



THE MARKET

Over the past century, the energy industry has been pivotal to the increased mobility and modernization of life around the world, growing in tandem with the escalating popularity of the automobile. Today, the industry has multiple roles: finding crude oil and natural gas with the help of computers and satellites, manufacturing and blending products to exact specifications, and employing a modern, worldwide network of tankers, pipelines, and trucks to distribute the products to service stations and other end users.

Within this category, Texaco has built a century-long reputation as an icon of the automotive landscape, and has become a truly global brand. From the high-octane excitement of Texaco/Havoline-sponsored NASCAR racing to the simple assurance that there's a service station waiting for us down the road, the Shining Star of Texaco continues to be a trusted symbol for motorists and automotive experts who care about maintaining their cars' performance.

ACHIEVEMENTS

As one of the three world-class brands owned by Chevron Corporation — which is the second-largest U.S.-based energy company and the fifth-largest in the world — Texaco represents a full range of quality petroleum products. Texaco has been synonymous with enduring performance for



over 100 years, and has emerged as an influential global brand with American heritage. Texaco gasolines with Techron® are high quality, and in early 2007, Primedia (publishing house for magazines such as *Motor Trend*, *Automobile*, and *European*



Car) announced Texaco as its official fuel of choice. From fuels and lubricants to antifreeze and services, Texaco-branded products can be found nationwide at over 2,300 Texaco retail outlets and Xpress Lube facilities, and internationally with more than 6,000 Texaco service stations in Latin America, West Africa, and Europe.

HISTORY

The news of a March 1901 gusher in Spindletop, Texas, sent thousands of prospectors scurrying to the region, including industry veteran Joseph Stephen Cullinan, nicknamed “Buckskin Joe” for his rough-hewn managerial style. Cullinan joined with New York financier Arnold Schlaet to found the Texas Fuel Company. By April 1902, the rapidly expanding organization adopted a new name: the Texas Company (later, Texaco). The company's risk-taking spirit proved vital when it made its first discovery in January 1903 in Sour Lake, Texas, after gambling its future on the site's drilling rights.

Texaco's founders established a marketing formula that remains successful today: create a brand that customers identify with and trust, advertise and promote it strategically, and market products aggressively in countries around the world. Before the end of the decade, the Texas brand had emerged with its distinctive logo, based on a five-point star. It soon became one of the world's most recognizable brand icons to consumers in nearly 100 countries.

Capitalizing on the growth of the automobile industry, Texaco's founders introduced a roster of successful fuel oil products, beginning with

Texaco Deodorized High Test Gasoline in 1908 and Number Four Gasoline in 1909, followed two years later by Texaco Auto Gasoline. As the automobile revolutionized society, sales soared and the Texaco brand became ever more distinctive. In 1928, Texaco became the U.S. industry's first truly national brand when it began marketing in all 48 states. To support its retail network, the company introduced a wide range of new and improved products. Among the most successful and enduring products was Havoline motor oil, to which the company obtained the rights when it acquired the Indian Refining Company in 1931.

Over its century-long history, the Texaco brand has benefited from strong advertising support, epitomized by the 1932 introduction of Texaco Fire Chief Gasoline, promoted in radio broadcasts by comedian Ed Wynn. That tradition continued with the 1948 television debut of *The Texaco Star Theater*, hosted by the medium's first megastar, Milton Berle. In 1962, Texaco introduced its famous advertising campaign, “Trust your car to the man who wears the star,” which derived its 20-year success not only from its clever line, but more importantly, from its tie to a core brand value of trust. Internationally, “The Star of the Road” campaign was successfully extended to the United Kingdom, Nigeria, Barbados, Colombia, and others, expanding Texaco's local relevance in the global markets where it operates.

