



THE MARKET

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

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

ACHIEVEMENTS

As one of the three world-class brands owned by Chevron Corporation, which is the second-largest U.S.-based energy company and the fifth-largest in the world, Texaco represents a full range of quality petroleum products. The Texaco brand has been synonymous with enduring performance for over 100 years, and has emerged as an influential global brand with American heritage. From fuels and lubricants to antifreeze and services, Texaco-branded products can be found nationwide at over 1,600 Texaco retail outlets, Xpress Lube facilities, and internationally

with more than 5,000 Texaco service stations in Latin America, West Africa, and Europe.

HISTORY

The news of a March 1901 gusher in Spindletop, Texas, sent thousands of prospectors scurrying to the region, including industry veteran Joseph Stephen Cullinan, nicknamed "Buckskin Joe" for his rough-hewn managerial style. Cullinan joined with New York financier Arnold Schlaet to found the Texas Fuel Company. By April 1902, the rapidly expanding organization adopted a new name — the Texas

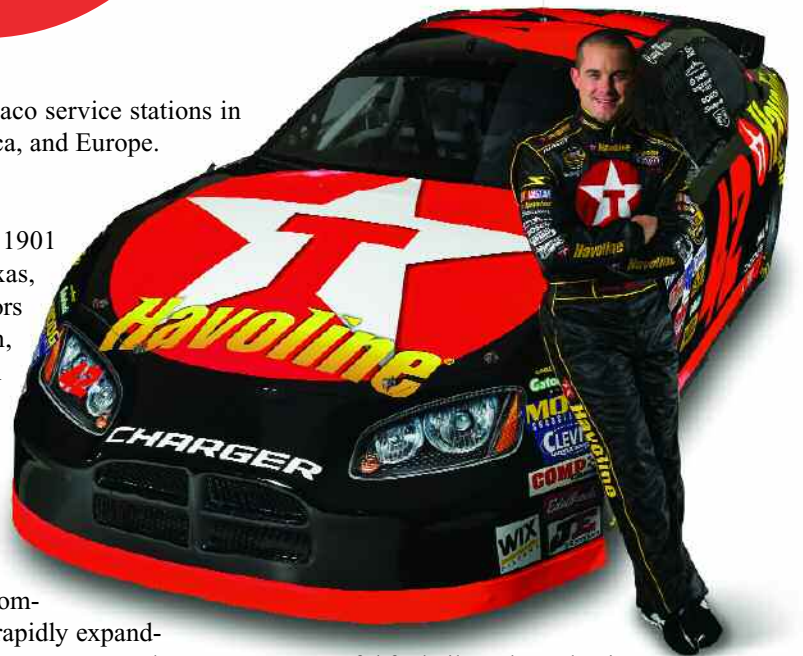
Company (later, Texaco). The company's risk-taking spirit proved vital when it made its first discovery in January 1903 in Sour Lake, Texas, after gambling its future on the site's drilling rights.

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

Capitalizing on the growth of the automobile industry, Texaco's founders introduced a roster of

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

Over its century-long history, the Texaco brand has benefited from strong advertising support, epitomized by the 1932 introduction of Texaco Fire Chief Gasoline, promoted in radio broadcasts by comedian Ed Wynn. That tradition continued with the 1948 television debut of *The Texaco Star Theater*, hosted by the medium's first megastar, Milton Berle. In 1962, Texaco introduced its famous advertising campaign, "Trust



Texaco with TECHRON.
Without it, other gasolines are just "other gasolines."



Trust your car to the



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your car to the man who wears the star,” which derived its 20-year success not only from its clever line, but more importantly, from its tie to a core brand value of trust.

Recognizing the worldwide power of the Texaco brand, the company became Texaco Inc. in 1959. The new name suited the company, which continued its strong performance across its operating spectrum. Supporting the company’s products were a wide range of promotional activities, including its sponsorship of the Havoline racing team and its support for the national Olympic teams of 38 countries in 1992 and the U.S. Olympic teams at the 2000 Games in Sydney, the Salt Lake City Games in 2002, and the Athens Games in 2004.

