CHEVRON CORP
Form S-4/A
June 24, 2005

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As filed with the Securities and Exchange Commission on June 24, 2005
Registration No. 333-125283

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
AMENDMENT NO. 2
TO
FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933
CHEVRON CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	2911	94-0890210
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

6001 Bollinger Canyon Road
San Ramon, CA 94583
(925) 842-1000
(Address, Including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices)

Charles A. James, Esq.
Vice President and General Counsel
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583
(925) 842-1000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Terry M. Kee, Esq. David R. Lamarre, Esq. Pillsbury Winthrop Shaw Pittman LLP 50 Fremont Street San Francisco, CA 94105 (415) 983-1000	Samuel H. Gillespie III, Esq. Senior Vice President, Chief Legal Officer and General Counsel Unocal Corporation 2141 Rosecrans Avenue, Suite 4000 El Segundo, CA 90245 (310) 726-7600	Daniel A. Neff, Esq. David C. Karp, Esq. Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, NY 10019 (212) 403-1000

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the effectiveness of this registration statement and the effective time of the merger of Unocal Corporation (Unocal) with and into a wholly owned subsidiary of the registrant as described in the Agreement and Plan of Merger dated as of April 4, 2005 (the Merger Agreement).

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration

statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price per Share	Aggregate Offering Price(3)	Amount of Registration Fee
Common stock, par value $0.75 per share	216,805,247	n/a	$10,741,669,317	$1,264,294(4)

(1) This registration statement relates to shares of common stock, par value $0.75 per share, of Chevron Corporation (Chevron) issuable to holders of common stock, par value $1.00 per share, of Unocal pursuant to the Merger Agreement.

(2) The maximum number of shares of Chevron common stock issuable in connection with the merger in exchange for shares of Unocal common stock, based on the number of shares of Unocal common stock exchangeable in the merger, equal to the sum of (i) 271,798,190 shares of Unocal common stock outstanding on May 16, 2005 multiplied by an exchange ratio of 0.7725 of a share of Chevron common stock for each share of Unocal common stock and (ii) the sum of up to 6,103,281 Unocal shares issuable on the exercise of options outstanding on May 16, 2005 and up to 200,000 Unocal directors units and dividend equivalents outstanding on May 16, 2005 and to be issued at or prior to the effective time of the merger multiplied by the exchange ratio of 0.7725 plus the number of shares of Chevron common stock equal to such sum multiplied by $16.25 and divided by the average of the high and low prices of Chevron common stock as reported on the consolidated tape of the New York Stock Exchange on May 20, 2005, which was $51.95.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c), Rule 457(f)(1) and Rule 457(f)(3) of the Securities Act, based on the market value of the Unocal shares to be exchanged in the merger, as established by the average of the high and low prices of Unocal common stock as reported on the consolidated tape of the New York Stock Exchange on May 20, 2005, which was $54.88, and the amount of cash to be paid by Chevron in exchange for shares of Unocal common stock (equal to $16.25 multiplied by 278,101,471, the aggregate number of shares of Unocal common stock set forth above).

(4) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant 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 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. Chevron may not distribute and issue the shares of Chevron common stock being registered pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission is declared effective. This proxy statement/prospectus is not an offer to sell these securities and Chevron is not soliciting an offer to buy these securities in any state where such offer or sale is not permitted.

SUBJECT TO COMPLETION **[_____], 2005**

To Unocal Stockholders:

I am writing to you today about our proposed merger with Chevron Corporation. The board of directors of Unocal Corporation has approved a merger agreement with Chevron, providing for Chevron s acquisition of all of the outstanding shares of our common stock. The combined company will be one of the world s leading global energy providers. In order to complete the merger, the holders of a majority of the outstanding shares of Unocal common stock must approve and adopt the merger agreement.

If the merger is completed, stockholders of Unocal will have the right to elect to receive, for each Unocal share that you own:

a combination of 0.7725 of a share of Chevron common stock and $16.25 in cash;

1.03 shares of Chevron common stock; or

$65.00 in cash.

This election is subject to proration to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all of the outstanding shares of Unocal common stock taken together.

Based on the closing price of Chevron s common stock on the New York Stock Exchange on [ ], 2005, the value of the per share consideration to be received by Unocal stockholders who elect to receive only Chevron common stock would be $[ ], and the value of the mixed election consideration would be approximately [ ] per share.

The implied value of the stock consideration will fluctuate as the market price of the Chevron common stock fluctuates, and, because elections are subject to proration as described above, a Unocal stockholder may receive some Chevron common stock, rather than cash, even though that stockholder makes an all-cash election (and vice versa). Unocal common stock trades on the New York Stock Exchange under the ticker symbol UCL. Chevron common stock trades on the New York Stock Exchange under the ticker symbol CVX. We urge you to obtain current market quotations of Chevron and Unocal common stock. Upon completion of the merger, we estimate that Unocal s former stockholders will own approximately [ ]% of the common stock of Chevron.

You will be asked to vote on the merger at a special meeting of Unocal stockholders to be held on [ ], 2005, at [ ], Pacific Daylight Time, at [ ]. Only stockholders who hold shares of Unocal common stock at the close of business on June 29, 2005, the record date for the special meeting, are entitled to vote at the special meeting. Attached to this letter is an important document containing detailed information about Chevron, Unocal and the proposed merger. We urge you to read this document carefully and in its entirety. **In particular, see Risk Factors beginning on page 19.**

Whether or not you plan to attend the special meeting, please vote as soon as possible so that your shares are represented at the meeting. If you do not vote, it will have the same effect as voting against the merger.

Unocal s board of directors unanimously recommends that stockholders vote FOR the merger and any adjournment of the special meeting. We very much appreciate and look forward to your support.

Sincerely,

Charles R. Williamson
Chairman of the Board of Directors and
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this document is accurate or complete. Any representation to the contrary is a criminal offense.

This document is dated [ ], 2005, and is first being mailed to stockholders of Unocal Corporation on or about [ ], 2005.

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ADDITIONAL INFORMATION

This document, which is sometimes referred to as this proxy statement/ prospectus, constitutes a proxy statement of Unocal Corporation to Unocal stockholders with respect to the solicitation of proxies for the special meeting described within and a prospectus of Chevron Corporation for the shares of Chevron common stock that Chevron will issue to Unocal stockholders in the merger. As permitted under the rules of the U.S. Securities and Exchange Commission, or the SEC, this proxy statement/ prospectus incorporates important business and financial information about Unocal, Chevron and their affiliates that is contained in documents filed with the SEC and that is not included in or delivered with this proxy statement/ prospectus. From October 9, 2001 until May 9, 2005, Chevron was named, and filed reports with the SEC under the name of, ChevronTexaco Corporation. You may obtain copies of these documents, without charge, from the website maintained by the SEC at *www.sec.gov,* as well as other sources. See Additional Information for Stockholders Where You Can Find More Information beginning on page 81. You may also obtain copies of these documents, without charge, from Chevron and from Unocal by writing or calling:

Unocal Corporation
Unocal Stockholder Services
2141 Rosecrans Avenue, Suite 4000
El Segundo, CA 90245
(800) 252-2233

Chevron Corporation
Chevron Comptroller s Department
6001 Bollinger Canyon Road A3201
San Ramon, CA 94583-2324
(925) 842-1000

You also may obtain documents incorporated by reference into this document by requesting them in writing or by telephone from MacKenzie Partners, the proxy solicitor for the merger, at the following address and telephone number:

105 Madison Avenue
New York, NY 10016
(800) 322-2885

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference in the documents or this proxy statement/ prospectus.

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than [ ], 2005.

In Questions and Answers About the Special Meeting and the Merger and in the Summary below, we highlight selected information from this proxy statement/ prospectus. However, we may not have included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/ prospectus, including the appendices, as well as the documents that we have incorporated by reference into this document. See Additional Information for Stockholders Where You Can Find More Information beginning on page 81.

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VOTING ELECTRONICALLY OR BY TELEPHONE

In addition to voting by signing, dating and timely returning a completed proxy card provided with this proxy statement/ prospectus, Unocal s stockholders of record may submit their proxies:

- through the Internet, by visiting a website established for this purpose at *http://www.proxyvoting.com/ucl* and following the instructions; or

- by telephone, by calling the toll-free number (866) 540-5760 in the United States, Puerto Rico or Canada on a touch-tone pad and following the recorded instructions.

Internet and telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on [ ] , 2005. Please have your proxy card in hand when you use the Internet or telephone voting options.

If your shares are held by a broker, bank or other holder of record, please refer to your voting card or other information forwarded by that entity to determine whether you may vote by telephone or electronically on the Internet, following the instructions on the card or other information provided by the record holder.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON [ ], 2005

To Unocal Stockholders:

We will hold a special meeting of stockholders of Unocal Corporation, a Delaware corporation, on [ ], 2005, at [ ], Pacific Daylight Time at [ ], for the following purposes:

to vote on a proposal to approve and adopt the Agreement and Plan of Merger (referred to as the merger agreement), dated as of April 4, 2005, by and among Unocal, Chevron Corporation (referred to as Chevron) and Blue Merger Sub Inc., a wholly owned subsidiary of Chevron;

to vote upon an adjournment or postponement of the special meeting, if necessary, to solicit additional proxies; and

to transact any other business as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

We have fixed June 29, 2005 as the record date for determining those Unocal stockholders entitled to vote at the special meeting. Accordingly, only stockholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting.

The proposal to approve and adopt the merger agreement is described in more detail in the accompanying proxy statement/prospectus and its appendices. You should read these documents in their entirety before voting.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Unocal and its stockholders and unanimously recommends that Unocal stockholders vote FOR the proposal to approve and adopt the merger agreement and authorize any adjournment of the special meeting.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and return your proxy card or voting instruction card in the enclosed envelope promptly. For many stockholders, you may also vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card.

We urge you to vote as soon as possible so that your shares will be represented. A failure to vote will have the same effect as voting against the approval of the merger agreement.

By Order of the Board of Directors
Bryan J. Pechersky
Corporate Secretary
[ ], 2005
El Segundo, California

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

About the Merger

Q: What am I voting on?

A: Chevron is proposing to acquire Unocal. You are being asked to vote to approve and adopt an agreement and plan of merger through which Unocal will merge with and into a wholly owned subsidiary of Chevron, sometimes referred to as Merger Sub. After the merger, Merger Sub will be the surviving entity and a wholly owned subsidiary of Chevron, and Unocal will no longer be a separate company.

Q: What will I receive in exchange for my Unocal shares?

A: You may elect to receive, for each Unocal common share that you own, either:

a combination of 0.7725 of a share of Chevron common stock and $16.25 in cash,

1.03 shares of Chevron common stock or

$65 in cash.

Unless you make an all-cash or an all-stock election, you will receive the mixed consideration in the merger. In addition, the all-cash and all-stock elections are subject to proration in order to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all of the outstanding shares of Unocal common stock taken together.

If you are a participant in the Unocal Savings Plan, the Molycorp, Inc. 401(k) Retirement Savings Plan or the Pure Resources 401(k) and Matching Plan (which we collectively refer to in the proxy statement as the Unocal Plans), you will receive instructions from the relevant plan trustee on how to elect to have cash consideration or share consideration allocated to your plan account in exchange for Unocal common stock in your plan account. See Information About the Special Meeting and Voting Voting and Elections by Participants in the Unocal Plans beginning on page 72 for detailed instructions.

Unocal Plan holders may be subject to an election deadline earlier than the general deadline of the date of the Unocal special meeting. Therefore, you should carefully read any materials you receive from your broker or the relevant plan trustee or administrator.

Q: Will I be taxed on the consideration that I receive in exchange for my Unocal shares?

A: The transaction is intended to be tax-free to Unocal stockholders for U.S. federal income tax purposes, except with respect to any cash received. See The Merger Material Federal Income Tax Consequences of the Merger beginning on page 34 of this proxy statement/prospectus.

Q: What is the required vote to approve and adopt the merger agreement and the merger?

A: The holders of a majority of the outstanding shares of Unocal common stock as of June 29, the record date for the special meeting, must vote to approve and adopt the merger agreement in order for the merger to be completed. Abstentions from voting and broker non-votes are not considered affirmative votes and therefore will have the same practical effect as a vote against the merger.

No vote of the stockholders of Chevron is required to complete the merger.

Q: What does the Unocal board of directors recommend?

A: The board of directors of Unocal unanimously recommends that Unocal s stockholders vote in favor of the merger and any adjournment of the special meeting.

Q: Do I have dissenters or appraisal rights with respect to the merger?

A: Yes. Under Delaware law, you have the right to dissent from the merger and, in lieu of receiving the merger consideration, obtain payment in cash of the fair value of your shares of Unocal common stock as determined by the Delaware Chancery Court. To exercise appraisal rights, you must strictly follow the procedures prescribed by Delaware law. These procedures are summarized under The Merger Appraisal Rights beginning on page 37 of this proxy statement/prospectus. In addition, the text of the applicable provisions of Delaware law is included as Annex C to this proxy statement/prospectus.

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Q: May I submit a form of election if I vote against the merger?

A: Yes. You may submit a form of election even if you vote against adopting the merger agreement. However, if you submit a properly executed election form, you will thereby withdraw any previously filed written demand for appraisal and will not be entitled to appraisal rights. See The Merger Appraisal Rights beginning on page 37 of this proxy statement/prospectus.

Q: When do you expect the merger to occur?

A: We expect to complete the merger promptly after Unocal stockholders approve and adopt the merger agreement and the merger at the special meeting and after the satisfaction or waiver of all other conditions to the merger. We currently expect this to occur sometime this year.

About the Special Meeting

Q: When and where is the Unocal special stockholder meeting?

A: The Unocal special stockholder meeting will take place on [ ], 2005, at [ ], Pacific Daylight Time, and will be held at [ ].

Q: Who is entitled to vote at the special meeting?

Holders of record of Unocal common stock at the close of business on June 29, 2005, which is the date Unocal s board of directors has fixed as the record date for the special meeting, are entitled to vote at the special meeting.

Q: What do I need to do now?

A: Please mail your signed proxy card in the enclosed return envelope or vote by telephone or the Internet, as soon as possible, so your shares will be represented at the special meeting. In order to be sure that your vote is counted, please submit your proxy as instructed on your proxy card even if you plan to attend the special meeting in person.

If your shares are held in street name, you should follow the directions your broker or bank provides in order to ensure your shares are voted at the special meeting.

Your proxy card will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the approval and adoption of the merger agreement and the merger and any adjournment of the special meeting.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before your proxy is voted at the special meeting. If your shares of Unocal common stock are registered in your own name, you can do this in one of three ways.

First, you can deliver to Unocal prior to the special meeting a written notice stating that you want to revoke your proxy. The notice should be sent to the attention of the Corporate Secretary, 2141 Rosecrans Avenue, Suite 4000, El Segundo, CA 90245, to arrive by the close of business on [ ], 2005.

Second, you can complete and deliver prior to the special meeting a new proxy card. The proxy card should be sent to the addressee indicated on the pre-addressed envelope enclosed with your initial proxy card to arrive by the close of business on [ ], 2005. The latest dated and signed proxy actually received by this addressee before the special meeting will be counted, and any earlier proxies will be considered revoked.

If you vote your proxy electronically through the Internet or by telephone, you can change your vote by submitting a different vote through the Internet or by telephone, in which case your later-submitted proxy will be recorded and your earlier proxy revoked.

Third, you can attend the Unocal special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy, as you must vote at the special meeting in order to revoke a prior proxy.

If you are a street-name stockholder and you vote by proxy, you may later revoke your proxy

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instructions by informing the holder of record in accordance with that entity s procedures.

Q: If I beneficially own Unocal shares held pursuant to a Unocal Plan, will I be able to vote on adoption of the merger agreement?

A: Yes. If you are a participant in a Unocal Plan, please submit the voting form you receive from the plan adminis-trator or trustee to indicate to the relevant plan administrator or trustee how you want the Unocal common stock allocated to your plan account to be voted.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: If you do not provide your broker with instructions on how to vote your street name shares, your broker will not be permitted to vote them on the merger. Therefore, you should be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q: Why is it important for me to vote?

A: We cannot complete the merger without Unocal stockholders voting in favor of the merger.

Q: What if I don t vote?

A: If you do not give voting instructions to your broker or you do not vote, you will, in effect, be voting against the merger.

Q: Should I send in my stock certificates with my proxy card?

A: No. Please ***do not*** send your stock certificates with your proxy card. Prior to the election deadline described in this proxy statement/ prospectus, you should send your Unocal common stock certificates to the exchange agent, together with a completed, signed election form being provided to you with this document, or, if your shares are held in street name, according to your broker s instructions.

About Electing the Merger Consideration

Q: How do I elect the type of the merger consideration that I prefer to receive?

A: Each Unocal stockholder is being sent an election form and transmittal materials. You must properly complete and deliver to the exchange agent the election materials, together with your stock certificates (or a properly completed notice of guaranteed delivery). A return envelope will be enclosed for submitting the election form and certificates to the exchange agent. This is different from the envelope that you will use to return your completed proxy card. **Please do not send your stock certificates or form of election with your proxy card.**

Election forms and stock certificates (or a properly completed notice of guaranteed delivery) must be received by the exchange agent by the election deadline, which is 5:00 p.m., Eastern time, on [ ], 2005.

If your shares are held in a brokerage or other custodial account, you should receive instructions from the entity where your shares are held advising you of the procedures for making your election and delivering your shares. If you do not receive these instructions, you should contact the entity where your shares are held.

If you do not properly submit your election form with your stock certificates, then, promptly after the closing date of the merger, the exchange agent will mail to you a letter of transmittal and instructions for surrendering stock certificates for use in exchanging your stock certificates for the mixed merger consideration.

In the event the merger agreement is terminated, any Unocal stock certificates that you previously sent to the exchange agent will be promptly returned to you without charge.

Q: Can I make one election for some of my shares and another election for the rest?

A: Yes. The election form permits you to specify, among the shares you are submitting, how many you are allocating to

a mixed election,

an all-stock election,

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an all-cash election or

no election.

Q: What if I do not make an election?

A: If you do not submit a properly completed and signed election form to the exchange agent by the election deadline (or if you submit a properly completed election form indicating no election, together with the certificates representing all of your shares), then you will be deemed to have made the mixed election and would therefore receive $16.25 in cash and 0.7725 of a share of Chevron common stock in exchange for each of your shares of Unocal common stock.

Q: Can I change my election after I submit an election form?

A: Yes. You may revoke your election of merger consideration with respect to all or a portion of your shares of Unocal common stock by delivering written notice of your revocation to the exchange agent prior to the election deadline. If you instructed a broker to submit an election for your shares, you must follow your broker s directions for changing those instructions. In addition, any election of merger consideration you make will automatically be revoked if the merger agreement is terminated.

If an election is properly revoked with respect to shares of Unocal common stock represented by stock certificates, the certificates representing such shares will be promptly returned to the holder who submitted them to the exchange agent.

You will not be entitled to revoke or change your election following the election deadline. As a result, if you make an election, then you will be unable to revoke your election or sell your shares of Unocal common stock during the interval between the election deadline and the date of completion of the merger.

How to Get More Information

Q: Where can I find more information about Unocal and Chevron?

A: You can find more information about Unocal and Chevron from various sources described under the heading Additional Information for Stockholders Where You Can Find More Information beginning on page 81 of this proxy statement/prospectus.

Q: Who do I call if I have questions about the meeting or the merger?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/ prospectus or the enclosed proxy card, you should contact:

105 Madison Avenue
New York, NY 10016
(800) 322-2885

If you need an additional election form, you should contact the exchange agent:

Mellon Investor Services
85 Challenger Road
Ridgefield Park, NJ 07660
(866) 865-6324

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SUMMARY

This summary highlights selected information from this proxy statement/ prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this document and the documents to which we have referred you, including the merger agreement attached as Annex A to this proxy statement/ prospectus. See Additional Information for Stockholders Where You Can Find More Information on page 81.

Who We Are

Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583
(925) 842-1000

Chevron Corporation (formerly ChevronTexaco Corporation), a Delaware corporation, manages its investments in subsidiaries and affiliates and provides administrative, financial and management support to U.S. and foreign subsidiaries that engage in fully integrated petroleum operations, chemicals operations, coal mining, power and energy services. Chevron conducts business activities in the United States and approximately 180 other countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; refining crude oil into finished petroleum products; marketing crude oil, natural gas and the many products derived from petroleum; and transporting crude oil, natural gas and petroleum products by pipeline, marine vessel, motor equipment and rail car.

Unocal Corporation
2141 Rosecrans Avenue, Suite 4000
El Segundo, CA 90245
(310) 726-7600

Unocal Corporation was incorporated in Delaware in 1983 to operate as the parent entity of Union Oil Company of California, which was incorporated in California in 1890. Virtually all of Unocal s operations are conducted by Union Oil and its subsidiaries.

Unocal is one of the world s leading independent oil and gas exploration and production companies, with principal operations in North America and Asia. Unocal is also a leading producer of geothermal energy and a provider of electrical power in Asia. Unocal s other activities include ownership in proprietary and common carrier pipelines, natural gas storage facilities and the marketing of hydrocarbon commodities.

Unocal s Reasons for the Merger and Unocal Board s Recommendation to Unocal Stockholders (page 31)

The Unocal board has determined that the merger is advisable and in your best interests and unanimously recommends that you vote **FOR** the approval and adoption of the merger agreement and any adjournment of the special meeting.

You should refer to the factors considered by the Unocal board of directors in making its decision to approve the merger agreement and recommend its approval and adoption to the Unocal stockholders.

Opinion of Unocal s Financial Advisor (page 42)

In deciding to approve the merger, Unocal received an opinion from Morgan Stanley & Co. Incorporated, dated April 4, 2005, as to the fairness to the holders of Unocal common stock of the consideration to be received in the merger from a financial point of view. This opinion is attached as Annex B. You may read this opinion for a discussion of the assumptions made, matters considered and limitations on the review by Morgan Stanley in rendering its opinion. This opinion does not constitute a recommendation to any stockholder as to how he or she should vote on the merger or as to the form of consideration that a stockholder should elect.

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Chevron s Reasons for the Merger (page 33)

Chevron believes that Unocal s assets complement Chevron s existing upstream portfolio. The merger is consistent with Chevron s long-term strategies to grow profitably in core upstream areas, build new legacy positions and commercialize the company s large undeveloped natural gas resource base.

These anticipated benefits depend on several factors, including the ability to obtain the necessary approvals for the merger, and on other uncertainties described beginning on page 19.

What Unocal Stockholders Will Receive in the Merger (page 55)

Unocal stockholders may elect to receive, for each Unocal common share:

a combination of 0.7725 of a share of Chevron common stock and $16.25 in cash (which we refer to as the mixed consideration);

1.03 shares of Chevron common stock; or

$65 in cash.

Unless you make an all-cash or an all-stock election, you will receive the mixed consideration in the merger.

The all-stock and all-cash elections are subject to proration in order to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all of the outstanding shares of Unocal common stock taken together. **This means that, even if you make the all-stock or all-cash election, you may receive a prorated amount of cash and Chevron common stock.** The formula that will be used to determine the actual amount of proration is described beginning on page 56.

Fractional Shares

You will not be entitled to receive any fractional shares of Chevron common stock. Instead, you will be entitled to receive cash, without interest, for any fractional share of Chevron common stock you might otherwise have been entitled to receive, based on a portion of the proceeds from the sale of all fractional shares in the market.

Stock Exchange Listing

The shares of Chevron common stock are listed on the New York Stock Exchange under the ticker symbol CVX.

Material Federal Income Tax Consequences of the Merger (page 34)

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this document as the Code. It is a condition to the closing of the merger that Unocal and Chevron receive opinions from their respective tax counsel, dated as of the closing date of the merger, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Assuming the merger qualifies as a reorganization, in general:

If you receive a combination of Chevron common stock and cash in exchange for your Unocal common stock and your tax basis in your Unocal common stock is less than the sum of the cash and the fair market value, as of the closing date of the merger, of the Chevron common stock received, you generally will recognize gain equal to the lesser of (1) the sum of the cash and the fair market value of the Chevron common stock you receive, minus the tax basis of your Unocal common stock surrendered and (2) the amount of cash you receive in the merger. However, if your tax basis in the Unocal common stock surrendered in the merger is greater than the sum of the

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cash and the fair market value of the Chevron common stock you receive, your loss will not be currently allowed or recognized for federal income tax purposes.

If you receive solely Chevron common stock in exchange for Unocal common stock, then you generally will not recognize any gain or loss, except with respect to cash you receive in lieu of fractional shares of Chevron common stock.

If you receive solely cash in exchange for your Unocal common stock, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and the tax basis in your shares of Unocal common stock.

You should read The Merger Material Federal Income Tax Consequences of the Merger beginning on page 34 for a more complete discussion of the United States federal income tax consequences of the merger. We urge you to consult with your tax advisor for a full understanding of the tax consequences of the merger to you.

Ownership of Chevron After the Merger

Chevron will issue approximately [ ] million shares of Chevron common stock to Unocal stockholders in the merger. The shares of Chevron common stock to be issued to Unocal stockholders in the merger will represent approximately [ ]% of the outstanding Chevron common stock after the merger. This information is based on the number of Chevron and Unocal shares outstanding on [ ], 2005 and does not take into account stock options or other equity-based awards or any other shares that may be issued before the merger as allowed by the merger agreement.

Unocal Stockholder Vote Required to Approve the Merger (page 69)

Approval and adoption of the merger agreement requires the affirmative vote of a majority of the shares of Unocal common stock outstanding as of the close of business on June 29, 2005, the record date for the special meeting of Unocal stockholders. As of the record date, Unocal s directors, executive officers and their affiliates beneficially owned in the aggregate [ ]% of Unocal s outstanding common stock entitled to vote at the Unocal special meeting.

Appraisal Rights (page 37)

You have the right to dissent from the merger and obtain, in lieu of the merger consideration, a payment in cash of the fair value of your Unocal shares, as determined by the Delaware Chancery Court. To exercise appraisal rights, you must strictly follow the procedures prescribed by Delaware law. If you want to exercise appraisal rights, you should not submit a form of election, which will be considered a withdrawal of any previously filed written demand for appraisal.

The Interests of Certain Unocal Officers and Directors in the Merger May Differ from Your Interests (page 51)

When you consider the Unocal board s recommendation that Unocal stockholders vote in favor of the merger and any adjournment of the special meeting, you should be aware that some Unocal officers and directors may have interests in the merger that may be different from, or in addition to, the interests of Unocal stockholders generally. The Unocal board of directors was aware of these interests and considered them in approving the merger agreement and the merger.

Accounting Treatment (page 34)

The combination of the two companies will be accounted for as an acquisition of Unocal by Chevron using the purchase method of accounting.

