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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

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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):  
July 25, 1994

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

Delaware (State or other jurisdiction of incorporation)	1-27 (Commission File Number)	74-1383447 (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)

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Item 5. Other Events

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1. On July 25, 1994, the Registrant issued an Earnings Press Release entitled "Texaco Reports Results for Second Quarter and First Half 1994," 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

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(c) Exhibits

- 99.1 Press Release issued by Texaco Inc. dated July 25, 1994, entitled "Texaco Reports Results for the Second Quarter and First Half 1994."

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.

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(Registrant)

By: R. E. KOCH

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(Assistant Secretary)

Date: July 25, 1994

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## APPENDIX

Description of graphic material included in Exhibit 99.1.

The following information is depicted in graphic form in the Press Release issued by Texaco Inc. dated July 25, 1994, entitled "Texaco Reports Results for the Second Quarter and First Half 1994" filed as Exhibit 99.1 to this Form 8-K:

1. The first graph is located within the fifth paragraph of Exhibit 99.1. Graph is entitled "Texaco Average U.S. Crude Price Per Quarter" and is shown in dollars per barrel by quarter for the year 1993 and first two quarters of 1994. The Y axis depicts dollars per barrel from \$10.00 to \$18.00 with \$2.00 increments. The X axis depicts the calendar quarters for the year 1993 and first two quarters of 1994. The plot points are as follows:

First Quarter 1993	-	\$15.46 per barrel
Second Quarter 1993	-	\$15.70 per barrel
Third Quarter 1993	-	\$13.55 per barrel
Fourth Quarter 1993	-	\$12.36 per barrel
First Quarter 1994	-	\$11.02 per barrel
Second Quarter 1994	-	\$13.45 per barrel

2. The second graph is located within the ninth paragraph of Exhibit 99.1. Graph is entitled "Texaco Average U.S. Natural Gas Price Per Quarter" and is shown in dollars per MCF by quarters for the year 1993 and first two quarters of 1994. The Y axis depicts dollars per MCF from \$0.00 to \$3.00 with \$.50 increments. The X axis depicts the calendar quarters for the year 1993 and first two quarters of 1994. The plot points are as follows:

First Quarter 1993	-	\$1.99 per MCF
Second Quarter 1993	-	\$2.26 per MCF
Third Quarter 1993	-	\$2.17 per MCF
Fourth Quarter 1993	-	\$2.34 per MCF
First Quarter 1994	-	\$2.32 per MCF
Second Quarter 1994	-	\$2.02 per MCF

## TEXACO REPORTS RESULTS

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 FOR THE SECOND QUARTER AND FIRST HALF 1994  
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FOR IMMEDIATE RELEASE: MONDAY, JULY 25, 1994.  
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WHITE PLAINS, N.Y., July 25 - Texaco Inc. announced today that consolidated worldwide net income from continuing operations (including special gains and charges) for the second quarter of 1994 was \$115 million, or \$.35 per share, as compared with \$312 million, or \$1.11 per share, for the second quarter of 1993. Net income from continuing operations (including special gains and charges) for the first half of 1994 was \$317 million, or \$1.04 per share, as compared with \$593 million, or \$2.09 per share, for the first half of 1993.

Texaco Inc. (Millions):	Second Quarter		First Half	
	1994	1993	1994	1993
Net income from continuing operations before special items	\$ 155	\$ 312	\$ 357	\$ 593
Special charges	(119)	-	(119)	-
Tax benefit on asset sale	79	-	79	-
Total net income from continuing operations	115	312	317	593
Discontinued chemical operations:				
Loss from operations	-	(3)	-	(6)
Loss on disposal of business	(87)	-	(87)	-
Total net income	\$ 28	\$ 309	\$ 230	\$ 587

Net income from continuing operations for the second quarter of 1994 included special charges of \$119 million related to the company's program to consolidate some operations and sell marginal activities. The charges included \$88 million for anticipated costs associated with the expected reduction of approximately 2,500 employees over the next 12 months, as well as charges to adjust to fair market values certain properties which are being offered for sale.

Net income from continuing operations for the second quarter of 1994 included \$79 million of tax benefits realizable through the sale of an interest in a subsidiary. Of these benefits, \$38 million was realizable due to the taxable gain on the sale of discontinued chemical operations.

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Net income for the second quarter of 1994 included a charge of \$87 million for discontinued operations relating to the completion of the first phase of a transaction to sell substantially all of Texaco's worldwide chemical business. The previously mentioned \$38 million tax benefit, coupled with the \$87 million charge for discontinued operations, impacted 1994 earnings by a net charge of \$49 million. At the sale closing, the company received \$650 million in cash and an 11-year subordinated note with a face value of \$200 million.

