

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report: October 9, 2001
(Date of earliest event reported)

ChevronTexaco Corporation

(Exact name of registrant as specified in its charter)

Delaware	1-368-2	94-0890210
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)

575 Market Street, San Francisco, CA 94105

(Address of principal executive offices including Zip Code)

Registrant's telephone number, including area code: (415) 894-7700

NONE

(Former name or former address, if changed since last report)

PORTIONS AMENDED

The registrant hereby amends Item 7 of its Current Report on Form 8-K filed on October 9, 2001, in its entirety, as set forth below.

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

(a) Financial statements of businesses acquired.

The audited financial statements of Texaco Inc. and subsidiary companies as of December 31, 2000 and 1999 and for each of the three years in the period ended December 31, 2000, found on pages 44 to 70 of the Annual Report to Stockholders of Texaco Inc. for the fiscal year ended December 31, 2000, filed as Exhibit 13 to Texaco's Annual Report on Form 10-K for the year ended December 31, 2000 (filed with the SEC on March 26, 2001), are incorporated herein by reference.

The unaudited financial statements of Texaco Inc. and subsidiary companies for the quarterly period ended June 30, 2001, included in Texaco Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 9, 2001, are incorporated herein by reference.

(b) Pro forma financial information.

The following required pro forma financial information is attached hereto as Exhibit 99.4 and incorporated herein by reference:

Introduction to unaudited pro forma condensed combined financial statements.

Unaudited Pro Forma Condensed Combined Financial Statements.

Unaudited pro forma condensed combined balance sheet of Chevron and Texaco as of June 30, 2001.

Unaudited pro forma condensed combined statements of income of Chevron and Texaco for the six months ended June 30, 2001 and 2000 and for the years ended December 31, 2000, 1999 and 1998.

Notes to unaudited pro forma condensed combined financial statements.

(c) Exhibits.

2.1 Agreement and Plan of Merger, dated as of October 15, 2000,

among Chevron Corporation, Texaco Inc. and Keepep Inc. (incorporated by reference to Annex A to the joint proxy statement/prospectus, dated August 27, 2001, that forms a part of Chevron Corporation's Registration Statement on Form S-4/A filed August 27, 2001 (File No. 333-54240)).

2.2 Amendment No. 1 to Agreement and Plan of Merger, dated as of March 30, 2001, among Chevron Corporation, Texaco Inc. and Keepep Inc. (incorporated by reference to Annex A-1 to the joint proxy statement/prospectus, dated August 27, 2001, that forms a part of Chevron Corporation's Registration Statement on Form S-4/A filed August 27, 2001 (File No. 333-54240)).

23.1* Consent of Arthur Andersen LLP.

99.1 Press Release dated October 9, 2001 (previously filed as Exhibit 99.1 to the registrant's Current Report on Form 8-K filed on October 9, 2001).

99.2 The audited financial statements of Texaco and subsidiary companies as of December 31, 2000 and 1999 and for each of the three years in the period ended December 31, 2000 (incorporated by reference to pages 44 to 70 of the Annual Report to Stockholders of Texaco for the fiscal year ended December 31, 2000, filed as Exhibit 13 to Texaco's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 filed on March 26, 2001, SEC File No. 1-27).

99.3 The unaudited financial statements of Texaco and subsidiary companies for the quarterly period ended June 30, 2001 (incorporated by reference to Texaco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 filed on August 9, 2001, SEC File No. 1-27).

99.4* Introduction to unaudited pro forma condensed combined financial statements.
Unaudited Pro Forma Condensed Combined Financial Statements.
Unaudited pro forma condensed combined balance sheet of Chevron and Texaco as of June 30, 2001.
Unaudited pro forma condensed combined statements of income of Chevron and Texaco for the six months ended June 30, 2001 and 2000 and for the years ended December 31, 2000, 1999 and 1998.
Notes to unaudited pro forma condensed combined financial statements.

