Capital is required to furnish an opinion of recognized independent tax counsel to the effect that such proposed deposit and termination will not have any effect on the Holders of the Debt Securities for Federal income tax purposes. Such opinion must be based upon a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of this Prospectus since such a result would not occur under current tax law.

#### OTHER DEBT SECURITIES

In addition to the Debt Securities described above, Texaco Capital may issue subordinated debt securities (which will be guaranteed on a subordinated basis by Texaco Inc.) and Texaco Inc. may issue either senior or subordinated debt securities. Any such debt securities will be described in a Prospectus Supplement and will be issued pursuant to an indenture entered into among Texaco Inc., a trustee and, if applicable, Texaco Capital, which indenture will be filed with the SEC and qualified under the Trust Indenture Act.

#### DESCRIPTION OF TEXACO INC. COMMON STOCK

As of the date of this Prospectus, Texaco Inc.'s Certificate of Incorporation authorizes the issuance of 700,000,000 shares of Common Stock, \$3.125 par value per share. As of February 5, 1998, 540,987,148 shares of Common Stock were outstanding.

Subject to the rights of the holders of any outstanding shares of preferred stock, holders of Common Stock are entitled to receive such dividends, in cash, securities, or property, as may from time to time be declared by the Board of Directors. Subject to the provisions of Texaco Inc.'s By-laws, as from time to time amended, with respect to the closing of the transfer books and the fixing of a record date, holders of shares of Common Stock are entitled to one vote per share of Common Stock held on all matters requiring a vote of the stockholders. In the event of any liquidation, dissolution, or winding up of Texaco Inc., either voluntary or involuntary, after payment shall have been made to the holders of preferred stock of the full amount to which they shall be entitled, the holders of Common Stock shall be entitled to share ratably, according to the number of shares held by them, in all remaining assets of Texaco Inc. available for distribution. Shares of Common Stock are not redeemable and have no subscription, conversion or preemptive rights. Each share of Common Stock has attached to it a Right to purchase, under certain circumstances, additional shares of Common Stock or other securities at a significant discount, when certain conditions are met.

#### DESCRIPTION OF TEXACO INC. PREFERRED STOCK

The following is a description of certain general terms and provisions of Texaco Inc.'s Preferred Stock. The particular terms of any series of Preferred Stock will be described in the applicable Prospectus Supplement. If so indicated in a Prospectus Supplement, the terms of any such series may differ from the terms set forth below.

The summary of terms of Texaco Inc.'s Preferred Stock contained in this Prospectus does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of Texaco Inc.'s Certificate of Incorporation and the certificate of designations relating to each series of the Preferred Stock (the "Certificate of Designations"), which will be filed as an exhibit to or incorporated by reference in the Registration Statement of which this Prospectus is a part at or prior to the time of issuance of such series of the Preferred Stock.

Texaco Inc.'s Certificate of Incorporation authorizes the issuance of 30,000,000 shares of Preferred Stock, par value \$1.00 per share. The Texaco Inc. Board is authorized to designate any series of Preferred Stock and the powers, preferences and rights of the shares of such series and the qualifications, limitations or restrictions thereof without further action by the holders of Common Stock. As of February 5, 1998, there were outstanding 691,020 shares of Series B ESOP Convertible Preferred Stock, 55,695 shares of Series F ESOP Convertible Preferred Stock and 1,200 shares of Market Auction Preferred Stock. There are 3,000,000 shares designated as Series D Junior Participating Preferred Stock, none of which are currently outstanding.

The Texaco Inc. Board is authorized to determine, for each series of Preferred Stock, and the Prospectus Supplement shall set forth with respect to such series: (i) whether the holders thereof shall be entitled to cumulative, noncumulative, or partially cumulative dividends and, with respect to shares entitled to dividends, the dividend rate or rates, including without limitation the methods and procedures for determining such rate or rates, and any other terms and conditions relating to such dividends; (ii) whether, and if so to what extent and upon what terms and conditions, the holders thereof shall be entitled to rights upon the liquidation of, or upon any distribution of the assets of, Texaco Inc.; (iii) whether, and if so upon what terms and conditions, such shares shall be convertible into Debt Securities, any other series of Preferred Stock, Depositary Shares or Common Stock, or exchangeable for the securities of any other corporation; (iv) whether, and if so upon what terms and conditions, such shares shall be redeemable; (v) whether the shares shall be redeemable and subject to any sinking fund provided

for the purchase or redemption of such shares and, if so, the terms of such fund; (vi) whether the holders thereof shall be entitled to voting rights and, if so, the terms and conditions for the exercise thereof; and (vii) whether the holders thereof shall be entitled to other preferences or rights, and, if so, the qualifications, limitations, or restrictions of such preferences or rights.

#### DIVIDENDS

Holders of shares of Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of Texaco Inc. legally available for payment, cash dividends payable at such dates and at such rates per share per annum as set forth in the applicable Prospectus Supplement. The Prospectus Supplement will also state applicable record dates regarding the payment of dividends. Except as set forth below, no dividends shall be declared or paid or set apart for payment on any series of Preferred Stock unless full dividends for all series of Preferred Stock (including any accumulation in respect of unpaid dividends for prior dividend periods, if dividends on such Preferred Stock are cumulative) have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment. When dividends are not so paid in full (or a sum sufficient for such full payment is not so set apart) upon the Preferred Stock, dividends declared (if any) on the Preferred Stock shall be declared pro-rata so that the amount of dividends declared per share on each series of Preferred Stock shall in all cases bear to each other series the same ratio that (x) accrued dividends (including any accumulation with respect to unpaid dividends for prior dividend periods, if dividends for such series are cumulative) for the then-current dividend period per share for each respective series of Preferred Stock bear to (y) aggregate accrued dividends for the then-current dividend period (including all accumulations with respect to unpaid dividends for prior periods for all series which are cumulative) for all outstanding shares of Preferred Stock.

Unless all dividends on the Preferred Stock shall have been paid in full (i) no dividend shall be declared and paid or declared and a sum sufficient thereof set apart for payment (other than a dividend in Texaco Inc.'s common stock or in any other class ranking junior to the Preferred Stock as to dividends and liquidation preferences) or other distribution declared or made upon the shares of Texaco Inc.'s common stock or upon any other class ranking junior to the Preferred Stock as to dividends or liquidation preferences and (ii) no shares of Texaco Inc.'s common stock or class of stock ranking junior to the Preferred Stock as to dividends or liquidation preferences may be redeemed, purchased or otherwise acquired by Texaco Inc. except by conversion into or exchange for shares of Texaco Inc. ranking junior to the Preferred Stock as to dividends and liquidation preferences.

No series of Preferred Stock will be convertible into, or exchangeable for, other securities or property except as set forth in the related Prospectus Supplement.

#### REDEMPTION AND SINKING FUND

No series of Preferred Stock will be redeemable or receive the benefit of a sinking fund except as set forth in the related Prospectus Supplement.

#### LIQUIDATION

Upon any voluntary or involuntary liquidation, dissolution or winding up of Texaco Inc., holders of any series of Preferred Stock will be entitled to receive the liquidation preference per share specified in the Prospectus Supplement, if any, in each case together with any applicable accrued and unpaid dividends and before any distribution to holders of Texaco Inc.'s common stock or any class of stock ranking junior to the Preferred Stock as to dividends and liquidation preferences. In the event there are insufficient assets to pay such liquidation preferences for all classes of Preferred Stock in full, the remaining assets shall be allocated ratably among all series of Preferred Stock based upon the aggregate liquidation preference for all outstanding shares for each such series. After payment of the full amount of the liquidation preference to

which they are entitled, the holders of shares of Preferred Stock will not be entitled to any further participation in any distribution of assets by Texaco Inc. unless otherwise provided in a Prospectus Supplement, and the remaining assets of Texaco Inc. shall be distributable exclusively among the holders of Texaco Inc.'s common stock and any class of stock ranking junior to the Preferred Stock as to dividends and liquidation preferences, according to their respective interests.

#### VOTING

No series of Preferred Stock will be entitled to vote except as provided below or in the related Prospectus Supplement. Unless otherwise specified in the related Prospectus Supplement, if at any time Texaco Inc. shall have failed to declare and pay in full dividends for six quarterly periods, whether consecutive or not, on any applicable series of Preferred Stock and all such preferred dividends remain unpaid (a "Preferred Dividend Default"), the number of directors of Texaco Inc. shall be increased by two and the holders of such series of Preferred Stock, voting together as a class with all other series of Preferred Stock then entitled to vote on such election of directors, shall be entitled to elect such two additional directors until the full dividends accumulated on all outstanding shares of such series shall have been declared and paid in full. Upon the occurrence of a Preferred Dividend Default, Texaco Inc.'s Board of Directors shall within 10 business days of such default call a special meeting of the holders of shares of all affected series, for which there is a Preferred Dividend Default, for the purpose of electing the additional directors. In lieu of holding such meeting, the holders of record of a majority of the outstanding shares of all series for which there is a Preferred Dividend Default who are then entitled to participate in the election of directors may, by action taken by written consent, elect such additional directors. If and when all accumulated dividends on any series of Preferred Stock have been paid in full, the holders of shares of such series shall be divested of the foregoing voting rights subject to revesting in the event of each and every Preferred Dividend Default. Upon termination of such special voting rights attributable to all series for which there has been a Preferred Dividend Default, the term of office of each director so elected (a "Preferred Stock Director") shall terminate and the number of directors of Texaco Inc. shall, without further action, be reduced by two, subject always to the increase in the number of directors pursuant to the foregoing provisions in case of a future Preferred Dividend Default. Any Preferred Stock Director may be removed at any time with or without cause by, and shall not be removed otherwise than by, the vote of the holders of record of a majority of the outstanding shares of all series of Preferred Stock who were entitled to participate in such director's election, voting as a separate class, at a meeting called for such purpose or by written consent. So long as a Preferred Stock Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding series of Preferred Stock who are then entitled to participate in the election of such Preferred Stock Directors as provided above. As long as the Preferred Dividend Default shall continue, holders of the Preferred Stock shall not, as such stockholders, be entitled to vote on the election or removal or directors, other than Preferred Stock Directors, but shall not be divested of any other voting rights provided to the holders of Preferred Stock by law with respect to any other matter to be acted upon by the stockholders of Texaco Inc. The Preferred Stock Directors shall each be entitled to one vote per director on any matter. Additionally, unless otherwise specified in a Prospectus Supplement, the affirmative vote of the holders of a majority of the outstanding shares of each series of Preferred Stock voting together as a class, is required to authorize any amendment, alteration or repeal of Texaco Inc.'s Certificate of Incorporation or any Certificate of Designations which would adversely affect the powers, preferences, or special rights of the Preferred Stock including authorizing any class of stock with superior dividend and liquidation preferences.

#### MISCELLANEOUS

The holders of Preferred Stock will have no preemptive rights. The Preferred Stock, upon issuance against full payment of the purchase price therefor, will be fully paid and nonassessable. Shares of Preferred Stock redeemed or otherwise reacquired by Texaco Inc. shall resume the status of authorized



and unissued shares of Preferred Stock undesignated as to series, and shall be available for subsequent issuance. There are no restrictions on repurchase or redemption of the Preferred Stock while there is any arrearage on sinking fund installments except as may be set forth in a Prospectus Supplement. Neither the par value nor the liquidation preference is indicative of the price at which the Preferred Stock will actually trade on or after the date of issuance. Payment of dividends on any series of Preferred Stock may be restricted by loan agreements, indentures and other transactions entered into by Texaco Inc.

#### NO OTHER RIGHTS

The shares of a series of Preferred Stock will not have any preferences, voting powers or relative, participating, optional or other special rights except as set forth above or in the related Prospectus Supplement, Texaco Inc.'s Certificate of Incorporation or Certificate of Designations for the applicable series of Preferred Stock or as otherwise required by law.

#### TRANSFER AGENT AND REGISTRAR

The transfer agent for each series of Preferred Stock will be described in the related Prospectus Supplement.

#### DESCRIPTION OF THE DEPOSITARY SHARES

Texaco Inc. may, at its option, elect to offer Depositary Shares rather than full shares of Preferred Stock. In the event such option is exercised, each of the Depositary Shares will represent ownership of and entitlement to all rights and preferences of a fraction of a share of Preferred Stock of a specified series (including dividend, voting, redemption and liquidation rights). The applicable fraction will be specified in the Prospectus Supplement. The shares of Preferred Stock represented by the Depositary Shares will be deposited with a Depositary (the "Depositary") named in the applicable Prospectus Supplement, under a Deposit Agreement (the "Deposit Agreement"), among Texaco Inc., the Depositary and the holders of the Depositary Receipts. Certificates evidencing Depositary Shares ("Depositary Receipts") will be delivered to those persons purchasing Depositary Shares in the offering. The Depositary will be the transfer agent, registrar and dividend disbursing agent for the Depositary Shares. Holders of Depositary Receipts agree to be bound by the Deposit Agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

The summary of terms of Texaco Inc.'s Depositary Shares contained in this Prospectus does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the Deposit Agreement, Texaco Inc.'s Certificate of Incorporation and the Certificate of Designations for the applicable series of Preferred Stock.

#### DIVIDENDS

The Depositary will distribute all cash dividends or other cash distributions received in respect of the series of Preferred Stock represented by the Depositary Shares to the record holders of Depositary Receipts in proportion to the number of Depositary Shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by Texaco Inc. for the applicable series of Preferred Stock. The Depositary, however, will distribute only such amount as can be distributed without attributing to any Depositary Share a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum received by the Depositary for distribution to record holders of Depositary Receipts then outstanding.

In the event of a distribution other than in cash, the Depositary will distribute property received by it to the record holders of Depositary Receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of Depositary Shares owned by such holders on the relevant record date, unless the Depositary determines (after consultation with Texaco Inc.) that it is not feasible to make such

distribution, in which case the Depositary may (with the approval of Texaco Inc.) adopt any other method for such distribution as it deems appropriate, including the sale of such property and distribution of the net proceeds from such sale to such holders.

#### LIQUIDATION PREFERENCE

In the event of the liquidation, dissolution or winding up of the affairs of Texaco Inc., whether voluntary or involuntary, the holders of each Depositary Share will be entitled to the fraction of the liquidation preference accorded each share of the applicable series of Preferred Stock, as set forth in the Prospectus Supplement.

#### REDEMPTION

If the series of Preferred Stock represented by the applicable series of Depositary Shares is redeemable, such Depositary Shares will be redeemed from the proceeds received by the Depositary resulting from the redemption, in whole or in part, of Preferred Stock held by the Depositary. Whenever Texaco Inc. redeems any Preferred Stock held by the Depositary, the Depositary will redeem as of the same redemption date the number of Depositary Shares representing the Preferred Stock so redeemed. The Depositary will mail the notice of redemption promptly upon receipt of such notice from Texaco Inc. and not less than 35 nor more than 60 days prior to the date fixed for redemption of the Preferred Stock and the Depositary Shares to the record holders of the Depositary Receipts.

#### VOTING

Promptly upon receipt of notice of any meeting at which the holders of the series of Preferred Stock represented by the applicable series of Depositary Shares are entitled to vote, the Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Receipts as of the record date for such meeting. Each such record holder of Depositary Receipts will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the number of shares of Preferred Stock represented by such record holder's Depositary Shares. The Depositary will endeavor, insofar as practicable, to vote such Preferred Stock represented by such Depositary Shares in accordance with such instructions, and Texaco Inc. will agree to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so. The Depositary will abstain from voting any of the Preferred Stock to the extent that it does not receive specific instructions from the holders of Depositary Receipts.

#### WITHDRAWAL OF PREFERRED STOCK

Upon surrender of Depositary Receipts at the principal office of the Depositary, upon payment of any unpaid amount due the Depositary, and subject to the terms of the Deposit Agreement, the owner of the Depositary Shares evidenced thereby is entitled to delivery of the number of whole shares of Preferred Stock and all money and other property, if any, represented by such Depositary Shares. Partial shares of Preferred Stock will not be issued. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of Preferred Stock to be withdrawn, the Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. Holders of Preferred Stock thus withdrawn will not thereafter be entitled to deposit such shares under the Deposit Agreement or to receive Depositary Receipts evidencing Depositary Shares therefor.

#### AMENDMENT AND TERMINATION OF DEPOSIT AGREEMENT

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time and from time to time be amended by agreement between Texaco Inc. and the Depositary. However, any amendment which materially and adversely alters the rights of the holders

(other than any change in fees) of Depositary Shares will not be effective unless such amendment has been approved by at least a majority of the Depositary Shares then outstanding. No such amendment may impair the right, subject to the terms of the Deposit Agreement, of any owner of any Depositary Shares to surrender the Depositary Receipt evidencing such Depositary Shares with instructions to the Depositary to deliver to the holder the Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law. The Deposit Agreement may be terminated by Texaco Inc. or the Depositary only if (i) all outstanding Depositary Shares have been redeemed or (ii) there has been a final distribution in respect of the Preferred Stock in connection with any dissolution of Texaco Inc. and such distribution has been made to all the holders of Depositary Shares.

#### CHARGES OF DEPOSITARY

Texaco Inc. will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. Texaco Inc. will pay charges of the Depositary in connection with the initial deposit of the Preferred Stock and the initial issuance of the Depositary Shares, any redemption of the Preferred Stock and all withdrawals of Preferred Stock by owners of Depositary Shares. Holders of Depositary Receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the Deposit Agreement to be for their accounts. In certain circumstances, the Depositary may refuse to transfer Depositary Shares, may withhold dividends and distributions and sell the Depositary Shares evidenced by such Depositary Receipt if such charges are not paid.

#### MISCELLANEOUS

The Depositary will forward to the holders of Depositary Receipts all reports and communications from Texaco Inc. which are delivered to the Depositary and which Texaco Inc. is required to furnish to the holders of the Preferred Stock. In addition, the Depositary will make available for inspection by holders of Depositary Receipts at the principal office of the Depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from Texaco Inc. which are received by the Depositary as the holder of Preferred Stock.

Neither the Depositary nor Texaco Inc. assumes any obligation or will be subject to any liability under the Deposit Agreement to holders of Depositary Receipts other than for its negligence or willful misconduct. Neither the Depositary nor Texaco Inc. will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The obligations of Texaco Inc. and the Depositary under the Deposit Agreement will be limited to performance in good faith of their duties thereunder, and they will not be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or Preferred Stock unless satisfactory indemnity is furnished. Texaco Inc. and the Depositary may rely on written advice of counsel or accountants, on information provided by holders of Depositary Receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties.

#### RESIGNATION AND REMOVAL OF DEPOSITARY

The Depositary may resign at any time by delivering to Texaco Inc. notice of its election to do so, and Texaco Inc. may at any time remove the Depositary, any such resignation or removal to take effect upon the appointment of a successor Depositary and its acceptance of such appointment. Such successor Depositary must be appointed within 60 days after delivery of the notice for resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$150,000,000.

## FEDERAL INCOME TAX CONSEQUENCES

Owners of the Depositary Shares will be treated for Federal income tax purposes as if they were owners of the Preferred Stock represented by such Depositary Shares. Accordingly, such owners will be entitled to take into account for Federal income tax purposes income and deductions to which they would be entitled if they were holders of such Preferred Stock. In addition, (i) no gain or loss will be recognized for Federal income tax purposes upon the withdrawal of Preferred Stock in exchange for Depositary Shares, (ii) the tax basis of each share of Preferred Stock to an exchanging owner of Depositary Shares will, upon such exchange, be the same as the aggregate tax basis of the Depositary Shares exchanged therefor, and (iii) the holding period for Preferred Stock in the hands of an exchanging owner of Depositary Shares will include the period during which such person owned such Depositary Shares.

## DESCRIPTION OF THE WARRANTS

Texaco Capital may issue Warrants for the purchase of Debt Securities and Texaco Inc. may issue Warrants for the Purchase of Texaco Inc. Debt Securities, Preferred Stock or Common Stock. Warrants may be issued independently or together with Debt Securities, Texaco Inc. Debt Securities, Preferred Stock or Common Stock offered by any Prospectus Supplement and may be attached to or separate from any such Securities. Each series of Warrants will be issued under a separate warrant agreement (a "Warrant Agreement") to be entered into between Texaco Capital or Texaco Inc. and a bank or trust company, as warrant agent (the "Warrant Agent"). The Warrant Agent will act solely as an agent of Texaco Inc. or Texaco Capital in connection with the Warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of Warrants. The following summary of certain provisions of the Warrants does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Warrant Agreement that will be filed with the SEC in connection with the offering of such Warrants.

## DEBT WARRANTS

The Prospectus Supplement relating to a particular issue of Warrants to issue Debt Securities ("Debt Warrants") will describe the terms of such Debt Warrants, including the following: (a) the title of such Debt Warrants; (b) the offering price for such Debt Warrants, if any; (c) the aggregate number of such Debt Warrants; (d) the designation and terms of the Debt Securities or Texaco Inc. Debt Securities purchasable upon exercise of such Debt Warrants; (e) if applicable, the designation and terms of the Debt Securities or Texaco Inc. Debt Securities with which such Debt Warrants are issued and the number of such Debt Warrants issued with each such Debt Security or Texaco Inc. Debt Security; (f) if applicable, the date from and after which such Debt Warrants and any Debt Securities or Texaco Inc. Debt Securities issued therewith will be separately transferable; (g) the principal amount of Debt Securities or Texaco Inc. Debt Securities purchasable upon exercise of a Debt Warrant and the price at which such principal amount of Debt Securities or Texaco Inc. Debt Securities may be purchased upon exercise (which price may be payable in cash, securities, or other property); (h) the date on which the right to exercise such Debt Warrants shall commence and the date on which such right shall expire; (i) if applicable, the minimum or maximum amount of such Debt Warrants that may be exercised at any one time; (j) whether the Debt Warrants represented by the Debt Warrant certificates, Debt Securities or Texaco Inc. Debt Securities that may be issued upon exercise of the Debt Warrants will be issued in registered or bearer form; (k) information with respect to book-entry procedures, if any; (l) the currency or currency units in which the offering price, if any, and the exercise price are payable; (m) if applicable, a discussion of material United States federal income tax considerations; (n) the antidilution provisions of such Debt Warrants, if any; (o) the redemption or call provisions, if any, applicable to such Debt Warrants; and (p) any additional terms of the Debt Warrants, including terms, procedures, and limitations relating to the exchange and exercise of such Debt Warrants.

## STOCK WARRANTS

The Prospectus Supplement relating to any particular issue of Warrants to issue Common Stock or Preferred Stock will describe the terms of such Warrants, including the following: (a) the title of such Warrants; (b) the offering price for such Warrants, if any; (c) the aggregate number of such Warrants; (d) the designation and terms of the Common Stock or Preferred Stock purchasable upon exercise of such Warrants; (e) if applicable, the designation and terms of the Securities with which such Warrants are issued and the number of such Warrants issued with each such Security; (f) if applicable, the date from and after which such Warrants and any Securities issued therewith will be separately transferable; (g) the number of shares of Common Stock or Preferred Stock purchasable upon exercise of a Warrant and the price at which such shares may be purchased upon exercise; (h) the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire; (i) if applicable, the minimum or maximum amount of such Warrants that may be exercised at any one time; (j) the currency or currency units in which the offering price, if any, and the exercise price are payable; (k) if applicable, a discussion of material United States federal income tax considerations; (l) the antidilution provisions of such Warrants, if any; (m) the redemption or call provisions, if any, applicable to such Warrants; and (n) any additional terms of the Warrants, including terms, procedures, and limitations relating to the exchange and exercise of such Warrants.

## EXPERTS

The audited consolidated financial statements and schedules included or incorporated by reference in the Annual Report of Texaco Inc. for the fiscal year ended December 31, 1996 filed on Form 10-K, incorporated herein by reference, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

## LEGAL OPINIONS

The validity of the Securities being offered hereby will be passed upon for Texaco Capital and Texaco Inc. by Paul R. Lovejoy, Esq., Assistant General Counsel of Texaco Inc. or such other attorney of Texaco Inc. as Texaco Capital and Texaco Inc. may designate, and for the purchasers by Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017.

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses in connection with the issuance and distribution of the Securities being registered, other than underwriting compensation, are:

Registration Fee for Registration Statement.....	\$ 221,250
Accounting Fees and Expenses.....	100,000
Trustee's Fees and Expenses (including counsel fees).....	200,000
Blue Sky Fees and Expenses.....	15,000
Legal Fees and Expenses.....	100,000
Printing and Engraving Fees.....	150,000
Rating Agency Fees.....	200,000
Miscellaneous.....	10,000
	-----
TOTAL.....	\$ 996,250*
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\* All amounts are estimated except for registration fee.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Under the provisions of Section 145 of the Delaware Corporation Law and Article V of the By-Laws of Texaco Inc., directors and officers of Texaco Inc. are indemnified by Texaco Inc. under certain circumstances for certain liabilities and expenses.

Texaco Inc. would recover indemnification payments under the provisions of its Directors and Officers Liability and Company Reimbursement Liability Policy, subject to deductibles and other specified exclusions set forth in the policy. Further, directors or officers of Texaco Inc. may recover directly under the policy in certain instances where Texaco Inc. itself does not provide indemnification.

Likewise, under Section 145 of the Delaware Corporation Law and the By-Laws of Texaco Capital, directors and officers of Texaco Capital are indemnified by Texaco Capital under certain circumstances for certain liabilities and expenses.

ITEM 16. EXHIBITS

- 1.1 -- Underwriting Agreement Standard Provisions.
- 1.2 -- Form of Distribution Agreement.
- \*\*4.1 -- Form of First Supplemental Indenture among Texaco Capital Inc., Texaco Inc. and The Chase Manhattan Bank (National Association), as Trustee, filed as Exhibit 4.1 to Texaco Capital Inc.'s Registration Statement on Form S-3 (Registration Nos. 33-33303 and 33-33303-01) on February 1, 1990.
- \*\*4.1(a) -- Form of First Supplement to the First Supplemental Indenture, filed as Exhibit 4.1(a) to Texaco Inc.'s Current Report on Form 8-K, dated October 12, 1990 and filed on October 15, 1990, SEC File No. 1-27.
- \*\*4.1(b) -- Form of Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, filed as Exhibit 4.1(b) to Texaco Inc.'s Form 10-Q for the quarterly period ended June 30, 1997, and filed on August 13, 1997, SEC File No. 1-27.
- \*\*4.2(a) -- Form of Guaranteed Note, filed as Exhibit 4.2(a) to Texaco Capital Inc.'s Registration Statement on Form S-3 (Registration No. 33-40309) on May 1, 1991.
- \*\*4.2(b) -- Form of Guaranteed Debenture, filed as Exhibit 4.2(b) to Texaco Capital Inc.'s Registration Statement on Form S-3 (Registration No. 33-40309) on May 1, 1991.

- \*\*4.3(a) -- Form of Warrant Agreement, for Warrants Sold Attached to Debt Securities (including form of Warrant Certificate), filed as Exhibit 4.3(a) to Texaco Capital Inc.'s Registration Statement on Form S-3 (Registration No. 33-40309) on May 1, 1991.
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- 5 -- Opinion of Paul R. Lovejoy, Esq. as to legality of the Securities.
- \*\*12.1 -- Computation of Ratio of Earnings to Fixed Charges, filed as Exhibit 12 to Texaco Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997 on November 13, 1997, SEC File No. 1-17.
- 12.2 -- Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
- 23.1 -- Consent of Arthur Andersen LLP.
- 23.2 -- The consent of Paul R. Lovejoy, Esq. is contained in his opinion filed as Exhibit 5 to this Registration Statement.
- \*\*24.1 -- Power of Attorney. Powers of Attorney for certain directors and officers of Texaco Inc. authorizing, among other things, the signing of registration statements on their behalf, have been filed as Exhibit 24 to Texaco Inc.'s Registration Statement on Form S-4, dated and filed September 29, 1997, Registration No. 333-36679.
- 24.2(a to d) -- Power of Attorney. Powers of Attorney for the directors and certain officers of Texaco Capital Inc. authorizing, among other things, the signing of registration statements on their behalf.

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 \*\* Previously filed.

ITEM 17. UNDERTAKINGS.

