Stock Selection Guide ®

NATIONAL ASSOCIATION OF INVESTORS CORPORATION
NAIC
INVESTMENT EDUCATION FOR INDIVIDUALS AND CLUBS SINCE 1951

The most widely used aid to good investment judgment

Company: CHEVRONTEXACO CORPORATION | Date: 06/30/06

Prepared by: MG | Data taken from: NAIC Data

Where traded: NYSE | Major product/service: Integrated

CAPITALIZATION --- Outstanding Amounts | Reference

Preferred($M)		0.0	% Insiders		% Institution
Common(M Shares)		2,216.5	1.0		59.0
Debt($M)	12,110.0	% to Tot.Cap.	16.3	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

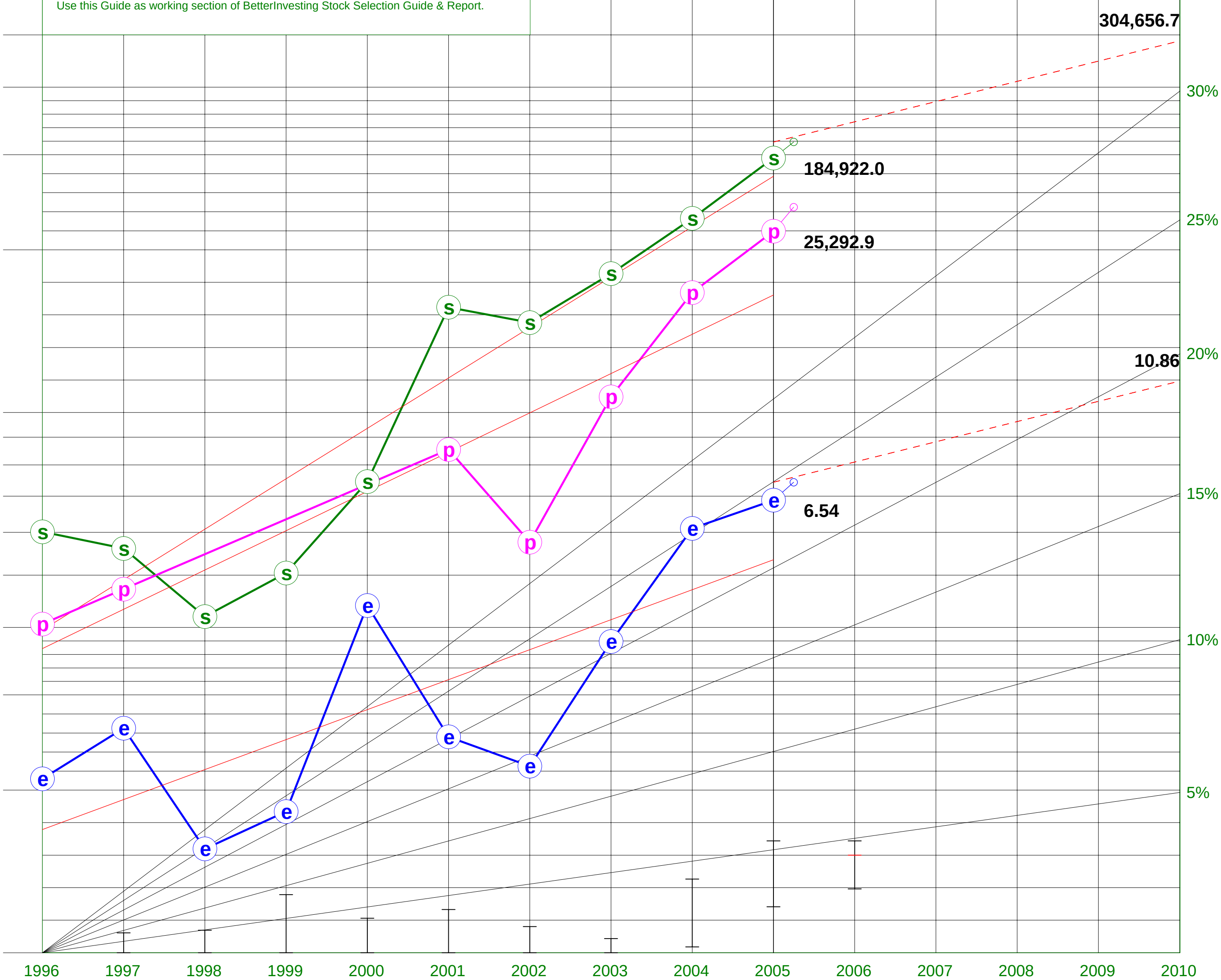
CVX

FY 2006 Q1 (Ended 3/31/2006)

RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	51,409.0	1.80
Year Ago Quarter	38,374.0	1.28
Percentage Change	34.0%	40.6%

See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions.
Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



(1) Historical Sales Growth 24.0 %

(2) Estimated Future Sales Growth 9.0 %

(3) Historical Earnings Per Share Growth 13.6 %

(4) Estimated Future Earnings Per Share Growth 9.0 %

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2 EVALUATING MANAGEMENT

Company **CHEVRONTEXACO CORPORATION (CVX)** 06/30/06

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	12.6	15.7				10.2	7.3	11.1	13.6	13.7	11.2	UP	
B	% Earned on Equity (E/S ÷ Book Value)	16.7	18.6	11.3	12.8	26.9	15.0	14.2	21.1	27.0	23.3	20.1	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

PRESENT PRICE 62.060 HIGH THIS YEAR 65.980 LOW THIS YEAR 53.760

	Year	A PRICE HIGH	B PRICE LOW	C Earnings Per Share	D Price Earnings Ratio HIGH A ÷ C	E Price Earnings Ratio LOW B ÷ C	F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
1	2001	49.2	39.2	2.39	~~20.6~~	~~16.4~~	1.325	55.6	3.4
2	2002	45.8	32.7	2.11	~~21.8~~	~~15.5~~	1.400	66.5	4.3
3	2003	43.5	30.7	3.58	12.2	8.6	1.430	39.9	4.7
4	2004	56.1	42.0	5.80	9.7	7.2	1.530	26.4	3.6
5	2005	66.0	49.8	6.54	10.1	7.6	1.750	26.8	3.5
6	TOTAL		194.4		32.0	23.4		215.2	
7	AVERAGE		38.9		10.7	7.8		43.0	

8 AVERAGE PRICE EARNINGS RATIO 9.3 | 9 CURRENT PRICE EARNINGS RATIO 8.8

Proj. P/E [8.06] Based on Next 4 qtr. EPS [7.70] Current P/E Based on Last 4 qtr. EPS [7.06]
PEG=90

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~10.7~~ 10.0 (3D7 as adj.) X Estimate High Earnings/Share 10.86 = Forecast High Price $ 108.6 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~7.8~~ 7.0 (3E7 as adj.) X Estimated Low Earnings/Share 6.54 = $ 45.8

(b) Avg. Low Price of Last 5 Years = 38.9 (3B7)

(c) Recent Severe Market Low Price = 42.0

(d) Price Dividend Will Support Present Divd. / High Yield (H) = 2.080 / 0.047 = 44.7

Selected Estimate Low Price = $ 48.1 (4B1)

C ZONING

108.6 (4A1) High Forecast Price Minus 48.1 (4B1) Low Forecast Price Equals 60.5 (C) Range. 1/3 of Range = 15.1 (4CD)

(4C2) Lower 1/3 = (4B1) 48.1 to 63.2 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 63.2 to 93.5 (Maybe)

(4C4) Upper 1/3 = 93.5 to 108.6 (4A1) (Sell)

Present Market Price of 62.060 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 108.6 Minus Present Price 62.060 = 46.5 = 3.3 To 1

Present Price 62.060 Minus Low Price (4B1) 48.1 = 14.0 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 108.6 / Present Market Price 62.060 = (1.750) X 100 = (175.0) - 100 = 75.0 % Appreciation (4E)

Relative Value: 94.6% Proj. Relative Value: 86.7%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend $ 2.080 / Present Price of Stock $ 62.060 = 0.034 X 100 = 3.4 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 9.14 X Avg. % Payout (3G7) 43.0 = 393.0 / Present Price $ 62.060 = 6.3 % (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 75.0 / 5 = 15.0 %

Average Yield (5B) 6.3 %

Average Total Annual Return Over the Next 5 Years (5C) 21.3 %

	P.A.R.	Tot. Ret.
Average Yield	5.1%	4.3%
Annual Appreciation	8.3%	11.8%
% Compd Ann Rate of Ret	13.3%	16.1%