* Filed herewith

Signature

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

Dated: October 19, 2001

CHEVRONTEXACO CORPORATION

By /s/ S.J. Crowe

S. J. Crowe, Vice President and
Comptroller
(Principal Accounting Officer and
Duly Authorized Officer)

Exhibit Index

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- 23.1* Consent of Arthur Andersen LLP.
- 99.1 Press Release dated October 9, 2001 (previously filed as Exhibit 99.1 to the registrant's Current Report on Form 8-K filed on October 9, 2001).
- 99.2 The audited financial statements of Texaco and subsidiary companies as of December 31, 2000 and 1999 and for each of the three years in the period ended December 31, 2000 (incorporated by reference to pages 44 to 70 of the Annual Report to Stockholders of Texaco for the fiscal year ended December 31, 2000, filed as Exhibit 13 to Texaco's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 filed on March 26, 2001, SEC File No. 1-27).
- 99.3 The unaudited financial statements of Texaco and subsidiary companies for the quarterly period ended June 30, 2001 (incorporated by reference to Texaco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 filed on August 9, 2001, SEC File No. 1-27).
- 99.4* Introduction to unaudited pro forma condensed combined financial statements. Unaudited Pro Forma Condensed Combined Financial Statements. Unaudited pro forma condensed combined balance sheet of Chevron and Texaco as of June 30, 2001. Unaudited pro forma condensed combined statements of income of Chevron and Texaco for the six months ended June 30, 2001 and 2000 and for the years ended December 31, 2000, 1999 and 1998. Notes to unaudited pro forma condensed combined financial statements.

* Filed herewith.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form 8-K/A of our report dated February 22, 2001 included in Texaco Inc.'s Form 10-K for the year ended December 31, 2000. We also consent to the incorporation of that report into the following previously filed Registration Statements:

	Form	File Number	
Chevron Corporation:	S-3	33-58463	
	S-3	333-90977	
	S-8	333-02011	
	S-8	333-21805	
	S-8	333-21807	
	S-8	333-21809	
	S-8	333-26731	
	S-8	333-46261	
	S-8	33-3899	
	S-8	33-34039	
	S-8	33-35283	
	Chevron Capital Corporation and Chevron Corporation:	S-3	333-90977-01
	Chevron Canada Capital Company and Chevron Corporation:	S-3	333-90977-02
Chevron Capital USA Inc. and Chevron Corporation:	S-3	33-14307	
Caltex Petroleum Company:	S-8	2-90907	

ARTHUR ANDERSEN LLP

New York, New York
October 19, 2001

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements combine the historical consolidated balance sheet and statements of income of Chevron and Texaco, giving effect to the merger using the pooling-of-interests method of accounting for a business combination. The financial statements also reflect the consolidation of entities jointly owned by Chevron and Texaco, primarily the Caltex Group (Caltex) of equity affiliates.

We are providing the following information to aid in the analysis of the financial aspects of the merger. We derived this information from the audited financial statements of Chevron, Texaco and Caltex for the years 2000, 1999 and 1998. The income statement information for the six-month periods ended June 30, 2001 and 2000, and the balance sheet information at June 30, 2001, were derived from the unaudited financial information of the companies. The information is only a summary. It should be read together with the historical financial statements and related notes contained in the annual reports and other information filed with the SEC and incorporated by reference.

The unaudited pro forma condensed combined statements of income assume the merger was effected on January 1, 1998. The unaudited pro forma condensed combined balance sheet gives effect to the merger as if it had occurred on June 30, 2001. Since accounting policies of the combining companies are substantially comparable, we did not make any conforming accounting policy adjustments to the unaudited pro forma condensed combined financial statements.

As described in note 6 to these unaudited pro forma condensed combined financial statements, we have made pro forma adjustments for the disposition of assets required by order of the U.S. Federal Trade Commission (FTC). These are Texaco's investments in Equilon and Motiva, two joint ventures engaged in U.S. refining, marketing and transportation businesses, as well as other Texaco interests in U.S. natural gas processing and transportation facilities and general aviation fuel marketing. On October 8, 2001, Texaco executed a non-binding Memorandum of Understanding (MOU) with Shell Oil Company and Saudi Refining Inc. regarding the sale of its investments in Equilon and Motiva. On October 9, 2001, immediately before the Chevron-Texaco merger closed, the stock of the Texaco subsidiaries that owned Texaco's interests in Equilon and Motiva was placed in an irrevocable trust for purposes of divestiture, as required by the FTC consent order. The pro forma adjustments reflect the financial terms of the MOU, which may or may not result in definitive agreements. The disposition of a portion of Texaco's general aviation fuel marketing business was completed on October 10, 2001 and the pro forma adjustments reflect the terms of the sales agreement. Additional pro forma adjustments reflect the expected disposition of other Texaco interests in U.S. natural gas processing and transportation facilities.