Each of Texaco Capital and Texaco Inc. hereby undertakes:

(1) To file, during any period in which offers or sales are being made of the Securities registered hereby, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent not more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

PROVIDED, HOWEVER, that the undertakings set forth in paragraphs (1)(i) and (1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by Texaco Inc. pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the Securities offered therein, and the offering of such Securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the Securities being registered which remain unsold at the termination of the offering.

(4) That, for the purposes of determining any liability under the Securities Act of 1933, each filing of Texaco Inc.'s Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the Securities offered therein, and the offering of such Securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of Texaco Capital or Texaco Inc. pursuant to the provisions specified in the first and third paragraphs of Item 15 of this Registration Statement or otherwise, Texaco Capital and Texaco Inc. have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in said Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Texaco Capital or Texaco Inc. of expenses incurred or paid by a director, officer or controlling person of Texaco Capital or Texaco Inc. in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the Securities being registered, Texaco Capital and Texaco Inc. will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act, and will be governed by the final adjudication of such issue.



SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, TEXACO CAPITAL INC. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE TOWN OF HARRISON, STATE OF NEW YORK, ON THE 18TH DAY OF FEBRUARY, 1998.

TEXACO CAPITAL INC.  
(Registrant)

By ROBERT C. GORDAN  
-----  
(ROBERT C. GORDAN)  
TREASURER

Attest:

By R.E. KOCH  
-----  
(R.E. KOCH) ASSISTANT SECRETARY

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATE INDICATED.

JAMES F. LINK..... Chairman of the Board  
(Principal Executive Officer)  
ROBERT C. GORDAN..... Treasurer  
(Principal Financial Officer)  
ROBERT C. OELKERS..... Comptroller  
(Principal Accounting Officer)

DIRECTORS

ROBERT C. GORDAN PETER M. WISSEL  
JAMES F. LINK

By R.E. KOCH  
-----  
(R.E. KOCH)  
Attorney-in-fact for the above-named  
officers and directors

February 18, 1998

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, TEXACO INC. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE TOWN OF HARRISON, STATE OF NEW YORK, ON THE 18TH DAY OF FEBRUARY, 1998.

TEXACO INC.  
(Registrant and Guarantor)

By CARL B. DAVIDSON  
-----  
(CARL B. DAVIDSON)  
VICE PRESIDENT AND SECRETARY

Attest:

By R.E. KOCH  
-----  
(R.E. KOCH) ASSISTANT SECRETARY

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATE INDICATED.

- PETER I. BIJUR..... Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)
- PATRICK J. LYNCH..... Senior Vice President and Chief Financial Officer (Principal Financial Officer)
- ROBERT C. OELKERS..... Comptroller (Principal Accounting Officer)

DIRECTORS

- |                     |                        |
|---------------------|------------------------|
| PETER I. BIJUR      | THOMAS S. MURPHY       |
| JOHN BRADEMÁS       | CHARLES H. PRICE, II   |
| MARY K. BUSH        | ROBIN B. SMITH         |
| WILLARD C. BUTCHER  | WILLIAM C. STEERE, JR. |
| EDMUND M. CARPENTER | THOMAS A. VANDERSLICE  |
| MICHAEL C. HAWLEY   | WILLIAM WRIGLEY        |
| FRANKLYN G. JENIFER |                        |

By R.E. KOCH  
-----  
(R.E. KOCH)  
Attorney-in-fact for the above-named officers and directors

February 18, 1998

INDEX TO EXHIBITS

The exhibits designated by an asterisk are incorporated herein by reference to documents previously filed by the Company or Texaco Inc. with the Securities and Exchange Commission.

EXHIBITS.

PAGE

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- 1.2 --Form of Distribution Agreement.
- \*4.1 --Form of First Supplemental Indenture among Texaco Capital Inc., Texaco Inc. and The Chase Manhattan Bank (National Association), as Trustee, filed as Exhibit 4.1 to Texaco Capital Inc.'s Registration Statement on Form S-3 (Registration Nos. 33-33303 and 33-33303-01) on February 1, 1990.
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- - - - -

\*Previously filed.

TEXACO INC.  
2000 WESTCHESTER AVENUE  
WHITE PLAINS, NEW YORK 10650

TEXACO CAPITAL INC.  
1013 CENTRE ROAD  
WILMINGTON, DELAWARE 19801

-----  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS  
-----

February 18, 1998

To: The firm or firms who may be  
Purchasers of Purchased Securities

Dear Sirs:

Texaco Inc. ("Texaco") and Texaco Capital Inc. (the "Company"), both Delaware corporations, are considering issuing and selling in the United States, from time to time, up to \$1,250,000,000 (or the equivalent in foreign denominated currency or units based on or related to currencies, including European Currency Units) of their securities ("Securities"), or if any Securities are to be issued at original issue discount, such greater amount as shall result in net proceeds of \$1,250,000,000. Debt Securities issued by the Company will be guaranteed ("Guaranties") by Texaco. The Company and Texaco have registered the Securities with the Securities and Exchange Commission ("Commission") under a registration statement, including a prospectus, filed with the Commission in accordance with the provisions of the Securities Act of 1933 ("Act") and the applicable rules and regulations, including specifically Rule 415, of the Commission. The registration statement, as subsequently amended or supplemented by the supplement to the Prospectus referred to in Section 2, and all prior amendments and supplements thereto (other than supplements relating to Securities that are not Purchased Securities) (as hereinafter defined) is referred to as the "Registration Statement" and the prospectus, as so amended or supplemented, including all material incorporated by reference therein, is referred to as the "Prospectus."

Debt Securities, when issued by the Company, will be issued in series under an Indenture dated as of August 24, 1984 as (1) supplemented and restated by the First Supplemental Indenture dated as of January 31, 1990, (2) further amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990, and (3) further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, (as so supplemented and amended, the "Indenture") among the Company, Texaco and The Chase Manhattan Bank, as Trustee (the "Trustee"), heretofore filed with the Commission and qualified under the Trust Indenture Act of 1939, as amended ("TIA") and the rules and regulations applicable to the TIA.

Debt Securities, when issued by Texaco, will be issued in series under an indenture to be entered into between Texaco and a trustee and filed with the Commission and qualified under the TIA.

The Common Stock of Texaco is described in its Certificate of Incorporation.

Preferred Stock, when issued by Texaco, will be described in a Certificate of Designations to be filed by Texaco with the Secretary of State of the State of Delaware.

Depository Shares, when issued by Texaco, will be deposited with a depository under a Deposit Agreement with a depository as specified in the Underwriting Agreement.

Warrants, when issued, will be issued under a warrant agreement ("Warrant Agreement") among the Company, Texaco and a bank or trust company as warrant agent as specified in the Underwriting Agreement.

The various series of Securities may be issued in United States dollars or a foreign denominated currency or units based on or related to currencies (such as the European Currency Units) and may have varying interest rates, maturities, redemption provisions, exercise prices, expiration dates and selling prices

and will be subject to such other terms and conditions as may be determined at the time of the sale of each series of Securities. Particular series of the Securities may be sold to one or more firms for resale in accordance with the terms of offering determined at the time of sale.

The series of Securities involved in a sale are referred to as the "Purchased Securities," and the firm or firms which agree to purchase the Purchased Securities are referred to individually as a "Purchaser" and collectively as the "Purchasers."

1. UNDERWRITING AGREEMENT. (a) The obligation of the Company or Texaco to sell Purchased Securities, the obligation of Texaco to guarantee Purchased Securities and the obligation of a Purchaser to purchase the Purchased Securities will be evidenced by facsimile exchange or other written communications ("Underwriting Agreement") at the time the Company or Texaco determines to sell Purchased Securities, Texaco agrees to guarantee Debt Securities, and a Purchaser agrees to purchase Purchased Securities.

(b) An Underwriting Agreement shall incorporate by reference the provisions of this Agreement and be substantially in the form of Exhibit A hereto and shall specify:

(i) the name of each Purchaser purchasing the Purchased Securities and the name of the Purchaser or Purchasers who shall act as representative for all of the Purchasers (the "Representative," whether one or more);

(ii) the number of shares of Common Stock or Preferred Stock, the principal amount and denomination of Debt Securities, the number of Depository Shares or the number of Warrants to be purchased by each Purchaser;

(iii) the purchase price to be paid by the Purchasers for the Purchased Securities;

(iv) the terms of any Delayed Delivery Contracts (as hereinafter defined);

(v) the terms and conditions of the Purchased Securities not otherwise specified in the Indenture, Certificate of Designations, Deposit Agreement or Warrant Agreement, such as the interest rate, maturity, redemption provisions, sinking fund requirements, exercise price of the Warrants, the principal amount of Debt Securities issuable upon exercise of one such Warrant ("Warrant Securities"), the date after which Warrants are exercisable, the expiration date thereof and the date, if any, after which the Warrants are detachable;

(vi) the time and date of delivery of and payment for the Purchased Securities ("Closing" or "Closing Date") including the form of payment;

(vii) the details of the terms of the offering of the Purchased Securities to the public, which will be reflected in a supplement to the Prospectus relating to the offering of the Purchased Securities; and

(viii) the file number of the registration statement relating to the purchased securities; and

(ix) any other changes which may be agreed to at the time.

(c) If more than one firm agrees to purchase the Purchased Securities, the obligation of each Purchaser shall be several and not joint. Purchased Securities, when delivered, will be in such denominations and registered in such names as the Purchasers request and Debt Securities will have the Guaranties endorsed thereon.

(d) If the Company or Texaco agrees, and the Underwriting Agreement so provides, the Purchasers may solicit offers to purchase Purchased Securities on the terms and subject to the conditions set forth in the supplement to the Prospectus pursuant to "Delayed Delivery Contracts" substantially in the form of Exhibit H attached hereto but with such changes therein as the Company or Texaco may authorize or approve. Delayed Delivery Contracts are to be with institutional investors approved by the Company or Texaco and of the types set forth in the Prospectus. On the Closing Date the Company or Texaco will pay

the Representative as compensation, for the accounts of the Purchasers, the fee set forth in the Underwriting Agreement in respect of the principal amount of Purchased Securities sold under Delayed Delivery Contracts. The Purchasers will not have any responsibility in respect of the validity or the performance of Delayed Delivery Contracts.

If the Company or Texaco executes and delivers Delayed Delivery Contracts with institutional investors, the Purchased Securities so sold shall be deducted from the Purchased Securities to be purchased by the several Purchasers and the aggregate principal amount of Purchased Securities to be purchased by each Purchaser shall be reduced pro rata in proportion to the principal amount of Purchased Securities set forth opposite each Purchaser's name in the Underwriting Agreement, except to the extent that the Representative determines that such reduction shall be otherwise and so advises the Company or Texaco.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY AND TEXACO. In connection with each purchase, sale and offering of Purchased Securities:

(a) The Company and Texaco severally represent and warrant to each Purchaser that:

(i) the Registration Statement has become effective;

(ii) each document of Texaco, if any, filed or to be filed pursuant to the Securities Exchange Act of 1934 (the "1934 Act") and incorporated by reference in the Prospectus complied, or will comply when filed, in all material respects with the 1934 Act and the rules and regulations thereunder;

(iii) the Indenture complies in all material respects with the TIA;

(iv) each part of the Registration Statement (including the documents incorporated by reference therein), filed with the Commission pursuant to the Act relating to the Purchased Securities, when such part became effective, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(v) the Prospectus filed pursuant to Rule 424 under the Act complied when so filed in all material respects with the Act and the applicable rules and regulations thereunder;

(vi) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Act and the applicable rules and regulations thereunder;

(vii) the Registration Statement and the Prospectus do not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that these representations and warranties do not apply to statements or omissions in the Registration Statement or the Prospectus based upon written information furnished to the Company or Texaco by the Purchasers or the Trustee expressly for use therein; and

(viii) they are in compliance with all provisions of Florida Statutes Section 517.075 (Chapter 92-198, Laws of Florida), relating to doing business with Cuba.

(b) The Company and Texaco severally covenant and agree with each Purchaser that:

(i) if at any time when a Prospectus relating to the Purchased Securities is required to be delivered under the Act, any event occurs as a result of which the Prospectus would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading,

or if it is necessary at any time to amend or supplement the Registration Statement or Prospectus to comply with the Act or the applicable rules or regulations, the Company and Texaco will promptly advise the Representative and will prepare and file with the Commission, at the Company's or Texaco's own expense, an amendment or supplement which will correct such statement or omission, or an amendment which will effect such compliance PROVIDED, THAT, before amending or supplementing the Registration Statement or the Prospectus with respect to the Purchased Securities the Company or Texaco will furnish the Representative with a copy of such proposed amendment or supplement;

(ii) the Company and Texaco will furnish to the Representative a copy of the Registration Statement and, at the Company's or Texaco's own expense, will print and deliver to the Purchasers at the locations requested by them, the number of copies of the Prospectus as may be reasonably requested in connection with the offering of the Purchased Securities;

(iii) not later than 90 days after the end of the 12-month period beginning at the end of the fiscal quarter of Texaco during which a Closing Date occurs, Texaco will make generally available to securityholders an unaudited, consolidated, condensed income statement covering such 12-month period which will satisfy the provisions of Section 11(a) of the Act and the Rules and Regulations thereunder;

(iv) the Company and Texaco will severally take such action as the Representative may reasonably request and reimburse the Purchasers for any expenses (including fees and disbursements of counsel) reasonably incurred in connection with the qualification of the Purchased Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Purchasers designate;

(v) the Company and Texaco will not, after an Underwriting Agreement has been executed and delivered, and prior to the earlier of the Closing Date or the date on which the distribution of the Purchased Securities ceases, offer or sell any other series of Securities or other instruments which are substantially similar to the Purchased Securities, without the prior consent of the Representative, except for Securities issued or other instruments issued pursuant to negotiations in progress at the time an Underwriting Agreement is executed and delivered, provided the Representative shall then have been so advised by the Company; and

(vi) the Company and Texaco will pay all expenses incidental to the performance of their obligations under an Underwriting Agreement and any fees charged by investment rating agencies in connection with the rating of Purchased Securities.

3. CONDITIONS. The obligations of the Purchasers to purchase and pay for any issue of Purchased Securities under an Underwriting Agreement will be subject to the accuracy of the representations and warranties on the part of the Company and Texaco herein on and as of the Closing Date, to the performance by the Company and Texaco of their obligations hereunder and to the following additional conditions precedent:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company, Texaco or the Purchasers, shall be contemplated by the Commission, and there shall have been no material adverse change (not in the ordinary course of business) in the financial condition of Texaco and its subsidiaries, taken as a whole, from that set forth in or contemplated by the Registration Statement and the Prospectus as supplemented or amended;

(b) Each Purchaser shall have received an opinion of Paul R. Lovejoy, Esq., (or such other counsel as the Company or Texaco may designate and as may be approved by the Representative) as counsel for the Company and Texaco, dated the Closing Date, as to the matters and in substantially the form set forth in Exhibit B hereto;

(c) Each Purchaser shall have received an opinion of Davis Polk & Wardwell, counsel for the Purchasers, dated the Closing Date, as to the matters and in substantially the form set forth in Exhibit C;

(d) The Representative shall have received a certificate dated the Closing Date signed by the Secretary or any Assistant Secretary of the Company as to the matters and in substantially the form of Exhibit D hereto;

(e) The Representative shall have received (i) a certificate dated the Closing Date and signed by a Vice President, the Treasurer or the Comptroller of Texaco as to the matters and in substantially the form of Exhibit E hereto, (ii) a certificate dated the Closing Date and signed by the Secretary or any Assistant Secretary of Texaco as to the matters and in substantially the form of Exhibit F hereto, and (iii) a certificate of the Secretary of State of Delaware as of a recent date, as to the good standing of Texaco and;

(f) The Representative shall have received a letter from Arthur Andersen LLP dated the Closing Date, with respect to Texaco as to the matters and in the form set forth in Exhibit G hereto, the Representative hereby agreeing that the procedures reflected in Exhibit G are acceptable to it, notwithstanding the descriptive legend in Exhibit G.

4. INDEMNIFICATION. (a) The Company and Texaco severally agree to indemnify and hold harmless each Purchaser and each person, if any, who controls any Purchaser within the meaning of Section 15 of the Act or Section 20 of the 1934 Act, from and against any and all expenses, losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or Prospectus (if used when a Prospectus relating to the Purchased Securities is required to be delivered under the Act), as amended or supplemented, or any preliminary Prospectus, Prospectus or supplement to the Prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon written information furnished to the Company or Texaco by such Purchaser expressly for use therein.

(b) If any proceeding, including any governmental investigation, shall be instituted involving any Purchaser or any person controlling such Purchaser, in respect of which indemnity may be sought against the Company or Texaco, such Purchaser shall promptly notify the Company and Texaco in writing, and the Company or Texaco shall assume the defense thereof on behalf of such Purchaser or controlling person, including the employment of counsel and payment of all expenses. Any Purchaser or any such controlling person shall have the right to employ separate counsel in any such proceeding and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser or such controlling person unless (i) the employment of such counsel has been specifically authorized by the Company or Texaco or (ii) the named parties to any such action (including any impleaded parties) include such Purchaser or such controlling person and the Company or Texaco and such Purchaser or such controlling person shall have been advised by its counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Company or Texaco (in which case neither the Company nor Texaco shall have the right to assume the defense of such action on behalf of such Purchaser or such controlling person, it being understood, however, that the Company and Texaco shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such Purchasers and controlling persons, and such firm shall be designated in writing by the Representative). All such fees and expenses shall be paid periodically as incurred. Neither the Company nor Texaco shall be liable for any settlement of any such proceeding effected without its written consent,



but if settled with the written consent of the Company and Texaco or if there be a final judgment for the plaintiff in any such action, the Company and Texaco agree to indemnify and hold harmless any Purchaser and any such controlling person from and against any loss or liability by reason of such settlement or judgment. Neither the Company nor Texaco shall, without the prior written consent of the Purchaser or such controlling person, effect any settlement of any pending or threatened proceeding in respect of which any Purchaser or any person controlling such Purchaser is a party and indemnity has been sought hereunder by such Purchaser or such controlling person, unless such settlement includes an unconditional release of such Purchaser or such controlling person from all liability on claims that are the subject matter of such proceeding.

(c) Each Purchaser severally agrees to indemnify and hold harmless each of the Company and Texaco, its directors, its officers who sign the Registration Statement and any person controlling the Company or Texaco to the same extent as the foregoing indemnity from the Company and Texaco to each Purchaser, but only with reference to written information furnished by such Purchaser expressly for use in the Registration Statement or any preliminary Prospectus, Prospectus or supplement to the Prospectus. In case any action shall be brought against the Company or Texaco, or any of their directors or any officer or controlling person in respect of which indemnity may be sought against any Purchaser, the Purchaser shall have the rights and duties given to the Company and Texaco, and the Company and Texaco, their directors or any such officer or controlling person shall have the rights and duties given to the Purchaser, by paragraph 4(b).

(d) If the indemnification provided for in paragraph 4(a) or 4(c) is unavailable to an indemnified party for any reason other than as specified therein, or is insufficient in respect of any expenses, losses, claims, damages or liabilities referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company or Texaco on the one hand and the Purchasers on the other from the offering of the Purchased Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company or Texaco on the one hand and of the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company or Texaco on the one hand and the Purchasers on the other in connection with the offering of the Purchased Securities shall be deemed to be in the same proportion as the total net proceeds from the offering of such Purchased Securities (before deducting expenses) received by the Company or Texaco bear to the total underwriting discounts and commissions received by the Purchasers in respect thereof. The relative fault of the Company or Texaco on the one hand and of the Purchasers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Texaco or by the Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, Texaco and the Purchasers agree that it would not be just and equitable if contribution pursuant to this paragraph 4 were determined by pro rata allocation or by any other method of allocation which does not take account of the considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this paragraph 4, no Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Purchased Securities underwritten and distributed to the public by such Purchaser were offered to the public exceeds the amount of any damages which such Purchaser has otherwise been

required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Purchasers' obligations to contribute pursuant to this paragraph 4 are several, in proportion to the respective principal amounts of Purchased Securities purchased by each of such Purchasers, and not joint.

5. TERMINATION. An Underwriting Agreement shall be subject to termination, in the discretion of the Representative, by notice given to the Company and Texaco prior to the Closing Date, if prior thereto (i) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, (ii) a general moratorium on commercial banking activities in the City of New York shall have been declared by either Federal or New York State authorities or (iii) there shall have occurred any material outbreak or material escalation of hostilities or other national or international calamity or crisis of such magnitude and severity in its effect on the financial markets of the United States of America as, in the reasonable judgment of the Representative, to prevent or materially impair the marketing, or enforcement of contracts for sale, of Purchased Securities.

6. DEFAULT. (a) If any Purchaser shall fail to purchase the Purchased Securities which it has agreed to purchase pursuant to an Underwriting Agreement ("Defaulting Purchasers" whether one or more) and:

(i) the aggregate principal amount of the Purchased Securities which the Defaulting Purchasers agreed but failed to purchase is 10% or less of the aggregate principal amount of all of the Purchased Securities, the other Purchasers ("Non-Defaulting Purchasers" whether one or more) may make arrangements satisfactory to the Company and Texaco for the purchase of such Purchased Securities by other persons, including any of the Non-Defaulting Purchasers, but if no such arrangements are made by the Closing Date, the Non-Defaulting Purchasers shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Purchased Securities which the Defaulting Purchasers agreed but failed to purchase; provided that in no event shall the principal amount of Purchased Securities which any Non-Defaulting Purchaser has agreed to purchase hereunder be increased pursuant to this Section 6(a) by an amount in excess of one-ninth of such principal amount, without the written consent of the Non-Defaulting Purchaser; or

(ii) the aggregate principal amount of the Purchased Securities which the Defaulting Purchasers agreed but failed to purchase is more than 10% of the aggregate principal amount of all of the Purchased Securities and arrangements satisfactory to the Non-Defaulting Purchasers, the Company and Texaco for the purchase of such Purchased Securities are not made within thirty-six hours after such default, the Underwriting Agreement will terminate without liability on the part of the Non-Defaulting Purchasers, the Company or Texaco. As used in this Section, the term "Purchaser" includes any person substituted for a Purchaser under this Section. Nothing herein will relieve a Defaulting Purchaser from liability for its default.

(b) If the Company or Texaco shall fail or refuse to comply with the terms of an Underwriting Agreement after the date thereof, the Purchasers by notice given to the Company and Texaco at any time prior to the Closing Date may terminate the Underwriting Agreement, in which event the Company and Texaco shall be severally liable for and shall reimburse the Purchasers for all out-of-pocket expenses (including the fees and disbursements of counsel) reasonably incurred by the Purchasers in connection with the offer and sale of the Purchased Securities but the Company and Texaco shall not be otherwise liable to the Purchasers.

7. SURVIVAL OF REPRESENTATIONS, WARRANTIES, ETC. The respective representations, warranties, agreements and indemnities of the Company, Texaco and the Purchasers set forth in or made pursuant hereto will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Purchasers, the Company, Texaco or any of their officers or directors or any controlling person, and will survive delivery of and payment for Purchased Securities. The provisions of

Sections 2(b)(iv) and (vi) and 4 hereof shall survive the termination or cancellation of any Underwriting Agreement.

8. NOTICES. All communications hereunder will be in writing, and, if sent to the Purchasers, will be mailed, delivered or telecopied and confirmed to them at the address set forth in an Underwriting Agreement, if sent to the Company, will be mailed, delivered or telecopied and confirmed to it at 1013 Centre Road, Wilmington, Delaware 19801, with a copy to Texaco, and, if sent to Texaco, will be mailed, delivered or telecopied and confirmed to it at 2000 Westchester Avenue, White Plains, New York 10650, Attention: Treasurer, with a copy to the Company.

9. SUCCESSORS. An Underwriting Agreement will inure to the benefit of and be binding upon the parties hereto and thereto and their respective successors and the officers and directors and controlling persons referred to in Section 4, and no other person will have any right or obligation thereunder.

10. MISCELLANEOUS. An Underwriting Agreement may be executed in one or more counterparts and it is not necessary that signatures of all parties appear on the same counterpart, but such counterparts together shall constitute but one and the same agreement. An Underwriting Agreement shall be governed by and construed in accordance with the laws of the State of New York.

11. REPRESENTATIVE OF PURCHASERS. When a Representative has been designated in the Underwriting Agreement, the Representative is authorized to act for the several Purchasers in connection with any sale of Purchased Securities and any action taken under an Underwriting Agreement by a Representative shall be binding upon all the Purchasers.

Very truly yours,

TEXACO CAPITAL INC.  
By

TEXACO INC.  
By

EXHIBIT A  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

FORM OF  
UNDERWRITING AGREEMENT\*

[Insert Date]

TEXACO CAPITAL INC.  
1013 Centre Road  
Wilmington, Delaware 19801

TEXACO INC.  
2000 Westchester Avenue  
White Plains, NY 10650  
ATTENTION: Treasurer

Dear Sirs:

The undersigned (the "Representative") understands that [Texaco Inc., ("Texaco")] [Texaco Capital Inc.], a Delaware corporation (the "Company"), proposes to issue and sell [\$ aggregate principal amount of [Title of Debt Securities (the "Debt Securities")] [ shares of Common Stock] [ shares of Preferred Stock, Series ] [ Depository Shares]. [We understand that the Company also proposes to issue and sell [number] of warrants (the "Warrants") to purchase \$ aggregate principal amount of [title of securities] (the "Warrant Securities"), each of which Warrants will entitle the holder thereof to purchase \$ principal amount of Warrant Securities [and the Warrants and Warrant Securities are to be issued and sold in units consisting of \$ principal amount of Debt Securities and [[number] of] Warrants]]. The Debt Securities [and the Warrant Securities] will be guaranteed by Texaco, Inc. The [Debt Securities] [Debt Securities with Warrants] [and] [Warrants] [Common Stock] [Preferred Stock] [Depository Shares] are herein [collectively] called the "Purchased Securities." Subject to the terms and conditions set forth herein or incorporated by reference herein it is agreed that [Texaco] [the Company] will sell, [Texaco will guarantee] and the Purchaser or Purchasers named below (such purchaser or purchasers being herein called the "Purchasers") will purchase, severally and not jointly, the [amounts of Securities] [number of shares] set forth below opposite their names [at % of the aggregate principal amount of the Debt Securities and accrued interest thereon, if any, from , 199 to the date of payment and delivery]:

NAME	PRINCIPAL AMOUNT	NUMBER OF SHARES
	\$	
Total.....	\$	

\* The provisions of this Form will be completed or modified as appropriate to reflect the terms of the Securities. Monetary amounts may be in U.S. dollars or the equivalent thereof in foreign denominated coin or currency or units based on or relating to currencies (including European Currency Units (ECU)).

The Purchasers will pay for such Purchased Securities upon delivery thereof at [state location] at [state time] (New York time) on [state date], or at such other time not later than [state date] as shall be designated by the Representative, in [insert type of funds].

[The Debt Securities to be purchased shall have the following terms:]

[Currency of Denomination:]

[Currency of Payment:]

Maturity:

Interest Rate:

[Form and Denomination:]

[Redemption Provisions:]

Interest Payment Dates:

[Other terms:]

[The Warrants to be purchased shall have the following terms:]

[Exercise price:]

[Detachability Date:]

[Exercise commencement date:]

[Expiration date:]

[Other terms:]

[The Warrant Securities shall have the following terms:]

[Interest Rate:]

[Maturity:]

[Redemption:]

[Interest Payment Dates:]

[Other terms:]

[The Preferred Stock shall have the following terms:]

[Designation, Purchase Price and Description:]

[Liquidation Preference Per Share:]

[Number of Shares:]

[Purchase Price Per Share (including accrued dividends, if any):]

[Other Provisions:]

[Delayed Delivery Contract Arrangements:]

[Fee:]

[Minimum principal amount of each contract:]

[Maximum principal amount of all contracts:]

Except as otherwise set forth herein, all the provisions contained in the document entitled Underwriting Agreement Standard Provisions dated as of February 18, 1998, filed as an exhibit to the Registration Statement (No. 33- ), a copy of which has previously been received by the Representative, are herein incorporated by reference in their entirety and shall be deemed to be a part of this Agreement to the same extent as if such provisions had been set forth in full herein.