The purchase price (reflecting the cash consideration and the weighted average price of Chevron s common stock two days before, two days after and on the day of the announcement of Monday, April 4,

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2005) will be allocated to Unocal s identifiable assets and liabilities based on their respective estimated fair values at the closing date of the acquisition, and any excess of the purchase price over those fair values will be accounted for as goodwill.

The valuation of Unocal s assets and liabilities and the finalization of plans for restructuring after the closing of the merger have not yet been completed. The allocation of the purchase price reflected in this proxy statement/ prospectus may be revised as additional information becomes available.

Completion of the Merger Is Subject to Certain Conditions (page 66)

The completion of the merger depends upon meeting a number of conditions, including the following:

approval of the merger agreement and the merger by Unocal stockholders;

expiration or termination of the relevant waiting period under the Hart-Scott-Rodino Antitrust Improvements Act (HSR Act);

absence of any legal prohibition on completion of the merger;

the registration statement of which this proxy statement/ prospectus is a part having been declared effective by the Securities and Exchange Commission;

approval for listing on the New York Stock Exchange of the shares of Chevron common stock to be issued in the merger;

absence of any condition to approval of the merger by the Federal Trade Commission (FTC) or Department of Justice that would result in or be reasonably likely to result in a substantial detriment (as defined in this proxy statement/ prospectus);

absence of any proceeding seeking to limit Chevron s ownership of Unocal or to compel divestiture of assets if any such matter would result in or be reasonably likely to result in a substantial detriment ;

absence of any statute, rule, or order applicable to the merger that would result in or be reasonably likely to result in a substantial detriment ;

receipt of all material regulatory approvals for the merger on terms that are not reasonably likely to result in a substantial detriment ;

performance by the other party in all material respects of its obligations under the merger agreement;

accuracy as of the closing of the merger of the representations and warranties made by the other party;

receipt by Chevron and Unocal of opinions of their respective tax counsel to the effect that the merger will qualify as a reorganization under the Code; and

absence of a material adverse effect on the other party during the period from April 4, 2005 until the closing of the merger.

We Have Not Yet Obtained All Regulatory Approvals (page 36)

Pursuant to the HSR Act, the merger cannot be completed until after all applicable waiting periods have expired or been terminated. On April 19, 2005, Chevron and Unocal filed the applicable notifications with the FTC and the Antitrust Division of the U.S. Department of Justice. On May 19, 2005, the FTC issued a Request for Additional Information and Documentary Material to Chevron and Unocal, thereby extending the waiting period. Chevron and Unocal entered into separate consent agreements with the FTC to address antitrust issues associated with the proposed

transaction and to resolve pending litigation between Unocal and the FTC concerning Unocal s patents for reformulated gasoline. On June 10, 2005,

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the FTC accepted the consents for public comment and granted early termination of the HSR Act waiting period.

The merger is also subject to regulatory review in jurisdictions other than the U.S.

Chevron and Unocal are working to obtain the required regulatory approvals and consents. However, although we expect to receive the remaining required regulatory approvals, we can give no assurance as to when or whether these approvals and consents will be obtained or the terms and conditions that may be imposed.

As described beginning on page 66, Chevron and Unocal are not required to close the merger unless the regulatory conditions to completion of the merger are satisfied.

The Merger Agreement May Be Terminated (page 67)

Either Chevron or Unocal can terminate the merger agreement if any of the following occurs:

- the merger is not completed by December 31, 2005 (or August 31, 2006, if the reason for not closing by December 31, 2005 is that the regulatory conditions specified in the merger agreement have not been satisfied);

- the approval of Unocal stockholders has not been obtained by reason of the failure to obtain the required vote at the Unocal special meeting or any adjournment of the special meeting;

- a law or court order permanently prohibits the merger; or

- a breach by the other party of any of its representations, warranties, covenants or obligations in the merger agreement if that breach would result in the failure to satisfy the closing condition relating to the representations, warranties and covenants and the breach is not cured.

In addition, Chevron can terminate the merger agreement if the Unocal board changes its recommendation of the merger to its stockholders in a manner adverse to Chevron or if Unocal fails to comply with its obligations to hold the special meeting or materially (and to the material detriment of Chevron) breaches its obligations under the merger agreement with respect to non-solicitation of other acquisition proposals.

Neither party can terminate the merger agreement for the reasons described in the first bullet point above if the merger has not closed because of that party s failure to fulfill any obligation under the merger agreement.

Finally, Chevron and Unocal can mutually agree to terminate the merger agreement even if the merger has been approved by Unocal s stockholders.

Fees May Be Payable on Termination (page 67)

Unocal must pay Chevron a termination fee of $250 million in cash if:

- Chevron terminates the agreement because the Unocal board fails to recommend the merger to its stockholders, because the Unocal board otherwise changes or proposes publicly to change, in any manner adverse to Chevron, its recommendation of the merger to stockholders, because Unocal fails to comply with its obligations to hold the special meeting or because Unocal has materially (and to the material detriment of Chevron) breached its obligation to refrain from soliciting other acquisition proposals;

- either Chevron or Unocal terminates the merger agreement because Unocal s stockholders do not approve the merger and, prior to the Unocal stockholders meeting, a proposal by a third party for an alternative transaction was made known to Unocal (including any of its agents or representatives) and communicated publicly or to any substantial number of Unocal stockholders or was made directly to Unocal s stockholders or any person publicly announced an intention (whether or not conditional) to make an alternative acquisition proposal; or

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a proposal by a third party for an alternative transaction is made known to Unocal (including any of its agents or representatives) and communicated publicly or to any substantial number of Unocal stockholders or is made directly to Unocal s stockholders by any person, or any person publicly announces an intention (whether or not conditional) to make an alternative acquisition proposal, and after any such event the merger agreement is terminated by either Chevron or Unocal because the merger is not completed by the end date, so long as the Unocal stockholder approval has not been obtained.

Unocal must pay Chevron an additional termination fee of $250 million in cash if the merger agreement s termination gave rise to the initial $250 million termination fee and an alternative transaction is consummated, or Unocal enters into a definitive agreement providing for any alternative transaction, in each case within 12 months after the termination of the merger agreement.

Market Price Information (page 17)

Both Chevron and Unocal common stock trade on the New York Stock Exchange. On April 1, 2005, the last trading day before the public announcement of the merger, Chevron common stock closed at $59.31 per share and Unocal common stock closed at $64.35 per share. Based on these closing prices, the value of the per share consideration to be received by Unocal stockholders who elect to receive only Chevron common stock would be approximately $61, and the value of the mixed election consideration would be approximately $62 per share.

On [ ], 2005, the most recent practicable date prior to the date of this proxy statement/ prospectus, Chevron common stock closed at $[ ] per share and Unocal common stock closed at $[ ] per share. Based on the closing price of Chevron s common stock on the New York Stock Exchange on [ ], 2005, the value of the per share consideration to be received by Unocal stockholders who elect to receive only Chevron common stock would be $[ ], and the value of the mixed election consideration would be approximately $[ ] per share. We urge you to obtain current market quotations.

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Selected Historical Financial Data of Chevron (formerly ChevronTexaco)

We are providing the following information to aid you in your analysis of the financial aspects of the merger. The selected historical financial data in the table below for the three-month periods ended March 31, 2005 and 2004, were derived from Chevron s unaudited consolidated financial statements. The data for the five years ended December 31, 2004, were derived from Chevron s audited consolidated financial statements. This information is only a summary. You should read it together with Chevron s historical financial statements and related notes contained in the annual reports and other information Chevron has filed with the SEC and incorporated by reference into this proxy statement/prospectus. See Additional Information for Stockholders Where You Can Find More Information on page 81.

	Three Months Ended March 31,		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(millions of dollars, except per-share amounts)						
Sales and other operating revenue(1)(2)	$ 40,441	$ 33,063	$ 150,865	$ 119,575	$ 98,340	$ 103,951	$ 116,619
Income from continuing operations	2,677	2,551	13,034	7,382	1,102	3,875	7,638
Income from continuing operations per common share(3)							
Basic	1.28	1.21	6.16	3.55	0.52	1.82	3.58
Diluted	1.28	1.20	6.14	3.55	0.52	1.82	3.57
Cash dividends per common share(3)	0.40	0.36	1.53	1.43	1.40	1.33	1.30
Total assets	95,803	85,107	93,208	81,470	77,359	77,572	77,621
Long-term debt and capital lease obligations	10,422	10,880	10,456	10,894	10,911	8,989	12,821
(1) Includes consumer excise taxes	2,116	1,857	7,968	7,095	7,006	6,546	6,601
(2) Includes amounts for buy/sell contracts	5,290	4,256	18,650	14,246	7,963	N/A(4)	N/A(4)
(3) All periods reflect a two-for-one stock split effected as a 100 percent stock dividend in September 2004.							
(4) Information for this period not readily available.							

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Selected Historical Financial Data of Unocal

The selected historical financial data in the table below for the three-month periods ended March 31, 2005 and 2004, were derived from Unocal s unaudited consolidated financial statements. The data for the five years ended December 31, 2004, were derived from Unocal s audited consolidated financial statements, as supplemented by Unocal to reflect the reclassification of the business of its former consolidated subsidiary, 76 Seadrift Coke, LLC, as a discontinued operation. This information is only a summary. You should read it together with Unocal s historical financial statements and related notes contained in the annual reports and other information Unocal has filed with the SEC and incorporated by reference into this proxy statement/ prospectus, including the Current Report on Form 8-K filed by Unocal on May 26, 2005, relating to the above-mentioned reclassification relating to 76 Seadrift Coke, LLC. See Additional Information for Stockholders Where You Can Find More Information on page 81.

	Three Months Ended March 31		Year Ended December 31				
	2005	2004	2004	2003	2002	2001	2000
	(millions of dollars, except per-share amounts)						
Sales and other operating revenue(1)	$ 2,157	$ 1,821	$ 7,921	$ 6,357	$ 5,200	$ 6,682	$ 8,953
Income from continuing operations	449	267	1,146	699	323	591	722
Income from continuing operations per common share							
Basic	1.66	1.02	4.36	2.70	1.31	2.42	2.97
Diluted	1.64	0.99	4.25	2.66	1.31	2.40	2.93
Cash dividends per common share	0.20	0.20	0.80	0.80	0.80	0.80	0.80
Total assets	13,690	12,136	13,101	11,798	10,846	10,491	10,066
Long-term debt and capital lease obligations	2,302	3,199	2,571	2,635	3,002	2,897	2,392
Company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust holding solely-parent debentures				522	522	522	522
(1) Includes amounts for buy/sell contracts	163	252	965	820	604	601	533

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Comparative Historical and Pro Forma Per Share Data

Set forth below are the Chevron and Unocal historical and pro forma amounts per share of common stock for income from continuing operations, cash dividends and book value. The exchange ratio for the pro forma computations is 0.7725 of a share of Chevron common stock for each share of Unocal common stock. The basic consideration for the transaction is 0.7725 of a share of Chevron common stock and $16.25 in cash for each share of Unocal common stock outstanding immediately prior to completion of the merger.

You should read the information below together with the historical financial statements and related notes contained in the Chevron and Unocal Annual Reports on Form 10-K for the year ended December 31, 2004, and other information filed with the SEC and incorporated by reference. See Additional Information for Stockholders Where You Can Find More Information on page 81.

The unaudited pro forma combined data below is for illustrative purposes only. The pro forma adjustments for the balance sheet are based on the assumption that the transaction was consummated on March 31, 2005. The pro forma adjustments for the income statements are based on the assumption that the transaction was consummated on January 1, 2004.

The financial results may have been different had the companies always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or of the future results of the combined company. See Notes Concerning the Preliminary Estimate of the Deemed Purchase Price for Unocal on the following page for a discussion of the pro forma financial data used in the comparative per-share amounts in the table below.

		Three Months Ended March 31, 2005	Year Ended December 31, 2004
Chevron historical(1)			
Income from continuing operations	basic	$ 1.28	$ 6.16
Income from continuing operations	diluted	1.28	6.14
Cash dividends		0.40	1.53
Book value at end of period		22.21	21.47
Chevron pro forma combined(1)			
Income from continuing operations	basic	1.34	6.06
Income from continuing operations	diluted	1.34	6.02
Cash dividends(2)		0.40	1.53
Book value at end of period		25.47	N/A(3)
Unocal historical			
Income from continuing operations	basic	1.66	4.36
Income from continuing operations	diluted	1.64	4.25
Cash dividends		0.20	0.80
Book value at end of period		21.64	19.82
Unocal pro forma (equivalent)(4)			
Income from continuing operations	basic	1.04	4.68
Income from continuing operations	diluted	1.03	4.65
Cash dividends		0.31	1.18
Book value at end of period		19.67	N/A(3)

(1) Both periods reflect a two-for-one stock split effected as a 100 percent stock dividend in September 2004.

(2) Same as Chevron historical since no change in dividend policy is expected as a result of the merger. In April 2005, Chevron increased its quarterly dividend to $0.45 per share.

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(3) Book value is presented on a pro forma basis only for the most recent balance sheet date, March 31, 2005.

(4) Derived using per-share amounts for Chevron pro forma combined times the exchange ratio of 0.7725 Chevron common shares for each Unocal common share. This computation does not include the benefit to the Unocal stockholder of the cash component of the transaction.

Notes Concerning the Preliminary Estimate of the Deemed Purchase Price for Unocal

The preliminary estimate of the deemed purchase price for Unocal is $16.65 billion, composed of the following:

		(Millions of dollars)
Cash (25 percent of 271,654,896 Unocal shares times $65.00 per share)	$	4,414
Chevron stock 209,853,407 shares times $57.40 per share (Weighted-average price of Chevron stock for a five-day period beginning two days before the date of announcement)		12,046
Unocal stock options estimated fair value that will fully vest at the date of close		168
Transaction costs estimated direct fees		22
Total	$	16,650

This estimated purchase price does not represent a significant acquisition for Chevron under the significance tests of the SEC for business combinations. That is, each of the following tests computes to a measure less than 20 percent:

Purchase price as a percentage of total assets of Chevron at December 31, 2004.

Unocal assets as a percentage of Chevron assets at December 31, 2004.

Unocal before-tax income from continuing operations for the year ending December 31, 2004, as a percentage of Chevron before-tax income from continuing operations for the same period.

The pro forma per-share data on the previous page was based on a preliminary allocation of the $16.65 billion purchase price to the estimated fair values of the Unocal assets and liabilities at March 31, 2005. An independent appraisal firm was engaged to provide estimates of the fair values of tangible and intangible assets. These and other preliminary estimates will change as additional information becomes available and is assessed by Chevron and the valuation firm.

The $16.65 billion purchase price was allocated as follows:

		(Millions of dollars)
Carryover basis of Unocal net assets	$	5,878
Net increase in assets to estimated fair value:		
Upstream Proved properties	3,938	
Upstream Unproved properties	5,888	
Midstream and other assets	1,459	11,285
Net increase in liabilities to fair value, including $4,221 million of deferred income taxes		(4,825)
Goodwill		4,312
Total	$	16,650

Chevron deems the $4.3 billion of goodwill to represent benefits of the acquisition that are additional to the fair values of the individual assets and liabilities acquired. Chevron believes the going-concern element of the Unocal businesses presents the opportunity to earn a higher rate of return on the assembled collection of net assets than would be expected if those assets were acquired separately. These benefits include growth opportunities in upstream Asia-Pacific, Gulf of Mexico and Caspian regions, some of which

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contain Unocal operations that are complementary to those of Chevron. Chevron also expects to achieve cost savings through the elimination of duplicate activities, high-grading of the asset portfolio and sharing of best practices in the operations of each company.

Not included in the initial purchase price allocation was an expected liability for the combined company s restructuring activities following the date of close, including severance costs associated with a workforce reduction for redundant operations. As plans for these restructuring activities become finalized, the associated liability will be among the final adjustments to the purchase price allocation.

The effects of the purchase accounting estimates discussed above on the pro forma income from continuing operations and reflected in the per-share amounts on page 13 were not significant. The largest of the pro forma adjustments related to depreciation, depletion and amortization expense for the increase in properties to their fair values. These net pro forma adjustments were approximately 1% of the historical amounts for the combined Unocal and Chevron income from continuing operations for both the year ended December 31, 2004, and the three months ended March 31, 2005.

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Comparative Market Value of Securities

The following table sets forth the closing price per share of Chevron common stock and the closing price per share of Unocal common stock on April 1, 2005 (the last business day preceding the public announcement of the merger) and June 23, 2005 (the most recent practicable trading date). The table also presents the equivalent market value per share of Unocal common stock:

- for a mixed election, by multiplying the closing price per share of Chevron common stock on each of the two dates by the mixed election exchange ratio of 0.7725 and adding $16.25; and

- for an all-stock election, by multiplying the closing price per share of Chevron common stock on each of the two dates by the all-stock election exchange ratio of 1.03, assuming no proration.

You are urged to obtain current market quotations for shares of Chevron common stock and Unocal common stock before making a decision with respect to the merger.

No assurance can be given as to the market prices of Chevron common stock or Unocal common stock at the closing of the merger. Because the exchange ratio will not be adjusted for changes in the market price of Chevron common stock, the market value of the shares of Chevron common stock that holders of Unocal common stock will receive at the effective time of the merger may vary significantly from the market value of the shares of Chevron common stock that holders of Unocal common stock would have received if the merger were consummated on the date of the merger agreement or on the date of this proxy statement/prospectus.

	Closing Price per Share	
	April 1, 2005	**June 23, 2005**
Chevron Common Stock	$ 59.31	$ 57.33
Unocal Common Stock	$ 64.35	$ 65.02
Unocal Mixed Election Equivalent	$ 62.07	$ 60.54
Unocal Stock Election Equivalent	$ 61.09	$ 59.05

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Historical Market Price and Dividend Data

The following table sets forth the high and low price per share of Chevron and Unocal common stock, as adjusted for all stock splits and as reported on the New York Stock Exchange, for the periods indicated:

	Chevron(1)			Unocal		
For the quarterly period ended:	**High**	**Low**	**Dividends**	**High**	**Low**	**Dividends**
2002						
March 31, 2002	$ 45.80	$ 40.40	$ 0.35	$ 39.24	$ 33.09	$ 0.20
June 30, 2002	$ 45.52	$ 41.78	$ 0.35	$ 39.70	$ 35.25	$ 0.20
September 30, 2002	$ 44.47	$ 32.82	$ 0.35	$ 36.92	$ 29.14	$ 0.20
December 31, 2002	$ 37.72	$ 32.70	$ 0.35	$ 32.40	$ 26.58	$ 0.20
2003						
March 31, 2003	$ 35.20	$ 30.65	$ 0.35	$ 31.76	$ 24.97	$ 0.20
June 30, 2003	$ 38.11	$ 31.06	$ 0.35	$ 31.38	$ 26.14	$ 0.20
September 30, 2003	$ 37.28	$ 35.02	$ 0.36	$ 32.45	$ 27.79	$ 0.20
December 31, 2003	$ 43.49	$ 35.57	$ 0.37	$ 37.08	$ 30.72	$ 0.20
2004						
March 31, 2004	$ 45.71	$ 41.99	$ 0.36	$ 39.40	$ 35.12	$ 0.20
June 30, 2004	$ 47.50	$ 43.95	$ 0.37	$ 39.70	$ 34.18	$ 0.20
September 30, 2004	$ 54.49	$ 46.21	$ 0.40	$ 43.50	$ 34.65	$ 0.20
December 31, 2004	$ 56.07	$ 50.99	$ 0.40	$ 46.50	$ 40.56	$ 0.20
2005						
March 31, 2005	$ 63.15	$ 50.40	$ 0.40	$ 63.98	$ 41.06	$ 0.20
April 1 - June 23, 2005	$ 59.48	$ 49.81	$ 0.45	$ 66.50	$ 53.44	$ 0.20

(1) Prices in all periods have been adjusted for two-for-one stock split effected as a 100 percent stock dividend in September 2004.

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RECENT DEVELOPMENTS

On June 22, 2005, Unocal received a merger proposal from CNOOC Limited, an affiliate of China National Offshore Oil Company, to acquire all outstanding shares of Unocal for $67 in cash. The board of directors of Unocal met telephonically on June 22, 2005 to discuss developments relating to the CNOOC Limited proposal and the merger with Chevron. On that date, Unocal announced that the recommendation of its board of directors in favor of the merger with Chevron remained in effect and that it intended to evaluate the CNOOC proposal in a manner consistent with the board of directors fiduciary duties and Unocal s obligations under the merger agreement with Chevron. On June 23, 2005, Chevron granted Unocal a waiver under the merger agreement enabling Unocal to engage in discussions with CNOOC and its representatives at any time prior to the date of the Unocal stockholder vote on the merger with Chevron. Unocal announced that it intended promptly to commence discussions with CNOOC, although there is no assurance that an agreement with CNOOC would be reached. Unocal intends to update its stockholders regarding the CNOOC proposal as developments warrant.

Unocal Recent Developments

On May 10, 2005, Unocal announced that it intends to seek proposals from qualified prospective purchasers for the sale of its Northrock subsidiary s western Canada crude oil and natural gas exploration and production assets. These assets would not include the company s midstream and storage assets in Canada.

Unocal and its directors have been named as defendants in two purported class actions brought on behalf of public stockholders of Unocal and filed in the Superior Court for the State of California, County of Los Angeles. Each of the complaints alleges, among other things, that Unocal s directors breached their fiduciary duties in connection with the proposed transaction with Chevron, and, in particular, that the consideration to be received by stockholders in the merger is unfair and inadequate and that Unocal s directors did not undertake a legally adequate process to obtain the best transaction available. As relief the complaints seek, among other things, damages in an unspecified amount, an injunction against consummation of the transaction, and, in the event the transaction is consummated, rescission. The time for defendants to answer the complaints has not yet elapsed. Unocal believes the claims asserted in the complaint are without merit and that Unocal has substantial defenses to these claims.

Chevron Recent Developments

As previously disclosed in Chevron s reports to the SEC, in early 2005, Chevron was awarded onshore Block 177 in Libya s first exploration license bid round under the Exploration and Production Sharing Agreement IV terms. Chevron was also made operator of the block with 100 percent equity. The events mark Chevron s return to Libya after a 28-year absence. Effective March 31, 2005, a Chevron subsidiary entered into an exploration and production sharing agreement with National Oil Corporation, which is owned by the government of Libya, following the award of Block 177. A bonus of $600,000 was paid to the Libyan government upon the award of the Block 177 license. The agreement provides for a five-year exploration phase that includes seismic evaluation and at least one exploratory well and is backed by a $20 million Chevron guarantee, with a total 30-year contract term if a commercial discovery is found and developed.

Chevron has established a small office in Tripoli, Libya, and is currently initiating planning work for the Block 177 program. It is possible that the company will participate in exploration and production bid rounds in Libya in the future.

In April 2004, the United States lifted most aspects of its embargo on trade and economic relations with Libya. As a consequence, U.S. companies can now engage in many commercial activities, financial transactions and investments in Libya, including the operations contemplated by the exploration and production sharing agreement entered into with the National Oil Company.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this proxy statement/ prospectus, you should carefully read and consider the following factors in evaluating the proposals to be voted on at the special meeting of Unocal stockholders and in determining whether to make an all-cash, an all-stock or a mixed consideration election. Please also refer to the additional risk factors identified in the periodic reports and other documents of Chevron and Unocal incorporated by reference into this proxy statement/ prospectus and listed in Additional Information for Stockholders Where You Can Find More Information.

Risk Factors Relating to the Merger

Unocal will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Unocal and consequently on Chevron. These uncertainties may impair Unocal s ability to attract, retain and motivate key personnel until the merger is consummated, and could cause customers, and others that deal with Unocal to defer purchases or other decisions concerning Unocal, or to seek to change existing business relationships with Unocal. Employee retention may be particularly challenging during the pendency of the merger, as employees may experience uncertainty about their future roles with Chevron. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Chevron, Chevron s business following the merger could be harmed. In addition, the merger agreement restricts Unocal from making certain acquisitions and taking other specified actions until the merger occurs. These restrictions may prevent Unocal from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled The Merger Agreement Covenants beginning on page 59 of this proxy statement/ prospectus for a description of the restrictive covenants applicable to Unocal.

The exchange ratio will not be adjusted in the event the value of Chevron common stock declines before the merger is completed. As a result, the value of the shares of Chevron common stock at the time that Unocal stockholders receive them could be less than the value of those shares today.

In the merger, Unocal stockholders will be entitled to elect to receive a combination of 0.7725 of a share of Chevron common stock and $16.25 in cash, 1.03 shares of Chevron common stock or $65 in cash. Chevron and Unocal will not adjust the exchange ratio for the portion of the merger consideration to be paid in Chevron common stock as a result of any change in the market price of Chevron common stock between the date of this proxy statement/ prospectus and the date that you receive shares of Chevron common stock in exchange for your shares of Unocal common stock. The market price of Chevron common stock will likely be different, and may be lower, on the date you receive your shares of Chevron common stock than the market price of shares of Chevron common stock as of the date of this proxy statement/ prospectus. Differences in Chevron s stock price may be the result of changes in the business, operations or prospects of Chevron, market reactions to the proposed merger, general market and economic conditions or other factors. If the market price of Chevron common stock declines after you vote, and you receive Chevron common stock as a portion of the merger consideration, you will be receiving less value than you expected when you voted. Neither Chevron nor Unocal is permitted to terminate the merger agreement or resolicit the vote of Unocal stockholders because of changes in the market prices of their respective common stocks.

You may not know the exact mix of consideration you will receive and might not be able to exchange your Unocal common stock without recognizing gain for federal income tax purposes.

The consideration to be received by Unocal stockholders in the merger is subject to proration to preserve the overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all outstanding shares of Unocal common stock taken together. If you elect to receive all of the merger consideration in shares of Chevron common stock and the all-stock election is oversubscribed, then you will receive a portion of the merger consideration in cash. Similarly, if you elect to receive all of the

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merger consideration in cash and the all-cash election is oversubscribed, then you will receive a portion of the merger consideration in shares of Chevron common stock. Accordingly, you may not receive exactly the type of consideration you elect to receive in the merger, which could result in, among other things, tax consequences that differ from those that would have resulted if you had received the form of consideration that you elected (including the potential recognition of gain for federal income tax purposes if you receive cash). A discussion of the proration mechanism can be found under the heading The Merger Agreement Merger Consideration and a discussion of the material federal income tax consequences of the merger can be found under the heading The Merger Material Federal Income Tax Consequences of the Merger.

If you deliver shares of Unocal common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the election deadline.