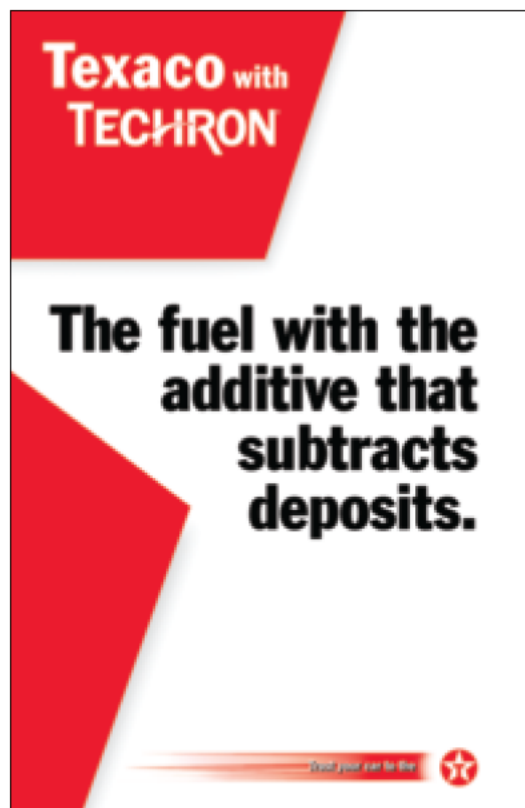
Recognizing the worldwide power of the Texaco brand, the company became Texaco Inc. in 1959. The new name suited the company,

which continued its strong performance across its operating spectrum. Supporting the company's products were a wide range of promotional activities, including its sponsorship of the Havoline racing team and its support for the national Olympic teams of 38 countries in 1992, and the U.S. Olympic teams at the 2000 Games in Sydney, the Salt Lake City Games in 2002, and the Athens Games in 2004.

Since 2001, when Texaco joined forces with Chevron Corp., the Texaco brand has preserved its iconic appeal to motorists in nearly 100 countries. Drawing upon a century of heritage, trust, and quality fuels and products that deliver unsurpassed performance, the Texaco brand remains one of the world's most identifiable and highly regarded brand symbols.

THE PRODUCT

Whether gasoline, jet fuel, motor oil, marine lubricants, or antifreeze, Texaco-branded products and services have always been known for being the highest in quality, reliability, and performance. From an additive motor oil that improved engine performance in the historical Model T Ford to gasolines that eliminate deposits in modern fuel-injection systems, car experts worldwide know they can "trust their car to the

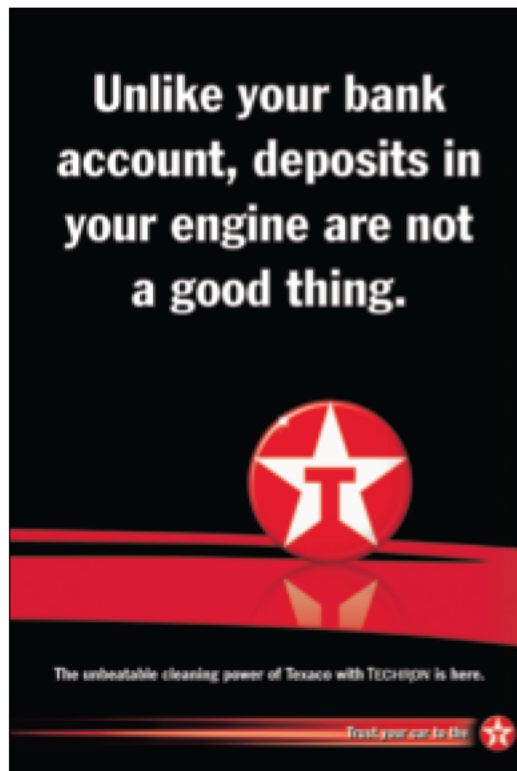


star." With the recent addition of Techron to all Texaco fuel in most global markets, customers can now benefit from high-performance products as well as fuel that is unsurpassed in cleaning vital engine parts. All grades of Texaco-branded gasoline marketed in the United States contain Techron and meet the "TOP TIER Detergent Gasoline" criteria supported by automakers BMW, General Motors, Honda, Toyota, and Volkswagen/Audi. This standard for gasoline detergency is higher than that set by the U.S. Environmental Protection Agency. In addition, Texaco's Havoline motor oil features advanced technology and proven performance used by millions of customers to protect engines from heat stress, starting friction, and engine dirt.