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

THE PRODUCT

Whether gasoline, jet fuel, motor oil, marine lubricants, or antifreeze, Texaco-branded products and services have always been known for being the highest in quality, reliability, and performance. From an additive motor oil that improved engine performance in the historic Model T Ford, to gasolines that eliminate deposits in modern fuel injection systems, car experts worldwide know they can “trust their car to the star.” With the recent addition of **Techron®** to all Texaco fuel, customers can now benefit from high-performance products as well as fuel that is unsurpassed in cleaning vital engine parts. All grades of Texaco-branded gasoline marketed in the United States contain **Techron** and meet the “TOP TIER Detergent Gasoline” criteria established by automakers BMW, General Motors, Honda, and Toyota. This standard for gasoline detergency is higher than that set by the U.S. Environmental Protection Agency. In addition, Texaco/Havoline motor oil features advanced technology and proven performance and is used by millions of customers to protect engines from heat stress, starting friction, and engine dirt.

RECENT DEVELOPMENTS

With the arrival of its second century in existence, Texaco is revisiting its heritage by reintroducing the Shining Star in a new North American advertising campaign which celebrates the automotive aficionados who know and love their cars, are driven by performance, and trust only one brand of fuel. The new TV, print, outdoor, and radio campaign features characters like the “Car Whisperer,” a man who has the gift of talking to his friends’ cars in order to diagnose the ailments that keep them from running at peak performance. The campaign also introduces the tale of a man who operates a junk-



yard car crusher with a soft spot for classic automobiles, and must tearfully pancake a decrepit vintage sports car identical to the pristine one he owns. And for the fans of NASCAR, an inspiring pit-stop commercial showcases the Texaco/Havoline No. 42 Dodge Charger driven by Casey Mears.

Because of its global presence, Texaco is also strengthening its brand identity in Latin America, Africa, and Europe. In Latin America, a new sponsorship with Brazilian soccer phenomenon Ronaldinho Gaucho is focused on highlighting the likeness of enduring performance in both Texaco’s products and Ronaldinho’s athleticism. In Africa, Texaco’s endorsement of Supa Strikas, a popular soccer-themed comic series, helps promote youth education and associates Africa’s pervasive passion for soccer with Texaco’s enduring brand. In Europe, Texaco supports two long-time running events — the Children’s Art Competition and the Sports Star Awards — which also plays perfectly with Texaco’s enduring performance. The combined efforts of these marketing programs will help advance Texaco’s international brand leadership.

All of the efforts around enhancing the Texaco brand are paying off. With the successful launch of Texaco with **Techron®** in 2005, the Oil Price Information Service (OPIS) moved Texaco’s ranking from fourth to the second as a “most powerful brand” in North America.

PROMOTION

With more than 30 years of sponsorship, the Texaco/Havoline racing team has proven the

worth of its trusted lubricant products, powering high-performance NASCAR and Formula One machines from the steep oval bankings of Daytona to international classics like Monaco. This commitment has ensured the continued excellence of Havoline’s products over the years and has built remarkable customer loyalty among millions of racing fans.

In 1972, Texaco/Havoline broke into auto racing with its sponsorship of two-time world champion Emerson Fittipaldi on the Formula One circuit. On the stock car side, the 2005 season marked Texaco/Havoline’s 18th consecutive year as sponsor of the National Association of Stock Car Auto Racing (NASCAR) NEXTEL Cup Series. The Texaco/Havoline sponsorship has been a visible and powerful company asset over the years, resulting not only in legions of fans, but in significant growth across different business units.

Through local and national sponsorships, Texaco is also affiliated with community organizations throughout the world to improve the quality of life for individual communities — ranging from a children’s art competition in Ireland (now in its 50th year), to an environmental study center in England, to a variety of learning programs for children in Colombia.

BRAND VALUES

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

THINGS YOU DIDN’T KNOW ABOUT TEXACO

- In 1930, Texaco employee Stu Hawley broke cross-country records by driving a Texaco-fueled and -lubricated Buick from New York to Los Angeles and back in under six days.
- On April 2, 1959, an RW-300 digital computer took control of polymerization processing at Texaco’s Port Arthur refinery, making Texaco the first company to use a computer to run an industrial process.
- Texaco has sponsored many of the world’s greatest race car drivers, including Davey Allison, Janet Guthrie, Don “the Snake” Prudhomme, Tom Sneva, Mario and Michael Andretti, and Ricky Rudd.