Please confirm your agreement by having an officer of the Company and Texaco sign a copy of this Agreement in the space set forth below and returning it to us no later than [state date and time] by wire, fax, telex or other means.

Very truly yours,  
[Name of Representative]  
By \_\_\_\_\_

Acting severally on behalf of  
itself and the several  
Purchasers named above

Accepted as of the date first above  
written:

TEXACO CAPITAL INC.

By \_\_\_\_\_

TITLE:

TEXACO INC.

By \_\_\_\_\_

TITLE:

EXHIBIT B  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

FORM OF  
OPINION OF PAUL R. LOVEJOY, ESQ.

[Closing Date]

To the Purchasers party to the  
Underwriting Agreement dated \_\_\_\_\_ with  
TEXACO CAPITAL INC. and TEXACO INC.  
c/o [name and address of Representative of the Purchasers]

Dear Sirs:

I have acted as Counsel for Texaco Capital Inc. (the "Company") a Delaware corporation and Texaco Inc. ("Texaco") a Delaware corporation, in conjunction with the issuance and sale today by the Company to you pursuant to the terms of the aforementioned Underwriting Agreement (the "Underwriting Agreement") incorporating by reference the provisions of the Underwriting Agreement Standard Provisions dated February 18, 1998 ("Standard Provisions") of [\$ \_\_\_\_\_ principal amount of its \_\_\_\_\_ % \_\_\_\_\_ due \_\_\_\_\_ ] [ \_\_\_\_\_ shares of \_\_\_\_\_ ] ("Purchased Securities") [guaranteed by Texaco (the "Guaranties")] [together with the] [ [number] of warrants (the "Warrants") to purchase [name of security] (the "Warrant Securities")] to be issued pursuant to the Indenture. This opinion is given pursuant to Paragraph 3(b) of the Standard Provisions. Capitalized terms not otherwise defined herein are defined as set forth in the Underwriting Agreement or the Standard Provisions.

I have participated in the preparation of the Underwriting Agreement, the Standard Provisions, the Indenture, the Purchased Securities[, the Guaranties,] [the Deposit Agreement,] [the Warrant Agreement,] the Registration Statement, the Prospectus and the supplement to the Prospectus. As to various questions of fact material to my opinion I have relied upon representations made in the Underwriting Agreement and the Standard Provisions and upon the certificates of the Officers of the Company and Texaco. I have also examined such certificates of public officials, corporate documents and records and other certificates, opinions and instruments and have made such other investigations as I have deemed necessary in connection with the opinions hereinafter set forth.

Based on the foregoing and upon such investigation as I have deemed necessary, I give you my opinion as follows with respect to the Company:

1. ORGANIZATION AND STANDING, ETC. OF THE COMPANY. The Company has been duly organized and is validly existing in good standing under the laws of Delaware and is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions where the nature of its properties or business requires it.

2. CORPORATE POWER, ETC. TO PERFORM THE UNDERWRITING AGREEMENT, ETC. The Company has the corporate power and authority to enter into and perform the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture] [the Deposit Agreement,] [, the Warrant Agreement] and to issue and deliver the Purchased Securities.

3. EXECUTION AND DELIVERY, ETC. BY THE COMPANY OF THE UNDERWRITING AGREEMENT, ETC. The execution, delivery and performance by the Company of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement], [and] the Purchased Securities[, and any Warrant Securities] have been duly authorized by all requisite corporate action, and the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit

Agreement,] [the Warrant Agreement] and the Purchased Securities have been duly executed and delivered by the Company.

4. LEGALITY, ENFORCEABILITY, ETC. OF THE COMPANY'S OBLIGATIONS UNDER THE UNDERWRITING AGREEMENT, ETC. The Underwriting Agreement, [the Delayed Delivery Contracts], the Indenture[, the Warrant Agreement] and the Purchased Securities [(in both temporary and definitive form)] are, and the Warrant Securities will be, legal, valid and binding obligations of the Company and are [(or, in the case of the Warrant Securities, will be)] enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and except as rights to indemnity and contribution under the Underwriting Agreement may be limited under applicable law. The enforceability of the Company's obligations under the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement], the Purchased Securities [and the Warrant Securities] is or, in the case of Warrant Securities, will be, subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5. COMPLIANCE, ETC. WITH CERTIFICATE OF INCORPORATION AND BY-LAWS OF THE COMPANY. The execution and delivery of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [, the Warrant Agreement] and the Purchased Securities and the performance by the Company of their terms and the issuance of the Purchased Securities do not conflict with or result in a violation of the Certificate of Incorporation or By-Laws of the Company or of any agreement, instrument, order, writ, judgment or decree known to me to which the Company is a party or is subject.

6. NO APPROVAL, ETC. REQUIRED. No approval, authorization or other action by, or filing with, any governmental authority, is required in connection with the execution and delivery by the Company of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] or the Purchased Securities.

Based on the foregoing and upon such investigation as I have deemed necessary, I give you my opinion as follows with respect to Texaco:

1. ORGANIZATION AND STANDING, ETC. OF TEXACO. Texaco has been duly organized and is validly existing in good standing under the laws of Delaware and is duly qualified to do business and is in good standing as a foreign corporation in all of the other states of the United States.

2. CORPORATE POWER, ETC. TO PERFORM THE UNDERWRITING AGREEMENT, ETC. Texaco has the corporate power and authority to enter into and perform the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] and to execute and deliver the Guaranties.

3. EXECUTION AND DELIVERY, ETC. BY TEXACO OF THE UNDERWRITING AGREEMENT, ETC. The execution, delivery and performance by Texaco of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [, the Warrant Agreement] and the Guaranties have been duly authorized by all requisite corporate action, and the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [, the Warrant Agreement] and Guaranties have been duly executed and delivered by Texaco.

4. LEGALITY, ENFORCEABILITY, ETC. OF TEXACO'S OBLIGATIONS UNDER THE UNDERWRITING AGREEMENT, ETC. The Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] and the Guaranties [(in both temporary and definitive form)] are [and, in the case of the Guaranties to be endorsed on the Warrant Securities, will be,] legal, valid and binding obligations of Texaco and are [(or in the case of the Guaranties to be endorsed on the Warrant Securities, will be,)] enforceable against Texaco in accordance with their terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and except as rights to indemnity and contribution under the Underwriting Agreement may be



limited under applicable law. The enforceability of Texaco's obligations under the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] and the Guaranties is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5. COMPLIANCE, ETC. WITH CERTIFICATE OF INCORPORATION AND BY-LAWS OF TEXACO. The execution and delivery of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] and the Guaranties and the performance by Texaco of their terms and the issuance of the Guaranties do not conflict with or result in a violation of the Certificate of Incorporation or By-Laws of Texaco or of any agreement, instrument, order, writ, judgment or decree known to me to which Texaco is a party or is subject.

6. NO APPROVAL, ETC. REQUIRED. No approval, authorization or other action by, or filing with, any governmental authority, is required in connection with the execution and delivery by Texaco of the Underwriting Agreement, [the Delayed Delivery Contracts], [the Indenture,] [the Deposit Agreement,] [the Warrant Agreement] or the Guaranties.

I give you my further opinion that:

1. QUALIFICATION OF THE INDENTURE. The Indenture has been duly qualified under the TIA.

2. REGISTRATION STATEMENT IS EFFECTIVE, ETC. The Registration Statement has become effective under the Act, and, to the best of my knowledge no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and the Registration Statement and the Prospectus, as of their respective effective or issue dates or in the case of documents incorporated by reference in the Prospectus as of the respective dates such documents were filed with the Commission, complied as to form in all material respects with the requirements of the Act and the applicable rules and regulations; I have no reason to believe that (except for the financial statements included therein, as to which I express no opinion) the Registration Statement and Prospectus on the date of the Underwriting Agreement contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus (except as aforesaid) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statement and Prospectus of material statutes, material legal and governmental proceedings and material contracts and other documents involving the Company and Texaco are accurate in all material respects and fairly present the information required to be shown; and I do not know of any legal or governmental proceedings involving the Company and Texaco required to be described in the Prospectus which are not described as required, nor of any contracts or documents involving the Company or Texaco of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required; it being understood that I express no opinion as to information furnished by a Purchaser specifically for use in the Registration Statement and the Prospectus.

[To the extent any Notes are denominated in a currency of a country other than the United States, no opinion is expressed with respect to the laws of any such country. I note that (i) a New York statute provides that with respect to a foreign currency obligation a court of the State of New York shall render a judgment or decree in such foreign currency and such judgment or decree shall be converted into currency of the United States at the rate of exchange prevailing on the date of entry of such judgment or decree and (ii) a United States Federal court in New York may award judgment in United States dollars, and I express no opinion as to the rate of exchange such court would apply.]

[This opinion will be modified as necessary to reflect the issuance of Securities other than Debt Securities by the Company.]

Very truly yours,

EXHIBIT C  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS  
FORM OF  
OPINION OF DAVIS POLK & WARDWELL  
COUNSEL FOR THE UNDERWRITERS

[Closing Date]

[Names and addresses of Purchasers]

Gentlemen:

We have acted as counsel for the several purchasers (the "Purchasers") named in the Underwriting Agreement dated as of \_\_\_\_\_ (the "Underwriting Agreement") incorporating by reference the provisions of the Underwriting Agreement Standard Provisions dated February 18, 1998 (the "Standard Provisions"), with Texaco Capital Inc. (the "Company") and Texaco Inc. ("Texaco") in connection with the purchase by the several Purchasers of \$ \_\_\_\_\_ principal amount of [name of security] [shares of \_\_\_\_\_] (the "Purchased Securities") of the Company, guaranteed (the "Guaranties") by Texaco, to be issued pursuant to an Indenture dated as of August 24, 1984 as (1) supplemented and restated by the First Supplemental Indenture dated as of January 31, 1990, (2) further amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990, and (3) further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, (as so supplemented and amended, and as further amended by the Trust Indenture Reform Act of 1990 (P.L. 101-550), the "Indenture") among the Company, Texaco and The Chase Manhattan Bank, as Trustee [, [together with the] [[number of]] Warrants (the "Warrants") to purchase \$ \_\_\_\_\_ principal amount of [name of security] (the "Warrant Securities") to be issued pursuant to a Warrant Agreement dated \_\_\_\_\_, 19 \_\_\_\_\_ between the Company and [ \_\_\_\_\_ ], as Warrant Agent.]

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion, including those relating to the authorization, execution and delivery by the Company and Texaco of the Indenture [, the Warrant Agreement] and the Underwriting Agreement [and delayed delivery contracts, with certain institutional investors ("Delayed Delivery Contracts"),] the authorization, issuance and sale of the Purchased Securities by the Company and the authorization and issuance by Texaco of the Guaranties.

We have participated in the preparation of the Company's registration statement on Form S-3 (Registration No. \_\_\_\_\_) (other than the documents incorporated by reference in the prospectus included therein (the "Incorporated Documents")) filed with the Securities and Exchange Commission (the "Commission") pursuant to the provisions of the Securities Act of 1933, as amended (the "Act"). Although we did not participate in the preparation of the Incorporated Documents, we have reviewed such documents. In addition, we have reviewed evidence that the registration statement was declared effective under the Act on \_\_\_\_\_, 19 \_\_\_\_\_ and that the Indenture was qualified under the Trust Indenture Act of 1939, as amended, on \_\_\_\_\_. The registration statement (including the Incorporated Documents) as amended to the date of the Underwriting Agreement is hereinafter referred to as the "Registration Statement", and the prospectus included in the Registration Statement as supplemented by the prospectus supplement specifically relating to the Purchased Securities is hereinafter referred to as the "Prospectus".

Based upon the foregoing, we are of the opinion that:

1. the Indenture has been duly authorized, executed and delivered by the Company and Texaco, is a valid and binding agreement of the Company and Texaco in accordance with its terms and has been duly qualified under the Trust Indenture Act of 1939, as amended;

2. [(a)] the Purchased Securities have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Purchasers [or by institutional investors, if any, pursuant to Delayed Delivery Contracts], will be valid and binding obligations of the Company and entitled to the benefit of the Indenture; [(b)] the Warrants when issued, executed, countersigned and delivered in accordance with the provisions of the Warrant Agreement and paid for by the Purchaser, will be valid and binding obligations of the Company and entitled to the benefits of the Warrant Agreement; and [(c)] any Warrant Securities when executed and authenticated in accordance with the provisions of the Indenture and delivered and paid for upon exercise of a Warrant in accordance with the provisions of the Warrant Agreement, will be valid and binding obligations of the Company and entitled to the benefits of the Indenture.]

3. [(a)] the Guaranties endorsed on the Purchased Securities pursuant to the Indenture have been duly authorized by Texaco, and when executed in accordance with the provisions of the Indenture and when the Purchased Securities are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Purchasers, such Guaranties will be valid and binding obligations of Texaco in accordance with their terms; [(b)] the Guaranties to be endorsed on the Warrant Securities pursuant to the Indenture have been duly authorized, and when executed, and any Warrant Securities are executed and authenticated in accordance with the provisions of the Indenture and delivered and paid for upon exercise of a Warrant in accordance with the provisions of the Warrant Agreement, such Guaranties will be valid and binding obligations of Texaco in accordance with their terms.]

4. the Underwriting Agreement has been duly authorized, executed and delivered by the the Company and Texaco and is a valid and binding agreement of the Company and Texaco, except as rights to indemnity and contribution thereunder may be limited by applicable law; [and]

[5. the Delayed Delivery Contracts, if any, have been duly authorized, executed and delivered by the Company and the Guarantor and are valid and binding agreements of the Company and the Guarantor in accordance with their terms;]

[6. the Warrant Agreement and [Deposit Agreement] has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company;]

[7. the statements in the Prospectus under "Description of the Notes", "Description of the Debt Securities" [, "Description of the Warrants"] and "Plan of Distribution", insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings.]

We have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to other matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed with representatives of the Purchasers and with certain officers and employees of, and counsel and independent public accountants for, the Company and Texaco the information furnished, whether or not subject to our check or verification. On the basis of such consideration, review and discussion, but without independent check or verification, we (i) are of the opinion that (except for the financial statements and related schedules included therein, as to which we are not called upon to express an opinion) the Registration Statement and the Prospectus comply as to form in all material respects with the Act and the applicable rules and regulations thereunder and (ii) believe that (except for the financial statements and related schedules included therein, as to which we are not called upon to express a belief and except for that part of the Registration Statement that constitutes the Form T-1 filed with the

Commission relating to the Indenture) the Registration Statement and Prospectus on the date of the Underwriting Agreement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that the Prospectus (except as aforesaid) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

We have examined the opinion dated \_\_\_\_\_ of Paul R. Lovejoy, Esq., General Counsel of the Company and Assistant General Counsel of Texaco, delivered to the Purchasers pursuant to paragraph 3(b) of the Standard Provisions, and we believe that such opinion is responsive to the requirements thereof. We have also examined the letter dated \_\_\_\_\_ of Arthur Andersen LLP, relating to the financial statements incorporated by reference in the Registration Statement and the other matters referred to in such letter, delivered to the Purchasers pursuant to paragraph 3(f) of the Standard Provisions. We have participated in discussions with representatives of Arthur Andersen LLP, relating to the form of such letter, and we believe that it is substantially in the form agreed to.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without our prior written consent.

[This opinion will be modified as necessary to reflect the issuance of Securities other than Debt Securities by the Company.]

Very truly yours,

EXHIBIT D  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

FORM OF  
SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, [the] [an] [Assistant] Secretary of Texaco Capital Inc., a Delaware corporation ("Company"), pursuant to the Underwriting Agreement dated \_\_\_\_\_ (the "Underwriting Agreement") (incorporating by reference the Underwriting Agreement Standard Provisions dated February 18, 1998) among the Company, Texaco Inc. and the several Purchasers named therein, DO HEREBY CERTIFY that:

(1) There has been no amendment to the Certificate of Incorporation of the Company since [ \_\_\_\_\_ ] [except set forth any changes].

(2) Attached hereto as Exhibit A is a true and complete copy of the By-Laws of the Company.

(3) There are no proceedings pending or threatened for the dissolution or liquidation of the Company or threatening its existence.

(4) There has been no amendment to those certain resolutions adopted by the Board of Directors of the Company on \_\_\_\_\_ [which resolutions were adopted by unanimous written consent;] [at which a quorum for the transaction of business was present and acting throughout;] and such resolutions (a copy of which is attached hereto as Exhibit B) are still in full force and effect in the form adopted.

(5) To the best of my knowledge and based on reasonable investigation no stop order suspending the effectiveness of the Registration Statement (Registration No. \_\_\_\_\_) is in effect and no proceedings for such purpose are pending or threatened by the Securities and Exchange Commission.

(6) The persons named below were duly elected to the offices indicated and were serving in such capacities on the date on which they executed any documents in connection with the transactions contemplated by the Underwriting Agreement, and the signatures opposite their names are the respective signatures of such persons: [set forth name, titles and specimen signature of each person who signed any of the Underwriting Agreement, Standard Provisions, Indenture, Warrant Agreement, Registration Statement or Purchased Securities].

-----  
[ASSISTANT] SECRETARY OF

TEXACO CAPITAL INC.

Dated: [Date of Closing]

EXHIBIT E  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS

FORM OF  
OFFICER'S CERTIFICATE

I, \_\_\_\_\_, [Title] of Texaco Inc., a Delaware corporation ("Texaco"), pursuant to the terms of the Underwriting Agreement dated \_\_\_\_\_ (incorporating by reference the Underwriting Agreement Standard Provisions dated February 18, 1998), among Texaco Capital Inc., Texaco and the several Purchasers named therein, DO HEREBY CERTIFY that to the best of my knowledge and based on reasonable investigation: (1) no stop order suspending the effectiveness of the Registration Statement on Form S-3 (Registration No. \_\_\_\_\_) is in effect and no proceedings for such purpose are pending before or threatened by the Securities and Exchange Commission and (2) there has been no material adverse change (not in the ordinary course of business) in the financial condition of Texaco and its consolidated subsidiaries, taken as a whole, from that set forth in or contemplated by said Registration Statement.

Dated: [Date of Closing]

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[TITLE] OF TEXACO INC.

EXHIBIT F  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS  
FORM OF  
SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, [the] [an] [Assistant] Secretary of Texaco Inc., a Delaware corporation ("Texaco"), pursuant to the terms of the Underwriting Agreement dated \_\_\_\_\_ (the "Underwriting Agreement") (incorporating by reference the Underwriting Agreement Standard Provisions dated February 18, 1998) among Texaco Capital Inc., Texaco and the several Purchasers named therein, DO HEREBY CERTIFY that:

(1) There has been no amendment to the Restated Certificate of Incorporation of Texaco since [ \_\_\_\_\_ ] [except set forth any changes].

(2) Attached hereto as Exhibit A is a true and complete copy of the By-Laws of Texaco.

(3) There are no proceedings pending or threatened for the dissolution or liquidation of Texaco or threatening its existence.

(4) There has been no amendment to those certain resolutions adopted by the Board of Directors of Texaco on \_\_\_\_\_ at which a quorum for the transaction of business was present and acting throughout; and such resolutions (a copy of which are attached hereto as Exhibit B) are still in full force and effect in the form adopted.

(5) The persons named below were duly elected to the offices indicated and were serving in such capacities on the date on which they executed any documents in connection with the transactions contemplated by the Underwriting Agreement, and the signatures opposite their names are the respective signatures of such persons: [set forth name, titles and specimen signature of each person who signed any of the Underwriting Agreement, Standard Provisions, Indenture, Warrant Agreement, Registration Statement or Guaranty].

\_\_\_\_\_  
[ASSISTANT] SECRETARY OF

TEXACO INC.

Dated: [Date of Closing]

EXHIBIT G  
TO  
UNDERWRITING AGREEMENT  
STANDARD PROVISIONS  
LETTER OF ARTHUR ANDERSEN LLP

[LEGEND. This draft represents a letter we would be prepared to sign as of the effective date of the registration statement if the Representative had been chosen at that date and requested such a letter. Based on our discussions with Texaco Inc., the procedures set forth are similar to those that experience indicates underwriters often request in such circumstances. The text of the final letter will depend, of course, on whether the Representative who is selected requests that other procedures be performed to meet his needs and whether the Representative requests that any of the procedures be updated to the date of issuance of the signed letter.]

[Names of Purchasers]

[Date of Closing]

[c/o Representative]

Dear Sirs:

We have audited the consolidated balance sheet of Texaco Inc. and subsidiary companies (the Company) as of December 31, [insert year of latest, audited, publicly available financial statements], and [insert prior year of latest, audited, publicly available financial statements], and the related statements of consolidated income, retained earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, [insert year of latest, audited, publicly available financial statements], and the financial statement schedules, all included or incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, [insert year of latest, audited, publicly available financial statements], and incorporated by reference in the registration statement (No. [33- ]) on Form S-3, filed on February 18, 1998 by Texaco Capital Inc. under the Securities Act of 1933 (the Act); our reports with respect to the aforementioned consolidated financial statements and financial statement schedules are also incorporated by reference in the registration statement and prospectus. The registration statement, effective , 19 and prospectus supplement dated , 19 , are herein referred to as the registration statement and the prospectus, respectively.

In connection with the registration statement and prospectus:

1. We are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

2. In our opinion, the consolidated financial statements and financial statement schedules of the Company audited by us and incorporated by reference in the registration statement and prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934 and the related published rules and regulations.

3. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, [insert year of latest, audited, publicly available financial statements], although we have performed an audit for the year ended December 31, [insert year of latest, audited, publicly available financial statements], the purpose (and therefore the scope) of such audit was to enable us to express our opinion on the consolidated financial statements as of December 31, [insert year of latest, audited, publicly available financial statements], and for the year then ended, but not on the consolidated financial statements for any interim period within that year. Therefore, we are



unable to and do not express any opinion on the unaudited consolidated balance sheet as of [insert either: March 31, March 31 and June 30, or March 31, June 30 and September 30], [insert the year subsequent to the latest, audited, publicly available financial statements], the unaudited statement of consolidated income for the [insert either: three month period ended March 31: three month period ended March 31 and three and six month periods ended June 30; or three month period ended March 31, three and six month periods ended June 30 and three and nine month periods ended September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], or the unaudited condensed statement of consolidated cash flows for the [insert either: three month period ended March 31, three and six month periods ended March 31 and June 30, or the three, six and nine month periods ended March 31, June 30, and September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], included in the Company's quarterly report[s] on Form 10-Q for the quarter[s] ended [insert either: March 31, March 31 and June 30 or March 31, June 30 and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements], incorporated by reference in the registration statement and prospectus, or on the financial position, results of operations, or cash flows as of any date or for any period subsequent to December 31, [insert year of latest, audited, publicly available financial statements].\*

4. For purposes of this letter, we have read the [insert current and prior year if audited year-end financial statements are not available] minutes of the meetings of the Board of Directors and the Executive Committee of the Board of Directors of the Company, certain of which are in draft form, as set forth in the minute books at [insert date five business days prior to Closing]. Company officials having advised us that the minutes of all such meetings through that date were set forth therein ; and have carried out other procedures to [insert date five business days prior to Closing] (our work did not extend to the period from [insert date four business days prior to Closing], to [insert Closing Date], inclusive), as follows:

With respect to the interim period[s] ended [insert either: March 31, March 31 and June 30 or March 31, June 30, and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements] and [year of latest, audited, publicly available financial statements] we have:\*

(a) Read the unaudited consolidated balance sheet as of [insert either March 31, March 31 and June 30 or March 31, June 30 and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements] and unaudited statement of consolidated income, and condensed statement of consolidated cash flows for the [insert either: three month period ended March 31, three and six month periods ended March 31 and June 30 or the three, six and nine month periods ended March 31, June 30 and September 30], [insert year subsequent to: and year of latest, audited publicly available financial statements] incorporated by reference in the registration statement and prospectus, and agreed the amounts contained therein with the Company's accounting records as of [insert either: March 31, March 31 and June 30, or March 31, June 30 and September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], and for the [insert either: three month, three and six month or three, six and nine month] periods then ended.

(b) Inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited consolidated financial statements referred to in (a): (1) are in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements incorporated by reference in the registration statement and prospectus, and (2) comply in form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and

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\* Paragraph to be adjusted depending on date of letter.

the related published rules and regulations. Those officials stated that the unaudited consolidated financial statements (1) are in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements, and (2) comply in form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and the related published rules and regulations.

The foregoing procedures do not constitute an audit conducted in accordance with generally accepted auditing standards. We make no representations regarding the sufficiency of the foregoing procedures for your purposes. Had we performed additional procedures or had we conducted an audit or a review, other matters might have come to our attention that would have been reported to you.

5. Company officials have advised us that no financial statements as of any date or for any period subsequent to [insert either: March 31, June 30 or September 30], [insert year subsequent to year of latest, audited, publicly available financial statements], are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after [insert date of latest 10-Q filed with the SEC] have, of necessity, been even more limited than those with respect to the periods referred to in 4(a). We have made inquiries of certain Company officials who have responsibility for financial and accounting matters regarding whether there was at [insert date five business days prior to Closing], as compared with amounts shown on the [insert date of latest 10-Q filed with the SEC] unaudited consolidated balance sheet incorporated by reference in the registration statement and prospectus:

(a) any change in excess of ten percent in consolidated total debt (including capital lease obligations) with the exception of changes due to foreign currency translation effects, scheduled debt repayments, amortization of debt discount and conversions of subsidiary companies' convertible debentures into common stock of Texaco Inc. [set forth any other applicable exceptions]; or

(b) any change in excess of ten percent in capital stock of Texaco Inc. with the exception of changes due to treasury stock transactions and conversions of subsidiary companies' convertible debentures into common stock of Texaco Inc. [set forth any other applicable exceptions]; or

(c) any decrease in total stockholders' equity with the exception of changes due to treasury stock transactions and declaration of dividends on capital stock [set forth any other applicable exceptions].

On the basis of these inquiries and of our reading of the minutes as described in 4, nothing came to our attention that caused us to believe that there were any such changes or decreases, except in all instances for changes or decreases that the registration statement and prospectus disclose have occurred or may occur.

6. We inquired of certain officials of the Company who have responsibility for financial and accounting matters as to whether the information included under the heading "Ratio of earnings to fixed charges of Texaco on a total enterprise basis (unaudited)" conforms in all material respects with the requirements of item 503(d) of Regulation S-K. These officials stated, in response to our inquiries, that this information conforms in all material respects with the disclosure requirements of item 503(d) of Regulation S-K.

7. Our audit of the consolidated financial statements for the periods referred to in the introductory paragraph of this letter comprised audit tests and procedures deemed necessary for the purpose of expressing an opinion on such financial statements taken as a whole. For neither the periods referred to therein nor any other period did we perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of selected transactions and, accordingly, we express no opinion thereon.

8. It should be understood that we made no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated in the preceding paragraphs; also, such procedures would not necessarily reveal any material misstatement of the amounts or ratios listed above. Further, we have addressed ourselves solely to the foregoing data as set forth in the registration statement and prospectus and make no representations as to the adequacy of disclosures or as to whether any material facts have been omitted.

9. This letter is solely for the information of the addresses and to assist the Underwriters in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the registration statement and prospectus, and it is not to be used, circulated, quoted, or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the registration statement and prospectus or any other document, except that reference may be made to it in the Underwriting Agreement or in any list of closing documents pertaining to the offering of the securities covered by the registration statement and prospectus.

Very truly yours,

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EXHIBIT H  
TO UNDERWRITING AGREEMENT  
STANDARD PROVISIONS  
FORM OF  
DELAYED DELIVERY CONTRACT

[Date]

Dear Sirs:

The undersigned agrees to purchase from Texaco Capital Inc., a Delaware corporation (the "Company"), and the Company agrees to sell to the undersigned, and Texaco Inc., a Delaware corporation ("Texaco") agrees to guarantee \$ principal amount of the Company's [state title of debt securities] ("Debt Securities") [together with warrants ("Warrants") to purchase \$ principal amount of the Company's [title of issue],] (collectively the "Purchased Securities"), offered by the Company's Prospectus dated , 19 as supplemented, receipt of which is hereby acknowledged, at a purchase price of % of the principal amount thereof plus accrued interest and on the further terms and conditions set forth in this contract. The undersigned does not contemplate selling Securities prior to making payment therefor.