RECENT DEVELOPMENTS

In its second century of existence, Texaco is celebrating with customers everywhere through its communications campaign titled "People in the Know Trust Texaco." It highlights the automotive aficionados who know and love their cars, are driven by performance, and trust only one brand of fuel.

On the NASCAR front, in 2006 the Texaco/Havoline team made headline motorsports news by signing international Formula One superstar and 2000 Indianapolis 500 champion, Juan Pablo Montoya. As one of the hottest and most-talked-about racers in NASCAR, in his first season Montoya has already chalked up several victories in the Texaco/Havoline No. 42 Dodge Charger.



Because of its global presence, Texaco is also nurturing its brand strength in Latin America, Africa, and Europe. In Latin America, Texaco's sponsorship of Brazilian soccer phenomenon Ronaldinho Gaucho is focused on highlighting the likeness of enduring performance in both Texaco's products and Ronaldinho's athleticism. In Africa, Texaco's endorsement of Supa Strikas — a popular soccer-themed comic series — helps promote youth education and associates Africa's pervasive passion for soccer with Texaco's enduring brand. Expanding on its popularity, Supa Strikas was recently launched in Latin America with overwhelming success. In Europe, Texaco supports two long-running events: the Children's Art Competition and the Sports Star Awards, which play perfectly with Texaco's enduring performance. And in the Bahamas, the Speech Competition is a popular educational program endorsed by Texaco. The combined efforts of these marketing programs will help advance the Texaco brand to international brand leadership.

All of the efforts around enhancing the Texaco brand are paying off. With the successful launch of Texaco with Techron in 2005, the Oil Price Information Service (OPIS) moved Texaco's ranking from fourth to the second as Most Powerful Brand in North America. In early 2007, the Lundberg Report qualified Texaco as one of the two strongest U.S. fuel brands in its ability to command exceptional value at the pump.

PROMOTION

With more than 30 years of sponsorship, the Texaco/Havoline racing team has shown power and performance from the steep oval bankings of Daytona in NASCAR to international Formula One classics like Monaco. This commitment has ensured the continued excellence of Texaco products over the years and has built remarkable customer loyalty among millions of racing fans.

In 1972, Texaco/Havoline broke into auto racing with its sponsorship of two-time world champion Emerson Fittipaldi on the Formula One circuit. On the stock car side, the 2007 season marks Texaco/Havoline's 20th consecutive year as sponsor of the National Association of Stock Car Auto Racing (NASCAR) NEXTEL Cup Series. In Brazil, Texaco sponsors the fastest-growing Stock Car competition to help connect the brand with an active demographic of Brazilian racing fans. In Barbados, Texaco is a longtime sponsor of the Car Rally Competition. And the presence of Juan Pablo Montoya in NASCAR also furthers Texaco's international brand focus.

Through local and national sponsorships, Texaco is also affiliated with community organizations throughout the world to improve the quality of life for individual communities — ranging from a children's art competition in Ireland (now in its 51st year), to an environmental study center in England, to a variety of learning programs for children in Colombia and the Bahamas.

BRAND VALUES

Built on a foundation of integrity and trust, Texaco's core brand values encompass the attributes of clean, reliable, quality, and enduring performance. These values manifest themselves in Texaco through a brand image that revolves around rich heritage and automotive expertise. In order to deepen this critical emotional connection with the consumer, the company has created the Texaco Brand Ambassador program to help employees, contractors, and suppliers become more effective brand advocates — as the foundation of any influential brand starts with the behavior of its own people. Based on the quality and reliability of its products, Texaco delivers performance in a manner that evokes the qualities of an iconic brand — authentic, genuine, and a true original.

THINGS YOU DIDN'T KNOW ABOUT TEXACO

- Texaco was the first service station to have "certified" public restrooms with extremely high standards for cleanliness.
- In the movies *Back to the Future* and *Back to the Future Part II*, three different eras of Texaco stations were featured: a full-service station from the 1950s, a 1980s contemporary station, and a fully automated futuristic version with flying cars.
- The Texaco brand has recently been featured in several major motion pictures, including *The Peaceful Warrior* and *Ghost Rider*.