If you are a holder of Unocal common stock and wish to elect the type of merger consideration you prefer to receive in the merger, you must deliver your stock certificates and a properly completed and signed election form to the exchange agent prior to the election deadline, which is 5:00 p.m., Eastern time, on [ ], 2005. You will not be able to sell any shares of Unocal common stock that you have delivered unless you revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Unocal common stock for any reason until you receive cash or Chevron common stock, or both, in the merger. In the time between delivery of your shares and the closing of the merger, the trading price of Unocal or Chevron may increase or decrease, and you might otherwise want to sell your shares of Unocal to gain access to cash, make other investments, or reduce the potential for a decrease in the value of your investment. The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining required consents and approvals.

Failure to integrate Unocal successfully on a timely basis could reduce Chevron s profitability and adversely affect its stock price.

Chevron expects certain benefits to arise from the merger including revenue and proved crude oil and natural gas reserve improvements, and certain operating efficiencies and synergies. See The Merger Chevron s Reasons for the Merger. Achievement of these benefits will depend in part upon how and when the businesses of Chevron and Unocal are integrated. If Chevron is not successful in this integration, its financial results could be adversely impacted. Chevron s management may be required to dedicate significant time and effort to this integration process, which could divert their attention from other business concerns. The challenges involved in this integration include the following:

- obtaining the required approvals of various regulatory agencies, any of which could impose conditions or restrictions on its approval;
- minimizing the diversion of management attention from ongoing business concerns;
- addressing differences in the business cultures of Chevron and Unocal;
- coordinating and combining international operations, relationships, and facilities, which may be subject to additional complications resulting from operating in countries that are new to Chevron and geographic distance from other Chevron operations; and
- retaining key employees and maintaining key employee morale, particularly in areas where Chevron does not currently have personnel.

Some of the directors and executive officers of Unocal may have interests and arrangements that could have influenced their decisions to support or approve the merger.

The interests of some of the directors and executive officers of Unocal may be different from those of Unocal stockholders, and directors and officers of Unocal may have participated in arrangements that are

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different from, or in addition to, those of Unocal stockholders. These interests are described in more detail in the section of this proxy statement/ prospectus titled Interests of Unocal Directors and Executive Officers in the Merger beginning on page 51.

Unocal may need to obtain consents to change of control under agreements it has with some third parties as a result of the merger, and if it cannot obtain these consents, Unocal and/or Chevron may not be able to maintain these relationships on favorable terms or at all.

Unocal and Chevron are in the process of determining the need under some of Unocal s agreements for third-party consents to a change of control. If they are unable to obtain any required consents, Chevron may be forced to renegotiate these agreements or enter into new agreements with various third parties. Unocal agreements that potentially require consent include agreements with project finance lenders, production sharing agreement parties, revolving credit financers, and certain extenders of credit supporting the issuance of surety bonds, letters of credit and guaranties. There can be no assurance that Chevron will be able to negotiate new agreements on terms as favorable to it as those that Unocal had, or at all.

The merger agreement limits Unocal s ability to pursue alternatives to the merger.

The merger agreement contains provisions that make it more difficult for Unocal to sell its business to a party other than Chevron. These provisions include the prohibition on Unocal generally from soliciting any acquisition proposal or offer for a competing transaction, the requirement that Unocal pay termination fees of up to $500 million in the aggregate if the merger agreement is terminated in specified circumstances thereafter and an alternative transaction is entered into or completed and the requirement that Unocal submit the merger agreement and the merger to a vote of Unocal s stockholders even if the Unocal board changes its recommendation. See The Merger Agreement Covenants, The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Covenants Unocal Board s Recommendation to Stockholders.

Chevron required Unocal to agree to these provisions as a condition to Chevron s willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all of or a significant part of Unocal from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share market price than the current proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquiror proposing to pay a lower per share price to acquire Unocal than it might otherwise have proposed to pay.

The price of Chevron common stock may be affected by factors different from those affecting the price of Unocal common stock.

Holders of Unocal common stock may receive Chevron common stock in the merger and may thus become holders of Chevron common stock. Chevron s business is different in certain ways from that of Unocal, and Chevron s results of operations, as well as the price of Chevron common stock, may be affected by factors different from those affecting Unocal s results of operations and the price of Unocal common stock. The price of Chevron common stock may fluctuate significantly following the merger, including fluctuation due to factors over which Chevron has no control. For a discussion of Chevron s business and Unocal s business and certain factors to consider in connection with their businesses, including risk factors associated with their businesses, see Chevron s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and Unocal s Annual Report on Form 10-K for the fiscal year ended December 31, 2004, which are incorporated by reference into this proxy statement/prospectus.

Failure to complete the merger could negatively impact the stock price and the future business and financial results of Unocal.

Although Unocal has agreed that its board will, subject to fiduciary exceptions, recommend that stockholders approve the proposal relating to the merger, there is no assurance that this proposal will be

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approved, and there is no assurance that Chevron and Unocal will receive the necessary regulatory approvals or satisfy the other conditions to the completion of the merger. If the merger is not completed for any reason, Unocal will be subject to several risks, including the following:

- Unocal may be required to pay Chevron fees of up to $500 million in the aggregate if the merger agreement is terminated under certain circumstances and Unocal enters into an alternative transaction;
- The current market price of Unocal common stock may reflect a market assumption that the merger will occur, and a failure to complete the merger could result in a negative perception by the market of Unocal generally and a resulting decline in the market price of Unocal common stock;
- Many costs relating to the merger (such as legal, accounting and financial advisory fees) are payable by Unocal whether or not the merger is completed;
- There may be substantial disruption to the business of Unocal and a distraction of its management and employees from day-to-day operations, because matters related to the merger (including integration planning) may require substantial commitments of time and resources, which could otherwise have been devoted to other opportunities that could have been beneficial; and
- Unocal would continue to face the risks that it currently faces as a independent company, as further described in the documents that Unocal has filed with the SEC that are incorporated by reference into this proxy statement/ prospectus.

In addition, the company would not realize any of the expected benefits of having completed the merger. If the merger is not completed, these risks may materialize and materially adversely affect Unocal s business, financial results, financial condition and stock price.

The shares of Chevron common stock to be received by Unocal stockholders as a result of the merger will have different rights from the shares of Unocal common stock.

The rights associated with Unocal common stock are different from the rights associated with Chevron common stock. See the section of this proxy statement/prospectus titled Comparison of Stockholder Rights on page 73 for a discussion of the different rights associated with Chevron common stock.

Risk Factors Relating to Chevron

Chevron is a major fully integrated petroleum company with a diversified business portfolio, strong balance sheet, and a history of generating sufficient cash to fund capital and exploratory expenditures and to pay dividends. Nevertheless, some inherent risks could materially impact the company s financial results of operations or financial condition.

Chevron is exposed to the effects of changing commodity prices.

Chevron is primarily in a commodities business with a history of price volatility. The single largest variable that affects the company s results of operations is crude oil prices. Except in the ordinary course of running an integrated petroleum business, Chevron generally does not seek to hedge its exposure to the effects of changes to the price of crude oil. A significant, persistent decline in crude oil prices may have a material adverse effect on its results of operations and its capital and exploratory expenditure plans.

The scope of Chevron s business will decline if the company does not successfully develop resources.

Chevron is in an extractive business; therefore, if it is not successful in replacing the crude oil and natural gas it produces with good prospects for future production, the company s business will decline. Creating and maintaining an inventory of projects depends on many factors, including obtaining rights to explore, develop and produce hydrocarbons in promising areas, drilling success, ability to bring long lead-

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time, capital intensive projects to completion on budget and schedule, and efficient and profitable operation of mature properties.

Chevron s operations could be disrupted by natural or human factors.

Chevron operates in both urban areas and remote and sometimes inhospitable regions. The company s operations and facilities are therefore subject to disruption from either natural or human causes, including hurricanes, earthquakes, floods and other forms of severe weather, war, civil unrest and other political events, fires and explosions, any of which could result in suspension of operations or harm to people or the natural environment.

Chevron s business subjects the company to liability risks.

Chevron produces, transports, refines and markets materials with potential toxicity, and it purchases, handles and disposes of other potentially toxic materials in the course of the company s business. Chevron operations also produce byproducts, which may be considered pollutants. Any of these activities could result in liability, either as a result of an accidental, unlawful discharge or as a result of new conclusions on the effects of the company s operations on human health or the environment.

Political instability could harm Chevron s business.

Chevron s operations, particularly exploration and production, can be affected by changing economic, regulatory and political environments in the various countries in which it operates. As has occurred in the past, actions could be taken by host governments to increase public ownership of the company s partially or wholly owned businesses, and/or to impose additional taxes or royalties.

In some locations, host governments have imposed restrictions, controls and taxes, and in others, political conditions have existed that may threaten the safety of employees and the company s continued presence in those countries. Internal unrest, acts of violence or strained relations between a host government and the company or other governments may affect the company s operations. Those developments have, at times, significantly affected the company s related operations and results, and are carefully considered by management when evaluating the level of current and future activity in such countries. At December 31, 2004, approximately 27 percent of Chevron s proved reserves were located in Kazakhstan. The company also has significant interests in Organization of Petroleum Exporting Countries (OPEC)-member countries including Indonesia, Nigeria, Venezuela and the Partitioned Neutral Zone between Saudi Arabia and Kuwait. Approximately 25 percent of the company s net proved reserves, including affiliates, were located in OPEC countries at December 31, 2004.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the SEC filings that are incorporated by reference into this proxy statement/prospectus contain or incorporate by reference forward-looking statements that have been made pursuant to the provisions of, and in reliance on the safe harbor under, the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections. Words such as anticipates, expects, intends, plans, believes, seeks, could, should, will, and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In that event, Unocal s or Chevron s business, financial condition or results of operations could be materially adversely affected, and investors in Unocal s or Chevron s securities could lose part or all of their investment. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents. We are not obligated to update these statements or publicly release the result of any revision to them to reflect events or circumstances after the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents, or to reflect the occurrence of unanticipated events.

You should understand that the following important factors, in addition to those discussed elsewhere in this document and in the documents which are incorporated by reference, could affect the future results of Chevron and Unocal, and of the combined company after the merger, and could cause those results or other outcomes to differ materially from those expressed in our forward-looking statements:

Economic and Industry Conditions

- materially adverse changes in economic, financial or industry conditions generally or in the markets served by our companies
- the competitiveness of alternative energy sources or product substitutes
- actions of competitors
- crude oil and natural gas prices
- refining and marketing margins
- petrochemicals prices and competitive conditions affecting supply and demand for aromatics, olefins and additives products
- changes in demographics and consumer preferences

Transaction or Commercial Factors

- the outcome of negotiations with partners, governments, suppliers, unions, customers or others
- our ability to successfully integrate the operations of Chevron and Unocal after the merger and to minimize the diversion of management s attention and resources during the integration process
- the process of, or conditions imposed in connection with, obtaining regulatory approvals for the merger

Political/ Governmental Factors

- political instability or civil unrest in the areas of the world relating to our operations

political developments and laws and regulations, such as forced divestiture of assets, restrictions on production or on imports or exports, price controls, tax increases and retroactive tax claims, expropriation of assets, cancellation of contract rights, and environmental laws or regulations

potential liability for remedial actions under environmental regulations and litigation

Operating Factors

potential failure to achieve expected production from existing and future crude oil and natural gas development projects

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- potential delays in the development, construction or start-up of planned projects
- successful introduction of new products
- labor relations
- accidents or technical difficulties
- changes in operating conditions and costs
- weather and natural disasters

Advances in Technology

- crude oil, natural gas and petrochemical project advancement
- the development and use of new technology by us or our competitors

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THE MERGER

General

Unocal s board of directors is using this document to solicit proxies from the holders of Unocal common stock for use at the Unocal special meeting, where holders of Unocal common stock will be asked to vote upon approval and adoption of the merger agreement and the merger. In addition, Chevron is sending this document to Unocal stockholders as a prospectus in connection with the issuance of shares of Chevron common stock in exchange for Unocal common stock in the merger.

The Companies

Chevron. Chevron Corporation was incorporated in Delaware in 1926 as Standard Oil Company of California. In May 2005, the company changed its name from ChevronTexaco Corporation to Chevron Corporation. Chevron manages its investments in subsidiaries and affiliates and provides administrative, financial and management support to U.S. and foreign subsidiaries that, in the aggregate, engage in fully integrated petroleum operations, chemicals operations, coal mining, power and energy services. The company conducts business activities in the United States and approximately 180 other countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; refining crude oil into finished petroleum products; marketing crude oil, natural gas and the many products derived from petroleum; and transporting crude oil, natural gas and petroleum products by pipeline, marine vessel, motor equipment and rail car. Chemicals operations include the manufacture and marketing, by affiliates, of commodity petrochemicals for industrial uses, and the manufacture and marketing, by a consolidated subsidiary, of fuel and lubricating oil additives.

Chevron s exploration and production of crude oil, natural gas liquids and natural gas operations may be referred to as upstream activities. Refining, marketing and transportation may be referred to as downstream activities. The upstream and downstream activities of the company are widely dispersed geographically. The company has operations in North America, South America, Europe, Africa, Middle East, Central and Far East Asia, and Australia. Besides the large upstream and downstream businesses, the company s other comparatively smaller business segment is chemicals, which is conducted by the company s 50 percent-owned affiliate Chevron Phillips Chemical Company LLC (CPChem) and the wholly owned Chevron Oronite Company. CPChem has operations in the United States, Puerto Rico, Singapore, China, South Korea, Saudi Arabia, Qatar, Mexico and Belgium. Chevron Oronite is a fuel and lubricating-oil additives business that owns and operates facilities in the United States, France, the Netherlands, Singapore, Japan and Brazil and has equity interests in facilities in India and Mexico.

Blue Merger Sub. Blue Merger Sub Inc., a wholly owned subsidiary of Chevron, which we refer to as Merger Sub, was incorporated in Delaware on April 1, 2005 solely for the purpose of effecting the merger with Unocal. It has not carried on any activities other than in connection with the merger agreement. Blue Merger Sub s principal place of business is located at 6001 Bollinger Canyon Road, San Ramon, California 94583 and its telephone number is (925) 842-1000.

Unocal. Unocal Corporation was incorporated in Delaware in 1983 to operate as the parent entity of Union Oil Company of California, which was incorporated in California in 1890. Virtually all of Unocal s operations are conducted by Union Oil and its subsidiaries.

Unocal is one of the world s leading independent oil and gas exploration and production companies, with principal operations in North America and Asia. It is also a leading producer of geothermal energy and a provider of electrical power in Asia. Other activities include ownership in proprietary and common carrier pipelines, natural gas storage facilities and the marketing of hydrocarbon commodities.

Background of the Merger

The board of directors and senior management of Unocal have regularly discussed opportunities to maximize the potential of Unocal s portfolio of assets, as well as Unocal s overall position in the industry.

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See Unocal s Reasons for the Merger; Recommendation of Unocal s Board of Directors. In that regard, Unocal had in previous years considered the possibility of strategic transactions with various industry participants and had discussed with Chevron the possibility of a strategic business combination between the two companies.

In December 2004, the chairman and chief executive officer of a non-U.S. industry participant (to which we refer in this section as the initial potential acquiror) contacted Charles R. Williamson, Unocal s chairman and chief executive officer, and in the following weeks expressed his company s potential interest in an acquisition of Unocal. Mr. Williamson and other senior executives from Unocal discussed this matter generally with the initial potential acquiror during the following weeks.

On January 6, 2005, a major publication in the United Kingdom published a report indicating a potential bid for Unocal. U.S.-based media published similar reports on the following day. On January 6, David J. O Reilly, chairman and chief executive officer of Chevron, contacted Mr. Williamson to inquire whether Unocal was interested in discussing a potential strategic transaction with Chevron. Mr. Williamson indicated that Unocal was not at that time seeking offers for the company. During the following days, Mr. Williamson and the chairman and chief executive officer of the initial potential acquiror had additional communications in which they discussed the effect of the recent publicity, and the initial potential acquiror presented its views concerning the timing of a potential transaction.

On January 12, a senior executive from another non-U.S. industry participant (to which we refer in this section as the second potential acquiror), contacted Mr. Williamson and informed him that, if Unocal was considering a strategic transaction with another industry participant, his company might have an interest in exploring a potential acquisition of Unocal. Following further discussions between Mr. Williamson and that senior executive, Unocal and the second potential acquiror executed a confidentiality agreement on February 10. During the weeks following execution of the confidentiality agreement, members of senior management of Unocal and of the second potential acquiror exchanged information on a confidential basis (including face-to-face meetings). On January 24, Unocal retained Morgan Stanley as its financial advisor.

On February 7, Mr. O Reilly called Mr. Williamson to express Chevron s interest in a potential strategic transaction. Mr. Williamson informed Mr. O Reilly that, although Unocal was not soliciting offers, it had been approached by one or more companies and anticipated that acquisition proposals would be forthcoming. Mr. Williamson indicated that any such proposal would be evaluated by Unocal s board to determine the course of action that was in the best interests of Unocal s stockholders, and that any proposal that Chevron might decide to make would be evaluated in that light.

At a meeting of Unocal s board on February 8, Mr. Williamson reviewed his contacts to date, and the status of discussions, with each potential counterparty. The board also discussed general trends, and Unocal s overall position, in the oil and gas industry and the advisability of entering into a transaction of the nature that had been discussed with each of the three potential counterparties.

Mr. O Reilly subsequently called Mr. Williamson to propose a process for evaluating a possible transaction. Mr. O Reilly requested that Unocal negotiate with Chevron on an exclusive basis. Mr. Williamson informed Mr. O Reilly that although Unocal was willing to consider a proposal from Chevron, Unocal was not prepared to grant Chevron exclusivity. Mr. O Reilly proposed a period of mutual due diligence protected by a confidentiality agreement. Messrs. O Reilly and Williamson agreed to move forward on that basis to determine if a mutually satisfactory transaction could be developed. Within a matter of days, Chevron retained Pillsbury Winthrop Shaw Pittman LLP to serve as legal advisor and Lehman Brothers Inc. to serve as financial advisor.

Unocal and Chevron executed a confidentiality agreement and, during the week of February 14, Unocal began to provide non-public information to Chevron in response to its various requests (including face-to-face meetings).

On February 16, Unocal s board met and was updated on the status of discussions with each of the three parties that had contacted Unocal and expressed interest in a business combination. The board also

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discussed the anticipated timing for receiving definitive proposals from each of those parties. At this meeting, the board authorized Unocal s senior management to continue discussions with the three potentially interested parties and engaged Wachtell, Lipton, Rosen & Katz as legal counsel.

On February 23, the Chevron board of directors met and, after presentations by management and outside financial advisors and legal counsel and discussion of the presentations, authorized Mr. O Reilly to make a proposal to Unocal. On February 26, Mr. O Reilly met with Mr. Williamson and delivered a written proposal, subject to customary conditions (such as due diligence and approval of definitive agreements), contemplating an all-stock merger at an exchange ratio of 0.94 share of Chevron common stock per share of Unocal common stock.

On February 25, Mr. Williamson was contacted by the chairman and chief executive officer of the initial potential acquiror, who indicated a strong interest in commencing a more detailed due diligence review of Unocal. After executing a confidentiality agreement with the initial potential acquiror, Unocal, directly and through its financial advisor, began providing non-public information to the initial potential acquiror and its financial advisor. During this time, Unocal, directly and through its financial advisor, also continued to provide non-public information to the second potential acquiror.

On February 27, the board of directors of Unocal met to discuss the status of the interest in Unocal of each of the three parties, including the proposal from Chevron. At this meeting, the board directed senior management to inform Chevron that the terms of its February 26 proposal were not sufficiently attractive to warrant pursuing a transaction. The board also authorized Unocal s senior management to continue discussions with the two other interested parties with a view to promptly developing proposals from each of those parties.

On March 1, Mr. Williamson advised Mr. O Reilly that the Unocal board had determined to decline Chevron s offer and that Unocal desired more broadly to evaluate its options. Mr. O Reilly asked Mr. Williamson to contact him if Unocal s thinking changed. Senior management of Unocal contacted the initial potential acquiror and the second potential acquiror and requested preliminary proposals by March 7. Within Chevron, Mr. O Reilly suspended the work of the team evaluating a possible Unocal transaction.

On March 7, Unocal was contacted by the initial potential acquiror and the second potential acquiror. A senior executive of the second potential acquiror orally indicated to Mr. Williamson that the second potential acquiror was considering a cash transaction at a price in the high $50s per share, but cautioned that this indication was subject to further internal discussions and that the second potential acquiror was not yet prepared to make a proposal. The initial potential acquiror submitted a written preliminary proposal, subject to conditions such as due diligence and negotiation of definitive agreements, for a cash transaction at a price of $59 to $62 per share. It indicated that the acquisition would be financed through bank debt and available cash, and attached to its proposal letters from financing sources preliminarily expressing their willingness to provide acquisition financing for the initial potential acquiror.

On March 8, the Unocal board met and was briefed on the communications of the previous day. At the conclusion of the board s discussion and evaluation, the board instructed senior management to continue to develop and seek to improve proposals from the initial potential acquiror and the second potential acquiror. To that end, the board instructed Unocal management to continue furnishing non-public information about Unocal to each of those parties as requested. After the board meeting, senior management of Unocal, as well as Unocal s financial advisor, contacted representatives from the second potential acquiror and its financial advisor and indicated to that party that the price range that the second potential acquiror was considering, if developed into a proposal on the terms that had been communicated to Unocal on March 7, would not be the most attractive of Unocal s strategic options. The second potential acquiror indicated that it was not prepared to submit to Unocal a formal proposal or to increase its contemplated price substantially at that time but requested an opportunity to revisit the matter prior to Unocal s decision regarding a transaction.

Unocal s representatives also requested that the initial potential acquiror increase its proposed cash price to above the upper end of its indicated range and informed the initial potential acquiror that Unocal

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would respond promptly to any requests for additional legal and business due diligence. The initial potential acquiror s advisors performed legal due diligence at the offices of Unocal s legal advisor beginning on March 14, and members of senior management of the parties held face-to-face meetings from March 12 to March 15.

On March 14 and 15, major U.S. publications reported potential bids for Unocal, this time identifying a number of bidders, including Chevron. On March 18, the second potential acquiror indicated to Unocal a willingness to explore a higher price than it had initially indicated and to present to Unocal in due course a proposal to that effect. During the week of March 21, the second potential acquiror performed both legal and business due diligence at the offices of Unocal s legal advisor.

During the week of March 21, Unocal s legal advisor sent a draft merger agreement to the initial potential acquiror and the second potential acquiror and engaged in negotiations with legal advisors for each of those bidders relating to the terms of the proposed agreement. At that time, Mr. Williamson also communicated to each of those bidders that Unocal s board was scheduled to meet on March 30 to consider final proposals.

On March 28, Mr. Williamson informed Mr. O Reilly that Unocal was engaged in negotiations with other bidders and expected that proposals from those bidders would be considered at the board s March 30 meeting. Mr. Williamson indicated to Mr. O Reilly that if Chevron wished to make an improved proposal, it should do so in time for the proposal to be considered at the March 30 meeting of Unocal s board. Mr. O Reilly interpreted that conversation to mean that Unocal would entertain an offer from Chevron.

On March 29, Chevron made a revised all-stock proposal at an exchange ratio of 1.03 shares of Chevron common stock per Unocal common share and also delivered a proposed merger agreement to Unocal. On that same day, the chairman and chief executive officer of the initial potential acquiror communicated to Mr. Williamson that his company would not present a proposal for consideration at the March 30 board meeting and his expectation that his company would not be prepared to submit a proposal for a period of up to several weeks, but that his company would endeavor to significantly accelerate its anticipated timing.

On March 30, a senior executive from the second potential acquiror orally communicated to Mr. Williamson a proposal to acquire Unocal at a price of $58 in cash per share. He indicated that this proposal remained conditioned on board approval and that the proposal had not been presented to or discussed with the board of directors of the second potential acquiror. The Unocal board met that day to evaluate the various proposals. Representatives of senior management and Unocal s financial and legal advisors were also present and discussed with the board the terms of the proposal received from Chevron and the most recent discussions with the two other bidders, including the consideration indicated by the second potential acquiror, the absence of any assurance that the second potential acquiror would receive the requisite board approvals to submit a definitive proposal to, or to engage in an acquisition transaction with, Unocal and the existence of open issues in the draft merger agreement with the second potential acquiror. With regard to the Chevron proposal, management and Unocal s legal advisors informed the board that the terms of the proposed merger agreement would require significant changes to provide satisfactory assurance of consummation. Mr. Williamson also discussed with the board the desirability of including some cash in the consideration proposed by Chevron. After discussing these matters, the board instructed senior management to request a definitive proposal from the initial potential acquiror no later than April 2, and to inform the second potential acquiror that Unocal was not prepared to pursue the potential transaction proposed by the second potential acquiror. The board also instructed senior management to continue discussions with Chevron and to engage in a due diligence examination of Chevron. Unocal s legal advisors continued negotiations of a merger agreement with each of Chevron and the initial potential acquiror. On that same day, Mr. Williamson also informed a senior executive of the second potential acquiror of the board s view of the second potential acquiror s proposal.

On March 31, Mr. Williamson contacted Mr. O Reilly and arranged for a team of Unocal personnel, led by Unocal s executive vice president and chief financial officer, Terry G. Dallas, to conduct financial and operating due diligence with respect to Chevron. Mr. Williamson also informed Mr. O Reilly that the

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Unocal board would meet again on April 2, at which time it would likely make a final decision as to whether to pursue a proposed transaction.

On April 1, Mr. Williamson spoke with the chairman and chief executive officer of the initial potential acquiror, who said he expected that the matters that had resulted in the initial potential acquiror s not submitting a proposal prior to the March 30 board meeting would be resolved in time for the initial potential acquiror to submit a definitive acquisition proposal for consideration by Unocal s board at its April 2 meeting.

Also on April 1, a member of Chevron s senior management reported to Mr. O Reilly that, based on discussions during the prior day s due diligence meeting with Unocal, he believed Unocal would look more favorably upon an offer that included a cash component. Later that day, Mr. O Reilly reiterated to Mr. Williamson Chevron s desire to pursue a strategic merger and indicated a willingness to include a cash component in the transaction.

Early on the morning of April 2, the chairman and chief executive officer of the initial potential acquiror informed Mr. Williamson that his company was not prepared to present a proposal at that time and requested that, in the event the board opted not to pursue a transaction in April, Mr. Williamson inform and consider the initial potential acquiror in future discussions.

