UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
April 23, 1998

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

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

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

10650
(Zip Code)

(914) 253-4000

(Registrant's telephone number, including area code)

Item 5. Other Events

On April 23, 1998, the Registrant issued an Earnings Press Release entitled "Texaco Reports Results: First Quarter 1998 Earnings Total $259 Million," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

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

(c) Exhibits

99.1 Press Release issued by Texaco Inc. dated April 23, 1998, entitled "Texaco Reports Results: First Quarter 1998 Earnings Total $259 Million."

SIGNATURES

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

TEXACO INC.
(Registrant)

By: R.E. KOCH
(Assistant Secretary)

Date: April 23, 1998

EXHIBIT 99.1

TEXACO REPORTS RESULTS:

FIRST QUARTER 1998 EARNINGS TOTAL $259 MILLION

FOR IMMEDIATE RELEASE: THURSDAY, APRIL 23, 1998.

WHITE PLAINS, N.Y., April 23 - Texaco's first quarter results were marked by increases in production, improved downstream results and tight controls on cash operating expenses. However, these positive factors could not overcome the decline in worldwide crude oil and natural gas prices, Texaco Chairman and Chief Executive Officer Peter Bijur reported today.

Texaco's total reported net income for the first quarter of 1998 was $259 million ($.46 per share). This compares with net income for the first quarter of 1997 of $492 million ($.90 per share), after excluding a special item. Total reported net income for the first quarter of 1997, which included a special benefit of $488 million associated with a tax settlement, was $980 million ($1.80 per share). Commenting on the first quarter of 1998, Bijur highlighted the following:

- o Worldwide daily production rose 16 percent;
- o Cash operating expenses per barrel dropped more than five percent, aided by lower energy costs and higher volumes;
- o Capital and exploratory expenditures grew 21 percent; and
- o Equilon Enterprises LLC, a joint venture combining Texaco's and Shell's western and midwestern U.S. downstream assets, began commercial operations.

Commenting on the results Bijur stated, "Operationally, we experienced a very good first quarter. Production increases were on target toward achieving our planned double-digit growth for the year, however, total earnings were significantly impacted by the drop in worldwide crude oil and natural gas prices."

In worldwide upstream operations, Bijur reported that the first quarter of 1998 included a full quarter of production from the Captain and Erskine fields, both in the U.K. North Sea. Production increased in the Partitioned Neutral Zone (between Saudi Arabia and Kuwait), Colombia, and in the U.S. as a result of the November 1997 acquisition of Monterey Resources. He added that first

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quarter production included the recently acquired 20 percent interest in the Karachaganak field in Kazakhstan.

"Earnings in our worldwide downstream operations benefited from higher gasoline sales volumes and higher margins. In the U.S., margins improved over last year's depressed levels but weakened during the quarter due to oversupply," Bijur reported. He also commented on the continuing transformation of Texaco's downstream businesses through strategic alliances. He noted that Equilon Enterprises LLC, Texaco's U.S. downstream alliance with Shell Oil Company, recently began operations and agreements are being finalized by Texaco, Shell and Saudi Refining, Inc. for a separate joint venture involving the Eastern and Gulf Coast refining and marketing businesses.

ANALYSIS OF OPERATING EARNINGS

EXPLORATION AND PRODUCTION

UNITED STATES

First quarter 1998 earnings were $107 million, compared to $311 million for the first quarter of 1997. The decline was a result of lower crude oil and natural gas prices. Average realized crude oil prices were $11.78 per barrel, $7.84 below 1997. Crude oil prices have plummeted due to rising oil stocks and slowing of world demand growth. Average natural gas prices were $2.14 per thousand cubic feet (MCF), $.52 below 1997. Prices for natural gas decreased due to mild weather as well as increased inventory levels.

Production increased more than 12 percent, however, earnings did not significantly benefit from this increase due to low heavy crude oil prices. Higher volumes included production from the acquired Monterey properties and continued development of natural gas opportunities in Texas and Louisiana.

Texaco continued to aggressively pursue producing opportunities in the Gulf of Mexico leading to higher exploration expenses this year. Exploration expenses for the first quarter were $96 million before tax versus $42 million last year. Operationally, cash operating expenses on a per barrel basis were lower than the first quarter of 1997.