The unaudited pro forma combined financial information is for illustrative purposes only. The financial results may have been different had the companies actually been combined.

You should not rely on the unaudited pro forma combined financial information as being indicative of the historical results that would have been achieved had the companies been combined during the periods or the future results that the combined company will experience after the merger.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
At June 30, 2001
(Millions of dollars)

	Historical		Pro Forma Adjustments			Pro Forma Combined
	Chevron	Texaco	Caltex(7A)	Other	Asset Dispositions	
Assets						
Cash and cash equivalents.....	\$ 2,895	\$ 166	\$ 219	\$ 21 (7B)	\$ 2,150 (6A) 19 (6B)	\$ 5,470
Marketable securities.....	1,521	46	16	--	--	1,583
Accounts and notes receivable, net.....	3,553	6,258	1,629	(454) (4) 20 (7B)	--	11,006
Inventories						
Crude oil and petroleum products.....	582	1,213	615	--	(15) (6B)	2,395
Chemicals.....	205	--	--	--	--	205
Materials, supplies and other.....	255	227	24	4 (7B)	--	510
	1,042	1,440	639	4	(15)	3,110
Prepaid expenses and other current assets	646	466	52	--	--	1,164
Assets Held for Disposal.....	--	--	--	--	62 (6B)	62
Total Current Assets.....	9,657	8,376	2,555	(409)	2,216	22,395
Long-term receivables.....	733	1,219	49	--	--	2,001
Investments and advances.....	9,368	6,507	2,324	(418) (4) (4,306) (7A) (185) (7B) (62) (7C)	(2,612) (6A) (57) (6B)	10,559
Properties, plant and equipment, at cost	53,154	33,813	9,863	167 (7B)	(22) (6B)	96,975
Less: accumulated depreciation, depletion and	30,134	17,641	4,797	5 (7B)	(15) (6B)	52,562

Amortization.....						
Properties, plant and equipment, net....	23,020	16,172	5,066	162	(7)	44,413
Deferred charges and other assets.....	1,277	1,336	230	10 (7B)	--	2,853
Total Assets.....	\$ 44,055	\$ 33,610	\$ 10,224	\$ (5,208)	\$ (460)	\$ 82,221
Liabilities						
Short-term debt.....	\$ 2,074	\$ 598	\$ 1,467	\$ --	\$ --	\$ 4,139
Accounts payable.....	3,124	4,686	1,350	(454) (4)	--	8,787
				1 (7B)		
				80 (5)		
Accrued liabilities.....	1,322	1,169	189	31 (7B)	--	2,711
Federal and other taxes on income.....	1,850	370	69	--	139 (6A)	2,429
					1 (6B)	
Other taxes payable.....	464	638	91	--	--	1,193
Total Current Liabilities.....	8,834	7,461	3,166	(342)	140	19,259
Long-term debt.....	4,371	6,714	1,072	(418) (4)	--	11,739
Capital lease obligations.....	264	34	6	--	--	304
Deferred credits and other noncurrent obligations.....	1,597	1,495	1,339	--	175 (6A)	4,606
Minority Interests.....	63	713	26	(62) (7C)	--	740
Noncurrent deferred income taxes.....	4,866	1,754	221	--	(341) (6A)	6,500
Reserves for employee benefit plans.....	1,836	1,109	88	--	--	3,033
Total Liabilities.....	21,831	19,280	5,918	(822)	(26)	46,181
Stockholders' Equity						
Common stock.....	534	1,774	355	(355) (7A)	--	852
Capital in excess of par value.....	2,784	1,305	2	(1,456) (7D)	--	4,798
				(2) (7A)		
				709 (7D)		
Deferred compensation and benefit plan Trust.....	(511)	(293)	--	--	--	(804)
Accumulated other comprehensive loss....	(170)	(130)	(221)	221 (7A)	--	(300)
Retained earnings.....	23,004	12,421	4,170	(4,170) (7A)	(435) (6A)	34,911
				(80) (5)	1 (6B)	
Treasury stock, at cost.....	(3,417)	(747)	--	747 (7D)	--	(3,417)
Total Stockholders' Equity.....	22,224	14,330	4,306	(4,386)	(434)	36,040
Total Liabilities and Stockholders' Equity.....	\$ 44,055	\$ 33,610	\$ 10,224	\$ (5,208)	\$ (460)	\$ 82,221