On April 2, Mr. O Reilly convened a meeting of the Chevron board of directors at which Chevron personnel again presented the operational and financial case for the proposed acquisition. The meeting also included presentations by Chevron s legal counsel and financial advisor. After discussion, the board authorized Mr. O Reilly to submit a revised proposal for a combination with Unocal that would provide for the conversion of outstanding Unocal shares into (i) 0.7725 of a share of Chevron common stock and $16.25 in cash per Unocal share, (ii) Chevron common stock at an exchange ratio of 1.03 Chevron shares per Unocal share, or (iii) $65 in cash per Unocal share, all subject to proration to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all of the outstanding shares of Unocal common stock taken together. Mr. O Reilly sent Mr. Williamson a letter memorializing the revised offer later that afternoon. Chevron s legal counsel also delivered a revised merger agreement to Unocal s legal counsel.

On the evening of April 2, the Unocal board met to discuss the Chevron proposal as well as the most recent communications with the initial potential acquiror. At this meeting, Unocal s financial advisor summarized its financial analyses relating to the Chevron proposal and, at the conclusion of its presentation, noted that, absent any material changes in the merger proposal, it would be prepared to deliver its opinion regarding the fairness from a financial point of view of the consideration proposed by Chevron in the revised merger agreement to holders of Unocal common stock. After discussing the terms of Chevron s revised proposal, the board authorized Unocal s management to continue negotiations with Chevron and to seek to finalize a definitive merger agreement to be presented to the board the following evening, April 3. Mr. Williamson then called Mr. O Reilly to advise of the Unocal board s decision. Negotiations between Unocal and Chevron on the revised merger agreement commenced the following morning.

On the evening of April 3, the Unocal board met to discuss and evaluate the Chevron proposal in light of the revised merger agreement, which had been negotiated by Unocal s senior management and legal counsel since the Unocal board meeting of April 2. After a detailed discussion with counsel of the terms of the proposed agreement and receipt of Morgan Stanley s oral fairness opinion (which was confirmed in writing as of April 4, 2005), the Unocal board approved the merger and the merger agreement with Chevron.

At 4:30 a.m., Pacific time, on April 4, Messrs. O Reilly and Williamson signed the agreement and shortly thereafter announced the transaction to the public through a joint press release issued before the opening of trading.

On June 22, Unocal received a merger proposal from CNOOC Limited, an affiliate of China National Offshore Oil Company, to acquire all outstanding shares of Unocal for $67 in cash. The board of directors

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of Unocal met telephonically on June 22 to discuss developments relating to the CNOOC Limited proposal and the merger with Chevron. On that date, Unocal announced that the recommendation of its board of directors in favor of the merger with Chevron remained in effect and that it intended to evaluate the CNOOC proposal in a manner consistent with the board of directors fiduciary duties and Unocal s obligations under the merger agreement with Chevron. On June 23, Chevron granted Unocal a waiver under the merger agreement enabling Unocal to engage in discussions with CNOOC and its representatives at any time prior to the date of the Unocal stockholder vote on the merger with Chevron. Unocal announced that it intended promptly to commence discussions with CNOOC, although there is no assurance that an agreement with CNOOC would be reached. Unocal intends to update its stockholders regarding the CNOOC proposal as developments warrant.

Unocal s Reasons for the Merger; Recommendation of Unocal s Board of Directors

The Unocal board of directors, at a special meeting held on April 3, 2005, determined that the merger and the merger agreement are advisable, fair to and in the best interests of Unocal and its stockholders. **Accordingly, the Unocal board unanimously recommends that you vote FOR approval and adoption of the merger and the merger agreement at the special meeting and any adjournment of the special meeting.**

In the course of making this determination and its recommendation, the board consulted with management, as well as its financial and legal advisors, and considered a number of factors, including the following:

the board s familiarity with, and understanding of, Unocal s business, financial condition, results of operations, current business strategy and earnings and prospects and of Chevron s business, financial condition, results of operations, business strategy and earnings (including the report of Unocal s management and financial advisor on the results of their due diligence review of Chevron);

the board s understanding of the current and prospective markets in which Unocal operates, including global, national and local economic conditions, the competitive landscape for oil and gas industry participants generally and the likely effect of these factors on Unocal in light of, and in the absence of, the merger;

the board s understanding, and management s review, of Unocal s current and prospective holdings, including Unocal s international and deepwater assets, and the board s and management s views concerning maximizing the future benefits relating to these holdings in view of Unocal s size and position in the oil and gas industry. In this regard, Unocal s board and management believe that:

- maximizing Unocal s unique international asset base would require very significant capital outlays and the assumption of a degree of risk and potential volatility in the results of the business that in each case would be borne significantly more readily if the company were larger and more diversified; and
- by virtue of its financial and technical resources and geographic scope, Chevron would be better positioned, and therefore more likely, to develop these prospects without subjecting Chevron to the same degree of volatility;

management s review, and the board s understanding, of the geopolitical risks inherent in Unocal s asset portfolio, and of the likelihood that a business combination with Chevron would diversify these risks significantly. In this regard, the board noted that on a barrels of oil-equivalent basis, as of December 31, 2004, approximately 67 percent of Unocal s oil and gas production and approximately 74 percent of Unocal s proved oil and gas reserves were located outside the United States;

the fact that, because most of the merger consideration is payable in the form of Chevron shares, Unocal stockholders will have the opportunity to participate in the performance of the combined post-merger company. In that regard, the Unocal board understood that the volatility of prices for oil and gas would cause the value of the merger consideration to fluctuate, perhaps significantly, but

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was of the view that on a long-term basis it would be desirable for stockholders to have an opportunity to retain some continuing investment in the post-merger combined company. Unocal s board and management noted that the combined company was expected to be highly competitive across all key aspects of the energy sector and would benefit from the integration of Unocal s and Chevron s complementary businesses and strategies and from the combined expertise of each company s personnel. The board noted specifically the strengthening of the combined company s operations in the following core geographic areas:

- the Asia-Pacific region, where, after the merger, Chevron is expected to be in the top tier of natural gas producers and marketers, the top oil and gas producer in Thailand and will have an enhanced presence in key areas such as Indonesia;

- the Gulf of Mexico, where, after the merger, Chevron is expected to have an enhanced position in terms of available assets and deepwater opportunities;

- the Caspian Region, where the acquisition will give Chevron the second-largest interest in oil producing operations in the Azerbaijan International Operating Company and will broaden Chevron s status as a leading oil company in that region.

The board also noted the key ongoing business strategies shared by each of the companies, including:

- maintaining focus on high-impact exploration and growth and leveraging Unocal s advantaged positions in the Gulf of Thailand and deepwater Indonesia;

- building large-scale businesses in Asia and pursuing regional expansion in Asia in general;

- continuing exploration and development efforts in the Gulf of Mexico deepwater; and

- the greater likelihood of pursuing these strategies effectively, in light of the market conditions and the oil and gas industry landscape, if the companies were combined;

the board s belief, supported by the views and information provided by Unocal s management and financial advisor, that Unocal s stock price following the publication in early 2005 of news reports relating to a potential transaction (see Background of the Merger) reflected, in part, takeover speculation and therefore was higher than Unocal s unaffected trading price, and that the consideration offered by Chevron in the merger represented a premium to the unaffected trading price of Unocal common stock;

the board s understanding, and management s review, of overall market conditions, including then-current and prospective commodity prices and Unocal s unaffected trading price, and the board s determination that, in light of these factors, the timing of a potential transaction was favorable to Unocal;

the fact that the dividend yield of Chevron common stock is considerably higher than that of Unocal, and the board s expectation that Unocal stockholders who receive Chevron common stock in the merger would receive higher annual dividends than the dividends paid with respect to Unocal s common stock;

the potential savings from operational synergies and reduced corporate expenses, currently estimated by Chevron to be approximately $325 million before tax annually, and the related potential impact of these savings on the combined company s earnings;

the review by the board with Unocal s legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement, including the blend of cash and stock consideration, the covenants of each party and the conditions to consummation of the merger;

the quantitative analyses of the financial terms of the merger presented to the board by Unocal s financial advisor;

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the opinion of Unocal s financial advisor that, as of the date of that opinion, and based upon and subject to the qualifications, assumptions and limitations in the opinion, the consideration to be received by holders of Unocal s common stock in the merger agreement was fair from a financial point of view to those stockholders (see Opinion of Unocal s Financial Advisor);

the expectation that the merger would qualify as a reorganization for federal income tax purposes.

The Unocal board of directors also considered potential risks associated with the merger in connection with its evaluation of the proposed transaction, including:

the risks of the type and nature described under Risk Factors ;

the challenges of integrating the businesses and operations of the two companies, and the risk that the anticipated cost savings and other expected synergies may not be achieved as and when planned;

with respect to the equity component of the consideration, the volatility of trading prices of oil and gas companies, which typically corresponds to changes in commodity prices, and the fact that the fixed exchange ratio, by its nature, would not adjust upwards to compensate for declines, or downwards to compensate for increases, in Chevron s stock price prior to completion of the merger; and that the terms of the merger agreement did not include collar provisions or stock-price-based termination rights that would be triggered by a decrease in the value of the equity component of the merger consideration attributable to the Chevron stock price;

the interests of certain of Unocal s officers and directors described under Interests of Unocal Directors and Executive Officers in the Merger ;

the restrictions on the conduct of Unocal s business prior to the consummation of the merger, requiring Unocal to conduct its business in the ordinary course consistent with past practice and in a manner not involving the entry by Unocal into businesses that are materially different from the businesses of Unocal on the date of the merger agreement, subject to specific limitations, which may delay or prevent Unocal from undertaking business opportunities that may arise pending completion of the merger;

the requirement that Unocal submit the merger agreement to its stockholders even if the Unocal board withdraws its recommendation, which could delay or prevent Unocal from pursuing a superior proposal if one were to become available; and

the risk, which is common in transactions of this type, that the terms of the merger agreement, including provisions relating to Unocal s payment of a termination fee under specified circumstances, might discourage other parties that could otherwise have an interest in a business combination with, or an acquisition of, Unocal from proposing such a transaction (see The Merger Agreement Termination of the Merger Agreement).

In view of the variety of factors and the quality and amount of information considered as well as the complexity of these matters, the board did not find it practicable to, and did not attempt to, make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. The Unocal board conducted an overall analysis of the factors described above, including thorough discussion with, and questioning of, Unocal management and Unocal s legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination. The board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Individual members of the board may have given different weight to different factors.

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Chevron s Reasons for the Merger

Chevron believes that a merger with Unocal presents Chevron with the opportunity

- to acquire a portfolio of high quality upstream exploration and production assets that complement Chevron s core areas worldwide, including the Asia-Pacific, Gulf of Mexico and Caspian regions;
- to improve Chevron s resource base, including through the addition of 1.75 billion barrels of oil-equivalent proved reserves; and
- to achieve synergies through the rationalization of duplicate activities, highgrading the combined company s investment programs and sharing best practices.

Accounting Treatment

The combination of the two companies will be accounted for as an acquisition of Unocal by Chevron using the purchase method of accounting.

The purchase price (reflecting the cash consideration and the weighted average price of Chevron s common stock two days before, two days after and on the day of the announcement of Monday, April 4, 2005) will be allocated to Unocal s identifiable assets and liabilities based on their respective estimated fair values at the closing date of the acquisition, and any excess of the purchase price over those fair values will be accounted for as goodwill. The valuation of Unocal s assets and liabilities and the finalization of plans for restructuring after the closing of the merger have not yet been completed. The allocation of the purchase price reflected in this proxy statement/prospectus may be revised as additional information becomes available.

Material Federal Income Tax Consequences of the Merger

The following is a summary of the material United States federal income tax consequences of the merger to U.S. holders of Unocal common stock. This summary does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. The summary is based on the Code, United States Treasury regulations promulgated thereunder, administrative rulings and court decisions in effect as of the date of this proxy statement/prospectus, all of which are subject to change at any time, possibly with retroactive effect.

For purposes of this summary, the term U.S. holder means:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any of its political subdivisions;
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury regulations to be treated as a United States person; or
- an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership holds Unocal common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If a U.S. holder is a partner in a partnership holding Unocal common stock, such holder should consult its tax advisor.

This discussion only addresses Unocal stockholders that hold their shares of Unocal common stock as a capital asset within the meaning of Section 1221 of the Code. Further, this summary does not address all aspects of United States federal income taxation that may be relevant to a Unocal stockholder in light of such holder s particular circumstances or that may be applicable to holders subject to special treatment under United States federal income tax laws (including, for example, non-United States persons, financial

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institutions, dealers in securities, insurance companies, tax-exempt entities, holders who acquired Unocal common stock pursuant to the exercise of employee stock options or otherwise as compensation, holders subject to the alternative minimum tax provisions of the Code, and holders who hold Unocal common stock as part of a hedge, straddle, constructive sale or conversion transaction). In addition, no information is provided herein with respect to the tax consequences of the merger under applicable state, local or non-United States laws.

HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE MERGER TO THEM, INCLUDING THE EFFECTS OF UNITED STATES FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.

The merger has been structured to qualify as a reorganization under Section 368(a) of the Code for United States federal income tax purposes. It is a condition to each party s obligation to consummate the merger that it receive an opinion from its tax counsel, dated as of the closing date of the merger, to the effect that the merger will be treated for federal income tax purposes as a reorganization qualifying under the provisions of Section 368(a) of the Code. These opinions will be based on representation letters provided by Chevron and Unocal to be delivered at the time of closing.

No ruling has been or will be sought from the Internal Revenue Service as to the United States federal income tax consequences of the merger, and the opinions of counsel are not binding upon the Internal Revenue Service or any court. Accordingly, there can be no assurances that the Internal Revenue Service will not disagree with or challenge any of the conclusions described herein.

Assuming the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, the material United States federal income tax consequences of the merger to U.S. holders of Unocal common stock are, in general, as follows:

Holders Who Receive Solely Chevron Common Stock. A holder of Unocal common stock will not recognize gain or loss upon receipt of Chevron common stock solely in exchange for Unocal common stock, except with respect to cash received in lieu of fractional shares of Chevron common stock (as discussed below). The aggregate tax basis of the shares of Chevron common stock received (including any fractional shares deemed received and exchanged for cash) will be equal to the aggregate tax basis in the shares of Unocal common stock surrendered. The holding period of the Chevron common stock received (including any fractional shares deemed received and exchanged for cash) will include the holding period of the shares of Unocal common stock surrendered.

Holders Who Receive Solely Cash. The exchange of Unocal common stock solely for cash generally will result in recognition of gain or loss by the holder in an amount equal to the difference between the amount of cash received and the holder s tax basis in the Unocal common stock surrendered. The gain or loss recognized will be long-term capital gain or loss if, as of the effective date of the merger, the holder s holding period for the Unocal common stock surrendered exceeds one year. The deductibility of capital losses is subject to limitations. In some cases, if a holder actually or constructively owns Chevron common stock after the merger, the cash received could be treated as having the effect of the distribution of a dividend under the tests set forth in Section 302 of the Code, in which case such holder may have dividend income up to the amount of the cash received. In such cases, holders that are corporations should consult their tax advisors regarding the potential applicability of the extraordinary dividend provisions of the Code.

Holders Who Receive a Combination of Chevron Common Stock and Cash. If the holder s adjusted tax basis in the Unocal common stock surrendered is less than the sum of the fair market value, as of the closing date of the merger, of the Chevron common stock and the amount of cash received by the holder, then the holder will recognize gain in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the Chevron common stock received, minus the adjusted tax basis of the Unocal common stock surrendered in exchange therefor, and (2) the amount of cash received by the holder in the merger. However, if a holder s adjusted tax basis in the Unocal common stock surrendered is greater than the sum of the amount of cash and the fair market value of the Chevron common stock

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received, the holder s loss will not be currently allowed or recognized for United States federal income tax purposes. If a holder of Unocal common stock acquired different blocks of Unocal common stock at different times or different prices, the holder should consult the holder s tax advisor regarding the manner in which gain or loss should be determined. Any recognized gain generally will be long-term capital gain if, as of the effective date of the merger, the holder s holding period with respect to the Unocal common stock surrendered exceeds one year. In some cases, if the holder actually or constructively owns Chevron common stock other than Chevron common stock received in the merger, the recognized gain could be treated as having the effect of the distribution of a dividend under the tests set forth in Section 302 of the Code, in which case such gain would be treated as dividend income. In such cases, holders that are corporations should consult their tax advisors regarding the potential applicability of the extraordinary dividend provisions of the Code. The aggregate tax basis of the Chevron common stock received (including any fractional shares deemed received and exchanged for cash) by a holder that exchanges its shares of Unocal common stock for a combination of Chevron common stock and cash will be equal to the aggregate adjusted tax basis of the shares of Unocal common stock surrendered, reduced by the amount of cash received by the holder (excluding any cash received instead of fractional shares of Chevron common stock) and increased by the amount of gain, if any, recognized by the holder (excluding any gain recognized with respect to cash received in lieu of fractional shares of Chevron common stock) on the exchange. The holding period of the Chevron common stock received (including any fractional shares deemed received and exchanged for cash) will include the holding period of the Unocal common stock surrendered. Holders receiving a combination of Chevron common stock and cash should consult their tax advisors regarding the manner in which cash and Chevron common stock should be allocated among the holder s shares of Unocal common stock and the manner in which the above rules would apply in the holder s particular circumstances.

Cash in Lieu of Fractional Shares. A holder of Unocal common stock who receives cash in lieu of a fractional share of Chevron common stock generally will be treated as having received such fractional share in the merger and then as having received cash in exchange for such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the tax basis allocated to such fractional share of Chevron common stock. Such gain or loss generally will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares is greater than one year.

Backup Withholding and Information Reporting. Payments of cash made in connection with the merger may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28 percent, unless a holder of Unocal common stock provides proof of an applicable exemption or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder s federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

Regulatory Matters

U.S. Antitrust. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and the related rules, the merger may not be completed until notifications have been submitted to the FTC and the Antitrust Division of the U.S. Department of Justice, furnishing them with certain information, and specified waiting period requirements have been satisfied. Chevron and Unocal submitted the applicable forms on April 19, 2005. The FTC has assumed responsibility to conduct the federal antitrust review of the proposed transaction. On May 19, 2005, the FTC issued a Request for Additional Information and Documentary Material to Chevron and Unocal, thereby extending the waiting period until 30 days after the parties have complied with the request, unless terminated earlier by the FTC. Chevron and Unocal entered into separate consent agreements with the FTC to address antitrust issues associated with the proposed transaction and to resolve pending litigation between Unocal and the FTC concerning Unocal s patents for reformulated gasoline, or the RFG patents.

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Under the terms of the proposed consent agreements, Chevron and Unocal will cease enforcing Unocal s RFG patents, will not undertake any new enforcement efforts related to the patents, and will cease all attempts to collect damages, royalties, or other payments related to the use of any of the patents. These obligations will become effective on the date the merger is consummated. Within 30 days of the effective date of the merger, the companies will file the necessary documents with the U.S. Patent and Trademark Office to disclaim or dedicate to the public the remaining term of the relevant U.S. patents. In addition, the companies will move to dismiss all pending legal actions related to alleged infringement of the RFG patents, including the two actions currently pending before the U.S. District Court for the District of California. The agreements will expire 20 years after the date they become final.

The FTC accepted the consent agreements for public comment on June 10 and placed the consents on the public record for a 30 day public comment period, which expires on July 9, 2005. After reviewing the public comments, if any, the FTC can vote to enter the consent agreements as Final Orders or withdraw from the proposed consent agreements. If it determines to withdraw from the consent agreements, the FTC may seek to exercise its authority to challenge the merger by seeking a federal court order temporarily enjoining the transaction pending conclusion of an administrative hearing. The FTC may also proceed with an administrative proceeding if the injunction is denied, and if the merger is found to be anticompetitive, challenge it after the fact. If the consent agreements are withdrawn, we can give no assurance that a challenge to the merger will not be made or, if such a challenge is made, that it would be unsuccessful.

With the acceptance of the proposed consent agreements for public comment, the FTC granted early termination of the HSR Act waiting period on June 10, 2005. This termination of the HSR Act waiting period satisfies a condition to the merger. See The Merger Agreement Conditions to the Completion of the Merger on page 66.

Other Laws. Chevron and Unocal conduct operations in a number of jurisdictions where other regulatory filings or approvals may be required or advisable in connection with the completion of the merger. We have made filings in Brazil, Canada and the Netherlands, and we presently expect to file in Argentina. On May 24, 2005, Chevron and Unocal received the requisite Canadian approvals in the form of an Advance Ruling Certificate from the Canadian Competition Bureau. We are currently in the process of reviewing whether other filings or approvals may be required or desirable in other jurisdictions. We recognize that some of these filings may not be completed before the closing, and that some of these approvals, which are not as a matter of practice required to be obtained prior to effectiveness of a merger transaction, may not be obtained prior to the closing.

General. While we believe that we will receive the remaining requisite regulatory approvals and clearances for the merger, it is possible that governmental entities having jurisdiction over Chevron and Unocal may challenge, withhold approval or prohibit the merger on antitrust grounds, or seek regulatory concessions as conditions for granting approval of the merger. If any regulatory body s approval contains terms which would result in or be reasonably likely to result in a substantial detriment, Chevron or Unocal can decline to close under the merger agreement. We can give no assurance that the required regulatory approvals will be obtained on terms that satisfy the conditions to closing of the merger or within the time frame contemplated by Chevron and Unocal. See The Merger Agreement Conditions to the Completion of the Merger on page 66.

Appraisal Rights

Under Delaware law, holders of shares of Unocal common stock who do not wish to accept the merger consideration may elect to have the fair value of their shares of Unocal common stock judicially determined and paid in cash, together with a fair rate of interest, if any. The valuation will exclude any element of value arising from the accomplishment or expectation of the merger. A stockholder may only exercise these appraisal rights by complying with the provisions of Section 262 of the Delaware General Corporation Law.

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The following summary of the provisions of Section 262 of the Delaware General Corporation Law is not a complete statement of the law pertaining to appraisal rights under the Delaware General Corporation Law, and is qualified in its entirety by reference to the full text of Section 262 of the Delaware General Corporation Law, a copy of which is attached to this proxy statement/ prospectus as Annex C. If you wish to exercise appraisal rights or wish to preserve your right to do so, you should carefully review Section 262 and are urged to consult a legal advisor.

All references in Section 262 and in this summary to a stockholder are to the record holder of shares of Unocal common stock as to which appraisal rights are asserted. A person having a beneficial interest in shares of Unocal common stock held of record in the name of another person, such as a broker or nominee, must act promptly to cause the record holder to follow properly the steps summarized below and in a timely manner to perfect appraisal rights.

Under Section 262, where a proposed merger is to be submitted for approval at a meeting of stockholders, as in the case of Unocal s special meeting, Unocal, not less than twenty days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that these appraisal rights are available and include in the notice a copy of Section 262. This proxy statement/ prospectus constitutes notice to the Unocal stockholders and the applicable statutory provisions of the Delaware General Corporation Law are attached as Annex C to this proxy statement/ prospectus.

If you wish to exercise the right to demand appraisal under Section 262 of the Delaware General Corporation Law, you must satisfy each of the following conditions:

You must deliver to Unocal a written demand for appraisal of your shares of Unocal common stock before the vote on the merger agreement at Unocal s special meeting. This demand will be sufficient if it reasonably informs Unocal of your identity and that you intend by that writing to demand the appraisal of your shares. Voting against, abstaining from voting on or failing to vote on the proposal to adopt the merger agreement will not constitute a written demand for appraisal within the meaning of Section 262. The written demand for appraisal must be in addition to and separate from any proxy you deliver or vote you cast in person.

You must not vote your shares of Unocal common stock in favor of the merger agreement. A proxy that does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement. Therefore, if you vote by proxy and wish to exercise appraisal rights, you must vote against the adoption of the merger agreement or mark your proxy card to indicate that you abstain from voting on the adoption of the merger agreement.

You must continuously hold your shares of Unocal common stock from the date of making the demand through the completion of the merger. If you are the record holder of shares of Unocal common stock on the date the written demand for appraisal is made but you thereafter transfer those shares prior to the completion of the merger, you will lose any right to appraisal in respect of those shares.

Only a holder of record of shares of Unocal common stock is entitled to demand an exercise of appraisal rights for those shares registered in that holder s name. Therefore, demand for appraisal should be executed by or on behalf of the stockholder of record, fully and correctly, as its name appears on the share transfer records of Unocal.

If the shares of Unocal common stock are owned of record by a person in a fiduciary capacity, such as a trustee, guardian or custodian, the demand should be executed in that capacity. If the shares are owned of record by more than one person as in a joint tenancy or tenancy in common, the demand should be executed by or on behalf of all of the owners. An authorized agent, including an agent for two or more joint owners, may execute a demand for appraisal on behalf of a stockholder; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, the

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agent is acting as agent for such owner or owners. A record holder, such as a broker, who holds shares as nominee for several beneficial owners may exercise appraisal rights with respect to the shares held for one or more beneficial owners while not exercising these rights with respect to the shares held for one or more other beneficial owners. In that case, the written demand should set forth the number of shares as to which appraisal is sought, and where no number of shares is expressly mentioned the demand will be presumed to cover all shares held in the name of the record owner.

Stockholders who hold their shares of Unocal common stock in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine appropriate procedures for making a demand for appraisal.

A stockholder who elects to exercise appraisal rights under Section 262 should mail or deliver a written demand to:

Unocal Corporation
Corporate Secretary
2141 Rosecrans Avenue, Suite 4000
El Segundo, California 90245

Any stockholder who wishes to assert appraisal rights should not submit an election form, as doing so will be considered a withdrawal of any previously filed written demand for appraisal.

Within ten days after the completion of the merger, Chevron must send a notice as to the completion of the merger to each of Unocal s former stockholders who has made a written demand for appraisal in accordance with Section 262 and who has not voted to adopt the merger agreement. Within 120 days after the completion of the merger, but not after that date, either Chevron or any stockholder who has complied with the requirements of Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the value of common stock held by all stockholders demanding appraisal of their shares. Chevron is under no obligation to, and has no present intent to, file a petition for appraisal, and stockholders seeking to exercise appraisal rights should not assume that Chevron will file a petition or that it will initiate any negotiations with respect to the fair value of the shares. Accordingly, stockholders who desire to have their shares appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262. Since Chevron has no obligation to file a petition, the failure of affected stockholders to do so within the period specified could nullify any previous written demand for appraisal.

Within 120 days after the completion of the merger, any stockholder that complies with the provisions of Section 262 to that point in time will be entitled to receive from Chevron, upon written request, a statement setting forth the aggregate number of shares of Unocal common stock not voted in favor of the adoption of the merger agreement and with respect to which Unocal received demands for appraisal and the aggregate number of holders of those shares. Chevron must mail this statement to the stockholder by the later of ten days after receipt of the request and ten days after expiration of the period for delivery of demands for appraisals under Section 262. As used in this paragraph and throughout the remainder of this section, references to Chevron mean the corporation that survives the merger.