The undersigned will purchase from the Company Purchased Securities in the principal amounts on the delivery dates set forth below:

DELIVERY DATE	PRINCIPAL AMOUNT	PLUS ACCRUED INTEREST FROM:
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Each date on which Purchased Securities are to be purchased hereunder is hereinafter referred to as a "Delivery Date."

Payment for the Purchased Securities which the undersigned has agreed to purchase on each Delivery Date shall be made to the Company or its order by wire transfer at the office of , New York, NY, at 10 a.m. (New York time) on the Delivery Date, upon delivery to the undersigned of the Purchased Securities to be purchased by the undersigned on the Delivery Date, duly guaranteed by Texaco in such denominations and registered in such names as the undersigned may designate by written or telegraphic communication addressed to the Company not less than five full business days prior to the Delivery Date.

The obligation of the undersigned to take delivery of and make payment for the Purchased Securities on the Delivery Date shall be subject to the conditions that (1) the purchase of Purchased Securities to be made by the undersigned shall not at any time of delivery be prohibited under the law of the jurisdiction to which the undersigned is subject and (2) the Company shall have sold, and delivery shall have taken place to the purchasers (the "Purchasers") named in the Prospectus as supplemented referred to above, of such part of the Securities as is to be sold to them. Promptly after completion of sale and delivery to the Underwriters, the Company will mail or deliver to the undersigned at its address set forth below notice to such effect, accompanied by a copy of the opinion of counsel for the Company delivered to the Purchasers in connection therewith.

Failure to take delivery of and make payment for Purchased Securities by any Purchaser under any other Delayed Delivery Contract shall not relieve the undersigned of its obligations under this contract.

This contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party hereto without the written consent of the other.

If this contract is acceptable to the Company, it is requested that the Company and Texaco sign the form of acceptance below and mail or deliver one of the counterparts hereof to the undersigned at its address set forth below. This will become a binding contract, as of the date first above written, between the Company and the undersigned when such counterpart is so mailed or delivered.

This contract shall be governed by and construed in accordance with the laws of the State of New York.

Yours very truly,

\_\_\_\_\_

(PURCHASER)

By \_\_\_\_\_

\_\_\_\_\_

(TITLE)

\_\_\_\_\_

\_\_\_\_\_

(ADDRESS)

Accepted as of the date first above written:

TEXACO CAPITAL INC.

By \_\_\_\_\_

TEXACO INC.

By \_\_\_\_\_

PURCHASER--PLEASE COMPLETE AT TIME OF SIGNING

The name and telephone and department of the representative of the Purchaser with whom details of delivery on the Delivery Date may be discussed are as follows: (Please print.)

NAME	TELEPHONE NO. (INCLUDING AREA CODE)	DEPARTMENT
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TEXACO INC.  
2000 WESTCHESTER AVENUE  
WHITE PLAINS, NEW YORK 10650

TEXACO CAPITAL INC.  
1013 CENTRE ROAD  
WILMINGTON, DELAWARE 19801

DISTRIBUTION AGREEMENT

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SERIES 1998 MEDIUM-TERM NOTES  
DUE NINE MONTHS OR MORE FROM DATE OF ISSUE  
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February 00, 1998

To: Bear, Stearns & Co. Inc.  
245 Park Avenue  
New York, NY 10167

Blaylock & Partners, L.P.  
609 Fifth Avenue  
12th Floor  
New York, NY 10017

Credit Suisse First Boston Corporation  
11 Madison Avenue  
New York, NY 10010

Goldman, Sachs & Co.  
85 Broad Street  
New York, NY 10004

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, NY 10036

Salomon Brothers Inc  
Seven World Trade Center  
New York, NY 10048

Re: Distribution of Texaco Capital Inc. Notes issued in series under an Indenture dated as of August 24, 1984, as (1) supplemented and restated by the First Supplemental Indenture dated as of January 31, 1990, (2) amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990, and (3) further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, among Texaco Capital Inc., Texaco Inc. and The Chase Manhattan Bank, as Trustee (as so supplemented and amended, the "Indenture")

Dear Sirs:

Texaco Capital Inc., a Delaware corporation (the "Company"), confirms its agreement with you with respect to the issuance and sale in the United States, from time to time, of up to U.S.\$500,000,000 (or the equivalent in other currencies or currency units), subject to reduction as a result of the sale of other debt securities by the Company, of its Series 1998 Medium-Term Notes due nine months or more from date of issue (collectively, "Notes") guaranteed ("Guaranties") by Texaco Inc. ("Texaco").

The Notes will be issued, and the terms thereof established, in accordance with the Indenture.

The following are the terms and conditions upon which you, the Company and Texaco shall deal with respect to the Notes.

1. DEFINITIONS AND RULES OF CONSTRUCTION. (a) For the purposes of this Agreement:

"Acceptance Date" means the date and time which the Company accepts an offer to purchase Notes.

"Act" means the Securities Act of 1933 and the applicable rules and regulations thereto, including specifically Rule 415, of the Commission.

"Agent" means any of you acting solely in the capacity as agent for the Company pursuant to Section 3 and not as principal (collectively, the "Agents").

"Basic Prospectus" means the prospectus in the form in which it appears in the Registration Statement.

"Closing Date" means the date of delivery by the Company of any Notes sold hereunder.

"Commencement Date" means the date and time referred to in Section 7(c) hereof.

"Commission" means the Securities and Exchange Commission.

"Effective Date" means each date that the Registration Statement or the Basic Prospectus is amended or supplemented.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Procedures" means the Medium-Term Notes Administrative Procedures attached hereto as Exhibit B.

"Prospectus" means the Basic Prospectus together with the prospectus supplement or supplements (each a "Prospectus Supplement") specifically relating to Notes, as filed with, or transmitted for filing to, the Commission pursuant to Rule 424.

"Purchaser" means any of you acting solely as principal pursuant to Section 4 and not as agent.

"Registration Statement" means registration statement number 33-[00000] (including the Exhibits thereto), as amended at the Commencement Date.

"Terms Agreement" means an agreement for the purchase of Notes by you as principal, which agreement is substantially in the form of Exhibit A hereto.

"TIA" means the Trust Indenture Act of 1939, as amended, and the rules and regulations applicable thereto.

"Trustee" means The Chase Manhattan Bank or any successor under the Indenture.

"you" means any of you, acting either in your capacity as an Agent or a Purchaser or in both such capacities.

(b) As used herein, the terms "Registration Statement," "Basic Prospectus," "Prospectus" and "Prospectus Supplement" shall include in each case the documents, if any, incorporated by reference therein. The terms "supplement" and "amendment" or "amend" as used herein shall include all documents filed by Texaco pursuant to the Exchange Act, subsequent to the date of the Basic Prospectus that are deemed to be incorporated by reference in the Prospectus.

2. THE NOTES. The Notes will be issued in denominations of U.S.\$100,000, or any larger amount that is an integral multiple of U.S.\$1,000. Unless otherwise specified in the applicable Pricing Supplement, Notes denominated in a Specified Currency other than U.S. dollars will be issued in denominations of the equivalent of U.S.\$100,000 (rounded down to an integral multiple of 1,000 units of such Specified

Currency), or any amount in excess thereof which is an integral multiple of 1,000 units of such Specified Currency as determined by reference to the noon dollar buying rate in New York City for cable transfers of such Specified Currency published by the Federal Reserve Bank of New York (the "Market Exchange Rate") on the Business Day (as defined below) immediately preceding the date of issuance; provided, however, in the case of ECUs, the Market Exchange Rate shall be the rate of exchange determined by the Commission of the European Communities (or any successor thereto) as published in the Official Journal of the European Communities, or any successor publication, on the Business Day immediately preceding the date of issuance. Additionally, Notes may have varying interest rates, maturities and redemption provisions and will be subject to such other terms and conditions as may be determined at the time of the sale of the Notes and as shall be provided in a supplement to the Prospectus referred to below. The form of the Note is attached hereto as Exhibit C.

3. PURCHASES AS AGENT. (a) The Company hereby appoints each of you as its agent for the purpose of soliciting offers to purchase Notes from the Company by others, and, on the basis of the representations and warranties herein contained, but subject to terms and conditions herein set forth, you agree to use your reasonable best efforts to solicit offers to purchase Notes upon terms acceptable to the Company at such times and in such amounts as the Company shall from time to time specify.

(b) Each of the Agents shall communicate to the Company, orally or in writing, each offer to purchase Notes received by such Agent that in its judgment should be considered by the Company. The Company shall have the sole right to accept offers to purchase Notes and may reject any offer in whole or in part. Each Agent shall have the right to reject any offer to purchase Notes that it shall consider to be unacceptable, and any such rejection shall not be deemed a breach of such Agent's agreements contained herein.

(c) The Company reserves the right, in its sole discretion, to instruct the Agents to suspend at any time, for any period of time or permanently, the solicitation of offers to purchase Notes. Upon receipt of at least one business day's prior notice from the Company, the Agents will forthwith suspend solicitations of offers to purchase Notes from the Company until such time as the Company advised them that such solicitation may be resumed.

(d) Each Agent and the Company agree that all sales of Notes by an Agent shall be made in accordance with the Procedures and the Company and each Agent agree to perform the respective duties and obligations provided to be performed by them in the Procedures. The Procedures may be amended only by written agreement of the Company and you after notice to, and with the approval of, the Trustee.

(e) The Company agrees to pay to each Agent, as consideration for the sale of each Note resulting from a solicitation made by such Agent, a commission in an amount equal to that percentage specified in Schedule I hereof of the aggregate principal amount of the Notes sold.

(f) Subject to the provisions of this Section and to the Procedures, offers for the purchase of Notes may be solicited by an Agent as agent for the Company at such time and in such amounts as such Agent deems advisable. The Company may from time to time offer Notes for sale otherwise than through an Agent.

4. PURCHASES AS PRINCIPAL. (a) In addition, you may also purchase Notes as Purchaser and, if requested by a Purchaser, the Company will enter into a Terms Agreement relating to such sale that will provide for the sale of such Notes to and the purchase thereof by the Purchaser.

(b) Unless otherwise specified in a Terms Agreement, an Agent purchasing Notes as principal may resell such Notes to other dealers. Any such sales shall be at a discount, which shall not exceed the amount set forth in the Prospectus, as amended or supplemented in connection with the sale of such Notes.

(c) Each Purchaser's commitment to purchase Notes shall be deemed to have been made on the basis of the representations and warranties of the Company and Texaco herein contained and shall be subject to



the terms and conditions herein set forth. Each agreement with a Purchaser to purchase Notes as principal shall specify the principal amount of Notes to be purchased by such Purchaser pursuant thereto, the maturity date of such Notes, the price to be paid to the Company for such Notes, the interest rate, interest rate formula, if any, applicable to such Notes and the Closing Date. Each such agreement shall also specify any requirements for officers' certificates, opinions of counsel and letters from the independent public accountants of the Company pursuant to Section 7(c) hereof.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND TEXACO. In connection with each purchase and sale of Notes the Company and Texaco severally represent and warrant to you that as of the Commencement Date, as of each Acceptance Date, as of each Closing Date and as of each Effective Date:

(a) The Registration Statement has become effective;

(b) Each document of Texaco, if any, filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Prospectus complied, or will comply when filed, in all material respects with the Exchange Act and the rules and regulations thereunder;

(c) The Indenture complies in all material respects with the TIA;

(d) Each part of the Registration Statement (including the documents incorporated by reference therein) filed with the Commission pursuant to the Act relating to the Notes, when such part became effective, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(e) The Prospectus filed pursuant to Rule 424 under the Act complied when so filed in all material respects with the Act and the applicable rules and regulations thereunder.

(f) The Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Act and the applicable rules and regulations thereunder.

(g) The Registration Statement and the Prospectus do not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that these representations and warranties do not apply to statements or omissions in the Registration Statement or the Prospectus based upon written information furnished to the Company or Texaco by you or the Trustee expressly for use therein.

(h) There has been no material adverse change (not in the ordinary course of business) in the financial condition of Texaco and its consolidated subsidiaries, taken as a whole, from that set forth in or contemplated by the Prospectus.

(i) They are in compliance with all provisions of Section 517.075 of the Florida Statutes relating to doing business with Cuba.

6. COVENANTS OF THE COMPANY AND TEXACO. The Company and Texaco severally covenant and agree with you that:

(a) At any time after the Commencement Date, unless the Company has suspended solicitation, the Company will promptly advise each of you (i) when the Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b); (ii) when, prior to the termination of the offering of the Notes, any amendment of the Registration Statement shall have been filed or become effective; (iii) of any request by the Commission for any amendment of the Registration Statement or supplement to the Prospectus or for any additional information; (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any

jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof;

(b) At any time after the Commencement Date, unless the Company has suspended solicitation, neither the Company nor Texaco will file any amendment of the Registration Statement or supplement to the Prospectus relating to an offering of Notes unless the Company has furnished each of you a copy for your review prior to filing and neither will file any such proposed amendment or supplement to which any of you reasonably object in a timely manner, PROVIDED, HOWEVER, that the foregoing requirement shall not apply to any of Texaco's or the Company's periodic filings, with the Commission filed pursuant to Section 13(a), 13(c), 13(f), 14 or 15(d) of the Exchange Act, copies of which the Company will cause to be delivered to you promptly after filing. Subject to the foregoing sentence, the Company will cause each supplement to the Prospectus relating to the Notes to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to you of such filing;

(c)(i) If, at any time when a Prospectus relating to the Notes is required to be delivered under the Act, any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or in the opinion of the Company, it is necessary at any time to amend or supplement the Registration Statement or the Prospectus to comply with law, the Company will immediately notify each of you by telephone (with confirmation in writing) to suspend solicitation of offers to purchase Notes, and, if so notified by the Company, you shall forthwith suspend such solicitation and cease using the Prospectus. If the Company shall decide to amend or supplement the Registration Statement or Prospectus, it shall so advise you promptly by telephone (with confirmation in writing) and if the Company so elects, at its expense, it may prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus that will correct such statement or omission or effect such compliance and will supply such amended or supplemented Prospectus to you in such quantities as you may reasonably request. If such amendment or supplement is satisfactory in all respects to you, upon the filing of such amendment or supplement with the Commission or effectiveness of an amendment to the Registration Statement and provided that any documents, certificates and opinions furnished to each of you pursuant to Section 7 in connection with the filing of such amendment or supplement are satisfactory in all respects to you, you will resume the solicitation of offers to purchase Notes hereunder;

(ii) Notwithstanding Section 6(c)(i), until the distribution of any Notes a Purchaser may own has been completed, if any event in Section 6(c)(i) occurs, the Company will, at its own expense, forthwith prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus as then amended or supplemented that will correct such statement or omission, and will supply such amended or supplemented Prospectus to you in such quantities as such Purchaser may reasonably request. Upon the filing of such amendment or supplement with the Commission or effectiveness of an amendment to the Registration Statement, the Purchaser may resume its resale of Notes;

(d) The Company and Texaco will furnish you a copy of the Registration Statement and, at the Company's or Texaco's own expense, will print and deliver to you at the locations requested by you, the number of copies of the Prospectus as may be reasonably requested;

(e) Texaco will make generally available to security holders as soon as practicable an unaudited, consolidated, condensed income statement covering such 12-month period which will satisfy the provisions of Section 11(a) of the Act;

(f) The Company and Texaco will severally take such action as you may reasonably request and pay for any expenses (including reasonable fees and disbursements of counsel) reasonably incurred in connection with the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions as you may designate;

(g) The Company and Texaco will not, between the date of agreement by a Purchaser to purchase Notes and the Closing Date with respect to such Notes, offer or sell any other series of Notes or other debt instruments which are substantially similar to the Notes, without your prior consent, except for Notes issued or other debt instruments issued pursuant to negotiations in progress at the time such Agreement is executed and delivered, (provided that you shall then have been so advised by the Company) and for commercial paper issued in the ordinary course of business;

(h) The Company and Texaco will pay all expenses incidental to the issuance and sale of the Notes including, without limitation, (i) the fees, disbursements and expenses of Davis Polk & Wardwell, counsel for the Agents, in connection with the establishment of the program contemplated hereby, any opinions to be rendered by such counsel hereunder and the transactions contemplated hereunder and (ii) any fees charged by investment rating agencies in connection with the rating of the Notes;

(i) During the period when this Agreement is in effect, the Company and Texaco will make available to you (i) copies of all reports and financial statements as Texaco furnished to or filed with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and incorporated by reference into the Registration Statement and (ii) such additional information concerning the business and financial condition of the Company and Texaco as you may from time to time reasonably request; and

(j) Each time that the Registration Statement or the Prospectus is amended or supplemented (other than by an amendment or supplement relating to any offering of securities other than the Notes or providing solely for the specification of or a change in the maturity dates, the interest rates, the issuance prices or other similar terms of any Notes sold pursuant hereto), the Company and Texaco will deliver or cause to be delivered promptly to each of you upon your request certificates, opinions and letter, dated the date of the effectiveness of such amendment or the date of the filing of such supplement, in form reasonably satisfactory to you, of the same tenor as the certificates, opinions and letter referred to in Section 7(c) but modified to relate to the last day of the fiscal quarter for which financial statements of Texaco were last filed with the Commission and to the Registration Statement and the Prospectus as amended and supplemented to the time of the effectiveness of such amendment or the filing of such supplement.

7. CONDITIONS. Your obligations to solicit offers to purchase Notes as Agent of the Company, your obligations to purchase Notes as principal pursuant to any Terms Agreement or otherwise and the obligations of any other purchaser to purchase Notes will be subject to the accuracy of the representations and warranties on the part of the Company and Texaco herein, to the accuracy of the statements of the Company's or Texaco's officers made in each certificate furnished pursuant to the provisions hereof prior to or concurrently with any such solicitation or purchase, to the performance and observance by the Company or Texaco of all covenants and agreements herein contained on its part to be performed and observed, in each case, at the time of such solicitation or purchase and to the following additional conditions precedent:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall have been instituted or, to your knowledge or the knowledge of the Company or Texaco shall be contemplated by the Commission;

(b) There shall have been no material adverse change (not in the ordinary course of business) in the financial condition of Texaco and its consolidated subsidiaries, taken as a whole, from that set forth in or contemplated by the Prospectus;

(c) The following documents shall have been delivered to you at the office of Davis Polk & Wardwell, your counsel, not later than 4:00 p.m., New York time, on the date hereof, or at such other time or place you and the Company may agree upon in writing, but in no event later than the day prior to the date on which you begin soliciting offers to purchase Notes or the first date on which the Company accepts any offer by you to purchase Notes as principal (the "Commencement Date"):

(i) An opinion of Paul R. Lovejoy, Esq., (or such other counsel as the Company or Texaco may designate and as may be approved by you) as counsel for the Company and Texaco, dated the Commencement Date, as to the matters and in substantially the form set forth in Exhibit D hereto;

(ii) An opinion of Davis Polk & Wardwell, counsel for you, dated the Commencement Date, as to the matters and in substantially the form set forth in Exhibit E hereto;

(iii) A certificate dated the Commencement Date signed by the Secretary or Assistant Secretary of the Company as to the matters and in substantially the form of Exhibit F hereto;

(iv) A certificate dated the Commencement Date and signed by a Vice President, the Treasurer or the Comptroller of Texaco as to the matters and in substantially the form of Exhibit G hereto;

(v) A certificate dated the Commencement Date and signed by the Secretary or an Assistant Secretary of Texaco as to the matters and in substantially the form of Exhibit H hereto; and

(vi) A letter from Arthur Andersen LLP dated the Commencement Date, with respect to Texaco as to the matters and in form set forth in Exhibit I hereto (you hereby agree that the procedures reflected in Exhibit I are acceptable, notwithstanding the descriptive legend in Exhibit I.)

(d) There shall not have occurred and be continuing (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, (ii) a general moratorium on commercial banking activities in The City of New York declared by either Federal or New York State authorities or (iii) any material outbreak or material escalation of hostilities or other national or international calamity or crisis of such magnitude and severity in its effect on the financial markets of the United States of America as, in your reasonable judgment, to prevent or materially impair the marketing, or enforcement of contracts for sale, of the Notes.

8. INDEMNIFICATION. (a) The Company and Texaco severally agree to indemnify and hold harmless each of you and each person, if any, who controls each of you within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all expenses, losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or Prospectus (if used when a prospectus relating to the Notes is required to be delivered under the Act), as amended or supplemented, or any preliminary Prospectus, Prospectus or supplement to the Prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon written information furnished to the Company or Texaco by you expressly for use therein.

(b) If any proceeding, including any governmental investigation, shall be instituted involving you or any person controlling you, in respect of which indemnity may be sought against the Company or Texaco, you shall promptly notify the Company and Texaco in writing, and the Company or Texaco shall assume the

defense thereof on behalf of you or such controlling person, including the employment of counsel and payment of all related expenses. You or any such controlling person shall have the right to employ separate counsel in any such proceeding and participate in the defense thereof, but the fees and expenses of such counsel shall be at your expense or of such controlling person, unless (i) the employment of such counsel has been specifically authorized by the Company or Texaco or (ii) the named parties to any such action (including any impleaded parties) include you or such controlling person and the Company or Texaco and you or such controlling person shall have been advised by your counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Company or Texaco, in which case neither the Company nor Texaco shall have the right to assume the defense of such action on behalf of you or such controlling person, it being understood, however, that the Company and Texaco shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses or more than one separate firm of attorneys for you and all such controlling persons (in addition to any local counsel) and that all such fees and expenses shall be paid periodically as incurred. Neither the Company nor Texaco shall be liable for any settlement of any such proceeding effected without its written consent, but if settled with the written consent of the Company and Texaco or if there be a final judgment for the plaintiff in any such action, the Company and Texaco agree to indemnify and hold harmless you and any such controlling person from and against any loss or liability by reason of such settlement or judgment.

(c) You severally agree to indemnify and hold harmless each of the Company and Texaco, its directors, its officers who sign the Registration Statement and any person controlling the Company or Texaco to the same extent as the foregoing indemnity from the Company and Texaco to you, but only with reference to written information furnished by you expressly for use in the Registration Statement or any preliminary Prospectus, Prospectus or supplement to the Prospectus. In case any action shall be brought against the Company or Texaco, or any of their directors or any officer or controlling person in respect of which indemnity may be sought against you, you shall have the rights and duties given to the Company and Texaco, and the Company and Texaco, their directors or any such officer or controlling person shall have the rights and duties given to you, by Section 8(b).

(d) If the indemnification provided for in Section 8(a) or 8(c) is unavailable to an indemnified party for any reason other than as specified therein, or is insufficient in respect of any expenses, losses, claims, damages or liabilities referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company or Texaco on the one hand and each Agent participating in the offering of the Notes that gave rise to such losses, claims, damages or liabilities (a "Relevant Agent") on the other from the offering of such Notes or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company or Texaco on the one hand and of each Relevant Agent on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company or Texaco on the one hand and each Relevant Agent on the other in connection with the offering of the Notes shall be deemed to be in the same respective proportion as the total net proceeds from the offering of such Notes (before deducting expenses) received by the Company or Texaco bear to the total discounts and commissions received by such Relevant Agent in respect thereof. The relative fault of the Company or Texaco on the one hand and of each Relevant Agent on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Texaco or by such Relevant Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

If more than one Agent is a Relevant Agent in respect of a proceeding, each Relevant Agent's obligation to contribute pursuant to this Section 8 shall be several and not joint, and shall be in the proportion that the principal amount of the Notes that are the subject of such proceeding and that were offered and sold through such Relevant Agent bears to the aggregate principal amount of the Notes that are the subject of such proceeding.

The Company, Texaco and you agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation which does not take account of the considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, you shall not be required to contribute any amount in excess of the amount by which the total price at which the Notes referred to in Section 8(d) above that were offered and sold to the public exceeds the amount of any damages which you otherwise have been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. POSITION OF THE AGENT. In soliciting offers to purchase the Notes, the Agents are acting solely as agent for the Company, and not as principal, and do not assume any obligation towards or relationship of agency or trust with any purchaser of Notes. The Agents shall make reasonable efforts to assist the Company in obtaining performance by each investor whose offer to purchase Notes has been solicited by the Agents and accepted by the Company, but shall not have any liability to the Company in the event any such purchase is not consummated for any reason. If the Company shall default in its obligations to deliver Notes to an investor whose offer an Agent has accepted, the Company shall hold such Agent harmless against any loss, claim, damage or liability arising from or as a result of such default and shall, in particular, pay to the Agent the commission which it would have received had such sale been consummated.

10. TERMINATION. This Agreement may be terminated with respect to any of you at any time either by the Company, by Texaco or by any of you with respect to itself upon the giving of written notice of such termination to the other parties hereto. Any Terms Agreement shall be subject to termination in your absolute discretion on the terms set forth therein. The termination of this Agreement shall not require termination of any agreement with a Purchaser and the termination of any such agreement shall not require termination of this Agreement. If this Agreement is terminated, the provisions of Section 3(e), Sections 6(e) and (h), Section 8, Section 9, Section 10, Section 11, Section 12 and Section 14 shall survive; PROVIDED that if at the time of termination an offer to purchase Notes has been accepted by the Company but the Closing Date has not occurred, the provisions of Section 3(d), Sections 6(a), 6(b), 6(c)(ii), 6(f), 6(g), 6(i) and Section 7 shall also survive.

11. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The respective representations, warranties, agreements and indemnities of the Company, Texaco and you set forth in or made pursuant hereto will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of you, the Company, Texaco or any of their officers or directors or any controlling person, and will survive delivery of and payment for the Notes.

12. NOTICES. All communications hereunder will be in writing, and, if sent to you, will be mailed, delivered or telecopied and confirmed to them at the address set forth above, if sent to the Company, will be mailed, delivered or telecopied and confirmed to it at 1013 Centre Road, Wilmington, Delaware 19801, with a copy to Texaco, and, if sent to Texaco, will be mailed, delivered or telecopied and confirmed to it at 2000 Westchester Avenue, White Plains, New York 10650, Attention: Treasurer, with a copy to the Company.

13. SUCCESSORS. The Agreement and any Terms Agreement will inure to the benefit of and be binding upon the parties hereto and thereto and their respective successors and the officers and directors and controlling persons referred to in Section 8, and no other person will have any right or obligation thereunder.

14. MISCELLANEOUS. This Agreement may be executed in one or more counterparts and it is not necessary that signatures of all parties appear on the same counterpart, but such counterparts together shall constitute but one and the same agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

TEXACO CAPITAL INC.

By  
TEXACO INC.  
By

The foregoing Agreement is hereby confirmed and accepted as of the date hereof

By: -----  
Bear, Stearns & Co. Inc.

By: -----  
Blaylock & Partners, L.P.

By: -----  
Credit Suisse First Boston Corporation

By: -----  
Goldman, Sachs & Co.

By: -----  
Morgan Stanley & Co. Incorporated

By: -----  
Salomon Brothers Inc

SCHEDULE 1  
TO DISTRIBUTION AGREEMENT  
DATED FEBRUARY , 1998

TEXACO CAPITAL INC.  
SERIES 1998 MEDIUM-TERM NOTE FEE SCHEDULE

MATURITY                      COMMISSION

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9 months	to	<	12 months	.125%
12 months	to	<	18 months	.150%
18 months	to	<	2 years	.200%
2 years	to	<	3 years	.250%
3 years	to	<	4 years	.350%
4 years	to	<	5 years	.450%
5 years	to	<	6 years	.500%
6 years	to	<	7 years	.550%
7 years	to	<	8 years	.600%
8 years	to	<	9 years	.600%
9 years	to	<	10 years	.600%
10 years	to	<	15 years	.625%
15 years	to	<	20 years	.700%
20 years	to	<	30 years	.750%
30 years	to	<	50 years	.875%
50 years	to	<	100 years	1.000%
	>		100 years	1.125%



TEXACO CAPITAL INC.  
SERIES 1998 MEDIUM-TERM NOTES  
TERMS AGREEMENT

[Date]

To: Texaco Capital Inc.