In commenting on 1994's second quarter and six months performance Alfred C. DeCrane, Jr., Texaco's Chairman of the Board and Chief Executive Officer stated, "The second quarter 1994 performance reflected upstream benefits from the steady strengthening of crude oil prices through the period. However, market conditions precluded recovery of these added costs to the refining and marketing units. Solid benefits were realized from operating efficiencies and overhead reductions, but not to sufficient levels to offset this squeeze on downstream margins. While crude oil prices rose in the period, they still averaged \$3.34 per barrel below the 1993 first half level and \$2.25 per barrel below second quarter 1993.

"The weakened U.S. dollar adversely affected reported earnings, including a comparative \$31 million non-cash charge for currency exchange losses due to the effect of the weakening of the U.S. dollar against the Pound Sterling on U.K. deferred income taxes.

"The special charges taken in the period result from major shifts in operational and organizational functions which are the foundation of the

company's recently announced action plan for growth and enhanced levels of competitiveness and profitability."

OPERATING EARNINGS FROM CONTINUING OPERATIONS  
PETROLEUM AND NATURAL GAS  
UNITED STATES

Exploration & Production (Millions):	Second Quarter		First Half	
	1994	1993	1994	1993
Operating earnings from continuing operations before special items	\$ 121	\$ 163	\$ 196	\$ 296
Special charges	(24)	-	(24)	-
	-----	-----	-----	-----
Total operating earnings	\$ 97	\$ 163	\$ 172	\$ 296

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Comparative earnings in the second quarter of 1994 were adversely impacted by lower crude oil prices. Although prices have strengthened since the first quarter of 1994, average prices in the second quarter of 1994 were more than \$2 per barrel below prices for the second quarter of 1993. In addition, natural gas prices declined \$.24 per MCF for the comparative quarters. These lower prices were partly offset by benefits from continuing reductions in operating expenses.

For the first half of 1994, earnings were negatively impacted by the more than \$3 per barrel lower average crude oil prices. Partially offsetting the lower crude prices were continued reductions in operating expenses and slightly higher natural gas prices.

The company's results in 1994 benefited from its exploration and development program that has successfully added production.

Special charges for 1994 provide for the estimated cost of employee separations.

	Second Quarter		First Half	
	-----		-----	
Manufacturing & Marketing (Millions):	1994	1993	1994	1993
Operating earnings from continuing operations before special items	\$ 39	\$ 60	\$ 117	\$ 109
Special charges	(24)	-	(24)	-
	-----	-----	-----	-----
Total operating earnings	\$ 15	\$ 60	\$ 93	\$ 109

Second quarter 1994 margins decreased as a result of rising refinery feedstock prices that could not be recovered in the marketplace. This quarterly decrease in margins more than offset the benefits of higher gasoline sales following the March 1994 successful introduction of Texaco's CleanSystem3 gasolines, as well as the benefits from improved performance at refineries. Results for the first half of 1994 were somewhat improved due to higher first quarter margins, mainly on the East and Gulf Coasts, combined with increased sales of branded gasolines.

Special charges for 1994 relate to the adjustment to fair market value of certain facilities to be offered for sale and the estimated cost of employee separations.

INTERNATIONAL

Exploration & Production (Millions):	Second Quarter		First Half	
	1994	1993	1994	1993
Operating earnings from continuing operations before special items	\$ 34	\$ 82	\$ 79	\$ 161
Special charges	(16)	-	(16)	-
Total operating earnings	\$ 18	\$ 82	\$ 63	\$ 161

The decline in comparative second quarter and first half results were due to substantially lower crude oil prices as well as higher exploratory expenses. Partly offsetting these factors were increases in crude oil and natural gas liquids production, mainly in the U.K. sector of the North Sea, in Indonesia, and in the Partitioned Neutral Zone between Kuwait and Saudi Arabia. Natural gas production also increased as compared to the prior year, due to new North Sea U.K. production.

The 1994 second quarter and first half included a charge of \$11 million compared with benefits of \$6 million for the second quarter and first half of 1993 relating to the currency exchange impacts of the Pound Sterling on deferred income taxes.

Special charges for 1994 related to the adjustment to fair market value of certain properties being offered for sale and the estimated cost of employee separations.

Manufacturing & Marketing (Millions):	Second Quarter		First Half	
	1994	1993	1994	1993
Operating earnings from continuing operations before special items	\$ 67	\$ 119	\$ 192	\$ 241
Special charges	(38)	-	(38)	-
Total operating earnings	\$ 29	\$ 119	\$ 154	\$ 241

Results for 1994 versus 1993 reflected the decline in marketing margins that occurred during the second quarter, mainly in Europe. Second quarter results in the Caltex operating areas were unfavorably impacted by currency exchange effects and refining margins. Partly offsetting these decreases were higher marketing margins, mainly in Brazil, and increased sales volumes in Latin America, for the second quarter and first half of 1994. Earnings for the first half of 1994 benefited from the higher refining margins in Europe, which occurred in the first quarter of the year.