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Six Months Ended June 30, 2001
(Millions of dollars except per-share amounts)

	Historical		Pro Forma Adjustments		Sub-total: Pro Forma Combined	Asset Dispositions(6)	Adjusted Pro Forma Combined
	Chevron	Texaco	Caltex(7A)	Other			
Revenues and Other Income							
Sales and other operating revenues*	\$ 24,682	\$ 27,479	\$8,275	\$(2,893)(4)	\$ 57,584	\$ (71)(6B)	\$ 57,513
Income from equity affiliates.....	463	648	60	41 (7B) (3)(4) (279)(7A) (25)(7B) (4)(7C) (2)(7B)	860	(400)(6A) 4 (6B)	464
Other income.....	159	44	32	(2)(7B)	233	--	233
Total Revenues and Other Income.....	25,304	28,171	8,367	(3,165)	58,677	(467)	58,210
Costs and Other Deductions							
Purchased crude oil and products..	12,589	17,693	6,159	(2,855)(4)	33,586	(63)(6B)	33,523
Minority interests.....	3	76	(1)	(4)(7C)	74	--	74
Operating expenses.....	2,443	1,098	388	(38)(4) 3 (7B)	3,894	(7)(6B)	3,887
Selling, general and administrative Expenses.....	903	682	265	--	1,850	--	1,850
Exploration expenses.....	285	112	14	--	411	--	411
Depreciation, depletion and Amortization.....	1,372	639	264	4 (7B)	2,279	--	2,279
Taxes other than on income*.....	2,460	4,805	633	--	7,898	--	7,898
Interest and debt expense.....	162	218	95	(3)(4)	472	--	472
Total Costs and Other Deductions.....	20,217	25,323	7,817	(2,893)	50,464	(70)	50,394
Income Before Income Tax Expense..	5,087	2,848	550	(272)	8,213	(397)	7,816
Income Tax Expense.....	2,163	1,231	271	7 (7B)	3,672	(143)(6A) 2 (6B)	3,531
Net Income.....	\$ 2,924	\$ 1,617	\$ 279	\$ (279)	\$ 4,541	\$ (256)	\$ 4,285
Per Share of Common Stock:							
Net Income							
--Basic.....	\$ 4.55	\$ 2.98			\$ 4.28(3)	\$ (0.24)	\$ 4.04(3)
--Diluted.....	\$ 4.54	\$ 2.97			\$ 4.27(3)	\$ (0.24)	\$ 4.03(3)
Dividends.....	\$ 1.30	\$.90			\$ 1.25(3)	--	\$ 1.25(3)
Weighted Average Number of Shares Outstanding (thousands)							
--Basic.....	642,457	541,396			1,059,332(3)	1,059,332(3)	1,059,332(3)
--Diluted.....	643,914	543,559			1,062,454(3)	1,062,454(3)	1,062,454(3)
* Includes consumer excise taxes..	\$ 2,067	\$ 1,157	\$ 8		\$ 3,232	--	\$ 3,232

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Six Months Ended June 30, 2000
(Millions of dollars except per-share amounts)