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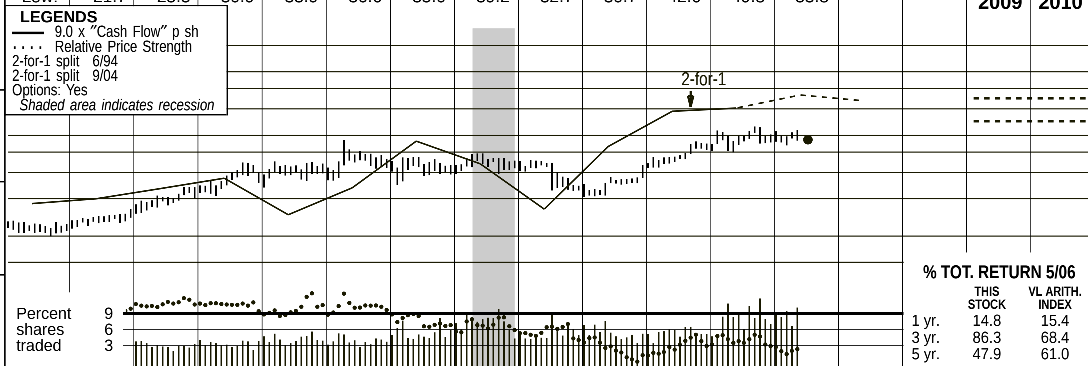
CHEVRON CORP. NYSE-CVX

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
57.17	7.9	(Trailing: 8.1 Median: 17.0)	0.45	3.6%	VALUE LINE

TIMELINESS 3 New 6/17/05
SAFETY 1 Raised 1/4/91
TECHNICAL 3 Raised 5/19/06
BETA .90 (1.00 = Market)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
High:	26.8	34.2	44.6	45.1	57.0	47.4	49.2	45.8	43.5	56.1	66.0	63.7
Low:	21.7	25.5	30.9	33.9	36.6	35.0	39.2	32.7	30.7	42.0	49.8	53.8



2009-11 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+55%)	*15%*
Low	70	(+20%)	*9%*

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	0	0	1	0	0	1	0
to Sell	0	3	0	0	1	0	0	0	0

Institutional Decisions

	3Q2005	4Q2005	1Q2006
to Buy	682	568	518
to Sell	470	592	645
Hld's(000)	1344608	1326882	1355011

% TOT. RETURN 5/06

	THIS STOCK	VL ARITH. INDEX
1 yr.	14.8	15.4
3 yr.	86.3	68.4
5 yr.	47.9	61.0

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11
27.51	26.29	28.80	24.65	23.28	24.01	28.23	26.69	23.40	27.87	40.63	50.11	46.37	56.94	73.70	88.77	**100.45**	**100.00**	Sales per sh A	**130.85**
3.44	2.82	3.22	3.28	3.16	3.34	3.73	4.18	2.80	3.76	6.26	4.88	2.98	5.90	8.67	8.96	**10.15**	**9.70**	"Cash Flow" per sh	**9.20**
1.51	.92	1.18	1.40	1.30	1.51	2.03	2.43	1.02	1.57	3.99	1.55	.54	3.48	6.28	6.54	**7.25**	**6.50**	Earnings per sh B	**5.35**
.74	.81	.83	.88	.93	.96	1.04	1.14	1.22	1.24	1.30	1.33	1.40	1.43	1.54	1.75	**2.01**	**2.20**	Div'ds Decl'd per sh C■	**2.60**
2.31	2.66	2.58	2.55	2.61	2.71	2.62	2.97	2.97	3.33	2.85	4.58	3.56	2.63	2.99	3.90	**6.80**	**5.30**	Cap'l Spending per sh	**4.80**
10.57	10.63	10.55	10.74	11.20	11.00	11.96	13.32	13.04	13.52	15.53	16.02	14.79	16.97	21.47	28.07	**31.40**	**34.15**	Book Value per sh	**31.45**
1403.2	1386.9	1300.7	1303.0	1303.5	1304.7	1306.2	1311.9	1306.1	1312.7	1283.1	2120.2	2136.3	2138.3	2107.1	2232.7	**2100.0**	**2000.0**	Common Shs Outst'g D	**1800.0**
11.7	19.7	14.6	15.3	16.8	16.0	14.7	15.4	39.9	28.6	10.6	28.8	NMF	10.2	7.6	8.8	*Bold figures are*		Avg Ann'l P/E Ratio	**15.0**
.87	1.26	.89	.90	1.10	1.07	.92	.89	2.08	1.63	.69	1.48	NMF	.58	.40	.47	*Value Line*		Relative P/E Ratio	**1.00**
4.2%	4.5%	4.8%	4.1%	4.2%	4.0%	3.5%	3.0%	3.0%	2.8%	3.1%	3.0%	3.5%	4.0%	3.2%	3.0%	*estimates*		Avg Ann'l Div'd Yield	**3.3%**