INTERNATIONAL

First quarter 1998 earnings were $40 million, compared to $156 million for the first quarter of 1997. The decline in earnings was the result of lower crude oil prices. Average realized crude oil prices were $11.95 per barrel for the quarter, $7.53 below 1997. At these depressed prices, earnings did not significantly benefit from a daily production increase of 20 percent. The increase was from a full quarter of Captain and Erskine production in 1998, both of which are in the U.K. North Sea. Production also increased in the Partitioned Neutral Zone and Colombia, and as a result of our recently acquired 20 percent interest in the Karachaganak field in Kazakhstan.

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Operating results for the first quarter 1998 included a non-cash currency charge of $4 million related to deferred income taxes denominated in British pounds. This compares to a benefit of $19 million for the first quarter of 1997.

MANUFACTURING, MARKETING AND DISTRIBUTION

UNITED STATES

First quarter 1998 earnings were $47 million and include results from the recently formed Equilon Enterprises LLC, Texaco's downstream alliance with Shell Oil Company. Earnings for the first quarter of 1997 were $6 million.

Earnings in 1998 included the impact of overall lower crude costs that temporarily improved margins. However, weather conditions weakened demand for heating oil and West Coast gasoline. Gasoline prices, adjusted for inflation, hit their lowest levels in 25 years. Additionally, refinery results included scheduled downtime at several plants within our system.

Earnings for 1997 included the adverse effects of intense competition that squeezed margins in the West Coast marketplace. Refinery fires late in 1996 and early in 1997 negatively affected product yields and caused casualty loss expenses during 1997.

INTERNATIONAL

First quarter 1998 earnings were $182 million, compared to $104 million for the first quarter of 1997. The international refining and marketing businesses in Europe, Latin America and Texaco's affiliate Caltex, reported higher 1998 earnings.

Refining operations in Europe and Latin America experienced improved margins from lower crude costs in 1998. Improved European marketing results were due to increased sales volumes and higher retail margins primarily in the United Kingdom. The recovery from the 1997 Scandinavian price war also contributed to the higher earnings. Improved margins and higher sales volumes in Central America, the Caribbean, and Brazil drove stronger marketing results in Latin America.

In the Caltex area, margins in Korea improved due to decreased crude costs and partial recovery of local fourth quarter 1997 currency losses. The Caltex area also experienced a modest increase in refined product sales volumes. Although inland sales volumes were lower due to the economic crisis in Southeast Asia, higher trading volumes led to the overall volume improvement. Included in 1998 earnings were unfavorable net currency-related effects of $16 million; primarily tax charges on local currency gains on U.S. obligations resulting from the strengthening of the Korean won. Last year's results included Korean currency losses of $21 million.

Results for 1998 included a non-cash currency charge of $3 million for the first quarter related to deferred income taxes denominated in British pounds. This compares to a benefit of $5 million for the first quarter of 1997.

CORPORATE/NONOPERATING RESULTS

Corporate and nonoperating results for the first quarter of 1998 were charges of $119 million, compared to $97 million for the first quarter of 1997, excluding special items. The change was due principally to increased interest expense on higher debt levels and Texaco's corporate advertising campaign introduced in the second half of 1997.

Results for 1997 included a first quarter special benefit of $48 million associated with an IRS settlement.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures were $967 million for the first quarter of 1998, compared to $799 million for the same period in 1997.

In the United States upstream, offshore development continued in the deepwater Gulf of Mexico where Texaco holds a strong lease-acreage position. Work continued during the quarter on the fabrication and installation of the Petronius compliant tower. Also, subsea development work moved forward on the Gemini field, a major gas reserve with production expected during 1999. Expenditures in 1998 increased for enhanced oil recovery projects using advanced thermal recovery techniques to increase production from the acquired Monterey properties and other core producing fields. Exploratory expenses in the United States increased as we aggressively pursued our program to grow oil and gas production and reserves.

Internationally, higher upstream expenditures include our investment in discovered reserve opportunities, such as the Karachaganak venture. Development work continued in the U.K. North Sea, Indonesia and other promising areas.