	Pro Forma Adjustments				Sub-total: Pro Forma Combined	Asset Dispositions (6)	Adjusted Pro Forma Combined
	Historical ----- Chevron	Texaco	Caltex(7A)	Other			
Revenues and Other Income							
Sales and other operating revenues*.....	\$ 24,367	\$ 24,145	\$9,360	\$(3,133)(4)	\$ 54,739	\$ (77)(6B)	\$ 54,662
Income from equity affiliates.....	371	341	36	(230)(7A) 2 (7B) (9)(7C)	511	(115)(6A)	396
Other income.....	213	69	57	(3)(7B)	336	--	336
	-----	-----	-----	-----	-----	-----	-----
Total Revenues and Other Income.....	24,951	24,555	9,453	(3,373)	55,586	(192)	55,394
	-----	-----	-----	-----	-----	-----	-----
Costs and Other Deductions							
Purchased crude oil and products.....	13,507	14,548	7,264	(3,085)(4)	32,234	(68)(6B)	32,166
Minority interests.....	3	57	--	(9)(7C)	51	--	51
Operating expenses.....	2,539	1,109	350	(48)(4) 4 (7B)	3,954	(7)(6B)	3,947
Selling, general and administrative expenses..	763	581	262	--	1,606	--	1,606
Exploration expenses.....	219	113	14	--	346	--	346
Depreciation, depletion and amortization.....	1,350	875	245	--	2,470	--	2,470
Taxes other than on income*	2,332	5,075	741	--	8,148	--	8,148
Interest and debt expense..	255	231	94	--	580	--	580
	-----	-----	-----	-----	-----	-----	-----
Total Costs and Other Deductions.....	20,968	22,589	8,970	(3,138)	49,389	(75)	49,314
	-----	-----	-----	-----	-----	-----	-----
Income Before Income Tax Expense.....	3,983	1,966	483	(235)	6,197	(117)	6,080
Income Tax Expense.....	1,823	767	253	(5)(7B)	2,838	(28)(6A) (1)(6B)	2,809
	-----	-----	-----	-----	-----	-----	-----
Net Income.....	\$ 2,160	\$ 1,199	\$ 230	\$ (230)	\$ 3,359	\$ (88)	\$ 3,271
	=====	=====	=====	=====	=====	=====	=====
Per Share of Common Stock: Net Income							
-- Basic.....	\$ 3.30	\$ 2.19			\$ 3.12(3)	\$ (0.08)	\$ 3.04(3)
-- Diluted.....	\$ 3.30	\$ 2.19			\$ 3.12(3)	\$ (0.08)	\$ 3.04(3)
Dividends.....	\$ 1.30	\$.90			\$ 1.25(3)	--	\$ 1.25(3)
Weighted Average Number of Shares Outstanding (thousands)							
-- Basic.....	654,724	543,334			1,073,091(3)	1,073,091(3)	1,073,091(3)
-- Diluted.....	655,976	544,945			1,075,583(3)	1,075,583(3)	1,075,583(3)
* Includes consumer excise taxes.....	\$ 1,962	\$ 1,274	\$ 11		\$ 3,247	--	\$ 3,247

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Year Ended December 31, 2000
(Millions of dollars except per-share amounts)

	Historical		Pro Forma Adjustments		Sub-total: Pro-Forma Combined	Asset Dispositions (6)	Adjusted Pro Forma Combined
	Chevron	Texaco	Caltex(7A)	Other			
Revenues and Other Income							
Sales and other operating Revenues*	\$ 50,592	\$ 52,638	\$ 20,267	\$ (6,403)(4) 8 (7B)	\$ 117,102	\$ (154)(6B)	\$ 116,948
Income from equity							
Affiliates	750	785	85	(519)(7A) (5)(7B) (20)(7C)	1,076	(308)(6A)	768
Other income	787	97	80	(4)(7B)	960	--	960
Total Revenues and Other Income	52,129	53,520	20,432	(6,943)	119,138	(462)	118,676
Costs and Other Deductions							
Purchased crude oil and Products	27,292	32,843	15,928	(6,334) (4)	69,729	(136)(6B)	69,593
Minority interests	6	125	--	(20) (7C)	111	--	111
Operating expenses	5,171	2,419	733	(69) (4) 6 (7B)	8,260	(12)(6B)	8,248
Selling, general and Administrative expenses	1,725	1,291	565	--	3,581	--	3,581
Exploration expenses	564	358	27	--	949	--	949
Depreciation, depletion and Amortization	2,848	1,917	494	1 (7B)	5,260	--	5,260
Taxes other than on income*	4,793	9,891	1,405	--	16,089	--	16,089
Interest and debt expense	460	458	192	--	1,110	--	1,110
Total Costs and Other Deductions	42,859	49,302	19,344	(6,416)	105,089	(148)	104,941
Income Before Income Tax Expense	9,270	4,218	1,088	(527)	14,049	(314)	13,735
Income Tax Expense	4,085	1,676	569	(8)(7B)	6,322	(98)(6A)	6,224
Net Income	\$ 5,185	\$ 2,542	\$ 519	\$ (519)	\$ 7,727	\$ (216)	\$ 7,511
Per Share of Common Stock:							
Net Income							
-- Basic	\$ 7.98	\$ 4.66			\$ 7.22(3)	\$ (0.20)	\$ 7.02(3)
-- Diluted	\$ 7.97	\$ 4.65			\$ 7.21(3)	\$ (0.20)	\$ 7.01(3)
Dividends	\$ 2.60	\$ 1.80			\$ 2.50(3)	--	\$ 2.50(3)
Weighted Average Number of Shares Outstanding (thousands)							
-- Basic	649,948	542,322			1,067,536(3)	1,067,536(3)	1,067,536(3)
-- Diluted	651,085	543,952			1,069,928(3)	1,069,928(3)	1,069,928(3)
* Includes consumer excise taxes	\$ 4,060	\$ 2,519	\$ 22		\$ 6,601	--	\$ 6,601