A stockholder who timely files a petition for appraisal with the Delaware Court of Chancery must serve a copy upon Chevron. Chevron must, within 20 days, file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded appraisal of their shares of Unocal common stock and who have not reached agreements with it as to the value of their shares. After notice to stockholders as may be ordered by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine which stockholders are entitled to appraisal rights. The Delaware Court of Chancery may require stockholders who have demanded an appraisal for their shares of Unocal common stock and who hold shares represented by certificates to submit their certificates to the Register in Chancery for notation on the certificates of the

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pendency of the appraisal proceedings, and if any stockholder fails to comply with the requirement, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

After determining which stockholders are entitled to an appraisal, the Delaware Court of Chancery will appraise the fair value of their shares of Unocal common stock. This value will exclude any element of value arising from the accomplishment or expectation of the merger, but will include a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. The costs of the action may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable. However, costs do not include attorneys or expert witness fees. Upon application of a stockholder, the Delaware Court of Chancery may also order that all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding be charged pro rata against the value of all of the shares entitled to appraisal. These expenses may include, without limitation, reasonable attorneys fees and the fees and expenses of experts. Stockholders considering seeking appraisal should be aware that the fair value of their shares as determined under Section 262 could be more than, the same as, or less than the value of the merger consideration they would be entitled to receive pursuant to the merger agreement if they did not seek appraisal of their shares. Stockholders should also be aware that investment banking opinions as to fairness from a financial point of view are not opinions as to fair value under Section 262.

In determining fair value and, if applicable, a fair rate of interest, the Delaware Court of Chancery is to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that fair price obviously requires consideration of all relevant factors involving the value of a company.

Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 to mean that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered. Any stockholder who has duly demanded an appraisal in compliance with Section 262 will not, after the completion of the merger, be entitled to vote the shares of Unocal common stock subject to that demand for any purpose or be entitled to the payment of dividends or other distributions on those shares. However, stockholders will be entitled to dividends or other distributions payable to holders of record of shares of Unocal common stock as of a record date prior to the completion of the merger.

Any stockholder may withdraw its demand for appraisal and accept the merger consideration by delivering to Chevron a written withdrawal of the stockholder s demands for appraisal. Any attempt to withdraw made more than 60 days after the effectiveness of the merger will require the written approval of Chevron and no appraisal proceeding before the Delaware Court of Chancery as to any stockholder will be dismissed without the approval of the Delaware Court of Chancery, and this approval may be conditioned upon any terms the Delaware Court of Chancery deems just. If Chevron does not approve a stockholder s request to withdraw a demand for appraisal when the approval is required or if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder would be entitled to receive only the appraised value determined in any such appraisal proceeding. This value could be higher or lower than, or the same as, the value of the merger consideration.

Failure to follow the steps required by Section 262 of the Delaware General Corporation Law for perfecting appraisal rights may result in the loss of appraisal rights, in which event you will be entitled to receive the consideration with respect to your dissenting shares in accordance with the merger agreement.

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In view of the complexity of the provisions of Section 262 of the Delaware General Corporation Law, if you are considering exercising your appraisal rights under the Delaware General Corporation Law, you are urged to consult your own legal advisor.

Federal Securities Laws Consequences; Stock Transfer Restriction Agreements

This proxy statement/prospectus does not cover any resales of the Chevron common stock to be received by the stockholders of Unocal upon completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any such resale.

All shares of Chevron common stock received by Unocal stockholders in the merger will be freely transferable, except that shares of Chevron common stock received by persons who are deemed to be affiliates of Unocal under the Securities Act of 1933, as amended, at the time of the Unocal meeting may be resold by them only in transactions permitted by Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of Unocal for such purposes generally include individuals or entities that control, are controlled by or are under common control with Unocal and include directors and executive officers of Unocal. The merger agreement requires Unocal to use its reasonable best efforts to cause its affiliates to execute a written agreement to the effect that they will not sell, assign, transfer or otherwise dispose of any of the shares of Chevron common stock issued to them in the merger in violation of the Securities Act or the related SEC rules.

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OPINION OF UNOCAL S FINANCIAL ADVISOR

Unocal retained Morgan Stanley to act as its financial advisor and to provide a financial fairness opinion to the board of directors of Unocal in connection with the merger. The board of directors selected Morgan Stanley to act as its financial advisor based on Morgan Stanley s qualifications, expertise, reputation and its knowledge of the business of Unocal. At the meetings of the board of directors on April 2 and April 3, 2005, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing as of April 4, 2005, that based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration to be received by the holders of shares of Unocal common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of Morgan Stanley s opinion, dated April 4, 2005, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the reviews undertaken in rendering its opinion is attached as Annex B to this proxy statement/prospectus. The summary of Morgan Stanley s fairness opinion set forth in this proxy statement/ prospectus is qualified in its entirety by reference to the full text of the opinion. Stockholders should read this opinion carefully and in its entirety. Morgan Stanley s opinion is directed to the board of directors of Unocal, addresses only the fairness from a financial point of view of the consideration to be received by holders of Unocal common stock pursuant to the merger agreement, and does not address any other aspect of the merger. Morgan Stanley s opinion does not constitute a recommendation to any stockholders of Unocal as to how such stockholders should vote with respect to the proposed transaction or what election they should make with respect to the consideration offered.

In connection with rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of Unocal and Chevron;
- reviewed certain internal financial statements and other financial and operating data, including internal oil and gas reserve and production estimates, concerning Unocal prepared by the management of Unocal;
- reviewed certain financial projections prepared by the management of Unocal;
- discussed the past and current operations and financial condition and the prospects of Unocal, including internal oil and gas reserve and production estimates, with senior management of Unocal;
- reviewed certain internal financial statements and other financial and operating data, including internal oil and gas production estimates, concerning Chevron prepared by the management of Chevron;
- reviewed certain financial projections prepared by the management of Chevron;
- discussed the past and current operations and financial condition and the prospects of Chevron, including internal oil and gas production estimates, with senior management of Chevron;
- reviewed the pro forma impact of the merger on Chevron s earnings per share, cash flow per share, return on capital employed, and oil and gas reserves and production;
- reviewed the reported prices and trading activity for Unocal Common Stock and for Chevron Common Stock;
- compared the financial performance of Unocal and the prices and trading activity of Unocal Common Stock with that of certain other comparable publicly-traded companies and their securities;

compared the financial performance of Chevron and the prices and trading activity of Chevron Common Stock with that of certain other comparable publicly-traded companies and their securities;

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reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

reviewed certain reserve reports prepared by Unocal;

discussed certain information prepared by the management of Unocal relating to strategic, financial and operational benefits anticipated from the merger and the strategic rationale for the merger with senior management of Unocal;

participated in discussions among representatives of Unocal, Chevron and certain other parties;

reviewed the draft merger agreement and certain related documents; and

performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information supplied or otherwise made available to Morgan Stanley by Unocal for the purposes of its opinion. With respect to the financial projections and other financial and operating data, Morgan Stanley assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Unocal and Chevron. Morgan Stanley relied without independent verification on the assessment by the management of Unocal of the strategic rationale of the merger, including information related to certain strategic, financial and operational benefits anticipated from the merger. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without material modification, waiver or delay, including, among other things, that the merger will be treated as a tax-free reorganization pursuant to the Internal Revenue Code of 1986, as amended. Morgan Stanley assumed that in connection with the receipt of all the necessary regulatory approvals for the proposed merger, no restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Unocal or Chevron. With respect to the reserve estimates and reports referred to above, Morgan Stanley is not an expert in the engineering evaluation of oil and gas properties and, with the Unocal board s consent, it relied, without independent verification, solely upon the internal reserve estimates of Unocal. In addition, Morgan Stanley is not a legal, regulatory or tax expert and it relied, without independent verification, on the assessment of Unocal and Chevron and their advisors with respect to such matters. Morgan Stanley s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, April 4, 2005.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its opinion dated as of April 4, 2005. In connection with arriving at its opinion, Morgan Stanley considered all of its analyses as a whole and did not attribute any particular weight to any analysis described below. Some of these summaries include information in tabular format. In order to understand fully the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses.

In arriving at its opinion regarding the consideration to be paid to holders of Unocal common stock, Morgan Stanley calculated the implied blended merger consideration. This calculation was made on the basis that, in the aggregate, 25% of the consideration in the merger would consist of $65.00 in cash for each share of Unocal common stock and 75% of the consideration in the merger would consist of 1.03 shares of Chevron common stock for each share of Unocal common stock. As a result, Morgan Stanley calculated that the implied blended merger consideration was $62.07 per share of Unocal common stock as of April 1, 2005, which was the sum of $16.25 in cash (which equals 0.25 multiplied by $65.00) plus $45.82 (which equals 0.75 multiplied by 1.03 multiplied by $59.31, the closing price of Chevron common stock on April 1, 2005). Morgan Stanley also calculated the implied blended merger exchange ratio by dividing the implied blended merger consideration of $62.07 by the per share closing price of Chevron common stock of $59.31 on April 1, 2005 which yielded a ratio of 1.0465x.

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Historical Share Price Analysis

Morgan Stanley performed an historical share price analysis to obtain background information and perspective with respect to the relative historical share prices of Unocal and Chevron common stock. Consequently, Morgan Stanley reviewed the historical price performance of Unocal and Chevron common stock from April 1, 2004 through April 1, 2005. For the period from April 1, 2004 through April 1, 2005, the closing price of Unocal s common stock ranged from $34.26 to $64.35 and Chevron s common stock ranged from $43.98 to $62.08. Morgan Stanley noted that the closing price of Unocal common stock on April 1, 2005 was $64.35 per share and the closing price of Chevron common stock was $59.31 per share. Morgan Stanley also noted that the per share implied blended merger consideration was $62.07 as of April 1, 2005.

Unaffected Price and Unaffected Exchange Ratio Analysis

Morgan Stanley noted that Unocal s common stock price had been affected by rumors appearing in the financial press and performed an analysis to estimate the unaffected price of Unocal common stock. Morgan Stanley calculated the market value weighted average return between January 5, 2005, the day prior to the first news article regarding a possible transaction in the Financial Times, and April 1, 2005 for the common stock of those companies that are comparable to Unocal (see the list of comparable companies described under Comparable Company Analysis below). Based upon and subject to the foregoing, Morgan Stanley calculated a market value weighted average return of 33.0%. Morgan Stanley then applied the market value weighted average return to the closing price of Unocal common stock on January 5, 2005 of $41.19. This calculation yielded an implied unaffected price of $54.77.

In addition, Morgan Stanley also analyzed the unaffected exchange ratio using the closing price of Unocal common stock of $41.19 and closing price of Chevron common stock of $50.88 on January 5, 2005. Morgan Stanley divided the Unocal common stock price of $41.19 by Chevron s stock price of $50.88 to derive the unaffected exchange ratio of 0.8096x.

Morgan Stanley noted that the implied blended merger consideration for Unocal common stock was $62.07 per share and that the implied blended merger exchange ratio was 1.0465x, both as of April 1, 2005.

The following table displays the implied percentage premium of the $62.07 implied blended merger consideration as of April 1, 2005 as compared to Unocal s closing common stock prices over various periods. The following analysis was performed to provide perspective on the historical trading price of Unocal common stock versus the implied merger consideration.

Per Share Merger Consideration Value as Compared to Unocal s Common Stock Price:

Consideration Value(1)	4/1/05	Unaffected(2)	10 Day Avg.	30 Day Avg.	60 Day Avg.	90 Day Avg.	LTM High	LTM Low	LTM Avg.
$62.07	(3.5)%	13.3%	1.6%	5.7%	16.9%	24.4%	(3.5)%	81.2%	45.7%

LTM = Last Twelve Months

(1) As of April 1, 2005.

(2) Calculation of unaffected price of $54.77 described in Unaffected Price and Unaffected Exchange Ratio Analysis paragraph above.

The following table displays the implied percentage premium of the 1.0465 implied blended merger exchange ratio as of April 1, 2005 as compared to the exchange ratio implied by Unocal s and Chevron s closing common stock prices over various periods. The following analysis was performed to provide

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perspective on the historical exchange ratio of Unocal and Chevron common stock versus the implied blended merger exchange ratio.

	Implied Merger Exchange Ratio as Compared to Period Average Exchange Ratio:								
Implied Merger Exchange Ratio(1)	**4/1/05**	**Unaffected(2)**	**10 Day Avg.**	**30 Day Avg.**	**60 Day Avg.**	**90 Day Avg.**	**LTM High**	**LTM Low**	**LTM Avg**
$62.07	(3.5)%	29.3%	1.0%	5.8%	12.2%	16.7%	(3.5)%	41.8%	26.2%

(1) As of April 1, 2005.

(2) Calculation of unaffected exchange ratio of 0.8096x described in Unaffected Price and Unaffected Exchange Ratio Analysis paragraph above.

Analyst Price Targets

Morgan Stanley reviewed the range of publicly available equity research analyst price targets for Unocal. This analysis resulted in a range of values of $45.00 to $75.00 per share of Unocal common stock. Morgan Stanley noted that the per share implied blended merger consideration was $62.07 as of April 1, 2005.

Comparable Company Analysis

Morgan Stanley performed a comparable company analysis, which attempts to provide an implied value for Unocal by comparing it to similar companies. For purposes of its analysis, Morgan Stanley reviewed certain public market trading multiples for the following eight public companies which, based on its experience with companies in the energy industry, Morgan Stanley considered similar to Unocal in size and business mix:

Amerada Hess Corp.

Anadarko Petroleum Corp.

Apache Corp.

Burlington Resources Inc.

Devon Energy Corp.

EOG Resources Inc.

Marathon Oil Corp.

Occidental Petroleum Corp.

Selected multiples, which are commonly used by participants and investors in the energy industry, for Unocal and each of the comparable companies were reviewed in this analysis. The selected multiples analyzed for these companies included the following:

the per share price divided by 2005 and 2006 estimated cash flow per share

the per share price divided by 2005 estimated earnings per share

the aggregate trading value divided by 2005 estimated EBITDAX

EBITDAX is net earnings before interest, taxes, depreciation, depletion and amortization, impairments, exploration expenses, dry hole costs, special items and the cumulative effect of accounting changes. Morgan Stanley calculated these financial multiples and ratios based on publicly available financial data as of April 1, 2005.

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A summary of the range of market trading multiples of the comparable companies and those multiples calculated for Unocal are set forth below:

Metric	Comparable Companies Range of Multiples	Average	Unocal
Price/2005E Earnings	10.3x - 17.1x	12.0x	13.5x
Price/2005E Cash Flow	4.6x - 6.9x	5.6x	6.3x
Price/2006E Cash Flow	4.3x - 6.7x	5.6x	6.5x
Aggregate Value/2005E EBITDAX	4.8x - 6.6x	5.3x	5.2x

E = estimated.

Morgan Stanley, based on its experience with mergers and acquisitions and companies in the energy industry and taking into account the ranges expressed above, selected for its comparable company analysis of Unocal, a representative multiple range of per share price divided by 2005E cash flow of 4.7x to 5.7x and a range of aggregate value divided by 2005E EBITDAX of 4.5x to 5.5x.

Based upon and subject to the foregoing, Morgan Stanley calculated an implied valuation range for Unocal common stock of $48.50 to $58.75 per share based on a price divided by 2005 cash flow multiple range and $55.00 to $68.25 based on an aggregate value divided by 2005 estimated EBITDAX multiple range. Morgan Stanley noted that the per share implied blended merger consideration was $62.07 per share as of April 1, 2005.

Morgan Stanley also reviewed and analyzed certain public market trading multiples for public companies similar to Chevron from a size and business mix perspective. For purposes of this analysis, Morgan Stanley identified the following six publicly traded companies which, based on its experience with companies in the energy industry, Morgan Stanley considered similar to Chevron in size and business mix:

BP plc

ConocoPhillips

Eni SpA

ExxonMobil Corp.

Royal Dutch/ Shell Group

Total S.A.

The selected multiples analyzed for these companies included the following:

the per share price divided by 2005 and 2006 estimated earnings per share

the per share price divided by 2005 estimated cash flow per share

The aggregate market value divided by 2005 estimated EBITDAX

Morgan Stanley calculated these financial multiples and ratios based on publicly available financial data as of April 1, 2005.

A summary of the range of market trading multiples of the comparable companies and those multiples calculated for Chevron are set forth below:

Metric	Comparable Companies Range of Multiples	Average	Chevron
Price/ 2005E Earnings	9.3x - 14.9x	12.3x	11.0x
Price/ 2006E Earnings	10.5x - 15.1x	13.1x	12.2x
Price/ 2005E Cash Flow	6.0x - 10.5x	7.6x	7.6x
Aggregate Value/ 2005E EBITDAX	4.7x - 7.0x	5.9x	5.0x

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Although the foregoing companies were compared to Unocal and Chevron for purposes of this analysis, Morgan Stanley noted that no company utilized in this analysis is identical to Unocal or Chevron because of differences between the business mix, regulatory environment, operations and other characteristics of Unocal, Chevron and the comparable companies. In evaluating the comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, regulatory, market and financial conditions and other matters, many of which are beyond the control of Unocal and Chevron, such as the impact of competition on the business of Unocal and Chevron and on the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Unocal and Chevron or the industry or in the markets generally. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using comparable company data.

Sum-of-the-Parts Analysis

Morgan Stanley analyzed Unocal as the sum of its constituent business units, or as the sum of its parts, to determine an implied valuation range for Unocal common stock. Morgan Stanley valued Unocal s businesses in a Sum-of-the-Parts analysis by combining two methods:

Discounted Cash Flow Method. Morgan Stanley analyzed each individual Unocal business using a discounted cash flow analysis. This discounted after-tax unlevered free cash flow analysis, calculated as of December 31, 2004, was based on company projections. Additionally, Morgan Stanley performed sensitivities, including production profiles and oil prices, on the projections provided by Unocal management. The range of discount rates utilized in this analysis was 8% to 12%, which was chosen based upon an analysis of the weighted average cost of capital of Unocal and other comparable companies.

Multiple Method. For selected business units, Morgan Stanley also reviewed and compared various actual and forecasted financial and operating information of these businesses with that of various precedent transactions which shared certain characteristics with these businesses. Based upon the aggregate transaction value divided by proved reserves in these precedent transactions and Morgan Stanley s experience in mergers and acquisitions in the energy industry, Morgan Stanley estimated reference valuation metric ranges for these business units. Morgan Stanley then calculated the potential implied after-tax valuation range for these business units.

Morgan Stanley calculated the Sum-of-the-Parts valuation range by adding the ranges of implied value per share of Unocal common stock for each business unit utilizing results of both methods and Unocal s assessment of the risks associated with achieving such results. Based upon and subject to the foregoing, Morgan Stanley calculated an implied Sum-of-the-Parts valuation range for Unocal common stock of $48.00 to $66.50 per share. Morgan Stanley noted that the per share acquisition consideration for Unocal common stock was $62.07 per share as of April 1, 2005.

Selected Precedent Transaction Analysis

Morgan Stanley reviewed and compared the proposed financial terms and the premia implied in the Chevron/ Unocal merger to corresponding publicly available financial terms and premia of selected transactions. In selecting these transactions Morgan Stanley reviewed corporate transactions since January 1, 2000 to the present in the energy industry. In its analysis, Morgan Stanley reviewed the following precedent transactions as of the announcement date:

1/26/2005 Cimarex/ Magnum Hunter

12/16/2004 Noble/ Patina

6/9/2004 Petro-Canada/ Prima Energy

5/24/2004 Forest/ Wiser

5/4/2004 Pioneer/ Evergreen

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4/15/2004 EnCana/ Tom Brown

4/7/2004 Kerr-McGee/ Westport Resources

2/12/2004 Plains/ Nuevo

2/24/2003 Devon/ Ocean

9/4/2001 Devon/ Anderson Exploration

8/14/2001 Devon/ Mitchell Energy

7/10/2001 Amerada Hess/ Triton Energy

5/29/2001 Conoco/ Gulf Canada Resources

5/14/2001 Kerr-McGee/ HS Resources

5/7/2001 Williams/ Barrett

12/22/2000 Marathon/ Pennaco

12/21/2000 ENI SpA; Agip/ LASMO

5/26/2000 Devon Energy/ Santa Fe Snyder

4/3/2000 Anadarko/ Union Pacific Resources

No transaction utilized in the selected precedent transactions analysis is identical to the merger. In evaluating the transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Unocal or Chevron, such as the impact of competition on Unocal or Chevron and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Unocal or Chevron or in the financial markets in general. Mathematical analysis, such as determining the mean or median, or the high or the low, is not in itself a meaningful method of using comparable transaction data.

Morgan Stanley derived from these selected transactions a reference range of premia paid relative to the trading share prices four weeks prior to and trading share prices one day prior to the deal announcement for transactions announced in two different periods of time. For transactions announced before January 1, 2003, the premium paid relative to the share price four weeks prior to deal announcement ranged from 17.6% to 75.0% with a mean of 45.0%, while the premium paid relative to the share price one day prior to deal announcement ranged from 5.8% to 51.0% with a mean of 30.9%. For transactions announced after January 1, 2003, the premium paid relative to the share price four weeks prior to deal announcement ranged from 2.7% to 33.7% with a mean of 17.8%, while the premium paid relative to the share price one day prior to deal announcement ranged from -3.2% to 32.2% with a mean of 12.0%. Morgan Stanley then selected a premia range of 10% to 30% based on the precedent transactions as listed above and applied that range to the unaffected Unocal common stock price of $54.77, which resulted in a valuation range of $60.25 to $71.25 per share of Unocal stock. Morgan Stanley also applied the 10% to 30% premia range to the unaffected exchange ratio of 0.8096x, which resulted in a valuation ranging from of $52.75 to $62.50 per share of Unocal stock based on Chevron s common stock price as of April 1, 2005.

In addition, Morgan Stanley derived from these selected transactions a reference range of aggregate value divided by year 1 EBITDAX multiple range for transactions announced in two different periods of time. The aggregate value

divided by year 1 EBITDAX multiple range for transaction announced before January 1, 2003 ranged from 4.1x to 10.0x with a mean of 6.1x. The aggregate value divided by year 1 EBITDAX multiple range for transaction announced after January 1, 2003 ranged from 4.0x to 8.3x with a mean of 6.0x. Morgan Stanley then selected a aggregate value divided by year 1 EBITDAX multiple range of 5.0x to 6.5x based on the precedent transactions as listed above and applied that range to Unocal 2005E EBITDAX which resulted in a valuation range of $61.50 to $81.50.

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Morgan Stanley noted that the per share implied blended merger consideration was $62.07 as of April 1, 2005.

Contribution Analysis

Morgan Stanley compared the contribution, based on research analyst estimates and I/ B/ E/ S estimates, of each of Unocal and Chevron to pro forma combined company statistics. The implied contribution by Unocal, based on a variety of operating and market statistics, ranged from 4.0% to 15.2%. Based on an exchange ratio of 1.03 and assuming 100% stock consideration, the pro forma ownership of the combined company by Unocal stockholders was approximately 11.8%.

Pro Forma Analysis

In connection with its pro forma analysis, Morgan Stanley analyzed a number of illustrative transaction structures and price levels for a potential transaction and calculated the pro forma impact on key financial metrics for Chevron for these illustrative structures and price levels. The final transaction structure and price levels were within the range considered in Morgan Stanley s analysis.

Morgan Stanley analyzed the pro forma impact of the acquisition on Chevron s pro forma earnings per share and pro forma cash flow per share. Such analysis was based on 2005 and 2006 earning and cash flow projections based on I/B/E/S estimates. The analysis assumed purchase prices of $61.09 and $62.28 per share of Unocal common stock, which represented exchange ratios of 1.03x and 1.05x respectively based on per share closing price of Chevron s common stock on April 1, 2005. The analysis also assumed three scenarios of consideration mix: 100% equity, 25% cash and 75% equity, and 50% cash and 50% equity. In addition, the analysis assumed annual pretax synergies of $300 million. Based upon and subject to the foregoing, Morgan Stanley observed that the earnings per share impact of the merger for Chevron stockholders ranged from 0.9% accretion to 3.1% dilution in 2005 and 0.1% dilution to 3.8% dilution in 2006. Morgan Stanley also observed that the cash flow per share impact of the acquisition for Chevron stockholders ranged from 4.1% accretion to 9.2% accretion in 2005 and 3.9% accretion to 8.9% accretion in 2006. The analysis did not take into account any one-time charges.

Furthermore, Morgan Stanley analyzed the pro forma impact of the merger on Chevron s return on capital employed in 2006. Such analysis was based on 2006 earning projections based on I/B/E/S estimates. The analysis assumed purchase prices of $61.09 and $62.28 per share of Unocal common stock, which represented exchange ratios of 1.03x and 1.05x respectively based on the per share closing price of Chevron s common stock on April 1, 2005. Based on these assumptions, Morgan Stanley calculated the pro forma return on capital employed ranged from 18.4% to 18.6% in 2006 compared to an estimated return on capital employed for Chevron on a standalone basis of 23.5%.

Morgan Stanley performed a variety of financial and comparable analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not susceptible to partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered. Furthermore, Morgan Stanley believes that the summary provided and the analyses described above must be considered as a whole and that selecting any portion of the analyses, without considering all of them, would create an incomplete view of the process underlying Morgan Stanley s analysis and opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Morgan Stanley with respect to the actual value of Unocal or Chevron or their common stock.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to the industry performance, general business, regulatory and economic conditions and other matters, many of which are beyond the control of Morgan Stanley, Unocal or Chevron. Any estimates contained in the analysis of Morgan Stanley are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates. The analyses performed were prepared solely as part of the analyses of Morgan Stanley of the fairness of the consideration to be received by

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holders of shares of Unocal common stock pursuant to the merger agreement from a financial point of view, and were prepared in connection with the delivery by Morgan Stanley of its opinion on April 4, 2005 to Unocal s board of directors.

The merger consideration was determined through arm s-length negotiations between Unocal and Chevron and was approved by Unocal s board of directors. Morgan Stanley provided advice to Unocal during these negotiations. Morgan Stanley did not, however, recommend any specific merger consideration to Unocal or that any specific merger consideration constituted the only appropriate merger consideration for the merger.

Morgan Stanley s opinion and its presentation to Unocal s board of directors was one of many factors taken into consideration by Unocal s board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of Unocal s board of directors with respect to the merger consideration or of whether Unocal s board of directors would have been willing to agree to a different merger consideration. Moreover, these analyses do not purport to be appraisals or to reflect the prices at which shares of common shares of Unocal might actually trade. The foregoing summary does not purport to be a complete description of the analyses performed by Morgan Stanley.

Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate, estate and other purposes. In the ordinary course of its business, Morgan Stanley and its affiliates may from time to time trade in the securities or the indebtedness of Unocal, Chevron and their affiliates or any currencies or commodities (or derivative thereof) for its own account, the accounts of investment funds and other clients under the management of Morgan Stanley and for the accounts of its customers and accordingly, may at any time hold a long or short position in such securities, indebtedness, currencies or commodities (or derivative thereof) for any such account. In the past, Morgan Stanley and its affiliates have provided financial advisory and financing services for both Unocal and Chevron and have received fees from Chevron for the rendering of these services. Morgan Stanley may also seek to provide such services to Chevron in the future and may receive fees in connection with such services.

Pursuant to an engagement letter dated February 17, 2005, Unocal has agreed to pay Morgan Stanley a customary transaction fee of approximately $29 million (based on closing stock prices as of June 20, 2005), a significant portion of which is contingent upon the consummation of the merger. Unocal has also agreed to reimburse Morgan Stanley for its fees and expenses incurred in performing its services. In addition, Unocal has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley s engagement and any related transactions.

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INTERESTS OF UNOCAL DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER

In considering the recommendation of the Unocal board of directors with respect to the merger agreement and any adjournment of the special meeting, Unocal stockholders should be aware that certain members of the management of Unocal and the Unocal board have interests in the merger that may be different from, or in addition to, the interests of the other stockholders of Unocal generally. The Unocal board of directors was aware of these interests and considered them, among other matters, in reaching its decisions to approve the merger agreement and to recommend that Unocal s stockholders vote in favor of approving the merger agreement and any adjournment of the special meeting.

Indemnification; Directors and Officers Insurance

Chevron has agreed to cause the surviving corporation in the merger to indemnify, for six years after the effective time of the merger, to the greatest extent permitted by law on April 4, 2005, the individuals who on or before the effective time of the merger were officers, directors and employees of Unocal or its subsidiaries with respect to all acts or omissions before the effective time of the merger by these individuals in these capacities or taken at the request of Unocal or its subsidiaries. Chevron has further agreed to cause the surviving corporation to honor all of Unocal s indemnification agreements, including under Unocal s bylaws, in effect on April 4, 2005. Chevron has also agreed to provide, for six years after the effective time of the merger, directors and officers liability insurance in respect of acts or omissions occurring before the effective time of the merger covering each person currently covered by Unocal s directors and officers liability insurance policy on terms with respect to coverage and in amounts no less favorable than those of the policy in effect on April 4, 2005, at an aggregate annual premium not to exceed 300 percent of the annual premium rate paid by Unocal and its subsidiaries as of April 4, 2005 for such insurance. If the aggregate annual premium for the equivalent coverage would be more than 300 percent of the April 4, 2005 level, then Chevron will only provide the coverage that is available at the 300 percent level. See The Merger Agreement Covenants Indemnification and Insurance of Unocal Directors and Officers on page 64.

Employment Contracts

Unocal is a party to employment agreements with Charles Williamson, Joseph Bryant, Terry Dallas, Samuel Gillespie and Randolph Howard that contain change-of-control severance provisions. The completion of the merger will be a change of control for purposes of these agreements. The employment agreements for Messrs. Williamson, Bryant, Dallas and Gillespie provide that, in the event that any of the executives is terminated by Unocal without cause or following an alteration of the employee s employment or compensation situation, as set forth in the employment agreements (referred to in this discussion as a termination without cause), the executive will be entitled to a lump sum payment equal to the sum of (i) 3.18 times (2.12 times, in the case of Mr. Howard) the greater of the executive s annual salary as set forth in the employment agreement or in effect as of the date of termination and (ii) 3 times (2 times, in the case of Mr. Howard) the executive s target bonus applicable as of the beginning of the calendar year in which the termination without cause occurs. The employment agreements also provide for either continued medical, dental, life and disability insurance coverage for two years following termination without cause or, at the election of Unocal, an additional lump sum payment of $25,000. In the event of an executive s termination without cause within 24 months following a change of control (as defined in the employment agreements), the executives would also be entitled to an amount equal to the increase in the lump sum value of their benefits under Unocal s qualified and nonqualified retirement plans that would result if three years were added to their benefit service and ages under such plans.

Under the employment agreements, if any payments or distributions to the executives (whether payable pursuant to the employment agreements or otherwise) would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (referred to in this discussion as the Code), then, subject to the following sentence, the executive will receive an additional payment such that he is placed in the same after-tax position as if no excise tax had been imposed. If Unocal s distributions and payments to be made that are contingent on a change of control do not exceed 110 percent of the greatest amount

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that could be paid to the executive without the executive being subject to the excise tax, then no gross-up payment will be made and the payments will be reduced to the maximum amount that could be paid to the executive without subjecting him to the tax.

Equity Compensation Awards

Upon a change in control of Unocal, such as completion of the merger, unvested stock options will become vested and restricted stock will vest in full. Performance shares generally will be paid out at not less than the target number of shares, subject to the limitation that the fair market value of the shares paid out may not exceed 400 percent of the fair market value of the initial award of performance shares. In addition, directors restricted stock units will become vested, and directors vested stock units, restricted stock units and deferral units will become payable unless the director has elected otherwise.

The following table shows the unvested stock options outstanding at June 20, 2005 that would become vested and restricted stock and performance shares outstanding at June 20, 2005 that would be paid out for Unocal s named executive officers in the event of a change in control in accordance with the relevant award agreements.

	Unvested Options at June 20, 2005			
Name	**Number of Shares Underlying Options**	**Weighted Average Price**	**Outstanding Restricted Stock at June 20, 2005**	**Outstanding Performance Shares at June 20, 2005**
Mr. Williamson	113,475	$ 49.31	107,373	150,729
Mr. Bryant	200,000	46.44	19,692	16,342
Mr. Dallas	18,913	49.31	19,554	39,291
Mr. Gillespie	29,091	44.64	21,284	16,560
Mr. Howard	25,287	40.08	13,418	21,981

The treatment of outstanding Unocal stock options in the merger is discussed under The Merger Agreement Merger Consideration Treatment of Unocal Options and Equity Awards beginning on page 58.

Qualified Plans

Retirement Plan. Each of Unocal s executive officers is a participant in the Unocal Retirement Plan. Upon the occurrence of a change of control, such as completion of the merger, each participant in the Retirement Plan will vest in his or her accrued benefit under the retirement plan. In addition, in the event that a participant in the retirement plan who has at least five years of vesting service under the retirement plan incurs an involuntary termination of employment (other than for death, disability or misconduct) or a constructive discharge (in each case, as defined in the retirement plan) during the two-year period following the completion of the merger, the participant will receive 36 months of additional service credit under the retirement plan, and the participant will be credited with three additional years or age for the purpose of determining his or her entitlement to early retirement benefits and the amount of such benefits. In addition, the participant s monthly compensation for purposes of determining his or her benefit under the retirement plan will be the average of the 12-month period (rather than the 36-month period, which applies in other circumstances) during which the participant had the highest compensation within his or her most recent 10 years of employment.

Savings Plan. Each of Unocal s executive officers is a participant in the Unocal Savings Plan. Upon the occurrence of a change of control, such as completion of the merger, each participant in the savings plan will vest in 100 percent of his or her basic Unocal contributions and matching Unocal contributions under the savings plan.

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Nonqualified Plans

Nonqualified Retirement Plans. Participants in Unocal s nonqualified retirement plans are entitled to commence payment of their nonqualified retirement plan benefits at the same time as under the Unocal Retirement Plan, in effect providing that executive officers who experience an involuntary termination of employment (other than for death, disability or misconduct) or a constructive discharge (in each case, as defined in the retirement plan) during the two-year period following the completion of the merger will be entitled to commence receiving benefits under the nonqualified retirement plans.

Deferred Compensation Plan. Under Unocal s Deferred Compensation Plan, eligible employees are allowed to receive payouts of vested plan balances after a change of control, such as completion of the merger, if such employees elected, in their initial election or in a change in election made at least 12 months prior to the date of the change of control, to receive those payouts. Each of Unocal s executive officers is a participant in the Unocal Deferred Compensation Plan. The grantor trust funding the Unocal Deferred Compensation Plan provides for the sum of (i) 120 percent of the amounts credited to participant accounts under such plan and (ii) the present value of a reasonable estimate of trustee fees and expenses for the succeeding 10 years to be funded in the grantor trust under the plan following a potential change in control. The signing of the merger agreement is a potential change of control as defined in the grantor trust and Unocal expects so to fund the trust prior to the effective time of the merger. No later than five business days after a change in control, the sum of (i) the account balances of participant accounts under certain other deferred compensation programs and (ii) the present value of a reasonable estimate of the trustee and recordkeeper fees and expenses due over the remaining duration of the trust must be funded in the grantor trust.

Annual Bonuses

If the completion of the merger occurs in 2005, participants in the Unocal annual bonus plan will be entitled to receive pro rata bonus payments following the completion of the merger in accordance with the terms of the plan. In addition, Chevron will cause Unocal to maintain a bonus plan for the remainder of 2005 on the same terms and conditions and subject to the same targets and performance criteria as were in effect under the annual bonus plan for 2005. Within two and one-half months following the end of the 2005 calendar year, Chevron will pay bonuses equal to the excess of (i) the bonuses that participants would have received for the entire calendar year under the new plan over (ii) the amount of their pro rata bonus payments. If the completion of the merger occurs in 2006, Unocal will be permitted to establish an annual bonus plan for 2006 based upon targets and goals substantially similar to those established for 2005, and participants will be entitled to receive pro rata bonus payments following the completion in accordance with the terms of the plan. Total bonuses for 2006 will be calculated based upon the excess of the bonuses that participants would have received for the entire calendar year over the amount of their pro rata bonus payments, in the same manner as bonuses would have been calculated for 2005 if the completion occurred in 2005. No pro rata bonus payment for 2005 or 2006 may exceed 150 percent of the employee s target bonus amount for the year.

Enhanced Severance Program

In 2000, Unocal s board of directors and the board of Unocal s Union Oil Company of California subsidiary each approved an enhanced severance program for U.S. payroll employees not represented by collective bargaining agents in the event of a change of control of Unocal occurring before 2005. The plan was renewed in 2005, and the boards of Unocal and Union Oil have extended this enhanced severance program until such time as the program is effectively terminated by the boards in accordance with the terms of Unocal s benefits plans.

Among other benefits, the program provides the following in the event of an eligible employee s involuntary termination of employment (other than for death, disability or misconduct) or constructive

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discharge (as defined in the plans comprising the program) within two years following a change of control:

Employees with less than five years of service in the Unocal Retirement Plan would receive four months of base pay plus three-fourths of a month of base pay for every year of service.

Employees with five or more years of service in the Unocal Retirement Plan would receive four months of base pay, plus an enhanced retirement benefit which offsets the remainder of the severance payment. The enhanced retirement benefit would add three years to each of the employee s service and age, plus the benefit would utilize the highest consecutive 12 months of pensionable pay in the most recent 120 months of service.

Although all current executive officers are entitled to the benefits described in the preceding paragraphs, payment of such benefits would reduce the amounts payable to Messrs. Williamson, Bryant, Dallas, Gillespie, and Howard under their employment agreements.

The program provides for subsidized COBRA medical and dental coverage for 18 months after termination of employment, adds three years to each of the employee s age and service for determining eligibility under Unocal s retiree and special continuation medical coverage and for determining eligibility under Unocal s retiree life and accidental death and dismemberment insurance plans, as well as certain other benefits.

The program includes a tax gross-up arrangement for employees who are subject to the excise tax provided for by Section 280G of the Code. If any payments or distributions to participants in the program (whether payable pursuant to the program or otherwise) would be subject to the excise tax imposed by Section 4999 of the Code, then, subject to the following sentence, the participant will receive an additional payment such that he or she is placed in the same after-tax position as if no excise tax had been imposed. If Unocal s distributions and payments to be made that are contingent on a change of control do not exceed 110 percent of the greatest amount that could be paid to the participant without the participant being subject to the excise tax, then no gross up payment will be made and the payments will be reduced to the maximum amount that could be paid without subjecting the participant to the tax.

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THE MERGER AGREEMENT

The following summary of the merger agreement is qualified by reference to the complete text of the merger agreement, which is attached as Annex A and incorporated by reference into this discussion.

The merger agreement contains representations and warranties Chevron and Unocal made to each other. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure schedules that Chevron and Unocal have exchanged in connection with signing the merger agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the attached merger agreement. Accordingly, you should keep in mind that the representations and warranties are modified in important part by the underlying disclosure schedules. The disclosure schedules contain information that has been included in Chevron s and Unocal s general prior public disclosures, as well as additional information, some of which is non-public. Neither Chevron nor Unocal believes that the disclosure schedules contain information that the securities laws require either or both of them to publicly disclose except as discussed in this proxy statement/prospectus. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the agreement, and this information may or may not be fully reflected in the companies public disclosures.

Structure of the Merger

Under the merger agreement, Unocal will merge with and into a Chevron wholly owned subsidiary. After the merger, the Chevron subsidiary will be the surviving entity and the separate corporate existence of Unocal will cease. The effectiveness of the merger will not affect the separate corporate existence of Unocal s subsidiary entities.

Timing of Closing

We expect that the closing will occur on the day on which the last of the conditions set forth in the merger agreement has been satisfied or waived. Immediately after the closing of the merger, we will file a certificate of merger with the Secretary of State of the State of Delaware, at which time the merger will be effective.

Merger Consideration

At the completion of the merger, each outstanding share of Unocal common stock will be converted into the right to receive:

a combination of 0.7725 of a share of Chevron common stock and $16.25 in cash;

1.03 shares of Chevron common stock; or

$65 in cash.

Unocal stockholders may elect to receive one of these three categories of consideration. **However, the all-stock and all-cash elections are subject to proration to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all outstanding shares of Unocal common stock taken together. As a result, even if you make the all-stock or all-cash election, you may receive a prorated amount of cash and Chevron common stock.** Unocal stockholders who fail to make an election will be deemed to have elected to receive the mixed merger consideration of 0.7725 of a share of Chevron common stock and $16.25 in cash.

Shares of Chevron common stock are traded on the New York Stock Exchange under the symbol CVX.

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Explanation of the Proration of the Stock and Cash Elections

The total amount of cash that will be paid to holders of Unocal common stock in the merger will be equal to $16.25 multiplied by the total number of shares of Unocal common stock outstanding immediately prior to completion of the merger. The overall amount of Chevron common stock that will be issued in the merger to holders of Unocal common stock will be equal to the product of (x) the total number of shares of Unocal common stock outstanding immediately prior to completion of the merger multiplied by (y) 0.7725. All-stock and all-cash elections are subject to proration to preserve an overall mix of 0.7725 of a share of Chevron common stock and $16.25 in cash for all of the outstanding shares of Unocal common stock taken together. Therefore, unless the number of all-stock elections is significantly greater than the number of all-cash elections, Unocal stockholders making the all-cash election will not receive $65.00 in cash for each share of Unocal common stock, but instead will receive a mix of stock and cash calculated to preserve the overall stock and cash mix described above, after taking into account all of the elections made by all of the Unocal stockholders. In all cases, Unocal stockholders who make the all-cash election will receive at least as much cash as is received by stockholders electing the mixed merger consideration. Similarly, if too few stockholders elect the all-cash consideration, Unocal stockholders making the all-stock election will not receive 1.03 shares of Chevron common stock for each share of Unocal common stock, but instead will receive a mix of stock and cash calculated to preserve the overall stock and cash mix described above, after taking into account all of the elections made by all of the Unocal stockholders. In all cases, Unocal stockholders who make the all-stock election will receive at least as much stock as is received by stockholders electing the mixed merger consideration. Unocal stockholders who elect the mixed merger consideration will not be subject to proration.

We illustrate below how the proration mechanism will be used. For ease of reference, we refer to the amount of cash derived by multiplying $16.25 by the total number of shares of Unocal common stock outstanding immediately prior to completion of the merger as the aggregate cash amount.

Proration If Too Much Cash Is Elected

Unless the number of all-stock elections is significantly greater than the number of all-cash elections, Unocal stockholders making the all-cash election will not receive $65.00 in cash for each share of Unocal common stock, but instead will receive a mix of stock and cash calculated in the following manner:

Step 1: Derive the available cash election amount: The available cash election amount is the aggregate cash amount *minus* the amount of cash to be paid in respect of shares of Unocal common stock as to which a valid election for the mixed merger consideration was made or is deemed to have been made.

Step 2: Derive the elected cash amount: The elected cash amount is an amount equal to $65.00 *multiplied by* the number of shares of Unocal common stock as to which a valid all-cash election was made.

Step 3: Derive the cash proration factor: The cash proration factor equals the available cash election amount *divided by* the elected cash amount.

Step 4: Derive the prorated cash merger consideration: The prorated cash merger consideration is an amount in cash equal to $65.00 *multiplied by* the cash proration factor.

Step 5: Derive the prorated stock merger consideration: The prorated stock merger consideration is a number of shares of Chevron common stock equal to (x) 1.03 *multiplied by* (y) a number equal to 1 *minus* the cash proration factor.

Step 6: Determine the stock and cash mix: Each share of Unocal common stock as to which a valid all-cash election was made will be converted into the right to receive the prorated cash merger consideration and the prorated stock merger consideration.

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Proration If Too Many Shares of Chevron Common Stock Are Elected

If too few stockholders elect the all-cash consideration, Unocal stockholders making the all-stock election will not receive 1.03 shares of Chevron common stock for each share of Unocal common stock, but instead will receive a mix of stock and cash calculated in the following manner:

Step 1: Derive the available cash election amount: As stated above, the available cash election amount is the aggregate cash amount *minus* the amount of cash to be paid in respect of shares of Unocal common stock as to which a valid election for mixed merger consideration was made or is deemed to have been made.

Step 2: Derive the elected cash amount: As stated above, the elected cash amount is an amount equal to $65.00 *multiplied by* the number of shares of Unocal common stock as to which a valid all-cash election was made.

Step 3: Derive the excess cash amount: The excess cash amount is the difference between the available cash amount and the elected cash amount.

Step 4: Derive the prorated cash merger consideration: The prorated cash merger consideration is an amount in cash equal to the excess cash amount *divided by* the number of shares of Unocal common stock as to which a valid all-stock election was made.

Step 5: Derive the stock proration factor: The stock proration factor is a fraction the numerator of which is equal to $65.00 *minus* the per share prorated cash consideration calculated in Step 4 and the denominator of which is $65.00.

Step 6: Derive the prorated stock merger consideration: The prorated stock merger consideration is a number of shares of Chevron common stock equal to 1.03 *multiplied by* the stock proration factor.

Step 7: Determine the stock and cash mix: Each share of Unocal common stock as to which a valid all-stock election was made will be converted into the right to receive the prorated cash merger consideration and the prorated stock merger consideration.

Explanation of Potential Adjustment to Merger Consideration

In the event that, before the completion of the merger, any change in the outstanding shares of capital stock of Chevron or Unocal occurs as a result of any reclassification, recapitalization, stock split, or combination, exchange or readjustment of shares, or any stock dividend thereon with a record date during such period, the relevant components of the merger consideration will be appropriately adjusted in order to provide Unocal stockholders with the economic effect contemplated by the parties in the merger agreement.

Conversion of Shares

At the effective time of the merger, each outstanding share of Unocal common stock (other than shares held by Unocal, Chevron, Merger Sub and stockholders who properly exercise their dissenters rights) will automatically be canceled and retired, will cease to exist and will be converted into the right to the merger consideration elected, subject to proration as described above. Shares of Unocal common stock owned by Unocal, Chevron or Merger Sub will be canceled in the merger without payment of any merger consideration. Each share of Unocal common stock owned by any direct or indirect wholly owned subsidiary of Unocal or Chevron (other than Merger Sub) immediately prior to the effective time of the merger will be converted into the right to receive 1.03 shares of Chevron common stock. The entities holding these shares will not be deemed to have made all-stock elections, and the stock consideration paid to these entities will not be subject to, and will not be taken into account in calculating, any proration of the stock merger consideration.

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Following the merger, Chevron will make available to the exchange agent, as needed, the merger consideration to be delivered in respect of shares of Unocal common stock. Chevron has appointed Mellon Investor Services to act as exchange agent for the merger. The merger agreement provides that an election form and other appropriate and customary transmittal materials will be mailed together with this proxy statement/prospectus (or at such other time as Chevron and Unocal may agree), to each holder of record of Unocal common stock as of the close of business on the record date for notice of the Unocal special meeting of stockholders. Each election form will allow the holder to elect its preferred merger consideration. The exchange agent will also make election forms available to holders of Unocal common stock who request such forms prior to the election deadline, which is 5:00 p.m., Eastern time, on [ ], 2005.

Holders of Unocal common stock who wish to elect the type of merger consideration they will receive in the merger should carefully review and follow the instructions set forth on the election form. To make an election, a Unocal stockholder must submit a properly completed election form, together with stock certificates representing all shares covered by the election form, so that the form is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions on the form. Shares of Unocal common stock as to which the holder has not made a valid election prior to the election deadline will be deemed to have elected to receive the mixed merger consideration of 0.7725 of a share of Chevron common stock and $16.25 in cash in exchange for each of his or her shares of Unocal common stock.

Once Unocal stockholders deliver their election forms and stock certificates to the exchange agent, they may revoke their elections by submitting written notice of revocation to the exchange agent, so that the notice is actually received by the exchange agent at or prior to the election deadline. If a Unocal stockholder revokes his or her election and fails to elect an alternate form of merger consideration, the stockholder will be deemed to have elected to receive the mixed merger consideration. If a stockholder s election is revoked, the exchange agent will return to the holder any stock certificates that the holder may have previously submitted together with the original election form. Unocal stockholders will not be able to revoke their elections following the election deadline.

Exchange of Unocal Stock Certificates

Promptly after the closing, the exchange agent will send to each holder of Unocal common stock (other than holders who have already surrendered all of their stock certificates with an election form) a letter of transmittal for use in the exchange and instructions explaining how to surrender Unocal shares to the exchange agent. Holders of Unocal common stock who surrender their certificates to the exchange agent, together with a properly completed letter of transmittal, will receive the appropriate merger consideration. Holders of unexchanged shares of Unocal common stock will not be entitled to receive any dividends or other distributions payable by Chevron after the closing until their shares are properly surrendered.

Chevron will not issue any fractional shares in the merger. Holders of Unocal common stock will receive a cash payment in the amount of the proceeds from the sale of their fractional shares in the market.

Treatment of Unocal Options and Equity Awards

At the effective time of the merger, each outstanding option to purchase shares of Unocal common stock (a Unocal Stock Option) and each outstanding phantom option to receive cash as measured by the increase in value of Unocal common stock over a specified base or exercise price (a Unocal Phantom Stock Option) granted under any of Unocal s plans and agreements, whether or not vested, will be converted into an option to acquire (or a phantom option with respect to) a number of shares of Chevron common stock equal to the product of (a) the number of shares of Unocal common stock subject to such option or phantom option immediately prior to the effective time *multiplied by* (b) the Option Ratio (as defined in the next sentence), rounded down to the nearest whole share. The Option Ratio means the

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sum of 0.7725 and a fraction, the numerator of which is 16.25 and the denominator of which is the closing per share price of Chevron common stock on the New York Stock Exchange on the trading day immediately preceding the closing date under the merger agreement. The exercise or base price per share of Chevron common stock subject to any such converted option or phantom option will be an amount equal to (a) the exercise or base price per share of Unocal common stock subject to such option or phantom option prior to the effective time of the merger *divided by* (b) the Option Ratio, rounded up to the nearest one hundredth of a cent. All other terms of Unocal Stock Options and Unocal Phantom Stock Options will continue to apply after conversion, including any provisions for the acceleration of vesting.

Additionally, at the effective time of the merger, each right, award or account to receive Unocal common stock or benefits measured in whole or in part by the value of a number of shares of Unocal common stock and outstanding prior to the effective time of the merger, other than Unocal Stock Options and Unocal Phantom Stock Options (a Unocal Award) granted under any plans maintained by Unocal and providing for grants of equity-based awards or accounts, whether or not vested, will be converted into a right, award or account with respect to a number of shares of Chevron common stock equal to the product of (a) the number of shares of Unocal common stock subject to such Unocal Award immediately prior to the effective time of the merger *multiplied by* (b) the Option Ratio, rounded to the nearest whole number. Any performance shares outstanding as of the effective time will be paid at the effective time at 100 percent of target, except that the 2005 performance share awards will be paid at the effective time at between 100 percent and 150 percent of target, as determined in good faith by Unocal s Management Development and Compensation Committee pursuant to the terms of the plan and the underlying award agreement. All other terms of Unocal Awards will continue to apply after the conversion, including any provisions for the acceleration of vesting.

For additional information on Unocal s stock-based awards, see Interests of Unocal Directors and Executive Officers in the Merger beginning on page 51.

Covenants

Each of Chevron and Unocal has undertaken various covenants in the merger agreement. The following summarizes the more significant of these covenants.

No Solicitation. Unocal has agreed that it and its subsidiaries will not, and that it will direct and use its reasonable best efforts to cause its and its subsidiaries respective officers, directors, employees, advisors and other representatives, directly or indirectly, not to

- take any action to solicit, initiate or knowingly encourage or facilitate the making of any alternative acquisition proposal involving Unocal or any inquiry with respect to an alternative acquisition proposal;
- engage in discussions or negotiations with any person with respect to an alternative acquisition proposal;
- disclose any nonpublic information or afford access to properties, books or records to, any person that has made, or to Unocal s knowledge is considering making, an alternative acquisition proposal;
- approve or recommend, or propose to approve or recommend, or execute or enter into any agreement relating to an alternative acquisition proposal; or
- propose publicly or agree to do any of the above relating to an alternative acquisition proposal.

An alternative acquisition proposal is any bona fide written offer or proposal for, or bona fide written indication of interest in, any:

- direct or indirect acquisition or purchase of a business or assets of Unocal or any of its subsidiaries that constitutes, either individually or in the aggregate, 20 percent or more of the net revenue, net income or assets of Unocal and its subsidiaries, taken as a whole;

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direct or indirect acquisition or purchase of 20 percent or more of any class of equity securities of Unocal or of any of its subsidiaries whose business constitutes 20 percent or more of the net revenue, net income or assets of Unocal and its subsidiaries, taken as a whole;

tender offer or exchange offer that, if completed, would result in any person owning 20 percent or more of any class of equity securities of Unocal, or any of its subsidiaries whose business constitutes 20 percent or more of the net revenue, net income or assets of Unocal and its subsidiaries, taken as a whole; or

merger, consolidation, business combination, joint venture, partnership, recapitalization, liquidation, dissolution or similar transaction involving Unocal or any of its subsidiaries whose business constitutes 20 percent or more of the net revenue, net income or assets of Unocal and its subsidiaries, taken as a whole.