The 1994 second quarter and first half included a charge of \$12 million compared with benefits of \$2 million for the second quarter and first half of 1993 relating to the currency exchange impacts of the Pound Sterling on deferred income taxes.

Special charges for 1994 related to the estimated cost of employee separations and the adjustment to fair market value of certain properties being offered for sale.

CORPORATE/NONOPERATING RESULTS FROM CONTINUING OPERATIONS

(Millions):	Second Quarter		First Half	
	1994	1993	1994	1993
Results from continuing operations				
before special items	\$(100)	\$(110)	\$(220)	\$(209)
Special charges	(17)	-	(17)	-
Tax benefit on asset sale	79	-	79	-
Total corporate/nonoperating	\$ (38)	\$(110)	\$(158)	\$(209)

Corporate/nonoperating expenses for both the second quarter and first half reflected the impact of lower corporate overhead offset by higher after tax interest expense. The second quarter 1994 results included a \$7 million gain from the receipt of a cash option payment relative to the sale of a manufacturing facility currently under construction in Texas.

The second quarter and first half of 1994 included \$17 million of charges related to the estimated cost of employee separations. The 1994 results also included \$79 million of tax benefits realizable through the sale of an interest in a subsidiary. Of these benefits, \$38 million was realizable due to the taxable gain on the sale of discontinued chemical operations.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures for continuing operations, including equity in such expenditures of affiliates, were \$1,231 million for the first half of 1994, as compared to \$1,155 million for the same period in 1993. Expenditures for the second quarter of 1994 amounted to \$607 million versus \$621 million for the same quarter in 1993.

Upstream expenditures in the United States reflected higher drilling activities in 1994 with particular emphasis on developmental gas projects mainly during the first quarter of this year. Internationally, higher exploration and development activities in Australia, China and Indonesia were more than offset by lower expenditures in the U.K. North Sea, where successful project completions have increased production of liquids and natural gas as compared to 1993.

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Downstream expenditures in 1994 increased as compared to 1993 mainly due to investments in refinery construction and upgrade projects by Texaco's affiliate, Caltex, in Thailand and Singapore and higher retail marketing expenditures in Australia and Singapore. Additionally, Texaco is continuing its refinery upgrade project in Panama which is scheduled for completion in 1995, and has increased marketing expenditures in the United Kingdom and selected Latin American countries. In the United States, expenditures declined due to the completion of refinery upgrade projects underway in 1993 by both Texaco and Texaco's affiliate, Star Enterprise.

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NOTE TO EDITORS: Tables for the second quarter and first half are attached.

CONTACTS:	Dave Dickson	914-253-4128
	Jim Swords	914-253-4103
	Jim Reisler	914-253-4389
	Cynthia Michener	914-253-4743

	Second Quarter			First Half		
	1994	1993	(b)	1994	1993	(b)
	-----	-----		-----	-----	
FUNCTIONAL NET INCOME (\$000,000)						
-----						
Operating Earnings (Losses) from						
Continuing Operations (a)						
Petroleum and natural gas						
Exploration and production						
United States	\$ 97	\$ 163		\$ 172	\$ 296	
International	18	82		63	161	
	-----	-----		-----	-----	
Total	115	245		235	457	
	-----	-----		-----	-----	
Manufacturing, marketing and						
distribution						
United States	15	60		93	109	
International	29	119		154	241	
	-----	-----		-----	-----	
Total	44	179		247	350	
	-----	-----		-----	-----	
Total petroleum and natural gas	159	424		482	807	
Nonpetroleum	(6)	(2)		(7)	(5)	
	-----	-----		-----	-----	
Total operating earnings	153	422		475	802	
Corporate/Nonoperating (a)	(38)	(110)		(158)	(209)	
	-----	-----		-----	-----	
Net Income from continuing operations	115	312		317	593	
Discontinued chemical operations						
Loss from operations	-	(3)		-	(6)	
Loss on disposal	(87)	-		(87)	-	
	-----	-----		-----	-----	
Total Net Income	\$ 28	\$ 309		\$ 230	\$ 587	
	=====	=====		=====	=====	
Per common share (dollars):						
-----						
Net income (loss):						
Continuing operations	\$ .35	\$ 1.11		\$ 1.04	\$ 2.09	
Discontinued operations	(.34)	(.01)		(.34)	(.02)	
	-----	-----		-----	-----	
Total net income	\$ .01	\$ 1.10		\$ .70	\$ 2.07	
Average number of common shares						
outstanding (000,000)	259.3	258.8		259.2	258.8	

(a) Includes special gains and charges.

(b) Results have been reclassified to separately identify discontinued chemical operations as appropriate.