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Year Ended December 31, 1999
(Millions of dollars except per-share amounts)

	Historical		Pro Forma Adjustments		Pro Forma Combined
	Chevron	Texaco	Caltex(7A)	Other	
Revenues and Other Income					
Sales and other operating revenues*.....	\$ 35,448	\$ 37,112	\$ 14,970	\$ (4,071)(4)	\$ 83,459
Income from equity affiliates.....	526	483	260	(390)(7A)	851
				(10)(7B)	
				(18)(7C)	
Other income.....	612	184	61	1 (7B)	858
Total Revenues and Other Income.....	36,586	37,779	15,291	(4,488)	85,168
Costs and Other Deductions					
Purchased crude oil and products.....	17,982	20,895	11,631	(4,014)(4)	46,494
Minority interests.....	4	83	2	(18)(7C)	71
Operating expenses.....	5,086	2,050	694	(57)(4)	7,765
				(8)(7B)	
Selling, general and administrative expenses.....	1,404	1,186	632	--	3,222
Exploration expenses.....	538	501	33	--	1,072
Depreciation, depletion and amortization.....	2,866	1,543	459	--	4,868
Taxes other than on income*.....	4,586	9,238	908	--	14,732
Interest and debt expense.....	472	504	152	4(7B)	1,132
Total Costs and Other Deductions.....	32,938	36,000	14,511	(4,093)	79,356
Income Before Income Tax Expense.....	3,648	1,779	780	(395)	5,812
Income Tax Expense.....	1,578	602	390	(5)(7B)	2,565
Net Income.....	\$ 2,070	\$ 1,177	\$ 390	\$ (390)	\$ 3,247
Per Share of Common Stock:					
Net Income					
-- Basic.....	\$ 3.16	\$ 2.14			\$ 3.01(3)
-- Diluted.....	\$ 3.14	\$ 2.14			\$ 3.00(3)
Dividends.....	\$ 2.48	\$ 1.80			\$ 2.43(3)
Weighted Average Number of Shares Outstanding (thousands)					
-- Basic.....	656,537	525,369			1,068,771(3)
-- Diluted.....	659,457	537,869			1,073,616(3)
* Includes consumer excise taxes.....	\$ 3,910	\$ 2,097	\$ 22		\$ 6,029

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Year Ended December 31, 1998
(Millions of dollars except per-share amounts)

	Historical		Pro Forma Adjustments		Pro Forma Combined
	Chevron	Texaco	Caltex(7A)	Other	
Revenues and Other Income					
Sales and other operating revenues*	\$ 29,943	\$ 33,088	\$ 11,550	\$ (3,208)(4)	\$ 71,373
Income from equity affiliates	228	485	65	(143)(7A)	634
				3 (7B)	
				(4)(7C)	
Other income	386	227	74	--	687
Total Revenues and Other Income	30,557	33,800	11,689	(3,352)	72,694
Costs and Other Deductions					
Purchased crude oil and products	14,036	17,672	8,310	(3,208)(4)	36,810
Minority interests	7	56	3	(4)(7C)	62
Operating expenses	4,827	2,262	573	3 (7B)	7,665
Selling, general and administrative expenses	2,239	1,224	720	--	4,183
Exploration expenses	478	461	31	--	970
Depreciation, depletion and amortization	2,320	1,675	431	--	4,426
Taxes other than on income*	4,411	9,294	980	--	14,685
Interest and debt expense	405	480	172	--	1,057
Total Costs and Other Deductions	28,723	33,124	11,220	(3,209)	69,858
Income Before Income Tax Expense	1,834	676	469	(143)	2,836
Income Tax Expense	495	98	326	--	919
Net Income	\$ 1,339	\$ 578	\$ 143	\$ (143)	\$ 1,917
Per Share of Common Stock:					
Net Income					
-- Basic	\$ 2.05	\$.99			\$ 1.76(3)
-- Diluted	\$ 2.04	\$.99			\$ 1.75(3)
Dividends	\$ 2.44	\$ 1.80			\$ 2.40(3)
Weighted Average Number of Shares Outstanding (thousands)					
-- Basic	654,858	528,416			1,061,739(3)
-- Diluted	657,076	529,016			1,064,418(3)
* Includes consumer excise taxes	\$ 3,756	\$ 2,148	\$ 26		\$ 5,930