Unocal s board of directors may, however, make any disclosure if, in the good faith judgment of Unocal s board, after consultation with outside counsel, failure to make the disclosure would be inconsistent with the Unocal directors exercise of their fiduciary obligations to Unocal s stockholders. If the disclosure relates to an alternative acquisition proposal, it will be deemed to constitute a change in the Unocal board s recommendation of the merger unless the Unocal board reaffirms its recommendation in that disclosure. In addition, prior to the approval of the merger by the Unocal stockholders, Unocal may:

furnish information and access, but only in response to a request, to a person making an alternative acquisition proposal to Unocal s board of directors that was not solicited, initiated or knowingly encouraged by Unocal or any of its affiliates or any director, employee, representative or agent of Unocal or any of its subsidiaries; and

participate in discussions and negotiate with the person making the alternative acquisition proposal.

Unocal may only furnish information and participate in discussions as described above, however, if:

the Unocal board concludes in good faith, after receipt of the advice of a financial advisor of nationally recognized reputation and outside legal counsel, that there is a reasonable likelihood that the alternative acquisition proposal will result in a superior proposal and, taking into account any revised terms proposed by Chevron, that doing so is necessary for the Unocal board to comply with its fiduciary duties to Unocal s stockholders;

Unocal complies with its obligations to keep Chevron informed as to the details of such offer, to convene and hold the Unocal stockholder meeting and to recommend the approval and adoption of the merger agreement and the merger; and

the Unocal board receives from the person making the alternative acquisition proposal an executed confidentiality agreement whose material confidentiality terms are, in all material respects, no less favorable to Unocal and no less restrictive to the person making the alternative acquisition proposal than those contained in the existing confidentiality agreement between Unocal and Chevron, and any information provided to such person also has been provided or is provided promptly to Chevron.

Unocal must keep Chevron informed of the identity of any potential bidder and the material terms and status of any offer.

A superior proposal is a bona fide written alternative acquisition proposal for or in respect of at least a majority of the outstanding shares of Unocal common stock or all or substantially all of Unocal and its subsidiaries assets:

on terms that Unocal s board determines, in its good faith judgment (after consultation with, and taking into account the advice of, a financial advisor of nationally recognized reputation and outside legal counsel), taking into account all the terms and conditions of that alternative acquisition proposal, including any break-up fees, expense reimbursement provisions and conditions to consummation, as well as any revisions to the terms of the merger or the merger agreement proposed by Chevron, are more favorable to Unocal and its stockholders than the merger; and

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that constitutes a transaction that is reasonably likely to be consummated on the terms proposed, taking into account all legal, financial, regulatory and other aspects of that proposal.

Unocal Board s Recommendation to Stockholders. Unocal has agreed that its board will recommend the approval and adoption of the merger and the merger agreement to Unocal s stockholders. However, prior to the approval of the merger by the Unocal stockholders, the Unocal board is permitted not to make this recommendation or to withdraw or modify it in a manner adverse to Chevron if:

the Unocal board determines in its good faith judgment, after consulting with outside legal counsel, that failure to withdraw or modify its recommendation would be inconsistent with fulfilling its fiduciary duty to stockholders;

Unocal has given Chevron advance written notice of its decision to withdraw or modify its recommendation, including the reasons for the change and, if the decision relates to an alternative acquisition proposal, the notice specifies the material terms and conditions of that proposal and identifies the person making the proposal;

Unocal has given Chevron the opportunity, for at least three business days after delivery of that notice, to propose revisions to the merger agreement or to make another proposal in response to an alternative acquisition proposal and negotiated in good faith with Chevron with respect to those revisions or that other proposal;

if the withdrawal or modification relates to an alternative acquisition proposal, that proposal is a superior proposal; and

Unocal has complied with its obligations under the no solicitation covenant described above under No Solicitation.

Even if the Unocal board changes, in a manner adverse to Chevron, its recommendation in favor of the merger, Unocal must still call a stockholders meeting as otherwise required by the merger agreement and submit the merger agreement and the merger to the vote of Unocal s stockholders.

Interim Operations of Unocal. The merger agreement provides that until the effective time of the merger, Unocal and its subsidiaries will conduct their business in the ordinary course consistent with past practice and in a manner not involving entry into businesses that are materially different from the business of Unocal and its subsidiaries on the date of the merger agreement. Unocal has also agreed that during this period it and its subsidiaries will use their commercially reasonable efforts to preserve intact their business organizations and relationships with third parties. In addition, Unocal has agreed to the following specific restrictions on the conduct of its business during this period which are subject to exceptions described in the merger agreement. Unocal generally has agreed that, except with the prior written consent of Chevron, it will not, and will not permit any of its subsidiaries to:

amend its charter or bylaws or the Unocal stockholder rights agreement;

adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;

issue or sell any of its capital stock or any securities convertible into its capital stock;

effect a stock split, combination or reclassification or declare any dividends, other than regular quarterly cash dividends consistent with past practice and intra-group dividends among Unocal and its subsidiaries;

redeem or repurchase any of its capital stock;

amend the terms of any outstanding options to purchase shares of Unocal common stock or of any outstanding restricted stock, stock units or stock appreciation rights;

make or authorize any capital expenditures in excess of $50 million;

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increase the compensation or benefits of any director, officer or employee or enter into, adopt, extend or renew employment agreements or benefit plans;

acquire a material amount of assets or property, except in the ordinary course consistent with past practice;

sell, lease, license, encumber or otherwise dispose of any material assets or property, except pursuant to existing contracts or commitments or except in the ordinary course consistent with past practice and in no event in an amount in exceeding $50 million in the aggregate;

incur any indebtedness for borrowed money, except for intra-group indebtedness among Unocal and its subsidiaries and additional short-term debt not to exceed $500 million in the aggregate;

guarantee or assume indebtedness for borrowed money, or enter into any keep well or other arrangement to maintain any financial condition of another person, other than in the ordinary course consistent with past practice;

modify, amend or terminate any material contract or enter into an agreement that would constitute a material contract, other than in the ordinary course of business consistent with past practice;

settle or compromise any claim, demand, lawsuit or regulatory proceeding in an amount in excess of $20 million or that is otherwise qualitatively material to Unocal (provided that Chevron will not unreasonably withhold its consent to any such settlement or compromise);

change any method of financial accounting or financial accounting practice (except for changes that are not material or are required by concurrent changes in GAAP or applicable law);

enter into any material joint venture, partnership or similar arrangement or make any loan, capital contribution or advance to or investment in any other person, except in the ordinary course consistent with past practice or in an amount not exceeding $10 million;

take any action which would limit Chevron s or Unocal s freedom to license, cross-license or otherwise dispose of any of Unocal s intellectual property;

amend or waive any provisions of any standstill agreement;

except as required by law, make or change any tax election, settle any tax audit or file any amended tax return, in each case, that is reasonably likely to result in an increase to a tax liability, if that increase is material to Unocal and its subsidiaries taken as a whole;

enter into any agreement that limits (other than in an insignificant manner) the ability of Unocal or its subsidiaries or would limit (other than in an insignificant manner) the ability of Chevron or its subsidiaries after the merger to compete in any line of business or geographic area. For this purpose, it is understood that any restriction that by its terms does not extend more than six months beyond the effective time of the merger will be considered insignificant; or

take any action that would prevent, materially delay or materially impede the consummation of the merger.

Best Efforts Covenant. Chevron and Unocal have agreed to cooperate with each other and use their best efforts to promptly:

take all actions and do all things necessary or advisable under the merger agreement and applicable laws to complete the merger and the other transactions contemplated by the merger agreement as soon as practicable,

including preparing and filing all necessary regulatory filings; and

obtain as soon as practicable all required regulatory or third-party approvals for consummation of the merger.

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Chevron and Unocal have also agreed to use their best efforts to

avoid the entry of, or to have vacated or terminated, any decree, order or judgment that would restrain, prevent or delay the closing, on or before the end date, including defending through litigation on the merits any claim asserted in any court by any person; and

avoid or eliminate every impediment under any antitrust, competition or trade regulation law that may be asserted by any governmental authority with respect to the merger so that the closing can occur as soon as reasonably possible. This includes proposing, negotiating, committing to and effecting the sale, divestiture or disposition of businesses, product lines or assets of Chevron, Unocal and their respective subsidiaries; and otherwise taking or committing to take actions that after the closing date would limit Chevron s or its subsidiaries freedom of action with respect to, or its or their ability to retain, one or more of the businesses, product lines or assets of Chevron, Unocal and their subsidiaries, in each case as may be required in order to avoid a government order that would prevent or materially delay the closing.

However, neither Chevron nor Unocal is required to take any action if it would result in a substantial detriment. For this purpose, substantial detriment means changes or effects which, individually or in the aggregate and after giving effect to any reasonably expected proceeds of any divestiture or sale of assets would result in, or be reasonably likely to result in, a material adverse effect on Unocal and its subsidiaries, taken as a whole, at or after the effective time of the merger. Any requirement to divest or hold separate or limit the operation of any of the businesses, assets or properties owned by Chevron and its subsidiaries prior to the merger will be deemed to result in a substantial detriment if that action with respect to a comparable amount of assets or businesses of Unocal and its subsidiaries would be reasonably likely, in the aggregate, to have a material adverse effect on Unocal, at or after the effective time of the merger. Chevron and Unocal have agreed that, for purposes of the merger agreement, no change affecting Unocal s RFG patents (including any loss of economic benefits in connection with those patents or expected to be derived from the patents) will be deemed to constitute a substantial detriment, and no such change will be aggregated with other changes when determining the occurrence of a substantial detriment.

Certain Employee Benefits Matters. The merger agreement provides that Chevron will cause the Chevron subsidiary that will survive the merger with Unocal, which we refer to as the surviving corporation, to honor in accordance with their terms all obligations under Unocal s executive benefit arrangements and under all other existing Unocal employee and retiree arrangements and plans to the extent entitlements or rights exist under those arrangements or plans as of the effective time of the merger. Chevron and Unocal have agreed that the merger will constitute a change in control under Unocal s employment arrangements and benefit plans in accordance with the terms of those arrangements and plans. The other terms of such arrangements and plans, including any conditions that an employee must incur a termination of employment or constructive discharge to receive benefits, will continue to apply.

Chevron has also agreed, following the effective time of the merger, to provide Unocal employees who were employed by Unocal or its subsidiaries at the effective time of the merger and who continue as employees of Chevron or its subsidiaries, for so long as they remain so employed, compensation and employee benefits, pursuant to compensation and benefit plans and arrangements as provided to those employees immediately prior to the effective time of the merger, or pursuant to compensation and benefit plans and arrangements maintained by Chevron providing coverage and benefits which, in the aggregate, are no less favorable than those provided to employees of Chevron in positions comparable to the positions held by the continuing Unocal employees.

In addition, Chevron has agreed that, following the effective time of the merger, Chevron will continue to provide former employees of Unocal and its subsidiaries (and to Unocal employees whose employment terminates prior to the effective time of the merger) post-retirement benefits, other than pensions, pursuant to benefit plans and arrangements applicable to those retirees as in effect as of April 4, 2005, or pursuant to benefit plans or arrangements maintained by Chevron or its subsidiaries providing

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post-retirement coverage and benefits, other than pensions, which, in the aggregate, are no less favorable than those provided after the merger to former employees of Chevron that served in comparable positions.

If the effective time of the merger occurs in 2005, participants in the Unocal annual bonus plan will be entitled to receive pro rata bonus payments following the effective time of the merger in accordance with the terms of the plan. In addition, Chevron will cause Unocal to maintain a bonus plan for the remainder of 2005 on the same terms and conditions and subject to the same targets and performance criteria as were in effect under the annual bonus plan for 2005. Within two and one-half months following the end of the 2005 calendar year, Chevron will pay bonuses equal to the excess of (i) the bonuses that participants would have received for the entire calendar year under the new plan over (ii) the amount of their pro rata bonus payments. If the effective time of the merger occurs in 2006, Unocal will be permitted to establish an annual bonus plan for 2006 based upon targets and goals substantially similar to those established for 2005, and participants will be entitled to receive pro rata bonus payments following the effective time of the merger in accordance with the terms of the plan. Total bonuses for 2006 will be calculated based upon the excess of the bonuses that participants would have received for the entire calendar year over the amount of their pro rata bonus payments, in the same manner as bonuses would have been calculated for 2005 if the effective time of the merger occurred in 2005. No pro rata bonus payment for 2005 or 2006 may exceed 150 percent of the employee s target amount for the year.

Please see Interests of Unocal Directors and Executive Officers in the Merger, beginning on page 51, for additional information on employee benefits matters covered in the merger agreement.

Indemnification and Insurance of Unocal Directors and Officers. Chevron has agreed that:

- for six years after the merger becomes effective, it will cause the surviving corporation to indemnify, to the greatest extent permitted by law as of April 4, 2005, the individuals who on or prior to the effective time of the merger were directors, officers and employees of Unocal or its subsidiaries with respect to all acts or omissions in those capacities occurring prior to the effective time of the merger;

- it will cause the surviving corporation to honor all indemnification agreements with the individuals who on or prior to the effective time of the merger were directors, officers and employees in effect as of April 4, 2005; and

- for six years after the effective time of the merger, it will provide officers and directors liability insurance covering acts or omissions occurring prior to the effective time of the merger by each person currently covered by Unocal s officers and directors liability insurance policy, on terms no less favorable than the Unocal policy in effect as of April 4, 2005, except that Chevron will be obligated to pay only up to 300 percent of the annual premium paid by Unocal for such insurance as of April 4, 2005.

Other Covenants. The merger agreement contains additional mutual covenants of the parties, including an agreement not to jeopardize the intended tax treatment of the merger.

Representations and Warranties

Unocal makes various representations and warranties to Chevron and Merger Sub in the merger agreement. The most significant of these relate to:

- corporate authorization to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

- the stockholder vote and governmental approvals required in connection with the contemplated transactions;

- absence of any breach of organizational documents, law or certain material agreements as a result of the contemplated transactions;

- capitalization;

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ownership of subsidiaries;

filings with the SEC;

financial statements;

accuracy of information provided for inclusion in this proxy statement/ prospectus;

disclosure controls and procedures and internal control over financial reporting;

absence of material changes since December 31, 2004;

absence of defaults and violations;

absence of undisclosed material liabilities;

litigation;

tax matters;

employee benefits matters;

compliance with laws, including the Foreign Corrupt Practices Act of 1977, as amended;

environmental matters;

title to properties;

material contracts and contracts relating to Unocal s exploration and production operations;

intellectual property;

confidentiality and standstill agreements;

finders or advisors fees;

inapplicability of the Delaware anti-takeover statute; and

amendment of the Unocal stockholder rights plan to render it inapplicable to the merger.

In addition, Chevron makes representations and warranties to Unocal relating to:

corporate authorization to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the governmental approvals required in connection with the contemplated transactions;

absence of any breach of organizational documents, law or certain material agreements as a result of the contemplated transactions;

capitalization;

filings with the SEC;

financial statements;

accuracy of information provided for inclusion in this proxy statement/ prospectus;

disclosure controls and procedures and internal control over financial reporting;

absence of material changes since December 31, 2004;

absence of undisclosed material liabilities;

litigation;

compliance with laws;

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tax matters; and

capitalization of Merger Sub.

The representations and warranties in the merger agreement do not survive the closing or termination of the merger agreement.

Conditions to the Completion of the Merger

The obligations of Chevron and Unocal to complete the merger are subject to the satisfaction or, to the extent legally permissible, waiver of the following conditions:

approval and adoption by the Unocal stockholders of the merger agreement and the merger;

expiration of the HSR Act waiting period;

approval by the European Commission of the contemplated transactions (if applicable);

absence of any legal prohibition on completion of the merger;

Chevron s registration statement on Form S-4, which includes this proxy statement/ prospectus, being effective and not subject to any stop order by the SEC;

approval for the listing on the New York Stock Exchange of the shares of Chevron common stock to be issued in the merger;

absence of any condition to approval of the merger by the U.S. Federal Trade Commission or the U.S. Department of Justice that would result in or be reasonably likely to result in a substantial detriment;

absence of any proceeding seeking to limit Chevron s ownership of Unocal or to compel divestiture of assets, in either case that would result in or be reasonably likely to result in a substantial detriment;

absence of any statute, rule or other governmental order applicable to the merger that would result in or be reasonably likely to result in a substantial detriment;

receipt of all material regulatory approvals for the merger on terms that are not reasonably likely to result in a substantial detriment; and

performance in all material respects by the other party of the obligations required to be performed by it at or prior to closing.

In addition, the obligations of Chevron and Unocal to complete the merger are subject to the satisfaction or, to the extent legally permissible, waiver of the following conditions:

accuracy as of closing of the representations and warranties made by the other party to the extent specified in the merger agreement;

receipt by that party of an opinion of counsel to the effect that the merger will qualify as a reorganization under Section 368(a) the Code; and

absence of any event, occurrence, development or state of circumstances which, individually or in the aggregate, would be reasonably likely to have a material adverse effect on the other party.

For purposes of the merger agreement, material adverse effect means, with respect to either Chevron or Unocal, as applicable, a material adverse effect on the financial condition, business, liabilities, assets or continuing results of operations of the relevant company and its subsidiaries, taken as a whole, except to the extent resulting from:

any changes in general United States or global economic conditions or

any changes affecting the oil and gas industry in general (including changes to commodity prices).

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Chevron and Unocal have agreed that, for purposes of the merger agreement, no change affecting Unocal s RFG patents (including any loss of economic benefits in connection with those patents or expected to be derived from the patents) will be deemed to constitute a material adverse effect on Unocal and no such change will be aggregated with other changes when determining the occurrence of a material adverse effect on Unocal.

Termination of the Merger Agreement

Right to Terminate. The merger agreement may be terminated at any time prior to the closing in any of the following ways:

by mutual written consent of Chevron and Unocal;

by either Chevron or Unocal if:

the merger has not been completed by December 31, 2005 (or if the reason for not closing by December 31, 2005 is that the regulatory conditions specified in the merger agreement have not been satisfied by that date, August 31, 2006) (but neither Chevron nor Unocal can terminate the merger agreement for this reason if its failure to fulfill in any material respect its obligations under the merger agreement has resulted in the failure to complete the merger);

the approval of Unocal stockholders has not been obtained by reason of the failure to obtain the required vote at the Unocal special meeting of stockholders or at any adjournment of that special meeting; or

there is a permanent legal prohibition to closing the merger.

by Chevron if the Unocal board fails to recommend the merger or withdraws or modifies in a manner adverse to Chevron its approval or recommendation of the merger, Unocal breaches its obligation to call the Unocal stockholder meeting or Unocal has materially breached its obligations described above under No Solicitation to the material detriment of Chevron.

by Chevron or Unocal if the other party has breached any of its representations, warranties, covenants or obligations under the merger agreement, and that breach would result in the failure to satisfy certain specified closing conditions and is incapable of being cured, or, if capable of being cured, has not been cured within 30 days after the party alleged to have breached receives written notice of the breach.

If the merger agreement is validly terminated, the agreement will become void without any liability on the part of any party unless such party is in willful breach. However, the provisions of the merger agreement relating to expenses and termination fees, as well as the confidentiality agreement, will continue in effect notwithstanding termination of the merger agreement.

Termination Fees Payable by Unocal. Unocal has agreed to pay Chevron $250 million in cash if:

Chevron terminates the merger agreement because the Unocal board fails to recommend the merger to its stockholders, because the Unocal board otherwise changes or proposes publicly to change its recommendation of the merger to stockholders, because Unocal fails to comply with its obligation to hold the special meeting or to obtain SEC clearance for this proxy statement/ prospectus or because Unocal has materially (and to the material detriment of Chevron) breached its obligations under the merger agreement with respect to non-solicitation of other acquisition proposals as described above;

either Chevron or Unocal terminates the merger agreement because Unocal s stockholders fail to approve the merger and, prior to the Unocal stockholders meeting but after April 4, 2005, an alternative acquisition proposal was made known to Unocal (including any of its agents or representatives) and communicated publicly or to any substantial number of Unocal stockholders or was made directly to Unocal s stockholders or any person publicly announced an intention (whether or not conditional) to make an alternative acquisition proposal; or

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after April 4, 2005, an alternative acquisition proposal is made known to Unocal (including any of its agents or representatives) and communicated publicly or to any substantial number of Unocal stockholders or is made directly to Unocal s stockholders by any person, or any person publicly announces an intention (whether or not conditional) to make an alternative acquisition proposal, and after any such event the merger agreement is terminated by either Chevron or Unocal because the merger is not completed by the end date, so long as the Unocal stockholder approval has not been obtained.

Unocal has agreed to pay Chevron an additional termination fee of $250 million in cash if the merger agreement s termination gave rise to the initial $250 million termination fee and an alternative acquisition proposal is consummated, or Unocal enters into a definitive agreement providing for any alternative acquisition proposal, in each case within 12 months after the termination of the merger agreement. For purposes of this additional termination fee, all references in the definition of alternative acquisition proposal to 20 percent instead refer to 50 percent.

Expenses

Except as described above, all costs and expenses incurred in connection with the merger agreement and related transactions will be paid by the party incurring such costs or expenses, except that Chevron will pay expenses incurred in connection with printing, mailing and filing this proxy statement/ prospectus and fees paid in respect of the HSR Act in connection with the merger.

Amendments; Waivers

Any provision of the merger agreement may be amended or waived prior to closing if the amendment or waiver is in writing and signed, in the case of an amendment, by Chevron, Unocal and Merger Sub or, in the case of a waiver, by the party against whom the waiver is to be effective. After the adoption of the merger agreement by the stockholders of Unocal, no amendment or waiver may, without the further approval of Unocal s stockholders, alter or change the amount or kind of merger consideration or any term of Chevron s certificate of incorporation.

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INFORMATION ABOUT THE SPECIAL MEETING AND VOTING

This proxy statement/prospectus is being furnished to Unocal stockholders by Unocal s board of directors in connection with the solicitation of proxies from the holders of Unocal common stock for use at the special meeting of Unocal stockholders and any adjournments or postponements of the special meeting. This proxy statement/prospectus also is being furnished to Unocal stockholders as a prospectus of Chevron in connection with the issuance by Chevron of shares of Chevron common stock to Unocal stockholders in connection with the merger.

Date, Time and Place

The special meeting of stockholders of Unocal will be held at [ ], Pacific Daylight Time, on [ ], 2005 at [ ].

Matters to Be Considered

At the special meeting, Unocal stockholders will be asked:

- to consider and vote upon a proposal to approve and adopt the merger agreement;
- to vote upon an adjournment or postponement of the special meeting, if necessary, to solicit additional proxies; and
- to transact any other business as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the Unocal board of directors is unaware of any matters, other than those set forth in the preceding sentence, that may properly come before the special meeting.

Stockholders Entitled to Vote

The close of business on June 29, 2005 has been fixed by Unocal s board as the record date for the determination of those holders of Unocal common stock who are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting.

At the close of business on the record date, there were [ ] shares of Unocal common stock outstanding and entitled to vote, held by approximately [ ] holders of record. A list of the stockholders of record entitled to vote at the special meeting will be available for examination by Unocal stockholders for any purpose germane to the meeting. The list will be available at the meeting and for ten days prior to the meeting during ordinary business hours by contacting Unocal s Corporate Secretary at 2141 Rosecrans Avenue, Suite 4000, El Segundo, California 90245.

Quorum and Required Vote

Each holder of record of shares of Unocal common stock as of the record date is entitled to cast one vote per share at the special meeting on each proposal. The presence, in person or by proxy, of the holders of one-third of the issued and outstanding shares of Unocal common stock entitled to vote at the special meeting constitutes a quorum for the transaction of business at the special meeting. The affirmative vote of at least a majority of the shares of Unocal common stock outstanding as of the record date is required to approve and adopt the merger agreement.

As of the record date for the special meeting, directors and executive officers of Unocal and their affiliates beneficially owned an aggregate of [ ] shares of Unocal common stock entitled to vote at the special meeting. These shares represent approximately [ ] percent of the Unocal common stock outstanding and entitled to vote as of the record date. Although these individuals are not party to any voting agreements with Unocal or Chevron and do not have any obligations to vote in favor of the merger, they have indicated their intention to vote their outstanding shares of Unocal common stock in favor of the merger.

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As of June 22, 2005, Chevron and its directors, executive officers and their affiliates owned less than one percent of the outstanding shares of Unocal common stock. Chevron expects that its board of directors will take the required steps to exempt any dispositions of Unocal common stock or acquisitions of Chevron common stock by these persons in connection with the merger from the SEC s short-swing profit rules.

How Shares Will Be Voted at the Special Meeting

All shares of Unocal common stock represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement and any adjournment of the special meeting.

A properly executed proxy marked Abstain with respect to any proposal will be counted as present for purposes of determining whether there is a quorum at the special meeting. However, because adoption of the merger agreement requires the affirmative vote of a majority of the outstanding shares entitled to vote, an abstention will have the same effect as a vote AGAINST the merger.

If you hold shares of Unocal common stock in street name through a bank, broker or other nominee holder, the nominee holder may only vote your shares in accordance with your instructions. If you do not give specific instructions to your nominee holder as to how you want your shares voted, your nominee will indicate that it does not have authority to vote on the proposal, which will result in what is called a broker non-vote. Broker non-votes will be counted for purposes of determining whether there is a quorum present at the special meeting, but because adoption of the merger agreement requires the affirmative vote of a majority of the outstanding shares entitled to vote, broker non-votes will have the same effect as a vote AGAINST the merger.

If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

If you are a Unocal employee and hold shares of restricted Unocal common stock awarded under a Unocal incentive plan and do not submit voting instructions for those shares, they will be voted as recommended by Unocal s board of directors.

How to Vote Your Shares

Registered Stockholders

Registered stockholders may vote by one of the following methods:

By Mail. You may vote by signing, dating and returning your proxy card in the enclosed pre-addressed envelope;

By Telephone. You may vote by telephone (from U.S., Puerto Rico and Canada only) using the toll-free number listed on the proxy card. Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on [ ], 2005;

By Internet. You may vote electronically on the Internet, using the web site listed on the proxy card. Please have your proxy card in hand when you log onto the web site. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Time, on [ ], 2005; or

In Person. You may vote in person at the special meeting.

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Street-name Stockholders

If your shares are held by a broker, bank or other nominee, you must follow the instructions on the form you receive from your broker, bank or other nominee in order for your shares to be voted. Please follow their instructions carefully. Also, please note that if the holder of record of your shares is a broker, bank or other nominee and you wish to vote at the special meeting, you must request a legal proxy from the bank, broker or other nominee that holds your shares and present that proxy and proof of identification at the special meeting to vote your shares.