Re: Distribution Agreement dated February , 1998 (the "Distribution Agreement")

The undersigned agrees to purchase the following principal amount of your Series 1998 Medium-Term Notes with the following terms:

Principal Amount:  
Specified Currency:  
Fixed Rate Note:  
Interest Rate:  
Zero-Coupon Note:  
Floating Rate Note:  
Base Rate:  
--CD Rate:  
--Commercial Paper Rate:  
--Federal Funds Rate:  
--LIBOR:  
--Treasury Rate:  
--Other  
Initial Interest Rate:  
Interest Reset Period:  
Interest Reset Dates:  
Interest Determination Dates:  
Interest Payment Period:  
Interest Payment Dates:  
Index Maturity:  
Maximum Interest Rate:  
Minimum Interest Rate:  
Spread:  
Spread Multiplier:  
Issuer Able to Change Spread  
or Spread Multiplier:

Maturity Date:  
Extendible:  
Final Maturity Date:  
Issue Price:  
Record Dates:  
Interest Payment Dates:  
Original Issue Date:  
Book-Entry Note:  
Certificated Note:  
Redemption Provisions:  
Repayment Provisions:  
Currency Indexed Note:  
- - --Denominated Currency:  
- - --Indexed Currency:  
- - --Face Amount:  
- - --Base Exchange Rate:  
- - --Calculation Agent:  
- - --Reference Dealer:  
Commodity Indexed Notes:  
Other Terms:

The provisions of Sections 4-8 and 11-14 of the Distribution Agreement and the related definitions are incorporated by reference herein and shall be deemed to have the same force and effect as if set forth in full herein.

[The following information, opinions, certificates, letters and documents referred to in Section 7(c) of the Distribution Agreement will be required:  
\_\_\_\_\_]

[NAME OF PURCHASER]  
By \_\_\_\_\_  
Title:

Accepted:  
TEXACO CAPITAL INC.  
By \_\_\_\_\_  
Title:

TEXACO CAPITAL INC.  
 SERIES 1998 MEDIUM-TERM NOTES ADMINISTRATIVE PROCEDURES  
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Explained below are the administrative procedures and specific terms of the offering of the Series 1998 Medium-Term Notes guaranteed by Texaco Inc. ("Texaco") (the "Notes") on a continuous basis by Texaco Capital Inc., (the "Company") pursuant to the Distribution Agreement, dated as of February , 1998 (the "Distribution Agreement") between the Company, Texaco and [names of Agents] (each an "Agent"). In the Distribution Agreement, each of the Agents has agreed to use its best efforts to solicit purchases of the Notes. An Agent, as principal, may purchase Notes (and then shall be referred to as a "Purchaser") for its own account and if requested by a Purchaser, the Company and the Purchaser will enter into a Terms Agreement, as contemplated by the Distribution Agreement.

The Notes will be issued pursuant to the provisions of an indenture dated as of August 24, 1984 as (1) supplemented and restated by the First Supplemental Indenture dated as of January 31, 1990, as (2) further amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990 and as (3) further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, (as so supplemented and amended, the "Indenture"), among the Company, Texaco and The Chase Manhattan Bank, as trustee ("Trustee"). The Chase Manhattan Bank ("Chase") will be the Registrar, the Calculation Agent, Exchange Rate Agent, Authenticating Agent, and Paying Agent for the Notes and will perform the duties specified herein. The Notes will bear interest at a fixed rate (the "Fixed Rate Notes"), which may be zero in the case of certain original issue discount notes (the "OID Notes"), or at floating rates (the "Floating Rate Notes"). The Notes will be issued in U.S. dollars or other currencies, including composite currencies such as the European Currency Unit (the "Specified Currency"). Notes will be represented by either a Global Security (as defined below) delivered to Chase, as agent for the Depository Trust Company ("DTC"), and recorded in the book-entry system maintained by DTC (a "Book-Entry Note") or a certificate delivered to the holder thereof or a person designated by such holder (a "Certificated Note"). Certificated Notes will not be exchangeable for Book-Entry Notes and, except in limited circumstances, an owner of a Book-Entry Note will not be entitled to receive a Certificated Note.

Book-Entry Notes, which currently may only be denominated and payable in U.S. dollars, will be issued in accordance with the administrative procedures set forth in Part I hereof as they may subsequently be amended as the result of changes in DTC's operating procedures, and Certificated Notes will be issued in accordance with the administrative procedures set forth in Part II hereof. Unless otherwise defined herein, terms defined in the Indenture or the Securities shall be used herein as therein defined.

PART I:  
 ADMINISTRATIVE PROCEDURES FOR BOOK-ENTRY NOTES

In connection with the qualification of the Book-Entry Notes for eligibility in the book-entry system maintained by DTC, Chase will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representations from the Company and Chase to DTC, dated as of the date hereof (the "Letter of Representations"), and a Medium-Term Note Certificate Agreement between Chase and DTC, dated as of March 10, 1989, and its obligations as a participant in DTC, (including DTC's Same-Day Funds Settlement System ("SDFS")).

ISSUANCE:                    On any date of settlement (as defined under "Settlement" below) for one or more Book-Entry Notes, the Company will issue a single global security in fully registered form without coupons (a "Global Security") representing up to U.S.\$200,000,000 principal

amount of all such Notes that have the same Maturity Date, Interest Payment Period and Dates, Original Issue Date, next extension, redemption, prepayment or original issue discount provisions and, in the case of Fixed Rate Notes, Interest Rate or, in the case of Floating Rate Notes, Initial Interest Rate, Base Rate, Index Maturity, Interest Reset Period, Interest Reset Dates, Spread or Spread Multiplier (if any), Minimum Interest Rate (if any) and Maximum Interest Rate (if any) and, in each case, any other relevant terms (collectively "Terms"). Each Global Security will be dated and issued as of the date of its authentication by the Trustee. Each Global Security will bear an "Interest Accrual Date," which will be (i) with respect to an original Global Security (or any portion thereof), its original issuance date and (ii) with respect to any Global Security (or any portion thereof) issued subsequently upon exchange of a Global Security, or in lieu of a destroyed, lost or stolen Global Security, the most recent Interest Payment Date to which interest has been paid or duly provided for on the predecessor Global Security or Securities (or if no such payment or provision has been made, the original issuance date of the predecessor Global Security), regardless of the date of authentication of such subsequently issued Global Security. Book-Entry Notes currently may only be denominated and payable in U.S. dollars. No Global Security will represent any Certificated Note.

IDENTIFICATION NUMBERS:

The Company has arranged with the CUSIP Service Bureau of Standard & Poor's Corporation (the "CUSIP Service Bureau") for the reservation of a series of CUSIP numbers (including tranche numbers), each of which series consists of approximately 900 CUSIP numbers and relates to Global Securities representing the Book-Entry Notes. The Company has obtained from the CUSIP Service Bureau a written list of each series of reserved CUSIP numbers and has delivered to Chase and DTC the written list of 900 CUSIP numbers of each such series. The Company will assign CUSIP numbers to Global Securities as described below under Settlement Procedure "B". DTC will notify the CUSIP Service Bureau periodically of the CUSIP Numbers that the Company has assigned to Global Securities. Upon obtaining such additional CUSIP numbers, the Company shall deliver a list of such additional CUSIP numbers to Chase and DTC.

REGISTRATION:

Each Global Security will be registered in the name of Cede & Co., as nominee for DTC, on the register maintained under the Indenture. The beneficial owner of a Book-Entry Note (or one or more indirect participants in DTC designated by such owner) will designate one or more participants in DTC (with respect to such Note, the "Participants") to act as agent or agents for such owner in connection with the book-entry system maintained by DTC, and DTC will record in book-entry form, in accordance with instructions provided by such Participants, a credit balance with respect to such beneficial owner in such Note in the account of such Participants. The ownership interest of such beneficial owner in such Note will be recorded through the records of such Participants or through the separate records of such Participants and one or more indirect participants in DTC.

TRANSFERS:

Transfers of a Book-Entry Note will be accompanied by book entries made by DTC and, in turn, by Participants (and in certain cases, one or more indirect participants in DTC) acting on behalf of beneficial transferors and transferees of such Note.

EXCHANGES: Chase may deliver to DTC and the CUSIP Service Bureau at any time a written notice of consolidation specifying: (i) the CUSIP numbers of two or more Outstanding Global Securities that represent Book-Entry Notes having the same terms and for which interest has been paid to the same date; (ii) a date, occurring at least thirty days after such written notice is delivered and at least thirty days before the next Interest Payment Date for such Book-Entry Notes, on which such Global Securities shall be exchanged for a single replacement Global Security; and (iii) a new CUSIP number which has been assigned by the Company to such replacement Global Security. Upon receipt of such a notice, DTC will send to its Participants and to Chase a written reorganization notice to the effect that such exchange will occur on such date. Prior to the specified exchange date Chase will deliver to the CUSIP Service Bureau a written notice setting forth such exchange date and the new CUSIP number and stating that, as of such exchange date, the CUSIP numbers of the Global Securities to be exchanged will no longer be valid. On the specified exchange date, Chase will exchange such Global Securities for a single Global Security bearing the new CUSIP number and a new Interest Accrual Date, and the CUSIP numbers of the exchanged Global Securities will, in accordance with CUSIP Service Bureau procedures, be cancelled and not immediately reassigned. Notwithstanding the foregoing, if the Global Securities to be exchanged exceed U.S.\$200,000,000 in aggregate principal amount, one Global Security will be authenticated and issued to represent each U.S.\$200,000,000 principal amount of the exchanged Global Security and an additional Global Security will be authenticated and issued to represent any remaining principal amount of such Global Securities (see "Denominations" below).

MATURITIES: Each Book-Entry Note will mature on a date more than nine months after the settlement date for such Note.

NOTICE OF REDEMPTION DATES: Chase will give notice to DTC prior to each Redemption Date (as specified in the Note), if any, at the time and in the manner set forth in the Letter of Representations.

DENOMINATIONS: Book-Entry Notes will be issued in principal amounts of U.S.\$100,000 or any amount in excess thereof that is an integral multiple of U.S.\$1,000. Global Securities will be denominated in principal amounts not in excess of U.S.\$200,000,000. If one or more Book-Entry Notes having an aggregate principal amount in excess of U.S.\$200,000,000 would, but for the preceding sentence, be represented by a single Global Security, then one Global Security will be issued to represent each U.S.\$200,000,000 principal amount of such Book-Entry Note or Notes and an additional Global Security will be issued to represent any remaining principal amount of such Book-Entry Note or Notes. In such a case, each of the Global Securities representing such Book-Entry Note or Notes shall be assigned the same CUSIP number.

INTEREST: GENERAL. Interest on each Book-Entry Note will accrue from the Interest Accrual Date of the Global Security representing such Note. Each payment of interest on a Book-Entry Note will include interest accrued to but excluding the Interest Payment Date or the Maturity Date or upon earlier redemption or repayment; provided that in the case of Floating Rate Notes that reset daily or weekly, interest payments will include interest accrued to,

but excluding, the Record Date immediately preceding the Interest Payment Date, except that at maturity or earlier redemption or repayment, the interest payable will include interest accrued to, but excluding, the maturity date or the date of redemption or repayment, as the case may be. Interest payable at the maturity or upon redemption or repayment of a Book-Entry Note will be payable to the person to whom the principal of such Note is payable. Standard & Poor's Corporation will use the information received in the pending deposit message described under Settlement Procedures "C" below in order to include the amount of any interest payable and certain other information regarding the related Global Security in the appropriate weekly bond report published by Standard & Poor's Corporation.

RECORD DATES. The Record Date with respect to any Interest Payment Date shall be the date fifteen calendar days immediately preceding such Interest Payment Date.

FIXED RATE BOOK-ENTRY NOTES. Interest payments on Fixed Rate Book-Entry Notes will be made semiannually and at maturity PROVIDED, HOWEVER, that in the case of a Fixed Rate Book-Entry Note issued between a Record Date and an Interest Payment Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date.

FLOATING RATE BOOK-ENTRY NOTES. Interest payments will be made on Floating Rate Book-Entry Notes monthly, quarterly, semi-annually or annually. Unless otherwise agreed upon, interest will be payable, in the case of Floating Rate Book-Entry Notes with a daily, weekly or monthly Interest Reset Date, on the third Wednesday of each month; in the case of Notes with a quarterly Interest Reset Date, on the third Wednesday of January, April, July and October of each year; in the case of Notes with a semi-annual Interest Reset Date, on the third Wednesday of the two months specified in the applicable Pricing Supplement; and in the case of Notes with an annual Interest Reset Date, on the third Wednesday of the month specified in the applicable Pricing Supplement; PROVIDED HOWEVER, that if an Interest Payment Date for Floating Rate Book-Entry Notes would otherwise be a day that is not a Business Day with respect to such Floating Rate Book-Entry Notes, such Interest Payment Date will be the next succeeding Business Day with respect to such Floating Rate Book-Entry Notes, except that in the case of LIBOR Note if such Business Day is in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Business Day; and PROVIDED, FURTHER, that in the case of a Floating Rate Book-Entry Note issued between a Record Date and an Interest Payment Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date.

NOTICE OF INTEREST PAYMENT AND RECORD DATES. On the first Business Day of January, April, July and October of each year, Chase will deliver to the Company and DTC a written list of Record Dates and Interest Payment Dates that will occur with respect to Book-Entry Notes during the six-month period beginning on such first Business Day.

CALCULATION OF INTEREST:

FIXED RATE BOOK-ENTRY NOTES. Interest on Fixed Rate Book-Entry Notes (including interest for practical periods) will be calculated on the basis of a 360-day year of twelve thirty-day months.

FLOATING RATE BOOK-ENTRY NOTES. Interest rates on Floating Rate Book-Entry Notes will be determined as set forth in the form of Notes. Interest on Floating Rate Book-Entry Notes will be calculated on the basis of actual days elapsed and a year of 360 days except that in the case of Treasury Rate Notes, interest will be calculated on the basis of the actual number of days in the year.

PAYMENTS OF PRINCIPAL AND INTEREST:

PAYMENTS OF INTEREST. Promptly after each Record Date Chase will deliver to the Company and DTC a written notice specifying by CUSIP number the amount of interest to be paid on each Global Security on the following Interest Payment Date (other than an Interest Payment Date coinciding with maturity) and the total of such amounts. DTC will confirm the amount payable on each such Global Security on such Interest Payment Date by reference to the daily bond reports published by Standard & Poor's Corporation. The Company will pay to Chase, as Paying Agent, the total amount of interest due on such Interest Payment Date (other than at maturity), and Chase will pay such amount to DTC at the times and in the manner set forth below under "Manner of Payment." If any Interest Payment Date for a Fixed Rate Book-Entry Note is not a Business Day, the payment due on such day shall be made on the next succeeding Business Day and no interest shall accrue on such payment for the period from and after such Interest Payment Date.

PAYMENT AT MATURITY OR UPON REDEMPTION. On or about the first Business Day of each month, Chase will deliver to the Company and DTC a written list of principal and interest to be paid on each Global Security maturing either at maturity or on a redemption or repayment date in the following month. The Company and DTC will confirm the amounts of such principal and interest payments with respect to each such Global Security on or about the fifth Business Day preceding the Maturity Date or redemption or repayment date of such Global Security. The Company will pay to Chase as the Paying Agent, the principal amount of such Global Security, together with interest due at such Maturity Date or redemption or repayment date. Chase will pay such amounts to DTC at the times and in the manner set forth below under "Manner of Payment." If any Maturity Date or redemption or repayment date of a Global Security representing Book-Entry Notes is not a Business Day, the payment due on such day shall be made on the next succeeding Business Day and, in the case of Fixed Rate Notes, no interest shall accrue on such payment for the period from and after such Maturity Date or redemption or repayment date. Promptly after payment to DTC of the principal and interest due on the Maturity Date or redemption or repayment date of such Global Security, Chase will cancel such Global Security in accordance with the terms of the Indenture and deliver it to the Company with a certificate of cancellation.

MANNER OF PAYMENT. The total amount of any principal and interest due on Global Securities on any Interest Payment Date or at maturity or upon redemption or repayment shall be paid by the Company to Chase in funds available for immediate use by Chase not later than 9:30 A.M. (New York City time) on such date. The Company will make such payment on such Global Securities by instructing Chase to withdraw funds from an account maintained by the Company at Chase. The Company will confirm such

instructions in writing to Chase. At or after 11:00 A.M. (New York City time) on each Maturity Date or redemption or repayment date or as soon as possible thereafter, Chase will pay by separate wire transfer (using Fedwire message entry instructions in a form previously specified by DTC) to an account at the Federal Reserve Bank of New York previously specified by DTC, in funds available for immediate use by DTC or by other procedures previously established between DTC and Chase, each payment of interest or principal (together with interest thereon) due on Global Securities on any Maturity Date or redemption or repayment date. On each Interest Payment Date, interest payments shall be made by wire transfer of immediately available funds. Thereafter on each such date, DTC will pay, in accordance with its SDFS operating procedures then in effect, such amounts in funds available for immediate use to the respective Participants in whose names the Book-Entry Notes represented by such Global Securities are recorded in the book-entry system maintained by DTC. Neither the Company nor Chase shall have any responsibility or liability for the payment by DTC to such Participants of the principal of and interest on the Book-Entry Notes.

**WITHHOLDING TAXES.** The amount of any taxes required under applicable law to be withheld from any interest payment on a Book-Entry Note will be determined and withheld by the Participant, indirect participant in DTC or other person responsible for forwarding payments directly to the beneficial owner of such Note.

**PREPARATION OF PRICING  
SUPPLEMENT:**

If any order to purchase a Book-Entry Note is accepted by or on behalf of the Company, the Company will prepare a pricing supplement (a "Pricing Supplement") reflecting the terms of such Note and will arrange to file 10 copies of such Pricing Supplement with the Commission in accordance with the applicable paragraph of Rule 424(b) under the Act, will deliver the number of copies of such Pricing Supplement to the Agent as the Agent shall request by the close of business on the following Business Day. The Agent will cause such Pricing Supplement to be delivered to the purchaser of the Note.

In each instance that a Pricing Supplement is prepared, the Agent will affix the Pricing Supplement to Prospectuses prior to their use. Outdated Pricing Supplements, and the Prospectuses to which they are attached (other than those retained for files) will be destroyed.

**SETTLEMENT:**

The receipt by the Company of immediately available funds in payment for a Book-Entry Note and the authentication and issuance of the Global Security representing such Note shall constitute "settlement" with respect to such Note. All orders accepted by the Company will be settled on the fifth Business Day pursuant to the timetable for settlement set forth below unless the Company and the purchaser agree to settlement on another day which shall be no earlier than the next Business Day.

SETTLEMENT PROCEDURES:

Settlement Procedures with regard to each Book-Entry Note sold by the Company to or through the Agent, (except pursuant to a Terms Agreement, as defined in the Distribution Agreement), shall be as follows:

- A. The Agent will advise the Company by telephone that such Note is a Book-Entry Note and of the following settlement information:
  - 1. Principal amount.
  - 2. Maturity Date.
  - 3. In the case of a Fixed Rate Book-Entry Note, the interest rate or in the case of a Floating Rate Book-Entry Note, the Initial Interest Rate (if known at such time), Base Rate, Index Maturity, Interest Reset Period, Interest Reset Date, Interest Reset Dates, Interest Payment Period, Interest Determination Date, Spread or Spread Multiplier (if any), Minimum Interest Rate (if any) and Maximum Interest Rate (if any).
  - 4. Interest Payment Dates.
  - 5. Redemption or repayment provisions, if any.
  - 6. Settlement date.
  - 7. Price.
  - 8. Agent's commission, if any, determined as provided in the Distribution Agreement.
  - 9. Whether the Note is an OID Note, and if it is an OID Note, the total amount of OID, the yield to maturity as the initial accrual period OID.
  - 10. Any other applicable terms.
- B. The Company will advise Chase by telephone or electronic transmission (confirmed in writing at any time on the same date) of the information set forth in Settlement Procedure "A" above. The Company will then assign a CUSIP number to the Global Security representing such Note and will notify Chase and the Agent of such CUSIP number by telephone as soon as practicable.
- C. Chase will enter a pending deposit message through DTC's Participant Terminal System, providing the following settlement information to DTC, the Agent and Standard & Poor's Corporation:
  - 1. The information set forth in Settlement Procedure "A".
  - 2. The initial Interest Payment Date for such Note, the number of days by which such date succeeds the related DTC Record Date (which in the case of Floating Rate Notes which reset daily or weekly, shall be the date five calendar days immediately preceding the applicable Interest Payment Date and, in the case of all other Notes, shall be the Record Date as defined in the Note) and amount of interest payable on such initial Interest Payment Date.
  - 3. The CUSIP number of the Global Security representing such Note.
  - 4. Whether such Global Security will represent any other Book-Entry Note (to the extent known at such time).
- D. Chase will complete and authenticate the Global Security representing such Note.
- E. DTC will credit such Note to Chase's participant account at DTC.



- F. Chase will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC to (i) debit such Note to Chase's participant account and credit such Note to the Agent's participant account and (ii) debit the Agent's settlement account and credit Chase's settlement account for an amount equal to the price of such Note less the Agent's commission, if any. The entry of such a deliver order shall constitute a representation and warranty by Chase to DTC that (a) the Global Security representing such Book-Entry Note has been issued and authenticated and (b) Chase is holding such Global Security pursuant to the Medium-Term Note Certificate Agreement between Chase and DTC.
- G. Unless the Agent purchased such Note as principal, the Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to the Agent's participant account and credit such Note to the participant accounts of the Participants with respect to such Note and (ii) to debit the settlement accounts of such Participants and credit the settlement account of the Agent for an amount equal to the price of such Note.
- H. Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "F" and "G" will be settled in accordance with SDFS operating procedures in effect on the settlement date.
- I. Chase will credit to the account of the Company maintained at Chase New York, New York, in funds available for immediate use in the amount transferred to Chase in accordance with Settlement Procedure "F".
- J. Unless the Agent purchased such Note as principal, the Agent will confirm the purchase of such Note to the purchaser and the Company either by transmitting to the Participants and the Company with respect to such Note a confirmation order or orders through DTC's institutional delivery system or by mailing a written confirmation to such purchaser.
- K. Monthly, Chase will send to the Company a statement setting forth the principal amount of Notes Outstanding as of that date under the Indenture and setting forth a brief description of any sales of which the Company has advised Chase but which have not yet been settled.

SETTLEMENT PROCEDURES

TIMETABLE:

For sales by the Company of Book-Entry Notes to or through the Agent (except pursuant to a Terms Agreement) for settlement on the first Business Day after the sale date, Settlement Procedures "A" through "J" set forth above shall be completed as soon as possible but no later than the respective times (New York City time) set forth below:

SETTLEMENT  
PROCEDURE

TIME

SETTLEMENT PROCEDURE	TIME
A	11:00 A.M. on the sale date
B	12:00 Noon on the sale date
C	2:00 P.M. on the sale date
D	9:00 A.M. on the settlement date
E	10:00 A.M. on the settlement date
F-G	2:00 P.M. on the settlement date
H	4:45 P.M. on the settlement date
I-J	5:00 P.M. on the settlement date

If a sale is to be settled more than one Business Day after the sale date, Settlement Procedures "A", "B" and "C" shall be completed as soon as practicable but not later than 11:00 A.M., 12 Noon and 2:00 P.M., respectively, on the first Business Day after the sale date. If the Initial Interest Rate for a Floating Rate Book-Entry Note has not been determined at the time that Settlement Procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rate has been determined but no later than 12 Noon and 2:00 P.M., respectively, on the second Business Day before the settlement date. Settlement Procedure "H" is subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the settlement date. If settlement of a Book-Entry Note is rescheduled or cancelled, Chase, after receiving notice from the Company or the Agent, will deliver to DTC, through DTC's Participant Terminal System, a cancellation message to such effect by no later than 2:00 P.M. on the Business Day immediately preceding the scheduled settlement date.

FAILURE TO SETTLE:

If Chase fails to enter an SDFS deliver order with respect to a Book-Entry Note pursuant to Settlement Procedure "F", Chase may deliver to DTC, through DTC's Participant Terminal System, as soon as practicable a withdrawal message instructing DTC to debit such Note to Chase's participant account, provided that Chase's participant account contains a principal amount of the Global Security representing such Security that is at least equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Book-Entry Notes represented by a Global Security, Chase will mark such Global Security "cancelled," make appropriate entries in Chase records and send such cancelled Global Security to the Company. The CUSIP number assigned to such Global Security shall, in accordance with CUSIP Service Bureau procedures, be cancelled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Book-Entry Notes represented by a Global Security, Chase will exchange such Global Security

for two Global Securities, one of which shall represent such Book-Entry Note or Notes and shall be cancelled immediately after issuance and the other of which shall represent the remaining Book-Entry Notes previously represented by the surrendered Global Security and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Book-Entry Note is not timely paid to the Participants with respect to such Note by the beneficial purchaser thereof (or a person, including an indirect participant in DTC, acting on behalf of such purchaser), such Participants and, in turn, the Agent may enter SDFS deliver orders through DTC's Participant Terminal System reversing the orders entered pursuant to Settlement Procedures "F" and "G", respectively. Thereafter, Chase will deliver the withdrawal message and take the related actions described in the preceding paragraph. Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Note, DTC may take any actions in accordance with its SDFS operating procedures then in effect.

In the event of a failure to settle with respect to one or more, but not all, of the Book-Entry Notes to have been represented by a Global Security, Chase will provide, in accordance with Settlement Procedures "D" and "F", for the authentication and issuance of a Global Security representing the Book-Entry Notes to be represented by such Global Security and will make appropriate entries in its records.

PART II:  
ADMINISTRATIVE PROCEDURES FOR CERTIFICATED NOTES

Chase will serve as Registrar in connection with the Certificated Notes.

- ISSUANCE: Each Certificated Note will be dated and issued as of the date of its authentication by Chase. Each Certificated Note will bear an Original Issue Date, which will be (i) with respect to an original Certificated Note (or any portion thereof), its original issuance date (which will be the settlement date) and (ii) with respect to any Certificated Note (or portion thereof) issued subsequently upon transfer or exchange of a Certificated Note or in lieu of a destroyed, lost or stolen Certificated Note, the original issuance date of the predecessor Certificated Note, regardless of the date of authentication of such subsequently issued Certificated Note.
- REGISTRATION: Certificated Notes will be issued only in fully registered form without coupons.
- TRANSFERS AND EXCHANGES: A Certificated Note may be presented for transfer or exchange at the corporate trust office of Chase. Certificated Notes will be exchangeable for other Certificated Notes having identical terms but different denominations without service charge. Certificated Notes will not be exchangeable for Book-Entry Notes.
- MATURITIES: Each Certificated Note will mature on a date more than nine months from the settlement date for such Note.

CURRENCY: The currency denomination with respect to any Certificated Note and the payment of interest and the repayment of principal with respect to any such Certificated Note shall be as set forth therein and in the applicable Pricing Supplement.

DENOMINATIONS: The authorized denomination of any Certificated Note denominated in U.S. dollars will be U.S. \$100,000 or any larger amount that is an integral multiple of U.S. \$1,000. Unless otherwise specified in the applicable Pricing Supplement, Notes denominated in a Specified currency other than U.S. dollars will be issued in denominations of the equivalent of U.S. \$100,000 (rounded down to an integral multiple of 1,000 units of such Specified Currency) or any amount in excess thereof which is an integral multiple of 1,000 units of such Specified Currency, as determined pursuant to the applicable Pricing Supplement.

INTEREST: GENERAL. Interest on each Certificated Note will accrue from the Original Issue Date of such Note for the first interest period and from the most recent date to which interest has been paid for all subsequent interest periods. Each payment of interest on a Certificated Note will include interest accrued to but excluding the Interest Payment Date; provided that in the case of Floating Rate Notes which reset daily or weekly, interest payments will include the Record Date immediately preceding the Interest Payment Date, except that at maturity or earlier redemption or repayment, the interest payable will include interest accrued to, but excluding the Maturity Date or the date of redemption or repayment, as the case may be.