CAPITAL STRUCTURE as of 3/31/06
Total Debt $12110 mill. **Due in 5 Yrs** $1322 mill.
LT Debt $10788 mill. **LT Interest** $828.9 mill.
Includes $356 million capitalized leases.
(Total int. coverage: 9.1x) (14% of Cap'l)

Leases, Uncapitalized Annual rentals $428.9 mill.
Pension Assets-12/05 $6.13 bill. **Oblig.** $12.09 bill.

Pfd Stock None
Common Stock 2,138,019,115 shs. as of 4/23/06
MARKET CAP: $122 billion (Large Cap)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		09-11
36874	35009	30557	36586	52129	106245	99049	121761	155300	198200	**211000**	**200000**	Sales ($mill) A	**235500**
16.8%	19.3%	29.4%	47.0%	44.3%	14.7%	10.1%	15.7%	17.0%	16.1%	**16.5%**	**15.5%**	Operating Margin	**14.0%**
2216.0	2300.0	2320.0	2866.0	2848.0	7059.0	5231.0	5384.0	4935.0	5913.0	**6100**	**6350**	Depreciation ($mill)	**6900**
2651.0	3180.0	1339.0	2070.0	5185.0	3288.0	1132.0	7230.0	13328	14099	**15225**	**13000**	Net Profit ($mill)	**9630**
44.1%	40.8%	27.0%	43.3%	44.1%	60.3%	72.8%	43.4%	35.1%	44.0%	**40.0%**	**39.0%**	Income Tax Rate	**38.0%**
7.2%	9.1%	4.4%	5.7%	9.9%	3.1%	1.1%	5.9%	8.6%	7.1%	**7.2%**	**6.5%**	Net Profit Margin	**4.1%**
d965.0	60.0	d869.0	d592.0	539.0	d2327	d2100	3315.0	9708.0	9325.0	**7600**	**7700**	Working Cap'l ($mill)	**8850**
3988.0	4431.0	4393.0	5485.0	5153.0	8989.0	10666	10651	10217	12131	**12380**	**12400**	Long-Term Debt ($mill)	**12500**
15623	17472	17034	17749	19925	33958	31604	36295	45230	62676	**65950**	**68250**	Shr. Equity ($mill)	**56600**
14.3%	15.2%	6.9%	9.6%	21.3%	8.5%	3.5%	16.2%	24.7%	19.4%	**20.0%**	**16.5%**	Return on Total Cap'l	**17.5%**
17.0%	18.2%	7.9%	11.7%	26.0%	9.7%	3.6%	19.9%	29.5%	22.5%	**24.0%**	**19.0%**	Return on Shr. Equity	**21.5%**
8.3%	9.7%	NMF	2.5%	17.6%	1.3%	NMF	11.6%	22.3%	16.5%	**16.5%**	**12.5%**	Retained to Com Eq	**15.0%**
51%	47%	119%	79%	33%	87%	NMF	42%	24%	27%	**28%**	**34%**	All Div'ds to Net Prof	**48%**

CURRENT POSITION ($MILL.)	2004	2005	3/31/06
Cash Assets	10742	11144	11764
Receivables	12198	17390	16739
Inventory (LIFO)	2894	3612	3782
Other	2328	3140	3244
Current Assets	28162	35286	35529
Accts Payable	11213	16289	16529
Debt Due	1318	1312	1322
Other	8150	9128	9273
Current Liab.	20681	26729	27124

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05 to '09-'11
Sales	12.0%	19.0%	*10.0%*
"Cash Flow"	9.0%	13.0%	*2.5%*
Earnings	14.5%	20.0%	*-.5%*
Dividends	5.5%	4.5%	*8.5%*
Book Value	7.5%	9.5%	*6.0%*

