Introduction

Since its founding on April 7, 1902, Texaco has become a worldwide organization with more than 70,000 employes. The Company's net income in 1977 was nearly $931 million. Its gross income was $28.4 billion, and its total assets were more than $18.9 billion.

This short history traces three-quarters of a century in the growth of Texaco, a Company distinguished for its worldwide integrated operations in all phases of the petroleum industry — exploration, producing, transportation, refining, and marketing.

This history of Texaco is recorded in recognition of the accomplishments of the past. In recent years, however, a number of far-reaching changes adversely affecting the international petroleum industry have occurred both in the United States and abroad. Texaco will continue to be challenged by these developments. In meeting these challenges, the Company, together with its dedicated employes, looks forward to the continuing confidence of its stockholders, retailers, customers, and all who have an interest in Texaco's continued growth and prosperity.

THE FRONTIER YEARS (1902 - 1913)

A few weeks after the sensational Lucas gusher had roared into life in January, 1901, on Spindletop Hill near Beaumont, Texas, Joseph S. Cullinan set about to organize the Texas Fuel Company. Anticipating future oil discoveries in the area, Cullinan, a Pennsylvanian-turned-Texan and operator of a small oil refinery in Corsicana, Texas, raised $25,000 capital and Arnold Schlaet, a New York investment manager, supplied another $25,000. On March 26, 1901, they chartered the Texas Fuel Company.

The Texas Fuel Company, capitalized at

The use in this report of such terms as *Texaco, Company, organization, we, us, our,* and *its,* when referring to Texaco Inc. or to subsidiaries and nonsubsidiaries either individually or collectively, is only for convenience and is not intended to be an accurate description of corporate relationships.