FIXED RATE CERTIFICATED NOTES. Unless otherwise specified pursuant to Settlement Procedure "A" below, interest payments on Fixed Rate Certificated Notes will be made semiannually and at maturity; PROVIDED, HOWEVER, that in the case of Certificated Fixed Rate Notes issued between a Record Date and an Interest Payment Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date.

FLOATING RATE CERTIFICATED NOTES. Interest payments will be made on Floating Rate Certificated Notes monthly, quarterly, semi-annually or annually. Interest will be payable, in the case of Floating Rate Certificated Notes with a daily, weekly or monthly Interest Reset Date, on the third Wednesday of each month; in the case of Notes with a quarterly Interest Reset Date, on the third Wednesday of January, April, July and October of each year; in the case of the Notes with a semi-annual Interest Reset Date, on the third Wednesday of the two months specified in the applicable Pricing Supplement; and in the case of Notes with an annual Interest Reset Date, on the third Wednesday of the month specified in the applicable Pricing Supplement; PROVIDED, HOWEVER, that if an Interest Payment Date for Floating Rate Certificated Notes would otherwise be a day that is not a Business Day with respect to such Floating Rate Certificated Notes, such Interest Payment Date will be the next succeeding Business Day with respect to such Floating Rate Certificated Notes, except that in the case of a LIBOR Note is such Business Day is in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Business Day; and PROVIDED, FURTHER, that in the case of a Floating Rate Certificated Note issued between a Record Date and an Interest Payment

Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date.

CALCULATION OF INTEREST: FIXED RATE CERTIFICATED NOTES. Interest on Fixed Rate Certificated Notes (including interest for partial periods) will be calculated on the basis of a 360-day year of twelve thirty-day months.

FLOATING RATE CERTIFICATED NOTES. Interest rates on Floating Rate Certificated Notes will be determined as set forth in the form of Notes. Interest on Floating Rate Certificated Notes will be calculated on the basis of the actual days elapsed and a year of 360 days except that in the case of Treasury Rate Notes, interest will be calculated on the basis of the actual number of days in the year.

PAYMENTS OF PRINCIPAL AND INTEREST:

Chase will pay the principal amount of each Certificated Note at maturity or upon redemption or repayment upon presentation and surrender of such Note to Chase. Such payment, together with payment of interest due at maturity or upon redemption or repayment of such Note, will be made in funds available for immediate use by Chase and in turn by the holder of such Note. Certificated Notes presented to Chase at maturity or upon redemption or repayment for payment will be cancelled by Chase and delivered to the Company with a certificate of cancellation. All interest payments on a Certificated Note (other than interest due at maturity or upon redemption or repayment) will be made by check drawn on Chase (or another person appointed by the Company) and mailed by Chase to the person entitled thereto as provided in such Note and the Indenture; PROVIDED, HOWEVER, that the holder of \$10,000,000 (or the equivalent in a specified currency other than U.S. dollars) or more of Notes having the same Interest Payment Date and other terms will be entitled to receive payment by wire transfer of immediately available funds but only if appropriate payment instructions have been received in writing by the Paying Agent not less than fifteen days prior to the applicable Interest Payment Date. Following each Record Date, Chase will furnish the Company with a list of interest payments to be made on the following Interest Payment Date for each Certificated Note and in total for all Certificated Notes. Interest at maturity or upon redemption or repayment will be payable to the person to whom the payment of principal is payable. Chase will provide monthly to the Company lists of principal and interest, to the extent ascertainable, to be paid on Certificated Notes maturing or to be redeemed or repaid in the next month. Chase will be responsible for withholding taxes on interest paid on Certificated Notes as required by applicable law.

If any Interest Payment Date or the Maturity Date or redemption or repayment date of a Fixed-Rate Certificated Note is not a Business Day, the payment due on such day shall be made on the next succeeding Business Day and no interest shall accrue on such payment for the period from and after such Interest Payment Date, Maturity Date or redemption date or repayment, as the case may be. If any Interest Payment Date or the Maturity Date or redemption or repayment date for any Certificated Floating Rate Note would fall on a day that is not a Business Day with respect to such Note, such Interest Payment Date, Maturity Date or redemption or

repayment date will be the following day that is a Business Day with respect to such Note, except that, in the case of a Certificated LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding day that is a Business Day with respect to such Certificated LIBOR Note.

PREPARATION OF PRICING  
SUPPLEMENT:

If any order to purchase a Certificated Note is accepted by or on behalf of the Company, the Company will prepare a pricing supplement (a "Pricing Supplement") reflecting the terms of such Note and will arrange to file 10 copies of such Pricing Supplement with the Commission in accordance with the applicable paragraph of Rule 424 (b) under the Act, will deliver the number of copies of such Pricing Supplement to the Agent as the Agent shall request by the close of business on the following Business Day. The Agent will cause such Pricing Supplement to be delivered to the purchaser of the Note.

In each instance that a Pricing Supplement is prepared, the Agent will affix the Pricing Supplement to Prospectuses prior to their use. Outdated Pricing Supplements, and the Prospectuses to which they are attached (other than those retained for files), will be destroyed.

SETTLEMENT:

The receipt by the Company of immediately available funds in exchange for an authenticated Certificated Note delivered to the Agent and the Agent's delivery of such Note against receipt of immediately available funds shall constitute "settlement" with respect to such Note. All orders accepted by the Company will be settled on or before the fifth Business Day next succeeding the date of acceptance pursuant to the timetable for settlement set forth below, unless the Company and the purchaser agree to settlement on another date.

SETTLEMENT PROCEDURES:

Settlement Procedures with regard to each Certificated Note sold by the Company to or through the Agent (except pursuant to a Terms Agreement) shall be as follows:

- A. The Agent will advise the Company by telephone that such Note is a Certificated Note and of the following settlement information:
1. Name in which such Note is to be registered ("Registered Owner").
  2. Address of the Registered Owner and address for payment of principal and interest.
  3. Taxpayer identification number of the Registered Owner (if available).
  4. Principal amount.
  5. Maturity Date.
  6. In the case of a Fixed Rate Certificated Note, the interest rate or in the case of a Floating Rate Certificated Note, the Initial Interest Rate (if known at such time), Base Rate, Index Maturity,

Interest Reset Period, Initial Interest Reset Date, Interest Reset Dates, Interest Payment Period, Interest Determination Date, Spread or Spread Multiplier (if any), Minimum Interest Rate (if any) and Maximum Interest Rate (if any).

7. Interest Payment Dates.
  8. Redemption or Repayment provisions, if any.
  9. Settlement date.
  10. Price
  11. Agent's commission, if any, determined as provided in the Distribution Agreement between the Company and the Agent.
  12. Whether the Note is an OID Note, and if it is an OID Note, the total amount of OID, the yield to maturity and the initial accrual period OID.
  13. Any other applicable terms.
- B. The Company will advise Chase by telephone or electronic transmission (confirmed in writing at any time on the sale date) of the information set forth in Settlement Procedure "A" above.
- C. The Company will have delivered to Chase a pre-printed four-ply packet for such Note, which packet will contain the following documents in forms that have been approved by the Company, the Agent and the Trustee:
1. Note with customer confirmation.
  2. Stub One--For Chase.
  3. Stub Two--For Agent.
  4. Stub Three--For the Company.
- D. Chase will complete such Note and authenticate such Note and deliver it (with the confirmation) and Stubs One and Two to the Agent, and the Agent will acknowledge receipt of the Note by stamping or otherwise marking Stub One and returning it to Chase. Such delivery will be made only against such acknowledgment of receipt and evidence that instructions have been given by the Agent for payment to the account of the Company at Chase, New York, New York, in funds available for immediate use, of an amount equal to the price of such Note less the Agent's commission, if any. In the event that the instructions given by the Agent for payment to the account of the Company are revoked, the Company will as promptly as possible wire transfer to the account of the Agent an amount of immediately available funds equal to the amount of such payment made.
- E. Unless the Agent purchased such Note as principal, the Agent will deliver such Note (with confirmation) to the customer against payment

in immediately payable funds. The Agent will obtain the acknowledgment of receipt of such Note by retaining Stub Two.

- F. Chase will send Stub Three to the Company by first-class mail. Periodically, Chase will also send to the Company a statement setting forth the principal amount of the Notes Outstanding as of that date under Indenture and setting forth a brief description of any sales of which the Company has advised Chase but which have not yet been settled.

SETTLEMENT PROCEDURES

TIMETABLE:

For sales by the Company of Certificated Notes to or through the Agent (except pursuant to a Terms Agreement), Settlement Procedures "A" through "F" set forth above shall be completed on or before the respective times (New York City time) set forth below:

SETTLEMENT  
PROCEDURE

TIME

SETTLEMENT PROCEDURE	TIME
A	2:00 P.M. on day before settlement date
B	3:00 P.M. on day before settlement date
C-D	2:15 P.M. on settlement day
E	3:00 P.M. on settlement date
F	5:00 P.M. on settlement date

FAILURE TO SETTLE:

If a purchaser fails to accept delivery of and make payment for any Certificated Notes, the Agent will notify the Company and Chase by telephone and return such note to Chase. Upon receipt of such notice, the Company will immediately wire transfer to the account of the Agent an amount equal to the amount previously credited thereto in respect of such Note. Such wire transfer will be made on the settlement date, if possible, and in any event not later than the Business Day following the settlement date. If the failure shall have occurred for any reason other than a default by the Agent in the performance of its obligations hereunder and under the Distribution Agreement with the Company, then the Company will reimburse the Agent or Chase, as appropriate, on an equitable basis for its loss of the use of the funds during the period when they were credited to the account of the company. Immediately upon receipt of the Certificated Note in respect of which such failure occurred, Chase will mark such Note "cancelled," make appropriate entries in Chase records and send such Note to the Company.

Nothing herein will be deemed to require the Paying Agent to risk or expend its own funds in connection with any payment to the Company, the Agents, the Depository or any Securityholder, it being understood by all parties that payments made by the Paying Agent to any party will be paid only to the extent that funds are provided to the Paying Agent, as the case may be, for such purpose.



(FORM OF FACE OF SERIES 1998 MEDIUM TERM NOTE)

[REGISTERED NOTE]

[IF THIS IS A BOOK-ENTRY NOTE: UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE "DEPOSITARY") (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENTS IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

TEXACO CAPITAL INC.  
Series 1998 Medium-Term Note  
Guaranteed by Texaco Inc.

Registered    Registered  
No.            [\$]

IF APPLICABLE, THE "TOTAL AMOUNT OF OID," "YIELD TO MATURITY" AND "INITIAL ACCRUAL PERIOD OID" (COMPUTED UNDER THE DESIGNATED METHOD) BELOW WILL BE COMPLETED SOLELY FOR THE PURPOSES OF APPLYING THE FEDERAL INCOME TAX ORIGINAL ISSUE DISCOUNT ("OID") RULES.

FLOATING RATE NOTE / /  
% FIXED RATE NOTE / /

No. DSE-	Principal Amount:
CUSIP	Maturity Date:
Original Issue Date:	Extendible:
Interest Accrual Date:	Final Maturity Date:
Issue Price:	Option to Elect Payment in U.S. Dollars
Record Date:	

REDEMPTION DATE(S)	REDEMPTION PRICE(S)	/ / Yes	/ / No
-----	-----		

Authorized Denominations (Only applicable if Specified Currency is other than U.S. Dollars):

Interest Payment Period:

REPAYMENT DATE(S)	REDEMPTION PRICE(S)	Interest Payment Dates:
-----	-----	

Total Amount of OID:  
Yield to Maturity:  
Initial Accrual Period of OID:  
Redemption:

Interest Reset Period:                                 Repayment:  
Interest Reset Dates:                                 Commodity Indexed Note:

ONLY APPLICABLE IF THIS IS A FLOATING RATE NOTE:  
Initial Interest Rate:                                 Spread (plus or minus):  
Index Maturity:   Spread Multiplier:  
Base Rate:   Maximum Interest Rate:  
Interest Determination Date:                         Minimum Interest Rate:  
   Other Terms:

ONLY APPLICABLE IF THIS IS A CURRENCY INDEXED NOTE:

Denominated Currency:                                 Face Amount:  
Indexed Currency:                                     Base Exchange Rate:

TEXACO CAPITAL INC. (the "Company") promises to pay to                                 or registered assigns, the principal sum of                                 ("Specified Currency") on the "Maturity Date," as set forth above, and to pay interest thereon as described on the reverse hereof.

The principal of (and premium, if any) and interest on this Note are payable by the Company in such coin or currency specified above as at the time of payment shall be legal tender for the payment of public and private debts in the country in which such currency is issued (the "Specified Currency"). If the Specified Currency is other than U.S. Dollars the Holder hereof may, if so indicated above, elect to receive all payments in respect hereof in U.S. Dollars by delivery of a written request to the Paying Agent located in The City of New York (initially, The Chase Manhattan Bank) not later than fifteen calendar days prior to the applicable payment date. Such election will remain in effect until revoked by written notice to such Paying Agent received not later than fifteen calendar days prior to the applicable payment date.

REFERENCE IS HEREBY MADE TO THE FUTURE PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

Dated:  
Authenticated:

THE CHASE MANHATTAN BANK  
as Trustee  
By (SEAL)                                     AUTHORIZED OFFICER

TEXACO CAPITAL INC.  
By  
VICE PRESIDENT  
By  
VICE PRESIDENT

TEXACO CAPITAL INC.

Series 1998 Medium-Term Note

Guaranteed by Texaco Inc.

1. INTEREST.

A. If this is a Fixed Rate Note, the Company promises to pay interest on the principal amount at the rate per annum shown on the face hereof until the principal amount hereof is paid or duly made available for payment. Unless otherwise provided on the face hereof, the Company will pay interest semiannually (each an "Interest Payment Date"), (provided, however, that in the case of a Fixed Rate Note issued between a Record Date and an Interest Payment Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date), commencing with the Interest Payment Date immediately following the Original Issue Date shown on the face hereof, and at Maturity. Interest will accrue from and including the most recent Interest Payment Date or, if no interest has been paid or duly provided for, from and including the Original Issue Date on the face hereof, to, but excluding the Interest Payment Date. The amount of such interest payable on any Interest Payment Date shall be computed on the basis of a year of twelve 30-day months.

B. If this is a Floating Rate Note, the Company promises to pay interest on the principal amount at the rate per annum equal to the Initial Interest Rate shown on the face hereof until the first Interest Reset Date shown on the face hereof following the Original Issue Date specified on the face hereof and thereafter at a rate determined in accordance with the provisions below under the heading "Determination of CD Rate", "Determination of Commercial Paper Rate", "Determination of Federal Funds Rate", "Determination of LIBOR" or "Determination of Treasury Rate", "Determination of Prime Rate", "Determination of CMT Rate", or "Determination of Eleventh District Cost of Funds Rate", depending upon whether the Base Rate specified above is CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR, Treasury Rate, Prime Rate, CMT Rate or Eleventh District Cost of Funds Rate, respectively, until the principal hereof is paid or duly made available for payment. The Company will pay interest monthly, quarterly, semi-annually or annually as specified on the face hereof under "Interest Payment Period", commencing with the first Interest Payment Date specified on the face hereof next succeeding the Original Issue Date, and at Maturity. Unless otherwise provided on the face hereof, the dates on which interest will be payable (each an "Interest Payment Date") will be, in the case of Notes with a daily, weekly or monthly Interest Reset Date, the third Wednesday of each month; in the case of Notes with a quarterly Interest Reset Date, the third Wednesday of January, April, July and October; in the case of Notes with a semi-annual Interest Reset Date, the third Wednesday of the two months specified on the face hereof; and in the case of Notes with an annual Interest Reset Date, the third Wednesday of the month specified on the face hereof; provided, however, that if an Interest Payment Date would fall on a day that is not a Business Day, such Interest Payment Date shall be the next succeeding Business Day, except that in the case the Base Rate is LIBOR, if such date falls in the next calendar month, such Interest Payment Date shall be the immediately preceding Business Day; and provided further, that in the case of a Floating Rate Note issued between a Record Date and an Interest Payment Date, the first interest payment will be made on the Interest Payment Date following the next succeeding Record Date.

The interest payable on a Floating Rate Note on each Interest Payment Date will include accrued interest from and including the Original Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding such Interest Payment Date; provided, however, that if the Interest Reset Period is daily or weekly, the interest payable on each Interest Payment Date, other than at Maturity or earlier redemption or repayment, will include accrued interest from and including the Original Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, the Record Date immediately preceding such Interest Payment Date, and the interest payable at Maturity or earlier redemption or repayment will include accrued interest from and including the Original Issue Date or from and including the last date in respect of which interest

has been paid, as the case may be, to, but excluding, the date of Maturity, or the day of redemption or repayment, as the case may be. Such accrued interest will be calculated by multiplying the principal amount hereof by an accrued interest factor. This accrued interest factor shall be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day shall be computed by dividing the interest rate applicable to such day by 360 if the Base Rate is CD Rate, Commercial Paper Rate, Federal Funds Rate or LIBOR, Prime Rate, CMT Rate or Eleventh District Cost of Funds Rate, as indicated on the face hereof, or by the actual number of days in the year if the Base Rate is Treasury Rate, as indicated on the face hereof. The interest rate in effect on each day will be (a) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to such Interest Reset Date or (b) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date; provided, however, that (i) the interest rate in effect from the Original Issue Date to the first Interest Reset Date will be the Initial Interest Rate and (ii) the interest rate in effect for the ten calendar days immediately prior to Maturity or redemption or repayment will be that in effect on the tenth calendar day preceding such Maturity or redemption or repayment and (iii) if any Floating Rate Note is issued between a Record Date and the related Interest Payment Date, and such Note has daily or weekly Interest Reset Dates, then notwithstanding the fact that an Interest Reset Date may occur prior to such Interest Payment Date, the Initial Interest Rate shall remain in effect through the first Interest Reset Date occurring on or subsequent to such Interest Payment Date. Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown on the face hereof. In addition, the interest rate hereon shall in no event be higher than the maximum rate, if any, permitted by New York law. Commencing with the first Interest Reset Date specified on the face hereof following the Original Issue Date and thereafter upon each succeeding Interest Reset Date specified on the face hereof, the rate at which interest on a Floating Rate Note is payable shall be adjusted as specified on the face hereof under Interest Rate Period; provided, however, that if any Interest Rate Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except that (i) if the Base Rate is LIBOR and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day or (ii) if the Base Rate is Treasury Rate and the Interest Reset Date falls on a date which is an auction date, the Interest Reset Date shall be the next following Business Day.

The Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is CD Rate, Commercial Paper Rate or Federal Funds Rate, the second Business Day next preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is LIBOR, the second London Banking Day preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is Treasury Rate, the day of the week in which such Interest Reset Date falls on which Treasury bills (as defined below) of the Index Maturity specified on the face hereof are auctioned. Treasury bills are normally auctioned on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction falls on a day that is not an Interest Reset Date, such Interest Reset Date will be the next following Business Day.

Subject to applicable provisions of law and except as specified herein, on each Interest Reset Date the rate of interest shall be the rate determined in accordance with the provisions of the applicable heading below.

**DETERMINATION OF CD RATE.** If the Base Rate is the CD Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the Interest Determination Date specified on the face hereof for negotiable certificates of deposit having the Index Maturity specified on the face hereof as published by the

Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication of the Board of Governors of the Federal Reserve System (the "H.15(519)"), under the heading "CDs (Secondary Market)"; (b) if such rate is not so published by 9:00 A.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, then such rate as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" (the "Composite Quotations") under the heading "Certificates of Deposit"; or (c) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean as calculated by the Calculation Agent of the secondary market offered rates as of 10:00 A.M., New York City time, on such Interest Determination Date of three leading nonbank dealers in negotiable U.S. Dollar certificates of deposit in The City of New York selected by the Company for negotiable certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity (as specified on the face hereof) in a denomination of \$5,000,000, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any, specified on the face hereof; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the rate in effect hereon on such Interest Determination Date.

DETERMINATION OF COMMERCIAL PAPER RATE. If the Base Rate is the Commercial Paper Rate, as indicated on the face hereof, the interest rate shall equal (a) the Money Market Yield (as defined herein) on the Interest Determination Date specified on the face hereof of the rate for commercial paper having the Index Maturity specified on the face hereof as the rate for such commercial paper published in the H.15(519), under the heading "Commercial Paper Non-Financial"; (b) if such commercial paper rate is not so published by 9:00 A.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, then the Money Market Yield using the rate for commercial paper of such Index Maturity as published for such Interest Determination Date in the Composite Quotations under the heading "Commercial Paper"; or (c) if neither of such rates is published by 3:00 P.M., New York City time on such Calculation Date, the Money Market Yield of the arithmetic mean of the offered rates, as of 11:00 A.M., New York City time on such Interest Determination Date, of three leading dealers of commercial paper in The City of New York, selected by the Company, for commercial paper of the Index Maturity specified on the face hereof placed for an industrial issuer whose bond rating is "AA" or the equivalent, from a nationally recognized rating agency, in each of the above cases adjusted by the addition or subtraction of the Spread; if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any, specified on the face hereof; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the rate in effect hereon on such Interest Determination Date.

"Money Market Yield" shall be the yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

DETERMINATION OF FEDERAL FUNDS RATE. If the Base Rate is the Federal Funds Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the Interest Determination Date specified on the

face hereof for Federal Funds as published in the H.15(519), under the heading "Federal Funds (Effective); (b) if such rate is not so published by 9:00 A.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, then the rate as published in the Composite Quotations under the heading "Federal Funds/Effective Rate"; or (c) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean (as calculated by the Calculation Agent) of the rates for the last transaction in overnight Federal Funds arranged by three leading brokers in The City of New York selected by the Company as of 11:00 A.M., New York City time on such Interest Determination Date, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any, specified on the face hereof, provided, however, that if such brokers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the rate in effect hereon on such Interest Determination Date.

**DETERMINATION OF LIBOR.** If the Base Rate indicated on the face hereof is LIBOR and the LIBOR so specified is indexed to the offered rates for deposits in U.S. dollars, LIBOR for each Interest Reset Date will be determined by the Calculation Agent as follows:

(i) As of the Interest Determination Date, the Calculation Agent will determine the arithmetic mean of the offered rates for deposits in U.S. dollars for the period of the Index Maturity designated in the applicable Pricing Supplement which appear on the Reuters Screen LIBO Page at approximately 11:00 A.M., London time, on such Interest Determination Date adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any. "Reuters Screen LIBO Page" means the display designated as Page "LIBO" on the Reuters Monitor Money Rate Service (or such other page as may replace the LIBO page on the service for the purpose of displaying London interbank offered rates of major banks);

(ii) If fewer than two offered rates appear on the Reuters Screen LIBO Page, the Calculation Agent will request the principal London offices of each of four major banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotations for deposits of U.S. dollars for the period of the specified Index Maturity to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such Interest Determination Date and in a principal amount equal to an amount of not less than U.S. \$1 million that is representative of a single transaction in such market at such time. If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any. If fewer than two quotations are provided, LIBOR in respect of such Interest Determination Date will be the arithmetic mean of rates quoted by three major banks in The City of New York selected by the Calculation Agent at approximately 11:00 A.M., New York City time, on such Interest Determination Date for loans in U.S. dollars to leading European banks, for the period of the specified Index Maturity and in a principal amount of not less than U.S. \$1 million that is representative of a single transaction in such market at such time; provided, however, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting rates as mentioned in this sentence, LIBOR for such Interest Reset Period will be the same as LIBOR for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the rate of interest payable on the LIBOR Notes for which LIBOR is being determined shall be the Initial Interest Rate) adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any.

**DETERMINATION OF TREASURY RATE.** If the Base Rate is the Treasury Rate as indicated on the face hereof, the interest rate shall equal the rate for the auction held on the Interest Determination Date of direct obligations of the United States ("Treasury bills") having the Index Maturity shown on the face hereof as published in the H.15(519), under the heading "Treasury bills--auction average (investment)" or, if not so

published by 9:00 A.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, the auction average rate expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis as otherwise announced by the United States Department of the Treasury, in either case, adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or, by multiplication by the Spread Multiplier, if any, specified on the face hereof. In the event that the results of the auction of Treasury bills having the Index Maturity shown on the face hereof are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no such auction is held in a particular week, then the rate of interest hereon shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent for the issue of Treasury bills with a remaining maturity closest to the Index Maturity shown on the face hereof, adjusted by the addition or subtraction of the Spread, if any, specified on the face hereof, or by multiplication by the Spread Multiplier, if any, specified on the face hereof; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the rate in effect hereon on such Interest Determination Date.

The Calculation Date pertaining to an Interest Determination Date shall be the tenth calendar day after such Interest Determination Date or if any such day is not a Business Day, the next succeeding Business Day or the Business Day preceding the Applicable Interest Payment Date or Maturity Date, as the case may be. Initially, The Chase Manhattan Bank shall be the Calculation Agent. The Calculation Agent shall calculate the interest rate hereon in accordance with the foregoing and will confirm in writing such calculation to the Trustee, the Company and any Paying Agent immediately after each determination. Neither the Trustee nor any Paying Agent shall be responsible for any such calculation. At the request of the Holder hereof the Calculation Agent will provide to the Holder hereof the interest rate hereon then in effect and, if determined, the interest rate which will become effective as of the next Interest Reset Date.

**DETERMINATION OF PRIME RATE.** If the Base Rate is the Prime Rate, as indicated in the applicable Pricing Supplement, the interest rate shall equal the rate calculated with reference to the Prime Rate and the Spread or Spread multiplier, if any specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the "Prime Rate" means, with respect to any Prime Rate Interest Determination Date, the rate on such date as published in H.15(519) under the heading "Bank Prime Loan." In the event that such rate is not published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined below) as such bank's prime rate or base lending rate as in effect for that Interest Determination Date. "Reuters Screen USPRIME1" means the display designated as page "USPRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks). If fewer than four such rates but more than one such rate appear on the Reuters Screen USPRIME1 Page for such Interest Determination Date, the Prime Rate shall be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by at least two major money center banks in New York City selected by the Calculation Agent (after consulting with the Company). If fewer than two such rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates furnished in New York City by three substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, in each

case having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by Federal or State authority, selected by the Calculation Agent (after consulting with the Company) to provide such rate or rates; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

**DETERMINATION OF CMT RATE.** If the Base Rate is the CMT Rate, as indicated in the applicable Pricing Supplement, the interest rate shall equal the rate (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in such CMT Rate Note and in any applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "CMT Rate" means, with respect to any CMT Rate Interest Determination Date, the rate displayed on the Designated CMT Telerate Page under the caption "Treasury Constant Maturities Federal Reserve Board release H.15 Mondays approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated Telerate Page is 7055, the rate on such Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related Interest Determination Date occurs. If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in H.15(519). If such rate is no longer published, or if not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such Interest Determination Date will be such treasury constant maturity rate for the designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing side offer prices as of approximately 3:30 P.M., New York City time, on the Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in the City of New York selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Note quotations, the CMT Rate for such Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on the Interest Determination Date of three Reference Dealers in the City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for such Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index in an amount of at least U.S. \$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided however, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT



Rate will be the CMT Rate in effect on such Interest Determination Date. If two Treasury Notes with an original maturity as described in the third preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the CMT Rate Note with the shorter remaining term to maturity will be used.

"Designated CMT Telerate Page" means the display on the Dow Jones Telerate Service designated in the applicable Pricing Supplement for the purpose of displaying Treasury Constant Maturities as reported in H.15(519) (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)). If no such page is specified in the applicable Pricing Supplement, the Designated CMT Telerate Page shall be 7052 for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the applicable Pricing Supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified in the applicable Pricing Supplement, the Designated CMT Maturity Index shall be 2 years.