Cal-endar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	33586	29361	28349	30465	121761
2004	33592	38301	40715	42692	155300
2005	41607	48343	54456	53794	198200
2006	54624	***57000***	***50000***	***49376***	***211000***
2007	***52000***	***55000***	***47000***	***46000***	***200000***

Cal-endar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	.99	.75	.93	.81	3.48
2004	1.33	1.94	1.38	1.63	6.28
2005	1.28	1.76	1.64	1.86	6.54
2006	1.80	***1.90***	***1.80***	***1.75***	***7.25***
2007	***1.75***	***1.60***	***1.60***	***1.55***	***6.50***

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.35	.35	.35	.35	1.40
2003	.35	.35	.365	.365	1.43
2004	.365	.365	.40	.40	1.53
2005	.40	.45	.45	.45	1.75
2006	.45	.52			

BUSINESS: Chevron Corp. is the world's fourth largest oil company based on proven reserves. Daily 2005 gross production: crude oil & NGLs, 2.211 mill. barrels; natural gas, 4.398 bill. cubic feet. Net proved reserves, 12/05: oil, 8.712 bill. bbls.; natural gas, 21.577 trill. cu. ft. Avg. 5-yr. finding costs: $5.12 a barrel (vs. ind. avg. $4.89). 5-yr. reserve replacement rate: 126% (vs. ind. avg. 137%). Est. present value of reserves: $163.1 bill. Product sales: 4.4 mill. bbls./day. Has 4,009 owned/leased stations, mainly in the U.S.; supplies 11,217 others. Has about 86,750 emplys, 410,125 shrhldrs. O&D own less than 1% of stock (5/06 proxy). Chrmn. and CEO: David J. O'Reilly. Inc.: DE. Addr.: 575 Market St., San Francisco, CA 94105. Tel.: 925-842-1000. Web: www.chevroncorp.com.

Chevron Corp. continues to improve its return on capital employed (ROCE). This is important since there is a correlation between ROCE and the stock price in the oil and gas sector. Pursuant to its acquisition of Texaco in 2001, CVX's ROCE declined and the stock price accompanied it. Some oil and gas discoveries, in conjunction with rising energy prices, enabled the company to improve its profits, and the stock's price recovered. Now that Chevron has brought UNOCAL into its fold, it is undertaking an ambitious restructuring program to realize this merger's full potential and raise returns. To this end, it is divesting noncore and high-cost assets. It is also expediting upstream (exploration and production) returns by hiking the capex budget 35%, to almost $15 billion. About $8 billion of this is earmarked for four of five large oilfield projects. CVX is also looking into acquiring a holding in East India. In the downstream business (marketing and refining), which accounts for about 35% of capital employed, efficiency programs are under way, given little new construction. All told, we look for ROCE to approach a very healthy 25% in 2006, just shy of the super-major industry average of 26%.

Meanwhile, the company is trying to keep its shareholders content. Peak-cycle commodity prices have enabled Chevron to generate strong profits and, thus, cash flow. It is using this to not only fund capex, but to buy back shares. Around $4.2 billion of a planned $5 billion worth of stock has already been repurchased. In addition, the quarterly dividend has been raised 15.5%, to $0.52 a share ($2.08 on an annualized basis). This is the 19th consecutive annual dividend increase.

This high-quality issue has decent long-term total-return potential. We expect the dividend to continue to be raised. Production volumes should be up 7% in 2006, reflecting the UNOCAL acquisition. Capex investment in Tenzig, Azerbaijan, and the Angola block should generate sufficient production to offset declines across the remainder of the portfolio. This, combined with historically high oil and gas prices, should generate an average annual production growth rate of about 4% over the span to 2009-2011.

Jeremy J. Butler *June 16, 2006*

(A) Sales exclude (consumer) petroleum & chemicals excise taxes. 2005 sales figures restated to account for UNOCAL merger.
(B) Based on diluted shares. Excl. nonrecur. gains (losses): '90, $0.02; '92, ($0.02); '93 ($0.43); '95, ($.79); '96, $0.03; '97, $0.06; '98, ($0.48). Incl. nonrecur. loss of $1.41: '01. Next earnings report due mid-July. (C) Dividends historically paid on or about 10th of March, June, September and December. ■Dividend reinvestment plan available. (D) In millions, adj. for stock splits.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	15

Trailing 4 quarters

PERT Worksheet-A Graph

Company CHEVRONTEXACO CORPORATION (CVX)