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The unaudited pro forma condensed combined statements of income are based on the audited consolidated financial statements of Chevron and Texaco for the years ended December 31, 2000, 1999 and 1998 and the unaudited financial statements of Chevron and Texaco for the six months ended June 30, 2001 and 2000. The unaudited pro forma condensed combined balance sheet is based on the unaudited consolidated financial statements of Chevron and Texaco at June 30, 2001. The financial statements also reflect the consolidation of entities commonly owned by Chevron and Texaco, primarily the Caltex Group (Caltex) of equity affiliates. We have presented the consolidating financial data of Caltex separately from other pro forma adjustments to aid the analysis of all pro forma adjustments.

Chevron and Texaco consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States and require estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. In the opinion of Chevron and Texaco, the unaudited pro forma condensed combined financial statements include all adjustments necessary to present fairly the results of the periods presented.

The unaudited pro forma combined financial information is for illustrative purposes only. The financial results may have been different had the companies always been combined. The unaudited pro forma combined financial information should not be relied upon as being indicative of the historic results that would have been achieved had the companies actually been combined or the future results that the combined company will experience after the merger.

Note 2. Accounting Policies and Financial Statement Classifications

Since the accounting policies of the combining companies are substantially comparable, we did not make any accounting policy conformance adjustments to the unaudited pro forma condensed combined financial statements.

Certain revenues, costs and other deductions in the consolidated statements of income for Texaco and Caltex have been reclassified to conform to the line-item presentation in the unaudited pro forma condensed combined statements of income. Certain assets and liabilities in the consolidated balance sheets for Texaco and Caltex have been reclassified to conform to the line-item presentation in the unaudited pro forma condensed combined balance sheet.

Note 3. Unaudited Pro Forma Combined Net Income Per Share and Dividends Per Share

The unaudited pro forma combined net income per common share is based on net income less preferred stock dividends and the weighted average number of outstanding common shares. Diluted net income per common share includes the effect of dilutive securities, including stock options. The historical weighted average number of outstanding common shares has been adjusted to reflect the exchange ratio of 0.77 shares of ChevronTexaco common stock for each share of Texaco common stock.

The pro forma combined dividends per share reflect the sum of the dividends paid by Chevron and Texaco divided by the number of shares that would have been outstanding for the periods, after adjusting the Texaco shares for the exchange ratio of 0.77 shares of ChevronTexaco common stock.

Note 4. Intercompany Transactions

Intercompany sales and purchase transactions among Chevron, Texaco and Caltex have been eliminated in the unaudited pro forma condensed combined statements of income. Intercompany amounts receivable and payable have been eliminated in the unaudited pro forma condensed combined balance sheet. Interest income and expense on loans during the first half of 2001 between Chevron and Caltex and associated balance sheet accounts have also been eliminated.

Note 5. Merger-Related and Integration-Related Expenses

Merger-related fees and expenses, consisting primarily of SEC filing fees; fees and expenses of investment bankers, attorneys and accountants; and financial printing and other related charges, are estimated to be approximately \$150 million. Through June 30, 2001, approximately \$70 million had been incurred since the merger announcement and is included in the pro forma financial results for 2000 and the six months ended June 30, 2001. The remaining fees and expenses of \$80 million have been reflected in the unaudited pro forma condensed combined balance sheet as of June 30, 2001.

Though not yet fully quantified, significant costs will be incurred for integration-related expenses, including the elimination of duplicate facilities, operational realignment and workforce reductions. These expenditures are necessary to reduce the costs of ongoing operations and to operate more effectively. These amounts will be charged to operations in the appropriate periods and, therefore, are not reflected in the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements reflect neither the impact of these charges nor the benefits from the expected synergies.