DETERMINATION OF ELEVENTH DISTRICT COST OF FUNDS RATE. If the Base Rate is the Eleventh District Cost of Funds Rate, as indicated in the applicable Pricing Supplements, the interest rate shall equal the interest rates calculated with reference to the Eleventh District Cost of Funds Rate and the Spread or Spread Multiplier, if any specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement. "Eleventh District Cost of Funds Rate" means, with respect to an Eleventh District Cost of Funds Interest Determination Date the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Interest Determination Date falls, as set forth under the caption "11th district" on Telerate Page 7058 (as defined below) as of 11:00 A.M., San Francisco time, on such Interest Determination Date. If such rate does not appear on Telerate Page 7058 on such Interest Determination Date, then the Eleventh District Cost of Funds Rate on such Interest Determination Date will be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding the date of such announcement. If the FHLB of San Francisco fails to announce such rate for the calendar month immediately preceding such Interest Determination Date, then the Eleventh District Cost of Funds Rate determined as of such Interest Determination Date will be the Eleventh District Cost of Funds Rate in effect on such Interest Determination Date.

"Telerate Page 7058" means the display designated as page "7058" on the Dow Jones Telerate Service (or such other page as may replace the 7058 page on that service for the purpose of displaying the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District).

## 2. METHOD OF PAYMENT AND RECORD DATE.

Payments in U.S. Dollars of interest (other than interest payable at Maturity or upon earlier redemption or repayment) will be made by mailing a check to the Holder at the address of the Holder appearing on the Register (as defined in the Indenture) on the applicable Record Date. Notwithstanding the foregoing, (a) the Depositary, as holder of the Book-Entry Note shall be entitled to receive payments of interest by wire transfer of immediately available funds; and (b) a Holder of U.S. \$10,000,000 or more in aggregate principal amount of Certificated Notes of like tenor and terms (or a holder of the equivalent thereof in a Specified Currency other than U.S. Dollars as determined by the Exchange Rate Agent on the basis of the Market Exchange Rate (as defined below)) shall be entitled to receive such payments in U.S. Dollars by wire transfer of immediately available funds, but only if appropriate payment instructions have been received in writing by the Company's Paying Agent in The City of New York not less than 15 days prior to the applicable Interest Payment Date. If so provided on the face hereof, simultaneously with any

election by the Holder of a Note denominated in other than U.S. Dollars hereof to receive payments of principal and any premium and interest in U.S. Dollars, such Holder shall provide appropriate payment instructions to such Paying Agent and all such payments will be made in immediately available funds to an account maintained by the payee with a bank. Principal and any premium and interest payable at Maturity or repayment or redemption will be paid in immediately available funds upon surrender of such Note at the office of a Paying Agent in The City of New York or at such other office or agency as the company may designate.

Unless otherwise specified on the face hereof, the Record Date with respect to any Interest Payment Date (as defined below) shall be the date 15 calendar days immediately preceding such Interest Payment Date, whether or not such date shall be a Business Day. Interest which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name the Note is registered at the close of business on the Record Date for such interest; provided, however, that interest payable on the Interest Payment Date occurring at maturity or upon earlier redemption or prepayment will be to the person to whom principal shall be payable; provided, further that the first payment of interest on any Note with an Original Issue Date between a Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Record Date to the registered owner on such next succeeding Record Date.

Notwithstanding the foregoing, any interest that is payable but not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the registered holder thereof on such Record Date, and shall be paid to the person in whose name such Note is registered on the close of business on a special record date for the payment of such defaulted interest to be fixed by the Company, notice whereof having been given to the Trustee and the Holder of such Note not less than fifteen days prior to such Special Record Date, or may be paid at any time and in any other lawful manner, or as more fully provided in the Indenture.

"Business Day" means any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is (a) not a day on which banking institutions are authorized or required by law or regulation to be closed in The City of New York; (b) if this Note is denominated in a Specified Currency other than U.S. Dollars, (i) not a day on which banking institutions are authorized or required by law or regulation to close in the financial center of the country issuing the Specified Currency (which in the case of ECU shall be London and Luxembourg City, Luxembourg) and (ii) a day on which banking institutions in such financial center are carrying out transactions in such Specified Currency; and (c) with respect to a LIBOR Note, a London Banking Day. "London Banking Day" means any day on which dealings in deposits in U.S. Dollars are transacted in the London interbank market. In connection with any calculations, all percentages will be rounded, if necessary to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards and all currency or currency unit amounts used and resulting from such calculations on the Notes will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upwards).

### 3. PAYING AGENT AND REGISTRAR.

Initially, The Chase Manhattan Bank, as Trustee ("Trustee"), 450 W. 33rd Street, New York, New York 10001, will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-registrar without notice.

### 4. INDENTURE.

The Company issued the Note as part of a Series of Notes under an indenture dated as of August 24, 1984 as (1) supplemented and restated by The First Supplemental Indenture dated as of January 31, 1990, as (2) further amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990 and (3) as further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997 (as so supplemented and amended, the "Indenture") among the Company,

Texaco Inc. and the Trustee. The terms of the Note include those stated in the Indenture and those made part of the Indenture by the Trust Indenture Act of 1939 (15 U.S. Code Section 77aaa-77bbb) as amended (the "Act"). The Series of Notes are subject to all such terms, and the holder of this Note is referred to the Indenture and the Act for a statement of them. Notwithstanding Section 8.01 of the Indenture, the Company hereby covenants that it will not terminate its obligations with respect to the Notes by making certain deposits with the Trustee, and the Trustee and a Paying Agent shall have no obligation under Article 8 with respect to the Notes. This Note is one of a Series of Notes of the Company designated as its Series 1922 Medium Term Notes.

5. GUARANTY.

This Note is guaranteed by Texaco Inc.

6. OPTIONAL REDEMPTION.

If specified on the face hereof, this Note may be redeemed, as a whole or from time to time in part, at the option of the Company, on not less than 30 nor more than 60 days' prior notice given as provided in the Indenture, on any Redemption Date(s) and at the related Redemption Price(s) set forth on the face hereof. If less than all the Outstanding Notes of like tenor and terms are to be redeemed, the particular Notes to be redeemed shall be selected by the Trustee not more than 60 days prior to the Redemption Date from the Outstanding Notes of like tenor or terms not previously called for redemption. Such selection shall be of principal amounts equal to the minimum authorized denomination for such Notes or any integral multiple thereof. Subject to the immediately preceding sentence, such selection shall be made by any method as the Trustee deems fair and appropriate. The notice of such redemption shall specify which Notes are to be redeemed. In the event of redemption of this Note in part only, a new Note or Notes of this series of like tenor or terms for the unredeemed portion hereof will be issued to the Holder hereof upon the cancellation hereof.

7. MANDATORY REDEMPTION.

Unless so stated on the face hereof, this Note is not subject to mandatory redemption.

8. REPAYMENT AT OPTION OF HOLDER.

If specified on the face hereof, this Note will be subject to repayment at the option of the Holder hereof on the Repayment Date(s) and at the Repayment Price(s) indicated on the face hereof. If no such Repayment Date is set forth on the face hereof, this Note may not be so repaid at the option of the Holder hereof prior to Stated Maturity. On each Repayment Date, if any, this Note shall be repayable in whole or in part at the option of the Holder hereof at the applicable Repayment Price set forth on the face hereof, together with interest thereon to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, the Paying Agent in The City of New York must receive not less than 30 nor more than 45 days prior to the Repayment Date (i) the Note with the form entitled "Option to Elect Repayment" below duly completed or (ii) a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or a trust company in the United States of America setting forth the name of the Holder of the Note, the principal amount of the Note, the certificate number of the Note or a description of the Note's tenor or terms, the principal amount of the Note to be prepaid, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be prepaid with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed will be received by such Paying Agent no later than five Business Days after the date of such telegram, telex, facsimile transmission or letter and such Note and form duly completed are received by such Paying Agent by such fifth Business Day. Exercise of such repayment option shall be irrevocable. Such option may be exercised by the Holder for less than that entire principal amount provided that the principal amount remaining outstanding after repayment is an authorized denomination.

## 9. EXTENSION OF MATURITY.

If so indicated on the face of the Note, the Company has the option to extend the Maturity Date of the Note for one or more periods of one or more whole years (each an "Extension Period") up to but not beyond the "Final Maturity Date", as set forth above.

The Company may exercise such option by notifying the Trustee of such exercise at least 45 but not more than 60 days prior to the Maturity Date in effect prior to the exercise of such option (the "Original Maturity Date"). No later than 40 days prior to the Original Maturity Date, the Trustee will mail to the holder of the Note a notice (the "Extension Notice") relating to such Extension Period, first class, postage prepaid, setting forth: (a) the election of the Company to extend the Maturity Date of such Note; (b) the new Maturity Date; (c) in the case of a Fixed Rate Note, the interest rate applicable to the Extension Period or, in the case of a Floating Rate Note, the Spread or Spread Multiplier applicable to the Extension Period; and (d) the provisions, if any, for redemption during the Extension Period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Extension Period. Upon the mailing by the Trustee of an Extension Notice to the holder of a Note, the Maturity Date of such Note shall be extended automatically, and, except as modified by the Extension Notice and as described in the next paragraph, such Note will have the same terms as prior to the mailing of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days prior to the original Maturity Date for a Note, the Company may, at its option, revoke the interest rate, in the case of a Fixed Rate Note, or the Spread or Spread Multiplier, in the case of a Floating Rate Note, provided for in the Extension Notice and establish a higher interest rate, in the case of a Fixed Rate Note, or a higher Spread or Spread Multiplier, in the case of a Floating Rate Note, for the Extension Period by causing the Trustee to mail notice of such higher interest rate or higher Spread or Spread Multiplier, as the case may be, first class, postage prepaid, to the holder of such Note. Such notice shall be irrevocable. All Notes with respect to which the Maturity Date is extended will bear such higher interest rate, in the case of a Fixed Rate Note, or higher Spread or Spread Multiplier, in the case of a Floating Rate Note, for the Extension Period, whether or not tendered for repayment.

If the Company elects to extend the Maturity Date of a Note, the holder of such Note will have the option to elect repayment of such Note by the Company on the Original Maturity Date at a price equal to the principal amount thereof plus any accrued interest to such date. In order for a Note to be so repaid on the Original Maturity Date, the holder thereof must follow the procedures set forth above under "Repayment" for optional repayment, except that the period for delivery of such Note or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Maturity Date and except that a holder who has tendered a Note for repayment pursuant to an Extension Notice may, by written notice to the Trustee revoke any such tender for repayment until the close of business on the tenth calendar day prior to the Original Maturity Date.

## 10. DENOMINATIONS AND CURRENCY.

The authorized denominations of Notes denominated in U.S. Dollars will be U.S.\$100,000 and any larger amount that is an integral multiple of U.S.\$1,000. The authorized denominations of Notes denominated in a currency other than U.S. Dollars will be as set forth on the face hereof.

If the Specified Currency is other than U.S. Dollars and if such option is specified on the face hereof, the Holder may elect to receive payment in respect of this Note in U.S. Dollars based upon the Exchange Rate as determined by the Exchange Rate Agent (initially, The Chase Manhattan Bank) appointed by the Company for such purpose based on the highest firm bid quotation for U.S. Dollars received by such Exchange Rate Agent at approximately 11:00 A.M. New York City time on the second Business Day preceding the applicable payment date (or if no such rate is quoted on such date the last date on which such rate was quoted), from three recognized foreign exchange dealers in The City of New York selected

by the Exchange Rate Agent and approved by the Company (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer for settlement on such payment date of the aggregate amount of the Specified Currency payable on such payment date in respect of all Notes denominated in such Specified Currency. All currency exchange costs will be borne by the Holders of such Notes by deductions from such payments. If no such bid quotations are available, payments will be made in the Specified Currency unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, in which case the Company will be entitled to make payments in respect hereof in U.S. Dollars as provided below.

Except as set forth below, if payment on a Note is required to be made in a Specified Currency other than U.S. Dollars and such currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments due on that due date with respect to such Note shall be made in U.S. Dollars. The amounts so payable on any date in such Specified Currency shall be converted into U.S. Dollars at a rate determined by the Exchange Rate Agent on the basis of the most recently available noon buying rate for cable transfers in The City of New York as determined by the Federal Reserve Bank of New York (the "Market Exchange Rate").

If payment on a Note is required to be made in ECU and ECU is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control or is no longer used in the European Monetary System, then all payments due on that due date with respect to such Note shall be made in U.S. Dollars. The amount so payable on any date in ECU shall be converted into U.S. Dollars at a rate determined by the Exchange Rate Agent, as of the second Business Day prior to the date on which such payment is due on the following basis:

The component currencies of the ECU for this purpose (the "Components") shall be the currency amounts which were components of the ECU as of the last date on which the ECU was used in the European Monetary System. The equivalent of the ECU in U.S. Dollars shall be calculated by aggregating the U.S. Dollar equivalents of the Components.

The U.S. Dollar equivalent of each of the Components shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for such component.

If the official unit of any component currency is altered by way of combination or subdivision, the number of units of that currency as a Component shall be divided or multiplied in the same proportion. If two or more component currencies are consolidated into a single currency, the amounts of those currencies as Components shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated component currencies expressed in such single currency. If any component currency is divided into two or more currencies, the amount of that currency as a Component shall be replaced by amounts of such two or more currencies, each of which shall have a value at the time of the division equal to the amount of the former component currently divided by the number of currencies into which that currency was divided.

All determinations referred to above of the Exchange Rate Agent shall be at its sole discretion (except to the extent expressly provided herein that any determination is subject to approval by the Company) and, in the absence of manifest error, shall be conclusive for all purposes and binding upon the Holders of the Notes and the Trustee and the Exchange Rate Agent shall have no liability therefor.

#### 11. TRANSFER AND EXCHANGE.

A holder may transfer or exchange a Note in accordance with the Indenture. The Registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Note selected for redemption. Also, it need not transfer or exchange any Notes for a period

of 15 days before a selection of Notes to be redeemed. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Prior to due presentment of a Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the person in whose name a Note is registered as the owner hereof for all purposes whether or not such Note be overdue and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

#### 12. PERSONS DEEMED OWNERS.

The registered holder of a Note may be treated as the owner of it for all purposes.

#### 13. AMENDMENTS AND WAIVERS.

Subject to certain exceptions, the Series of Notes or the Indenture with respect to the Series of Notes may be amended with the consent of the holders of at least 50.1% in principal amount of the Series of Notes outstanding, and any past default or compliance with any provision may be waived with the consent of the holders of at least 50.1% in principal amount of the Series of Notes outstanding. Without the consent of any Noteholder, the Indenture or the Series of Notes may be amended to cure any ambiguity, defect or inconsistency; to provide for assumption of the Company's obligations to Noteholders; or to make any change that does not adversely affect the rights of any Noteholder.

#### 14. RESTRICTIVE COVENANTS.

The Series of Notes are unsecured general obligations of the Company limited to U.S.\$500,000,000 principal amount or the equivalent thereof in other currencies or currency units, subject to reduction as a result of the sale of other debt securities by the Company. The Indenture does not limit other unsecured debt. It does limit certain mortgages and sale-leaseback transactions of Texaco Inc. if the property mortgaged or leased is a refinery or a manufacturing plant in the United States or any oil or gas producing property onshore or offshore the United States that is of material importance to the total business of Texaco Inc. and its consolidated subsidiaries. The limitations are subject to a number of important qualifications and exceptions. Once a year Texaco Inc. must report to the Trustee on compliance with the limitations.

If a successor corporation assumes all the obligations of the Company under the Series of Notes and the Indenture with respect to such Series of Notes, the Company will be released from those obligations.

#### 15. DEFAULTS AND REMEDIES.

An Event of Default is: default for 30 days in payment of interest on the Series of Notes; default in payment of principal or premium, if any, on the Series of Notes; failure by the Company or by Texaco Inc., as the case may be, for 90 days after notice of the Company to comply with any of its other agreements in the Series of Notes or the Indenture with respect to the Series of Notes; and certain events of bankruptcy or insolvency. If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the Series of Notes may declare all the Notes of the Series to be due and payable immediately. If the principal of any Original Issue Discount Note is declared to be due and payable the amount of principal due and payable with respect to such Note shall be limited to the sum of the aggregate principal amount of such Note multiplied by the Issue Price (expressed as a percentage of the aggregate principal amount) plus the original issue discount accrued from the date of issue to the date of declaration, which accrual shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles) in effect on the date of declaration. An Original Issue Discount Note is a Note, including any zero-coupon Note, which has a stated redemption price at maturity that exceeds its Issue Price by at least 0.25% of its Principal Amount, multiplied by the number of full years from the Original Issue Date to the Maturity Date for such Note. Noteholders may not enforce the Series of Notes or the Indenture with respect to the Series of Notes except as provided in the Indenture. The Trustee may

require indemnity satisfactory to it before it enforces the Series of Notes or the Indenture with respect to the Series of Notes. Subject to certain limitations, holders of a majority in principal amount of the Series of Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Noteholders of the Series notice of any continuing default (except a default in payment of principal or premium or interest) if it determines that withholding notice is in their interests.

16. TRUSTEE DEALINGS WITH COMPANY OR TEXACO INC.

The Chase Manhattan Bank, as Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company, Texaco Inc. or any affiliates of either, and may otherwise deal with the Company, Texaco Inc. or any affiliates of either, as if it were not Trustee.

17. NO RECOURSE AGAINST OTHERS.

A director, officer, employee or stockholder, as such, of the Company or Texaco shall not have any liability for any obligations of the Company under the Series of Notes or the Indenture with respect to the Series of Notes or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Noteholder of the Series by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

18. AUTHENTICATION.

This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

19. ABBREVIATIONS.

Customary abbreviations may be used in the name of a Noteholder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A

(= Uniform Gifts to Minors Act).

The Company will furnish to any Noteholder upon written request and without charge a copy of the Indenture. Requests may be made to the Company at 1013 Centre Road, Wilmington, Delaware 19801, with a copy to: Treasurer, Texaco Inc., 2000 Westchester Avenue, White Plains, NY 10650.

ASSIGNMENT

I or we assign and transfer this Note to

INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE

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(Print or type name, address and zip code of assignee)

and irrevocably appoint \_\_\_\_\_  
\_\_\_\_\_ agent

to transfer this Note on the books of the Company. The agent may substitute  
another to act for him.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_

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(Sign exactly as name appears on the other side of this Note)

GUARANTY

TEXACO INC., a Delaware corporation (the "Guarantor"), unconditionally  
guarantees to the holder of this Note the due and punctual payment of the  
principal of and the premium and interest, if any, on this Note.

The Guarantor shall not be entitled to receive any payments based upon a  
right of subrogation with respect to any amounts paid by the Guarantor to  
holders of the Series of Notes until the principal and the premium and interest,  
if any, on all Notes of the Series shall have been paid in full or for which  
payment has been provided.

TEXACO INC.  
By \_\_\_\_\_



OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay the within Note (or portion hereof specified below) pursuant to its terms at a price equal to the applicable Repayment Price thereof together with interest to the Repayment Date, to the undersigned at \_\_\_\_\_

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(Please print or type name and address of the undersigned)

If less than the entire principal amount of the within Note is to be repaid, specify the portion thereof which the Holder elects to have repaid: \_\_\_\_\_; and specify the denomination or denominations (which shall be in authorized denominations) of the Notes to be issued to the Holder for the portion of the within Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid):

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Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature)

Social Security or Taxpayer I.D. Number: \_\_\_\_\_

EXHIBIT D  
TO  
DISTRIBUTION AGREEMENT

FORM OF  
OPINION OF PAUL R. LOVEJOY, ESQ.

[Date]

To the Agents [or Purchasers] party to the  
Distribution Agreement dated \_\_\_\_\_ with  
TEXACO CAPITAL INC. AND TEXACO INC.  
c/o [ \_\_\_\_\_ ]

Dear Sirs:

I have acted as Counsel for Texaco Capital Inc. (the "Company") a Delaware corporation and Texaco Inc. ("Texaco"), a Delaware corporation, in connection with [the issuance and sale today by the Company to you pursuant to the terms of the aforementioned Distribution Agreement (the "Distribution Agreement") dated as of \_\_\_\_\_, 19 \_\_\_\_ of \$ \_\_\_\_\_ principal amount of its \_\_\_\_\_ % due ("Notes") guaranteed (the "Guaranties") by Texaco.] [the execution and delivery of the Distribution Agreement (the "Distribution Agreement") dated as of \_\_\_\_\_, 19 \_\_\_\_ among the Company, Texaco and the agents [purchasers] named therein (the "Agents") [(the "Purchasers")] pursuant to which the Company may sell up to \$ \_\_\_\_\_ aggregate principal amount of its medium-term notes (the "Notes") guaranteed (the "Guaranties") by Texaco]. This opinion is given pursuant to Paragraph [6(j)] [7(c)(i)] of the Distribution Agreement. Capitalized terms not otherwise defined herein are defined as set forth in the Distribution Agreement.

I have participated in the preparation of the Distribution Agreement, the Indenture, the Notes, the Guaranty, [the Terms Agreement,] the Registration Statement, the Prospectus and the supplement[s] to the Prospectus. As to various questions of fact material to my opinion I have relied upon representations made in the Distribution Agreement and upon the certificates of officers of the Company and Texaco. I have also examined such certificates of public officials, corporate documents and records and other certificates, opinions and instruments and have made such other investigations as I have deemed necessary in connection with the opinions hereinafter set forth.

Based on the foregoing and upon such investigation as I have deemed necessary, I give you my opinion as follows with respect to the Company:

1. ORGANIZATION AND STANDING, ETC. OF THE COMPANY. The Company has been duly organized and is validly existing in good standing under the laws of Delaware and is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions where the nature of its properties or business requires it.

2. CORPORATE POWER, ETC. TO PERFORM THE DISTRIBUTION AGREEMENT, ETC. The Company has the corporate power and authority to enter into and perform the Distribution Agreement, the Indenture[, the Terms Agreement] and to issue and deliver the Notes.

3. EXECUTION AND DELIVERY, ETC. BY THE COMPANY OF THE DISTRIBUTION AGREEMENT, ETC. The execution, delivery and performance by the Company of the Distribution Agreement, the Indenture[, the Terms Agreement] and the Notes have been duly authorized by all requisite corporate action, and the Distribution Agreement, the Indenture [and the Notes] have been duly executed and delivered by the Company.

4. LEGALITY, ENFORCEABILITY, ETC. OF THE COMPANY'S OBLIGATIONS UNDER THE DISTRIBUTION AGREEMENT, ETC. The Distribution Agreement, the Indenture[, the Terms Agreement] and the Notes are legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and except as rights to indemnity and contribution under the Distribution Agreement may be limited under applicable law. The enforceability of the Company's obligations under the Distribution Agreement, the Indenture and the Notes is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5. COMPLIANCE, ETC. WITH CERTIFICATE OF INCORPORATION AND BY-LAWS OF THE COMPANY. The execution and delivery of the Distribution Agreement, the Indenture[, the Terms Agreement] and the Notes and the performance by the Company of their terms and the issuance of the Notes do not conflict with or result in a violation of the Certificate of Incorporation or By-Laws of the Company or of any agreement, instrument, order, writ, judgment or decree known to me to which the Company is a party or is subject.

6. NO APPROVAL, ETC. REQUIRED. No approval, authorization or other action by, or filing with, any governmental authority, is required in connection with the execution and delivery by the Company of the Distribution Agreement, the Indenture[, the Terms Agreement] or the Notes.

Based on the foregoing and upon such investigation as I have deemed necessary, I give you my opinion as follows with respect to Texaco.

1. ORGANIZATION AND STANDING, ETC. OF TEXACO. Texaco has been duly organized and is validly existing in good standing under the laws of Delaware and is duly qualified to do business and is in good standing as a foreign corporation in all of the other states of the United States.

2. CORPORATE POWER, ETC. TO PERFORM THE DISTRIBUTION AGREEMENT, ETC. Texaco has the corporate power and authority to enter into and perform the Distribution Agreement, the Indenture[, the Terms Agreement] and to execute and deliver the Guaranties.

3. EXECUTION AND DELIVERY, ETC. BY TEXACO OF THE DISTRIBUTION AGREEMENT, ETC. The execution, delivery and performance by Texaco of the Distribution Agreement, the Indenture[, the Terms Agreement] and the Guaranties have been duly authorized by all requisite corporate action, and the Distribution Agreement, the Indenture[, the Terms Agreement] [and Guaranties] have been duly executed and delivered by Texaco.

4. LEGALITY, ENFORCEABILITY, ETC. OF TEXACO'S OBLIGATIONS UNDER THE DISTRIBUTION AGREEMENT, ETC. The Distribution Agreement, the Indenture[, the Terms Agreement] and the Guaranties are legal, valid and binding obligations of Texaco and are enforceable against Texaco in accordance with their terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and except as rights to indemnity and contribution under the Distribution Agreement may be limited under applicable law. The enforceability of Texaco's obligations under the Distribution Agreement, the Indenture[, the Terms Agreement] and the Guaranties is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5. COMPLIANCE, ETC. WITH CERTIFICATE OF INCORPORATION AND BY-LAWS OF TEXACO. The execution and delivery of the Distribution Agreement, the Indenture[, the Terms Agreement] and the Guaranties and the performance by Texaco of their terms and the issuance of the Guaranties do not conflict with or result in a violation of the Certificate of Incorporation or By-Laws of Texaco or of any agreement, instrument, order, writ, judgment or decree known to me to which Texaco is a party or is subject.

6. NO APPROVAL, ETC. REQUIRED. No approval, authorization or other action by, or filing with, any governmental authority, is required in connection with the execution and delivery by Texaco of the Distribution Agreement, the Indenture[, the Terms Agreement] or the Guaranties.

I give you my further opinion that:

1. QUALIFICATION OF THE INDENTURE. The Indenture has been duly qualified under the TIA.

2. REGISTRATION STATEMENT IS EFFECTIVE, ETC. The Registration Statement has become effective under the Act, and, to the best of my knowledge no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and the Registration Statement and the Prospectus, as of their respective effective or issue dates or in the case of documents incorporated by reference in the Prospectus as of the respective dates such documents were filed with the Commission, complied as to form in all material respects with the requirements of the Act and the applicable rules and regulations; I have no reason to believe that (except for the financial statements included therein, as to which I express no opinion) the Registration Statement and the Prospectus on the date of the Distribution Agreement contained, any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus (except as aforesaid) as of [date of agreement to purchase Notes as principal, if applicable, contained, and as of] the date hereof, contains any untrue statement of a material fact or [omitted or] omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statement and Prospectus of material statutes, material legal and governmental proceedings and material contracts and other documents involving the Company and Texaco are accurate in all material respects and fairly present the information required to be shown; and I do not know of any legal or governmental proceedings involving the Company and Texaco required to be described in the Prospectus which are not described as required, nor of any contracts or documents involving the Company or Texaco of a character required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required; it being understood that I express no opinion as to information furnished by a Purchaser or Agent specifically for use in the Registration Statement and the Prospectus.

[To the extent any Notes are denominated in the currency of a country other than the United States, no opinion is expressed with respect to the laws of any such country. I note that (i) a New York statute provides that with respect to a foreign currency obligation a court of the State of New York shall render a judgment or decree in such foreign currency and such judgment or decree shall be converted into currency of the United States at the rate of exchange prevailing on the date of entry of such judgment or decree and (ii) a United States Federal court in New York may award judgment in United States dollars, and I express no opinion as to the rate of exchange such court would apply.]

Very truly yours,

D-3

EXHIBIT E  
TO  
DISTRIBUTION AGREEMENT  
FORM OF

OPINION OF DAVIS POLK & WARDWELL  
COUNSEL FOR THE AGENTS [PURCHASER]

[Date]

[Names and Addresses of Agents or Purchasers]

Gentlemen:

We have acted as counsel for [the several agents (the "Agents")] [the several purchasers (the "Purchasers")] named in the distribution Agreement dated as of (the "Distribution Agreement"), with Texaco Capital Inc. (the "Company") and Texaco Inc. ("Texaco") in connection with [the execution and delivery of the Distribution Agreement pursuant to which the Company may sell up to \$ aggregate principal amount of its medium-term notes (the "Notes")] [the purchase by the Several Purchasers of \$ principal amount of medium-term notes (the "Notes") of the Company] guaranteed (the "Guaranties") by Texaco. The Notes are to be issued pursuant to an Indenture dated as of August 24, 1984 as (1) supplemented and restated by the First Supplemental Indenture dated as of January 31, 1990, (2) further amended by the First Supplement to the First Supplemental Indenture dated as of October 11, 1990 and (3) further amended by the Second Supplement to the First Supplemental Indenture, dated as of August 5, 1997, (as so supplemented and amended, and as further amended by the Trust Indenture Reform Act of 1990 (P.L. 101-550), the "Indenture"), among the Company, Texaco and The Chase Manhattan Bank, as Trustee.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion, including those relating to the authorization, execution and delivery by the Company and Texaco of the Indenture [the Terms Agreement] and the Distribution Agreement, the authorization, [issuance and sale] of the Notes by the Company and the authorization [and issuance] by Texaco of the Guaranties.