In the downstream operations, through domestic and international alliances and subsidiaries, Texaco continues to invest in projects that enhance brand loyalty and increase market share.

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Listen in live to Texaco's first quarter 1998 earnings discussion with financial analyst community at
http://www.events.audionet.com/events/texaco/q1earnings/

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

FUNCTIONAL NET INCOME ($Millions)

	First Quarter 1998	First Quarter 1997 (a)
Operating Earnings		
Petroleum and natural gas		
Exploration and production		
United States	$ 107	$ 311
International	40	156
Total	147	467
Manufacturing, marketing and Distribution		
United States	47	6
International	182	104
Total	229	110
Total petroleum and natural gas	376	577
Nonpetroleum	2	12
Total operating earnings	378	589
Corporate/Nonoperating	(119)	391
Total net income	$ 259	$ 980
Net income per common share (Dollars)		
Basic	$ .46	$ 1.86
Diluted	$ .46	$ 1.80
Average number of common shares outstanding for computation of earnings per share (Millions)		
Basic	531.9	519.3
Diluted	551.4	540.1
Provision for (benefit from) income taxes included in total net income above	$ 140	$ (194)

(a) Includes special item in Corporate/Nonoperating as indicated in this release.

OTHER FINANCIAL DATA ($Millions)	First Quarter 1998	First Quarter 1997
Revenues	$ 8,147	$12,029
Total assets as of March 31	$28,900	$27,008
Stockholders' equity as of March 31	$12,700	$11,062
Total debt as of March 31	$ 6,800	$ 5,495
Capital and exploratory expenditures		
Exploration and production		
United States	$ 476	$ 352
International	290	282
Total	766	634
Manufacturing, marketing and Distribution		
United States	88	60
International	99	101
Total	187	161
Other	14	4
Total	$ 967	$ 799
Exploratory expenses included above		
United States	$ 96	$ 42
International	45	57
Total	$ 141	$ 99
Dividends paid to common stockholders	$ 239	$ 221
Dividends per common share (Dollars)	$ .45	$ .425
Dividend requirements for preferred stockholders	$ 14	$ 14

OPERATING DATA

	First Quarter 1998	First Quarter 1997
Exploration and Production		
United States		
Net production of crude oil and natural gas liquids (MBPD)	452	384
Net production of natural gas - available for sale (MMCFPD)	1,738	1,656
Total net production (MBOEPD)	742	660
Natural gas sales (MMCFPD)	3,882	3,841
Average U.S. crude (per bbl.)	$ 11.78	$ 19.62
Average U.S. natural gas (per mcf)	$ 2.14	$ 2.66
Average WTI (Spot) (per bbl.)	$ 15.92	$ 22.76
Average Kern (Spot) (per bbl.)	$ 8.89	$ 15.98
International		
Net production of crude oil and Natural gas liquids (MBPD)		
Europe	158	114
Indonesia	155	140
Partitioned Neutral Zone	108	90
Other	70	69
Total	491	413
Net production of natural gas Available for sale (MMCFPD)		
Europe	258	241
Colombia	208	132
Other	123	102
Total	589	475
Total net production (MBOEPD)	589	492
Natural gas sales (MMCFPD)	777	620
Average International crude (per bbl.)	$ 11.95	$ 19.48
Average U.K. natural gas (per mcf)	$ 2.65	$ 2.85
Average Colombia natural gas (per mcf)	$ .91	$ 1.05
Worldwide		
Total worldwide net production (MBOEPD)	1,331	1,152

OPERATING DATA

Manufacturing, Marketing and Distribution

	First Quarter 1998	First Quarter 1997
United States		
Refinery input (MBPD)		
Western U.S.	358	409
Eastern U.S.	313	336
Total	671	745
Refined product sales (MBPD)		
Gasoline	492	497
Avjets	163	89
Middle Distillates	180	214
Residuals	96	85
Other	120	120
Total	1,051	1,005
International		
Refinery input (MBPD)		
Europe	374	348
Affiliate - Caltex	437	407
Latin America/West Africa	57	62
Total	868	817
Refined product sales (MBPD)		
Europe	564	495
Affiliate - Caltex	593	586
Latin America/West Africa	428	366
Other	49	44
Total	1,634	1,491