Note 6. Anticipated Asset Dispositions Required by the U.S. Federal Trade Commission(FTC)

To address competitive concerns, Chevron and Texaco reached an agreement with the staff of the FTC that permitted the parties to close the merger without FTC challenge. This agreement included a proposed consent order that required, among other things, the divestiture of specified Texaco assets. On September 7, 2001, the FTC approved the consent order.

(A) Under the consent order, ChevronTexaco is required to divest its investments in Texaco's U.S. refining, marketing and transportation affiliates, Equilon and Motiva. On October 9, 2001, immediately before the Chevron-Texaco merger closed, the stock of the Texaco subsidiaries that owned Texaco's interests in Equilon and Motiva was placed in an irrevocable trust for purposes of divestiture, as required by the FTC consent order. On the previous day, Texaco had executed a Memorandum of Understanding (MOU) with Shell Oil Company (Shell) and Saudi Refining, Inc. (SRI) for the sale of these investments. The MOU is a non-binding agreement which provides that the parties will endeavor to conclude definitive agreements by early November 2001. Further negotiations with Shell and SRI towards such definitive agreements will be conducted by the divestiture trustee, who may also pursue other potential purchasers, subject to the terms of the consent order. The pro forma balance sheet at June 30, 2001, reflects the financial terms of the MOU and shows before-tax cash proceeds of \$2,100 million and an after-tax loss on disposition of \$435 million. The pro forma adjustments also reflect cash proceeds of \$50 million in respect of a deferred dividend from Motiva, which will be paid to ChevronTexaco on the sale of ChevronTexaco's interest in Motiva. While a loss on disposition of ChevronTexaco's interests in Equilon and Motiva is expected, the ultimate impact on net income arising from the sale is dependent upon the final terms of a definitive sales agreement and the timing at which a sale transaction is consummated.

(B) The FTC consent order requires additional assets to be divested. These are Texaco's interests in an offshore U.S. natural gas pipeline system, a Texas natural gas processing facility, and a portion of general aviation fuel marketing. The general aviation fuel marketing assets were divested on October 10, 2001 for before-tax cash proceeds of approximately \$16 million with an immaterial gain. The sale is reflected in the pro forma balance sheet at June 30, 2001 at which time before-tax cash proceeds would have been \$19 million under the terms of the sales agreement. A pro forma balance sheet adjustment has been made to classify as "Assets held for disposal" the remaining assets that are required to be divested under the FTC consent order. No pro forma adjustments have been made to reflect any anticipated gain or loss from the disposition of these assets, as the method of disposition and sales proceeds are not known, but any such effect is not expected to be material with respect to earnings, financial position or liquidity in any given period.

The unaudited pro forma condensed combined statements of income for the six-month periods ended June 30, 2001 and 2000 and for the year ended December 31, 2000, include adjustments to eliminate Texaco's net income attributable to all assets that are required to be divested under the FTC agreement. The effect on pro forma combined earnings per ChevronTexaco share, basic and diluted, for these periods is a reduction of \$0.24, \$0.08 and \$0.20, respectively. Pro forma combined net income of ChevronTexaco does not include any after-tax income or loss arising from the disposition of these assets. Additionally, no pro forma adjustments have been made to reflect any earnings benefit from the reinvestment of any proceeds which might be recovered, or reduction of debt which may arise as a consequence of the asset dispositions required under the consent agreement.

Note 7. Other Pro Forma Adjustments

(A) Pro forma adjustments have been made to consolidate the accounts of Caltex, which is owned 50 percent each by Chevron and Texaco. Both companies accounted for their respective investments in Caltex using the equity method.

(B) Pro forma adjustments have been made to consolidate the accounts of P.T. Mandau Cipta Tenaga Nusantara, an Indonesian company, which is owned jointly by the combining companies and which was accounted for by Chevron and Texaco using the equity method.

(C) Pro forma adjustments have been made for certain accounts relating to Fuel and Marine Marketing LLC (FAMM), which is owned 69 percent by Texaco and 31 percent by Chevron. Texaco consolidated the results of FAMM and recorded entries to reflect Chevron's minority interest. Chevron accounted for its share of FAMM using the equity method.

(D) A pro forma adjustment has been made to reflect the cancellation of approximately 17 million shares of Texaco common stock accounted for as treasury stock and the assumed issuance of approximately 425 million shares of ChevronTexaco common stock in exchange for all of the outstanding Texaco common stock (based on the exchange ratio of 0.77).