Based on the instructions provided by the broker, bank or other holder of record of their shares, street-name stockholders may generally vote by one of the following methods:

By Mail. You may vote by signing, dating and returning your proxy card in the enclosed pre-addressed envelope;

By Methods Listed on Proxy Card. Please refer to your voting card or other information forwarded by your bank, broker or other holder of record to determine whether you may vote by telephone or electronically on the Internet, following the instructions on the card or other information provided by the record holder; or

In Person With a Proxy from the Record Holder. A street-name stockholder who wishes to vote at the meeting will need to obtain a legal proxy from his or her bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the annual meeting.

How to Change Your Vote

If you are a registered stockholder, you may revoke your proxy at any time before the shares are voted at the special meeting by:

sending a written notice to the Corporate Secretary of Unocal, 2141 Rosecrans Avenue, Suite 4000, El Segundo, CA 90245, by the close of business on [ ], 2005, indicating you are revoking your earlier proxy;

completing, signing and timely submitting a new proxy card to the addressee indicated on the pre-addressed envelope enclosed with your initial proxy card by the close of business on [ ], 2005. The latest dated and signed proxy actually received by such addressee before the special meeting will be counted, and any earlier proxies will be considered revoked; or

attending the special meeting and voting in person.

If you vote your shares by telephone or via the Internet, you may revoke your prior telephone or Internet vote by:

subsequently recording a different vote by telephone or Internet;

signing and returning a proxy card after your last telephone or Internet vote; or

attending the special meeting and voting in person.

Merely attending the meeting without voting will not revoke any prior votes or proxies.

If you are a street-name stockholder and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity s procedures.

Confidential Voting

Unocal s board of directors has adopted a policy of confidentiality for stockholder votes to encourage stockholder participation in corporate governance. Unocal retains independent third parties to receive and tabulate stockholder votes. The manner in which any stockholder votes on any particular issue shall, subject to federal or state law requirements, be strictly confidential.

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Unocal s board of directors considers that some registered stockholders may want Unocal to know how they have voted and Unocal, where possible, may wish to inquire as to how stockholders have voted. If you want Unocal to have access to your proxy card, you may check the box marked OPEN BALLOT on the proxy card and your proxy will be made available to Unocal. Your vote will remain confidential if you do not check the OPEN BALLOT box.

Solicitation of Proxies

In addition to solicitation by mail, directors, officers and employees of Unocal may solicit proxies for the special meeting from Unocal stockholders personally or by telephone and other electronic means without compensation other than reimbursement for their actual expenses.

Chevron will pay the expenses incurred in connection with the filing, printing and mailing of this document. Unocal has also made arrangements with MacKenzie Partners, Inc., New York, New York to assist Unocal in soliciting proxies for the special meeting and has agreed to pay MacKenzie Partners a fee not expected to exceed $25,000, plus reasonable out-of-pocket expenses, for these services. Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares of Unocal stock held of record by those persons.

Special Meeting Admission

If you wish to attend the special meeting in person, you must present either an admission ticket or appropriate proof of ownership of Unocal stock, as well as a form of personal identification. If you are a registered stockholder and plan to attend the meeting in person, please mark the attendance box on your proxy card and bring the tear-off admission ticket with you to the meeting. If you are a beneficial owner of Unocal common stock that is held by a bank, broker or other nominee, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or a letter from your bank or broker are examples of proof of ownership.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting.

Voting and Elections by Participants in the Unocal Plans

Participants in the Unocal Savings Plan, Molycorp, Inc. 401(k) Retirement Savings Plan or the Pure Resources 401(k) and Matching Plan (which we collectively refer to in the proxy statement as the Unocal Plans) will be able to direct how they want the shares of Unocal common stock allocated to their accounts as of the record date to be voted and whether they want to elect cash consideration or share consideration to be allocated to their accounts in ex-change for each share of Unocal common stock in their accounts as of the closing date. All voting instructions submitted by Unocal Plan participants are confidential and will not be disclosed to Unocal s management. After the voting instructions with respect to the Unocal Plans are tabulated, the results will be given to an independent fiduciary (who has been specially retained in connection with the mergers and is a fiduciary to the Unocal Plans) who will, following such instructions, to the extent not inconsistent with ERISA, direct the trustee as to how to vote on the adoption of the merger agreement and what form of merger consideration to elect. If you are a participant in the Unocal Plans and do not submit voting instructions for any shares held in Unocal common stock in such plans, the shares will be voted pro rata with the vote of Unocal Plan shares for which instructions are received. Your instructions on how to vote on the adoption of the merger agreement and to elect the merger consideration will be subject, in the case of all Unocal Plans, to the extent consistent with the applicable fiduciary s duties under ERISA. If you are a participant in the Unocal Plans, please follow the instructions that you receive for voting and elections with respect to the shares allocated to your account, which will set forth in detail how elections will be made for Unocal common stock held in your account under the Unocal Plans in the event that you fail to properly provide any instructions as to how you want elections to be made with respect to shares of Unocal common stock allocated to your plan account.

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COMPARISON OF STOCKHOLDER RIGHTS

The rights of Unocal stockholders under Delaware law, the Unocal certificate of incorporation and the Unocal bylaws prior to the merger are substantially the same as the rights Chevron stockholders will have following the merger under Delaware law, the Chevron restated certificate of incorporation and the Chevron bylaws, with principal exceptions summarized in the chart below. Copies of the Unocal certificate of incorporation, the Unocal bylaws, the Chevron restated certificate of incorporation and the Chevron bylaws are incorporated by reference and will be sent to holders of shares of Unocal common stock upon request. See Additional Information for Stockholders Where You Can Find More Information on page 81. The summary contained in the following chart is qualified by reference to Delaware law, the Unocal certificate of incorporation, the Unocal bylaws, the Chevron restated certificate of incorporation and the Chevron bylaws.

	Unocal Stockholder Rights	Chevron Stockholder Rights
Authorized Capital Stock	Unocal s certificate of incorporation authorizes Unocal to issue 850,000,000 shares consisting of 750,000,000 shares of common stock and 100,000,000 shares of preferred stock.	Chevron s certificate of incorporation authorizes Chevron to issue 4,100,000,000 shares consisting of 4,000,000,000 shares of common stock and 100,000,000 shares of preferred stock.
	Unocal s board of directors has the authority to issue one or more series of preferred stock, having terms designated by Unocal s board. As of March 31, 2005, there were 271,654,896 shares of common stock and no shares of preferred stock outstanding.	Chevron s board of directors has the authority to issue one or more series of preferred stock, having terms designated by Chevron s board. As of March 31, 2005, there were 2,098,220,174 shares of common stock and no shares of preferred stock outstanding.
	Unocal s common stock is listed on the New York Stock Exchange.	Chevron s common stock is listed on the New York Stock Exchange and the Pacific Exchange.
Voting Rights	Each share of Unocal s common stock entitles its holder to one vote on all matters on which stockholders are entitled to vote.	Each share of Chevron s common stock entitles its holder to one vote on all matters on which stockholders are entitled to vote.
Conversion Rights	Unocal common stock is not subject to any conversion rights.	Chevron common stock is not subject to any conversion rights.
Stockholder Proposals	Unocal s bylaws provide that any stockholder who intends to bring a matter before the stockholders meeting must deliver written notice of his or her intent to do so to Unocal s secretary. For an annual meeting, the secretary must receive the notice no later than 90 days prior to the meeting, unless there has been an amendment to the bylaws since the last annual meeting changing the date of the annual meeting, in which case the notice must be delivered no later than 90 days prior to the meeting or the tenth day	Chevron s bylaws do not contain advance notice provisions for stockholder proposals. Chevron s restated certificate of incorporation, however, precludes taking action on any proposal at a stockholder meeting that is not included in the proxy statement for that meeting (unless this requirement is waived by the board of directors). In practice, this means that stockholder proposals must comply with the submission standards under federal proxy rules and must be submitted to Chevron consistent with the company s deadline set forth in the proxy statement for the prior year s

following the date of public disclosure of the new meeting date. See the subsection entitled Nomination of Directors below for more information.

annual meeting of stockholders.

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	Unocal Stockholder Rights	Chevron Stockholder Rights
	In any case, the business must be a proper matter for stockholder action and the notice must include: a brief description of each matter desired to be brought before the meeting; the name and address of the proposing stockholder (if the stockholder is a holder of record, they must be as in Unocal s stock ownership records); the class and number of shares of Unocal that are beneficially owned by the stockholder presenting the proposed business (and if the stockholder is not a holder of record, proof of beneficial ownership); a description of any material interest of the proponent in the business being brought; and a statement as to whether the proponent intends to deliver a proxy statement and a form of proxy to a sufficient number of stockholders.	
Nomination of Directors	Unocal s bylaws provide that a Unocal stockholder may nominate one or more persons for election as directors at an annual or special meeting called for the election of directors, but only if the stockholder delivers written notice of his or her intent to make the nomination to Unocal s secretary. The timing requirements for receiving the notice are similar to those for receiving notice of stockholder proposals described above. The notice must include: such information concerning each nominee as would be required under SEC rules to be included in a proxy statement soliciting proxies for the election of the nominee as a director; and a written and signed consent of each nominee to serve as a Unocal director if elected. In addition, if the number of directors to be	Chevron s board of directors proposes a slate of nominees for director each year. Chevron s Nominating and Governance Committee identifies, investigates and recommends prospective directors to the board. Stockholders may recommend a nominee by writing to the corporate secretary, specifying the nominee s name and qualifications for board membership. All recommendations are brought to the attention of the Nominating and Governance Committee.

elected to the board of directors is increased and there is no public announcement naming all of the

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	Unocal Stockholder Rights	Chevron Stockholder Rights
	nominees for director or specifying the size of the increased board of directors at least 100 days prior to the annual meeting, a stockholder s notice will be deemed to be timely received, but only with respect to the nominees for any new positions created by such increase, if it is delivered on or prior to the tenth day following the date of public disclosure of the meeting date. For a special meeting, nominations of persons to be elected to the board of directors by or at the direction of the board of directors or a nominating stockholder must be made by notice to the secretary no later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the date of public disclosure of the meeting date.	
Advance Notice of Stockholder Meetings	Unocal s bylaws provide that written notice of meetings shall be given to stockholders not less than 10 or more than 60 days prior to the meeting.	Chevron s certificate of incorporation provides that written notice of meetings shall be given to stockholders not less than 30 days prior to the meeting, together with a proxy statement.
Calling Special Meetings of Stockholders	Unocal s restated certificate of incorporation provides that a special meeting of stockholders can be called at any time by the board, or by a majority of the board, or by a committee of the board duly designated by the board as provided in a resolution of the board.	Chevron s bylaws provide that a special meeting of stockholders may be called by the board or the chairman of the board, and shall be called by the chairman of the board or the secretary at the request in writing of at least one third of the members of the board.
Quorum	Unocal s bylaws provide that the holders of one-third of the outstanding shares of stock entitled to vote shall constitute a quorum for transacting business at a meeting of stockholders.	Chevron s bylaws provide that a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for action at a meeting of stockholders.
Number of Directors	Unocal s bylaws provide that the number of directors shall be 10 and the Unocal certificate of incorporation provides that any by-law amendment increasing or reducing the authorized number of directors must be adopted by the affirmative vote of not less than 75% of the directors. Unocal s	Chevron s bylaws provide that the number of directors will be determined by resolution of the board approved by at least a majority of the directors then in office. Chevron s board currently consists of 12 directors.

board currently consists of 10 directors.

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	Unocal Stockholder Rights	Chevron Stockholder Rights
Classification of Board of Directors	Unocal s restated certificate of incorporation and bylaws provide that Unocal s board of directors is to be divided into three classes, with the classes having an equal or near equal number of directors and the directors of each class entitled to serve for three-year terms. Unocal s board of directors currently has three outstanding classes, two composed of three members and one composed of four members.	Chevron does not have a classified board. Chevron s bylaws require that all directors be elected at each annual meeting of stockholders for a term of one year.
Removal of Directors	Neither Unocal s bylaws nor its restated certificate of incorporation contains any express provisions with respect to the removal of directors; however, Delaware law provides that directors of a corporation with a classified board may only be removed for cause.	Chevron stockholders may remove directors with or without cause by the affirmative vote of the majority of stockholders entitled to vote in the election of directors.
Filling of Board Vacancies	Unocal s bylaws provide that any vacancy occurring on the board of directors may be filled by a majority of the remaining directors or by a sole remaining director, each such director to hold office until a successor is elected at an annual or special meeting of the stockholders.	Chevron s bylaws provide that any vacancy occurring on the board of directors may be filled by a majority of the directors then in office, each such director to hold office until a successor is elected at an annual or special meeting of the stockholders.
Action by Written Consent	Unocal s restated certificate of incorporation provides that no action of stockholders may be taken by written consent without a meeting.	Chevron s restated certificate of incorporation provides that action which may be taken at an annual or special meeting and which requires the approval of at least a majority of the voting power of the securities present at the meeting and entitled to vote on the action, or the shares of common stock present at the meeting, may not be taken except by vote at a meeting.

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	Unocal Stockholder Rights	Chevron Stockholder Rights
Amendment of Certificate of Incorporation	The affirmative vote of at least 75% of the voting power of Unocal s outstanding voting stock is required to amend various provisions of the Unocal restated certificate of incorporation, including provisions relating to the adoption, amendment or repeal of bylaws, the classified board, business combinations, actions by stockholders by written consent without a meeting, the call of special meetings, and amendments to the restated certificate of incorporation.	The affirmative vote of at least two-thirds of the voting power of Chevron s outstanding voting stock is required to amend various provisions of the Chevron restated certificate of incorporation, including provisions relating to prior notice of stockholders meetings, and the fairness committee.
Amendment of Bylaws	Unocal s bylaws may be amended by a vote of 75% of the outstanding stock entitled to vote or by the board of directors. However, any bylaw amendment by the board of directors regarding an increase or decrease to the number of directors or regarding the amendment of bylaws requires a resolution adopted by at least 75% of the directors.	Chevron s bylaws may be amended by the affirmative vote of the holders of a majority of the outstanding shares of common stock, or by a resolution of the board approved by at least a majority of the directors then in office. However, special restrictions apply to the amendment of the bylaw provisions governing change in control benefit protection.
Stockholder Rights Plan	Unocal s stockholder rights plan grants stockholders one preferred stock purchase right for each share of common stock held. Ten business days after a public announcement that a person has acquired beneficial ownership of 15% or more of Unocal s common stock or the commencement of a tender offer that, if successful, would result in such an acquisition, each purchase right will become exercisable and entitle its holder to purchase from Unocal that number of shares of Unocal s common stock having a market value equal to twice the $180 exercise price of the right. However, Unocal s stockholder rights plan has been amended so that it will not apply to the merger.	Chevron does not currently have a stockholder rights plan.

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	Unocal Stockholder Rights	Chevron Stockholder Rights
Certain Business Combinations	Unocal s restated certificate of incorporation requires the affirmative vote of not less than 75% of the outstanding shares of Unocal s voting stock to approve any of the following: mergers or consolidations with a related corporation (as described below); a sale or exchange of all or a substantial part of Unocal s assets to or with a related corporation; or the issuance or delivery of Unocal stock or other Unocal securities in exchange for any properties or assets of or securities issued by a related corporation, or in a merger of any affiliate of Unocal with or into a related corporation or its affiliates. For this purpose, a related corporation means any corporation that owns, together with its affiliates, more than 10% of the voting power of Unocal s outstanding voting stock. The above 75% stockholder voting requirement does not apply: if the transaction was approved by 75% of the directors prior to the related corporation s acquisition of more than 10% of the total voting power of Unocal s outstanding voting stock; or to any transaction between Unocal and any corporation of which Unocal owns more than 50% or more of the voting stock.	Chevron s restated certificate of incorporation provides that a fairness committee of the board of directors will be established during any period of the existence of a 10% stockholder. The fairness committee will consist of all directors serving at the time any such stockholder becomes a 10% stockholder. The fairness committee will look into the fairness to the corporation and its stockholders of transactions the committee deems extraordinary, which may include mergers or liquidations, transactions with major stockholders, major asset sales or recapitalizations. The fairness committee may require that the corporation s stockholders ratify such an extraordinary transaction by the affirmative vote of two- thirds of the shares of outstanding common stock or a majority of the outstanding shares of common stock, excluding shares held by the 10% stockholder.

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DESCRIPTION OF CHEVRON CAPITAL STOCK

The following describes the material terms of the capital stock of Chevron. This description is qualified in its entirety by reference to the restated certificate of incorporation and bylaws of Chevron which are incorporated herein by reference into this proxy statement/prospectus. See Additional Information for Stockholders Where You Can Find More Information on page 81 for more information about the documents incorporated by reference into this proxy statement/prospectus.

The authorized capital stock of Chevron currently consists of four billion shares of common stock, par value $0.75 per share, and one hundred million shares of preferred stock, par value $1.00 per share. As of March 31, 2005, there were 2,098,220,174 shares of Chevron common stock outstanding.

Chevron Common Stock

The holders of Chevron common stock are entitled to receive such dividends or distributions as are lawfully declared on Chevron common stock, to have notice of any authorized meeting of stockholders, and to one vote for each share of Chevron common stock on all matters which are properly submitted to a vote of Chevron stockholders. As a Delaware corporation, Chevron is subject to statutory limitations on the declaration and payment of dividends. In the event of a liquidation, dissolution or winding up of Chevron, holders of Chevron common stock have the right to a ratable portion of assets remaining after satisfaction in full of the prior rights of creditors, including holders of Chevron s indebtedness, all liabilities and the aggregate liquidation preferences of any outstanding shares of Chevron preferred stock. The holders of Chevron common stock have no conversion, redemption, preemptive or cumulative voting rights. All outstanding shares of Chevron common stock are, and the shares of Chevron common stock to be issued in the merger will be, validly issued, fully paid and non-assessable. At June 17, 2005, there were approximately 225,000 holders of Chevron common stock.

Chevron Preferred Stock

Chevron s restated certificate of incorporation expressly authorizes the board of directors to issue preferred stock in one or more series, to establish the number of shares in any series and to set the designation and preferences of any series and the powers, rights, qualifications, limitations or restrictions on each series of preferred stock.

Note on Delaware Law Change regarding Uncertificated Shares

On August 1, 2005, Delaware law will change to permit corporations incorporated in Delaware to issue stock only in book entry, or uncertificated, form. This law change will allow companies to eliminate the physical handling and safekeeping responsibilities associated with owning transferable stock certificates and also the need to return a duly executed stock certificate to transfer the stock represented by the physical certificates. Chevron currently expects that it will avail itself of the new law when it goes into effect. Therefore, if Chevron changes to book-entry only shares and the merger occurs after this change is made, then shares issued to former Unocal stockholders pursuant to the merger will be in book-entry form only and no stock certificates representing those shares will be issued. Instead, the exchange agent will send a confirmation of the number of shares of Chevron common stock held by each holder in book-entry form.

Mellon Investor Services will continue to act as the registrar and transfer agent for Chevron common stock after the merger. After the merger, holders will be able to transfer shares of Chevron common stock held in book-entry form by mailing to Mellon Investor Services a transfer and assignment form, which Mellon Investor Services will provide to holders at no charge upon written request.

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LEGAL MATTERS

The validity of the Chevron common stock to be issued to Unocal stockholders pursuant to the merger will be passed upon by Pillsbury Winthrop Shaw Pittman LLP, San Francisco, California.

EXPERTS

The consolidated financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this proxy statement/ prospectus by reference to the Annual Reports on Form 10-K of Chevron Corporation and of Unocal Corporation (except, in the case of Unocal Corporation, for Items 6, 7 and 8, which are superseded by Unocal s Current Report on Form 8-K dated May 26, 2005), each for the year ended December 31, 2004, have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

STOCKHOLDER PROPOSALS

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, stockholders may present proper proposals for inclusion in a company s proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals to the company in a timely manner.

Unocal will hold an annual meeting in the year 2006 only if the merger has not already been completed. Proposals submitted for inclusion in Unocal s proxy statement for the 2006 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities Exchange Act must be received by the Corporate Secretary at 2141 Rosecrans Avenue, Suite 4000, El Segundo, California 90245, on or before December 12, 2005. Under Unocal s bylaws, stockholder proposals for consideration at the 2006 annual meeting, but not for inclusion in the proxy statement, must be received by the Corporate Secretary no later than February 21, 2006. If Unocal s bylaws are amended to change the date of the 2006 annual meeting, the deadline for submitting such proposals shall be the later of 90 days before the meeting date or the 10th day following the day on which public announcement of the meeting date is first made. Notice of such proposals must also comply with the provisions of Section 7 of Article III of Unocal s bylaws.

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ADDITIONAL INFORMATION FOR STOCKHOLDERS

Where You Can Find More Information

Chevron and Unocal file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file at the SEC s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at http://www.sec.gov.

Chevron filed a registration statement on Form S-4 to register with the SEC the Chevron common stock to be issued to Unocal stockholders in the merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of Chevron in addition to being a proxy statement of Unocal for the special meeting of Unocal stockholders. As allowed by SEC rules, this proxy statement/prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

Documents Incorporated by Reference

The SEC allows us to incorporate by reference information into this proxy statement/prospectus, which means that we can disclose important information 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 proxy statement/prospectus, except for any information superseded by information in, or incorporated by reference in, this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about our companies and their finances.

Chevron SEC Filings (File No. 1-368-2)

1. Annual Report on Form 10-K for the year ended December 31, 2004.

2. Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.

3. Current Reports on Form 8-K filed April 4, April 7, April 28 and May 10, 2005.

4. The description of Chevron s common stock contained in Chevron s Current Reports on Form 8-K dated November 1, 2001 and November 19, 2002.

Unocal SEC Filings (File No. 1-8483)

1. Annual Report on Form 10-K for the year ended December 31, 2004, except for Items 6, 7 and 8, which are superseded by the Current Report on Form 8-K dated May 26, 2005.

2. Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.

3. Current Reports on Form 8-K filed on March 31, April 4, April 7, May 10, May 24, May 26, June 9, June 10, June 23 and June 24 2005.

4. The description of Unocal s common stock, $1.00 par value per share, excluding that of the associated Preferred Stock Purchase Rights, set forth under the caption Description of the Common Stock, included in the prospectus dated September 25, 1998, of Union Oil Company of California and Unocal (File Nos. 333-58415 and 333-58415-01).

5. Rights Agreement, dated as of January 5, 2000, between Unocal and Mellon Investor Services, L.L.C., as Rights Agent (incorporated by reference to Exhibit 4 to Unocal s Current Report on Form 8-K dated January 5, 2000, File No. 1-8483), as amended by (1) Amendment to Rights Agreement, dated as of March 27, 2002 (incorporated by reference to Exhibit 10 to Unocal s Current Report on Form 8-K dated March 27, 2002, File No. 1-8483); (2) Amendment No. 2 to

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Rights Agreement, dated as of August 2, 2002 (incorporated by reference to Exhibit 10 to Unocal s Current Report on Form 8-K dated August 2, 2002, File No. 1-8483); (3) Amendment No. 3 to Rights Agreement, dated as of April 1, 2003 (incorporated by reference to Exhibit 10.1 to Unocal s Current Report on Form 10-Q for the quarter ended March 31, 2003, File No. 1-8483) and (4) Amendment No. 4 to Rights Agreement, dated as of April 4, 2005 (incorporated by reference to Exhibit 4.2 to Unocal s Form 8-A/A for Registration of Certain Classes of Securities Pursuant to Section 12(b) dated April 7, 2005, File No. 1-8483).

We are also incorporating by reference all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this proxy statement/prospectus and the date of the Unocal stockholder meeting.

Chevron has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to Chevron, and Unocal has supplied all such information relating to Unocal.

If you are a stockholder, we may have sent you some of the documents incorporated by reference, but you can obtain any of them through us or the SEC. Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate party at the following address:

Unocal Corporation
Unocal Stockholder Services
2141 Rosecrans Avenue, Suite 4000
El Segundo, CA 90245
(800) 252-2233

Chevron Corporation
Chevron Comptroller s Department
6001 Bollinger Canyon Road A3201
San Ramon, CA 94583-2324
(925) 842-1000

If you would like to request documents from us, please do so by [ ], 2005, to receive them before the meeting.

You can also get more information by visiting Chevron s web site at www.Chevron.com and Unocal s web site at www.Unocal.com. Web site materials are not part of this proxy statement/prospectus.

You should rely only on the information contained or incorporated by reference into this proxy statement/prospectus to vote on the proposals described in this document. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus. This proxy statement/prospectus is dated [ ], 2005. You should not assume that the information contained in the proxy statement/prospectus is accurate as of any date other than such date, and neither the mailing of this proxy statement/prospectus to stockholders nor the issuance of Chevron common stock in the merger shall create any implication to the contrary.

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ANNEX A

AGREEMENT AND PLAN OF MERGER
dated as of
April 4, 2005
among
UNOCAL CORPORATION,
CHEVRONTEXACO CORPORATION
and
BLUE MERGER SUB INC.

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this *Agreement*) dated as of April 4, 2005 by and among UNOCAL CORPORATION, a Delaware corporation (the *Company*), CHEVRONTEXACO CORPORATION, a Delaware corporation (*Parent*), and BLUE MERGER SUB INC., a newly formed Delaware corporation and a direct wholly-owned subsidiary of Parent (*Merger Subsidiary*).

W I T N E S S E T H:

WHEREAS, the respective Boards of Directors of Parent, Merger Subsidiary and the Company have each approved this Agreement and the transactions contemplated hereby, including the merger of the Company with and into Merger Subsidiary (the *Merger*), upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of the Company deems it advisable and in the best interest of the Company and its stockholders that the Company enter into the Merger to advance the strategic business interests of the Company by putting under common ownership, and permitting the coordination of activities conducted by, Company subsidiaries and subsidiaries of Parent, and otherwise participating in growth opportunities of Parent, its subsidiaries and affiliates; and

WHEREAS, for United States federal income tax purposes, it is intended that the Merger will qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the *Code*);

NOW, THEREFORE, in consideration of the promises and the respective representations, warranties, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

The Merger

Section 1.1 *The Merger.*

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (as defined below), the Company shall be merged (the *Merger*) with and into Merger Subsidiary in accordance with the requirements of the General Corporation Law of the State of Delaware (the *DGCL*), whereupon the separate existence of the Company shall cease, and Merger Subsidiary shall be the surviving corporation in the Merger (the *Surviving Corporation*).

(b) On the Closing Date, immediately after the Closing, the Company will file a certificate of merger