We have participated in the preparation of the Company's registration statement on Form S-3 (Registration No. ) (other than the documents incorporated by reference in the prospectus included therein (the "Incorporated Documents")) filed with the Securities and Exchange Commission (the "Commission") pursuant to the provisions of the Securities Act of 1933, as amended (the "Act"). Although we did not participate in the preparation of the Incorporated Documents, we have reviewed such documents. In addition, we have reviewed evidence that the registration statement [as amended] was declared effective under the Act and that the Indenture was qualified under the Trust Indenture Act of 1939, as amended. The registration statement (including the Incorporated Documents) as amended to the Commencement Date (as defined in the Distribution Agreement) is hereinafter referred to as the "Registration Statement", and the prospectus included in the Registration Statement as supplemented by the prospectus supplement specifically relating to the Notes is hereinafter referred to as the "Prospectus".

Based upon the foregoing, we are of the opinion that:

1. the Indenture has been duly authorized, executed and delivered by the Company and Texaco, is a valid and binding agreement of the Company and Texaco in accordance with its terms and has been duly qualified under the Trust Indenture Act of 1939, as amended:

2. the Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the purchasers thereof will be valid and binding obligations of the Company in accordance with their terms and entitled to the benefits of the Indenture;

3. the Guaranties endorsed on the Notes pursuant to the Indenture have been duly authorized by Texaco and, when executed in accordance with the provisions of the Indenture, and when the Notes are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the purchasers thereof, such Guaranties will be valid and binding obligations of Texaco in accordance with their terms;

4. the Distribution Agreement has been duly authorized, executed and delivered by the Company and Texaco and is a valid and binding agreement of the Company and Texaco except as rights to indemnity and contribution thereunder may be limited by applicable law; [and]

[5. the Terms Agreement has been duly authorized, executed and delivered by the Company and Texaco and is a valid and binding agreement of the Company and Texaco;]

[6.] the statements in the Prospectus under "Description of the Medium-Term Notes," "Description of the Debt Securities" and "Plan of Distribution", insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings.

We have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to other matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed with representatives of the agents [Purchasers] and with certain officers and employees of, and counsel and independent public accountants for, the Company and Texaco the information furnished, whether or not subject to our check or verification. On the basis of such consideration, review and discussion, but without independent check or verification, we (i) are of the opinion that (except for the financial statements and related schedules included therein, as to which we are not called upon to express an opinion) the Registration Statement and the Prospectus comply as to form in all material respects with the Act and the applicable rules and regulations thereunder and (ii) believe that (except for the financial statements and related schedules included therein, as to which we are not called upon to express a belief and except for that part of the Registration Statement that constitutes the Form T-1 filed with the Commission relating to the Indenture) the Registration Statement, and the Prospectus as of the Commencement Date does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that the Prospectus (except as aforesaid) [,as of the date of your agreement to purchase Notes as principal did not, and] does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

We have examined the opinion dated \_\_\_\_\_ of Paul R. Lovejoy, Esq., General Counsel of the Company and Assistant General Counsel of Texaco, delivered to the Agents [Purchasers] pursuant to [Paragraph [7(c)(ii)]] of the Distribution Agreement, and we believe that such opinion is responsive to the requirements thereof. We have also examined the letter dated \_\_\_\_\_ of Arthur Andersen LLP, relating to the financial statements incorporated by reference in the Registration Statement and the other matters referred to in such letter, delivered to the Agents [Purchasers] pursuant to Paragraph [6(j)] [7(c)(vi)] of the Distribution Agreement. We have participated in discussions with representatives of

Arthur Andersen LLP relating to the form of such letter, and we believe that it is substantially in the form agreed to.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without our prior written consent.

Very truly yours,

E-3

EXHIBIT F  
TO  
DISTRIBUTION AGREEMENT

FORM OF  
SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, [the] [an] [Assistant] Secretary of Texaco Capital Inc., a Delaware corporation (the "Company"), pursuant to the Distribution Agreement dated \_\_\_\_\_ among the parties named therein, DO HEREBY CERTIFY that:

(1) There has been no amendment to the Restated Certificate of Incorporation of the Company since [ \_\_\_\_\_, \_\_\_\_\_ ] [except set forth any changes.]

(2) Attached hereto as Exhibit A is a true and complete copy of the By-Laws of the Company.

(3) There are no proceedings pending or threatened for the dissolution or liquidation of the Company or threatening its existence.

(4) There has been no amendment to those certain resolutions adopted by the Board of Directors of the Company on \_\_\_\_\_ [by unanimous written consent;] [at which a quorum for the transaction of business was present and acting throughout]; and such resolutions (a copy of which is attached hereto as Exhibit B) are still in full force and effect in the form adopted.

(5) To the best of my knowledge and based on reasonable investigation no stop order suspending the effectiveness of the Registration Statement (Registration No. \_\_\_\_\_) is in effect and no proceedings for such purpose are pending or threatened by the Securities and Exchange Commission.

(6) The persons named below were duly elected to the offices indicated and were serving in such capacities on the date on which they executed the indicated instrument, and the signatures opposite their names are the respective signatures of such persons: [set forth name, titles and specimen signature of each person who signed any of the Distribution Agreement, Indenture, Terms Agreement, Registration Statement or Notes indicating which instrument was signed by such person].

-----  
[ASSISTANT] SECRETARY OF  
TEXACO CAPITAL INC.

Dated:



EXHIBIT G  
DISTRIBUTION AGREEMENT

FORM OF  
OFFICER'S CERTIFICATE

I, \_\_\_\_\_, [Title] of Texaco Inc., a Delaware corporation ("Texaco"), pursuant to the terms of the Distribution Agreement dated \_\_\_\_\_ among the parties named therein, DO HEREBY CERTIFY that to the best of my knowledge and based on reasonable investigation: (1) no stop order suspending the effectiveness of the Registration Statement on Form S-3 (Registration No. \_\_\_\_\_) is in effect and no proceedings for such purpose are pending before or threatened by the Securities and Exchange Commission and (2) there has been no material adverse change (not in the ordinary course of business) in the financial condition of Texaco and its consolidated subsidiaries, taken as a whole, from that set forth in or contemplated by the Prospectus (as defined in the aforementioned Distribution Agreement).

Dated: \_\_\_\_\_

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[TITLE] OF TEXACO INC.

EXHIBIT H  
TO  
DISTRIBUTION AGREEMENT  
FORM OF  
SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, [the] [an] [Assistant] Secretary of Texaco Inc., a Delaware corporation ("Texaco"), pursuant to the terms of the Distribution Agreement dated \_\_\_\_\_ among the parties named therein, DO HEREBY CERTIFY that:

(1) There has been no amendment to the Restated Certificate of Incorporation of Texaco since [ \_\_\_\_\_ ] [except set forth any changes].

(2) Attached hereto as Exhibit A is a true and complete copy of the By-Laws of Texaco.

(3) There are no proceedings pending or threatened for the dissolution or liquidation of Texaco or threatening its existence.

(4) There has been no amendment to those certain resolutions adopted by the Board of Directors of Texaco on \_\_\_\_\_ at which a quorum for the transaction of business was present and acting throughout; and such resolutions (a copy of which is attached hereto as Exhibit B) are still in full force and effect in the form adopted.

(5) The persons named below were duly elected to the offices indicated and were serving in such capacities on the date on which they executed the indicated instrument, and the signatures opposite their names are the respective signatures of such persons: [set forth name, titles and specimen signature of each person who signed any of the Distribution Agreement, Indenture, Terms Agreement, Registration Statement or Guaranty indicating which instrument was signed by such person].

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[ASSISTANT] SECRETARY OF

TEXACO INC.

Dated:

H-1

EXHIBIT I

TO

DISTRIBUTION AGREEMENT

LETTER OF ARTHUR ANDERSEN LLP

[LEGEND. This represents a letter we would be prepared to sign as of the effective date of the registration statement if the Agent had been chosen at that date and requested such a letter. Based on our discussions with Texaco Inc., the procedures set forth are similar to those that experience indicates agents often request in such circumstances. The text of the final letter will depend, of course, on whether the Agent who is selected requests that other procedures be performed to meet his needs and whether the Agent requests that any of the procedures be updated to the date of issuance of the signed letter.]

[Date in accordance with the Distribution Agreement]

[Name of Agent]

Dear Sirs:

We have audited the consolidated balance sheet of Texaco Inc. and subsidiary companies (the Company) as of December 31, [insert year of latest, audited, publicly available financial statements], and [insert prior year of latest, audited, publicly available financial statements], and the related statements of consolidated income, retained earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, [insert year of latest, audited, publicly available financial statements], and the financial statement schedules, all included or incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, [insert year of latest, audited, publicly available financial statements], and incorporated by reference in the registration statement (No. [33- ]) on Form S-3, filed on February 18, 1998 by Texaco Capital Inc. under the Securities Act of 1933 (the Act); our reports with respect to the aforementioned consolidated financial statements and financial statement schedules are also incorporated by reference in the registration statement and prospectus. The registration statement, effective , 19 and prospectus supplement dated , 19 , are herein referred to as the registration statement and the prospectus, respectively.

In connection with the registration statement and prospectus:

1. We are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

2. In our opinion, the consolidated financial statements and financial statement schedules of the Company audited by us and incorporated by reference in the registration statement and prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934 and the related published rules and regulations.

3. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, [insert year of latest, audited, publicly available financial statements], although we have performed an audit for the year ended December 31, [insert year of latest, audited, publicly available financial statements], the purpose (and therefore the scope) of such audit was to enable us to express our opinion on the consolidated financial statements as of December 31, [insert year of latest, audited, publicly available financial statements], and for the year then ended, but not on the consolidated financial statements for any interim period within that year. Therefore, we are unable to and do not express any opinion on the unaudited consolidated balance sheet as of [insert either: March 31, March 31 and June 30, or March 31, June 30 and September 30], [insert the year subsequent to the latest, audited, publicly available financial statements], the unaudited statement of consolidated income for the [insert either: three month period ended March 31: three month period

ended March 31 and three and six month periods ended June 30; or three month period ended March 31, three and six month periods ended June 30 and three and nine month periods ended September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], or the unaudited condensed statement of consolidated cash flows for the [insert either: three month period ended March 31, three and six month periods ended March 31 and June 30, or the three, six and nine month periods ended March 31, June 30, and September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], included in the Company's quarterly report[s] on Form 10-Q for the quarter[s] ended [insert either: March 31, March 31 and June 30 or March 31, June 30 and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements], incorporated by reference in the registration statement and prospectus, or on the financial position, results of operations, or cash flows as of any date or for any period subsequent to December 31, [insert year of latest, audited, publicly available financial statements].\*

4. For purposes of this letter, we have read the [insert current and prior year if audited year-end financial statements are not available] minutes of the meetings of the Board of Directors and the Executive Committee of the Board of Directors of the Company, certain of which are in draft form, as set forth in the minute books at [insert date five business days prior to Closing]. Company officials having advised us that the minutes of all such meetings through that date were set forth therein ; and have carried out other procedures to [insert date five business days prior to Closing] (our work did not extend to the period from [insert date four business days prior to Closing], to [insert Closing Date], inclusive), as follows:

With respect to the interim period[s] ended [insert either: March 31, March 31 and June 30 or March 31, June 30, and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements] and [year of latest, audited, publicly available financial statements] we have:\*

(a) Read the unaudited consolidated balance sheet as of [insert either March 31, March 31 and June 30 or March 31, June 30 and September 30], [insert year subsequent to year of latest, audited, publicly available financial statements] and unaudited statement of consolidated income, and condensed statement of consolidated cash flows for the [insert either: three month period ended March 31, three and six month periods ended March 31 and June 30 or the three, six and nine month periods ended March 31, June 30 and September 30], [insert year subsequent to: and year of latest, audited publicly available financial statements] incorporated by reference in the registration statement and prospectus, and agreed the amounts contained therein with the Company's accounting records as of [insert either: March 31, March 31 and June 30, or March 31, June 30 and September 30], [insert year subsequent to; and year of latest, audited, publicly available financial statements], and for the [insert either: three month, three and six month or three, six and nine month] periods then ended.

(b) Inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited consolidated financial statements referred to in (a): (1) are in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements incorporated by reference in the registration statement and prospectus, and (2) comply in form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and the related published rules and regulations. Those officials stated that the unaudited consolidated financial statements (1) are in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements, and (2) comply in

\* Paragraph to be adjusted depending on date of letter.

form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and the related published rules and regulations.

The foregoing procedures do not constitute an audit conducted in accordance with generally accepted auditing standards. We make no representations regarding the sufficiency of the foregoing procedures for your purposes. Had we performed additional procedures or had we conducted an audit or a review, other matters might have come to our attention that would have been reported to you.

5. Company officials have advised us that no financial statements as of any date or for any period subsequent to [insert either: March 31, June 30 or September 30], [insert year subsequent to year of latest, audited, publicly available financial statements], are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after [insert date of latest 10-Q filed with the SEC] have, of necessity, been even more limited than those with respect to the periods referred to in 4(a). We have made inquiries of certain Company officials who have responsibility for financial and accounting matters regarding whether there was at [insert date five business days prior to Closing], as compared with amounts shown on the [insert date of latest 10-Q filed with the SEC] unaudited consolidated balance sheet incorporated by reference in the registration statement and prospectus:

(a) any change in excess of ten percent in consolidated total debt (including capital lease obligations) with the exception of changes due to foreign currency translation effects, scheduled debt repayments, amortization of debt discount and conversions of subsidiary companies' convertible debentures into common stock of Texaco Inc. [set forth any other applicable exceptions]; or

(b) any change in excess of ten percent in capital stock of Texaco Inc. with the exception of changes due to treasury stock transactions and conversions of subsidiary companies' convertible debentures into common stock of Texaco Inc. [set forth any other applicable exceptions]; or

(c) any decrease in total stockholders' equity with the exception of changes due to treasury stock transactions and declaration of dividends on capital stock [set forth any other applicable exceptions].

On the basis of these inquiries and of our reading of the minutes as described in 4, nothing came to our attention that caused us to believe that there were any such changes or decreases, except in all instances for changes or decreases that the registration statement and prospectus disclose have occurred or may occur.

6. We inquired of certain officials of the Company who have responsibility for financial and accounting matters as to whether the information included under the heading "Ratio of earnings to fixed charges of Texaco on a total enterprise basis (unaudited)" conforms in all material respects with the requirements of item 503(d) of Regulation S-K. These officials stated, in response to our inquiries, that this information conforms in all material respects with the disclosure requirements of item 503(d) of Regulation S-K.

7. Our audit of the consolidated financial statements for the periods referred to in the introductory paragraph of this letter comprised audit tests and procedures deemed necessary for the purpose of expressing an opinion on such financial statements taken as a whole. For neither the periods referred to therein nor any other period did we perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of selected transactions and, accordingly, we express no opinion thereon.

8. It should be understood that we made no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated in the preceding paragraphs; also, such procedures would not necessarily reveal any material misstatement

of the amounts or ratios listed above. Further, we have addressed ourselves solely to the foregoing data as set forth in the registration statement and prospectus and make no representations as to the adequacy of disclosures or as to whether any material facts have been omitted.

9. This letter is solely for the information of the addresses and to assist the Underwriters in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the registration statement and prospectus, and it is not to be used, circulated, quoted, or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the registration statement and prospectus or any other document, except that reference may be made to it in the Underwriting Agreement or in any list of closing documents pertaining to the offering of the securities covered by the registration statement and prospectus.

Very truly yours,

I-4

February 18, 1998

Texaco Inc.  
2000 Westchester Avenue  
White Plains, NY 10650

Texaco Capital Inc.  
1013 Centre Road  
Wilmington, DE 19801

Gentlemen:

I have acted as counsel for Texaco Inc. ("Texaco") and Texaco Capital Inc. (the "Company") in connection with the proposed issuance and sale by the Company of up to \$1,250,000,000 of the Company's Guaranteed Debt Securities or Warrants, the guarantees of such Debt Securities by Texaco, and Texaco's Debt Securities, Common Stock, Preferred Stock, Depository Shares or Warrants (collectively, "the Securities").

I have participated in the preparation of the Registration Statement on Form S-3 with respect to said Securities to be filed with the Securities and Exchange Commission, the Indenture and the Underwriting Agreement Standard Provisions filed as Exhibits to said Registration Statement or incorporated therein by reference.

Based on the foregoing, I am of the opinion that both Texaco and the Company have been duly incorporated and are validly existing and in good standing under the laws of the State of Delaware. I am further of the opinion that, when the Indenture and Warrant Agreement shall have been executed and delivered by the Company and any of the Securities shall have been executed by the Company or Texaco and authenticated by the Trustee, all in accordance with the terms of the Indenture, and sold, said Securities will be legally issued and binding obligations of Texaco and/or the Company as issuer of any of such Securities.

I hereby consent to the reference to me and to the use of my name under the caption "Legal Opinions" and to the filing of a copy of this opinion as an exhibit to said Registration Statement.

Very truly yours,

Paul R. Lovejoy

PRL:jcr

COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS OF TEXACO ON A TOTAL ENTERPRISE BASIS (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1996 (MILLIONS OF DOLLARS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997	YEARS ENDED DECEMBER 31,				
		1996	1995	1994(A)	1993(A)	1992(A)
Income from continuing operations, before provision or benefit for income taxes and cumulative effect of accounting changes effective 1-1-92 and 1-1-95.....	\$ 2,600	\$ 3,450	\$ 1,201	\$ 1,409	\$ 1,392	\$ 1,707
Dividends from less than 50% owned companies more or (less) than equity in net income.....	(9)	(4)	1	(1)	(8)	(9)
Minority interest in net income.....	54	72	54	44	17	18
Previously capitalized interest charged to income during the period.....	28	27	33	29	33	30
Total earnings.....	2,673	3,545	1,289	1,481	1,434	1,746
Fixed charges and preferred stock dividends: Items charged to income:						
Interest charges.....	397	551	614	594	546	551
Interest factor attributable to operating lease rentals.....	97	129	110	118	91	94
Preferred stock dividends of subsidiaries guaranteed by Texaco Inc.....	26	35	36	31	4	--
Total items charged to income.....	520	715	760	743	641	645
Interest capitalized.....	16	16	28	21	57	109
Interest on ESOP debt guaranteed by Texaco Inc.....	5	10	14	14	14	18
Preferred stock dividends (b).....	32	54	51	85	82	96
Total combined fixed charges and preferred stock dividends.....	573	795	853	863	794	868
Earnings available for payment of combined fixed charges and preferred stock dividends (Total earnings and total items charged to income).....	\$ 3,193	\$ 4,260	\$ 2,049	\$ 2,224	\$ 2,075	\$ 2,391
Ratio of earnings to combined fixed charges and preferred stock dividends of Texaco on a total enterprise basis....	5.57	5.36	2.40	2.58	2.61	2.75

(a) Excludes discontinued operations.

(b) Preferred stock dividend requirements have been adjusted to reflect the pre-tax earnings which would be required to cover the Series C Variable Rate Cumulative Preferred Stock (redeemed on September 30, 1994), Series E Variable Rate Cumulative Preferred Stock (exchanged for Common Stock on November 8, 1994) and Market Auction Preferred Shares dividends and to exclude the interest portion of the Series B and Series F ESOP Convertible Preferred Stock dividends.



CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 27, 1997 incorporated by reference in Texaco Inc.'s Form 10-K for the year ended December 31, 1996 and to all references to our Firm included in this Registration Statement.

ARTHUR ANDERSEN LLP

New York, New York  
February 18, 1997

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director and Treasurer of TEXACO CAPITAL INC., a Delaware corporation (the "Company"), hereby makes, designates, constitutes and appoints Carl B. Davidson and Robert E. Koch, and each of them, (with full power to act without the other), as his true and lawful attorneys-in-fact and agents, with full power and authority to act in any and all capacities for and in the name, place and stead of the undersigned in connection with the filing of any and all registration statements and all amendments and post-effective amendments thereto (collectively, "Registration Statements") under the Securities Act of 1933, as amended, with the Securities and Exchange Commission, and any and all registrations, qualifications or notifications under the applicable securities laws of any and all states and other jurisdictions, with respect to the securities of the Company, of whatever class, including without limitation thereon the Company's Common Stock, notes, debentures, bonds, and warrants, however offered, sold, issued, distributed, placed or resold by the Company, by any of its subsidiary companies, or by any other person or entity that may be required to effect: (a) any such filing, (b) any primary or secondary offering, sale, distribution, or conversion of the Company's securities, or (c) any acquisition, merger, reorganization, or consolidation involving the issuance of the Company's securities.

Without limiting the generality of the foregoing grant of authority, such attorneys-in-fact and agents, or any of them, are hereby granted full power and authority, on behalf of and in the name, place and stead of the undersigned, to execute and deliver all such Registration Statements, and registrations, qualifications or notifications, execute and deliver any and all such other documents, and take such other and further action as such attorneys-in-fact and agents, or either of them, deem necessary or appropriate. The powers and authorities granted herein to such attorneys-in-fact and agents, and each of them, also include the full right, power and authority to effect necessary or appropriate substitutions or revocations. The undersigned hereby ratifies, confirms, and adopts, as his own act and deed, all action lawfully taken pursuant to the powers and authorities herein granted by such attorneys-in-fact and agents, or either of them, or by their respective substitutes. This Power of Attorney expires by its terms and shall be of no further force and effect on December 31, 1998.

IN WITNESS WHEREOF, the undersigned has hereunto set his name and seal as of the 18th day of February, 1998.

Robert C. Gordan

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, Comptroller of TEXACO CAPITAL INC., a Delaware corporation (the "Company"), hereby makes, designates, constitutes and appoints Carl B. Davidson and Robert E. Koch, and each of them, (with full power to act without the other), as his true and lawful attorneys-in-fact and agents, with full power and authority to act in any and all capacities for and in the name, place and stead of the undersigned in connection with the filing of any and all registration statements and all amendments and post-effective amendments thereto (collectively, "Registration Statements") under the Securities Act of 1933, as amended, with the Securities and Exchange Commission, and any and all registrations, qualifications or notifications under the applicable securities laws of any and all states and other jurisdictions, with respect to the securities of the Company, of whatever class, including without limitation thereon the Company's Common Stock, notes, debentures, bonds, and warrants however offered, sold, issued, distributed, placed or resold by the Company, by any of its subsidiary companies, or by any other person or entity that may be required to effect: (a) any such filing, (b) any primary or secondary offering, sale, distribution, or conversion of the Company's securities, or (c) any acquisition, merger, reorganization, or consolidation involving the issuance of the Company's securities.

Without limiting the generality of the foregoing grant of authority, such attorneys-in-fact and agents, or any of them, are hereby granted full power and authority, on behalf of and in the name, place and stead of the undersigned, to execute and deliver all such Registration Statements, and registrations, qualifications or notifications, execute and deliver any and all such other documents, and take such other and further action as such attorneys-in-fact and agents, or either of them, deem necessary or appropriate. The powers and authorities granted herein to such attorneys-in-fact and agents, and each of them, also include the full right, power and authority to effect necessary or appropriate substitutions or revocations. The undersigned hereby ratifies, confirms, and adopts, as his own act and deed, all action lawfully taken pursuant to the powers and authorities herein granted by such attorneys-in-fact and agents, or either of them, or by their respective substitutes. This Power of Attorney expires by its terms and shall be of no further force and effect on December 31, 1998.

IN WITNESS WHEREOF, the undersigned has hereunto set his name and seal as of the 18th day of February, 1998.

Robert C. Oelkers

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director and Chairman of the Board of TEXACO CAPITAL INC., a Delaware corporation (the "Company"), hereby makes, designates, constitutes and appoints Carl B. Davidson and Robert E. Koch, and each of them, (with full power to act without the other), as his true and lawful attorneys-in-fact and agents, with full power and authority to act in any and all capacities for and in the name, place and stead of the undersigned in connection with the filing of any and all registration statements and all amendments and post-effective amendments thereto (collectively, "Registration Statements") under the Securities Act of 1933, as amended, with the Securities and Exchange Commission, and any and all registrations, qualifications or notifications under the applicable securities laws of any and all states and other jurisdictions, with respect to the securities of the Company, of whatever class, including without limitation thereon the Company's Common Stock, notes, debentures, bonds, and warrants however offered, sold, issued, distributed, placed or resold by the Company, by any of its subsidiary companies, or by any other person or entity that may be required to effect: (a) any such filing, (b) any primary or secondary offering, sale, distribution, or conversion of the Company's securities, or (c) any acquisition, merger, reorganization, or consolidation involving the issuance of the Company's securities.

Without limiting the generality of the foregoing grant of authority, such attorneys-in-fact and agents, or any of them, are hereby granted full power and authority, on behalf of and in the name, place and stead of the undersigned, to execute and deliver all such Registration Statements, and registrations, qualifications or notifications, execute and deliver any and all such other documents, and take such other and further action as such attorneys-in-fact and agents, or either of them, deem necessary or appropriate. The powers and authorities granted herein to such attorneys-in-fact and agents, and each of them, also include the full right, power and authority to effect necessary or appropriate substitutions or revocations. The undersigned hereby ratifies, confirms, and adopts, as his own act and deed, all action lawfully taken pursuant to the powers and authorities herein granted by such attorneys-in-fact and agents, or either of them, or by their respective substitutes. This Power of Attorney expires by its terms and shall be of no further force and effect on December 31, 1998.

IN WITNESS WHEREOF, the undersigned has hereunto set his name and seal as of the 18th day of February, 1998.

James F. Link

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of TEXACO CAPITAL INC., a Delaware corporation (the "Company"), hereby makes, designates, constitutes and appoints Carl B. Davidson and Robert E. Koch, and each of them, (with full power to act without the other), as his true and lawful attorneys-in-fact and agents, with full power and authority to act in any and all capacities for and in the name, place and stead of the undersigned in connection with the filing of any and all registration statements and all amendments and post-effective amendments thereto (collectively, "Registration Statements") under the Securities Act of 1933, as amended, with the Securities and Exchange Commission, and any and all registrations, qualifications or notifications under the applicable securities laws of any and all states and other jurisdictions, with respect to the securities of the Company, of whatever class, including without limitation thereon the Company's Common Stock, notes, debentures, bonds, and warrants however offered, sold, issued, distributed, placed or resold by the Company, by any of its subsidiary companies, or by any other person or entity that may be required to effect: (a) any such filing, (b) any primary or secondary offering, sale, distribution, or conversion of the Company's securities, or (c) any acquisition, merger, reorganization, or consolidation involving the issuance of the Company's securities.

Without limiting the generality of the foregoing grant of authority, such attorneys-in-fact and agents, or any of them, are hereby granted full power and authority, on behalf of and in the name, place and stead of the undersigned, to execute and deliver all such Registration Statements, and registrations, qualifications or notifications, execute and deliver any and all such other documents, and take such other and further action as such attorneys-in-fact and agents, or either of them, deem necessary or appropriate. The powers and authorities granted herein to such attorneys-in-fact and agents, and each of them, also include the full right, power and authority to effect necessary or appropriate substitutions or revocations. The undersigned hereby ratifies, confirms, and adopts, as his own act and deed, all action lawfully taken pursuant to the powers and authorities herein granted by such attorneys-in-fact and agents, or either of them, or by their respective substitutes. This Power of Attorney expires by its terms and shall be of no further force and effect on December 31, 1998.

IN WITNESS WHEREOF, the undersigned has hereunto set his name and seal as of the 18th day of February, 1998.

Peter M. Wissel