	Second Quarter		First Half	
	1994	1993 (b)	1994	1993 (b)
OTHER FINANCIAL DATA (\$000,000)				
Revenues from continuing operations	\$ 8,000	\$ 8,773	\$15,434	\$17,006
Total assets as of June 30 (c)			\$25,900	\$26,301
Stockholders' equity as of June 30 (c)			\$10,160	\$10,198
Total debt as of June 30 (c)			\$ 6,300	\$ 6,678
Capital and exploratory expenditures Texaco Inc. and subsidiary companies				
Exploration and production				
United States	\$ 180	\$ 160	\$ 450	\$ 300
International	142	202	265	378
Total	322	362	715	678
Manufacturing, marketing and distribution				
United States	52	77	102	130
International	68	46	121	72
Total	120	123	223	202
Other	8	9	14	16
Total Texaco Inc. and subsidiaries	450	494	952	896
Equity in affiliates				
United States	26	40	51	77
International	131	87	228	182
Total equity in affiliates	157	127	279	259
Total continuing operations	607	621	1,231	1,155
Discontinued chemical operations	1	25	20	48
Total	\$ 608	\$ 646	\$ 1,251	\$ 1,203
Dividends paid to common stockholders	\$ 208	\$ 207	\$ 415	\$ 414
Dividends per common share (dollars)	\$ .80	\$ .80	\$ 1.60	\$ 1.60
Dividend requirements for preferred stockholders	\$ 25	\$ 24	\$ 49	\$ 51

(b) Results have been reclassified to separately identify discontinued chemical operations as appropriate.

(c) Preliminary

	Second Quarter		First Half	
	1994	1993	1994	1993
OPERATING DATA - INCLUDING INTERESTS				
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IN AFFILIATES				
-----				
Net production of crude oil and natural gas liquids (000 BPD)				
United States	408	423	408	426
Other Western Hemisphere	20	20	20	21
Europe	104	71	110	74
Other Eastern Hemisphere	231	201	235	199
	-----	-----	-----	-----
Total	763	715	773	720
Net production of natural gas - available for sale (000 MCFPD)				
United States	1,764	1,713	1,719	1,738
International	281	205	306	223
	-----	-----	-----	-----
Total	2,045	1,918	2,025	1,961
Natural gas sales (000 MCFPD)				
United States	3,175	2,745	3,045	2,762
International	295	219	322	240
	-----	-----	-----	-----
Total	3,470	2,964	3,367	3,002
Natural gas liquids sales (including purchased LPGs) (000 BPD)				
United States	196	166	196	188
International	56	52	58	45
	-----	-----	-----	-----
Total	252	218	254	233
Refinery input (000 BPD)				
United States	665	681	640	675
Other Western Hemisphere	37	57	44	55
Europe	322	314	325	322
Other Eastern Hemisphere	443	409	460	429
	-----	-----	-----	-----
Total	1,467	1,461	1,469	1,481
Refined product sales (000 BPD)				
United States	872	821	843	817
Other Western Hemisphere	297	281	304	286
Europe	461	465	462	472
Other Eastern Hemisphere	676	704	700	731
	-----	-----	-----	-----
Total	2,306	2,271	2,309	2,306

Impact of Special Items On Functional Net Income (\$000,000)

	Second Quarter		First Half	
	1994	1993 (b)	1994	1993 (b)
Operating Earnings (Losses) from Continuing Operations				
Exploration and production				
United States				
Operating earnings before spec. items	\$ 121	\$ 163	\$ 196	\$ 296
Special charges	(24)	-	(24)	-
Total operating earnings	97	163	172	296
International				
Operating earnings before spec. items	34	82	79	161
Special charges	(16)	-	(16)	-
Total operating earnings	18	82	63	161
Manufacturing, marketing and distribution				
United States				
Operating earnings before spec. items	39	60	117	109
Special charges	(24)	-	(24)	-
Total operating earnings	15	60	93	109
International				
Operating earnings before spec. items	67	119	192	241
Special charges	(38)	-	(38)	-
Total operating earnings	29	119	154	241
Nonpetroleum				
Operating earnings before spec. items	(6)	(2)	(7)	(5)
Special charges	-	-	-	-
Total operating earnings	(6)	(2)	(7)	(5)
Corporate/Nonoperating				
Total before spec. items	(100)	(110)	(220)	(209)
Special charges/gains	62	-	62	-
Total Corporate/Nonoperating	(38)	(110)	(158)	(209)
Net Income from continuing operations	115	312	317	593
Discontinued chemical operations				
Loss from operations	-	(3)	-	(6)
Loss on disposal	(87)	-	(87)	-
Net Loss from discontinued operations	(87)	(3)	(87)	(6)
Total Net Income, as reported	\$ 28	\$ 309	\$ 230	\$ 587

(b) Results have been reclassified to separately identify discontinued chemical operations as appropriate.