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UNOCAL CORP
Form 8-K
January 29, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

Current Report Pursuant
to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) January 25, 2001

UNOCAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-8483

95-3825062

(Commission File Number)

(I.R.S. Employer Identification No.)

2141 Rosecrans Avenue, Suite 4000, El Segundo, California

90245

(Address of Principal Executive Offices)

(Zip Code)

(310) 726-7600

(Registrant's Telephone Number, Including Area Code)

Item 5. Other Events.

Fourth Quarter 2000 Preliminary Earnings

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Unocal Corporation's preliminary net earnings were \$173 million, or 70 cents per share (diluted), for the fourth quarter of 2000, with all \$173 million coming from continuing operations. This compared to \$97 million, or 40 cents per share (diluted), for the fourth quarter of 1999, with \$71 million from continuing operations and \$26 million from discontinued operations.

Earnings from continuing operations were \$173 million, or 70 cents per share (diluted), in the fourth quarter of 2000 compared to \$71 million, or 29 cents per share (diluted), for the same period a year ago. The increase was primarily due to higher crude oil and natural gas prices. The Company's worldwide average crude oil price was \$28.30 per barrel in the fourth quarter of 2000, which was an increase of \$7.96 per barrel, or 39 percent, from the same period a year ago. The Company's worldwide average natural gas price was \$3.76 per thousand cubic feet (mcf) in the fourth quarter of 2000, which was an increase of \$1.54 per mcf, or 69 percent, from the same period a year ago.

The fourth quarter of 2000 included \$28 million in after-tax provisions for litigation and environmental matters, a \$33 million after-tax charge to write-down the Company's investment in the Questa, New Mexico, molybdenum mining operation, and \$26 million in charges covering deferred income tax adjustments and a provision for prior years income tax matters. The fourth quarter of 1999 included a charge of \$12 million after-tax in oil and gas asset write-downs and a charge of \$5 million after-tax in environmental and litigation provisions, which were offset by a \$16 million after-tax benefit from an insurance recovery related to various environmental matters.

There were no earnings from discontinued operations in the fourth quarter of 2000, while the earnings from discontinued operations in the fourth quarter of 1999 were \$26 million, or 11 cents per share (diluted). The fourth quarter of 1999 included a \$32 million after-tax benefit from a settlement with Tosco Corporation to resolve certain contingent payment issues related to gasoline margins in the Company's former Refining, Marketing and Transportation business segment. This benefit was partially offset by an \$11 million after-tax charge related to the Company's disposal of the Refining, Marketing and Transportation business segment.

For the full year 2000, the Company's preliminary net earnings were \$760 million, or \$3.08 per share (diluted), with \$723 million from continuing operations and \$37 million from discontinued operations. This compared to \$137 million, or 56 cents per share (diluted), for the full year 1999, with \$113 million coming from continuing operations and \$24 million from discontinued operations.

Earnings from continuing operations were \$723 million, or \$2.93 per share (diluted), for the full year of 2000 compared to \$113 million, or 46 cents per share (diluted), for the full year 1999. Higher crude oil and natural gas prices were major factors for this increase. The Company's worldwide average crude oil price was \$26.60 per barrel for the full year of 2000, which was an increase of \$11.22 per barrel, or 73 percent, from the average price of a year ago. The Company's worldwide average natural gas price was \$2.96 per mcf for the full year of 2000, which was an increase of 92 cents per mcf, or 45 percent, from the average price of a year ago.

-1-

The full year of 2000 included a \$55 million after-tax benefit from payments received for infringement of one of the Company's five reformulated gasoline patents during a five-month period in 1996, a \$42 million after-tax gain from the Pure Resources, Inc. transaction, \$21 million after-tax related to an insurance recovery and an after-tax gain of \$7 million from the sale of the

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Company's specialty graphite business. These positive factors were offset by \$99 million in after-tax provisions for litigation and environmental matters, \$48 million in after-tax losses related to commodity derivative positions of the Company's Canadian Northrock Resources, Ltd. (Northrock) subsidiary that were not accounted for as hedges and the \$33 million after-tax charge to write-down the Company's investment in the Questa, New Mexico molybdenum mining operation. The full year of 1999 included after-tax charges of \$19 million for environmental and litigation provisions net of related settlement proceeds, the \$12 million for Lower 48 oil and gas asset write-downs, \$11 million in restructuring costs and \$10 million related to a loss on the sale of The Geysers, California, geothermal assets, which were partially offset by the \$16 million after-tax benefit from the insurance recovery related to various environmental matters.

Earnings from discontinued operations were \$37 million, or 15 cents per share (diluted), for the full year 2000 compared to \$24 million, or 10 cents per share (diluted), for the full year 1999.

Total revenues from continuing operations for the fourth quarter of 2000 were \$2.8 billion, compared with \$1.9 billion for the fourth quarter of 1999. Total revenues from continuing operations for the full year of 2000 were \$9.2 billion, compared with \$6.0 billion for the full year of 1999. Reported revenues from continuing operations exclude equity in earnings of affiliated companies totaling \$33 million and \$23 million for the fourth quarter and \$134 million and \$95 million for the full years, respectively for 2000 and 1999.

Capital spending for the fourth quarter of 2000 was \$430 million, compared with \$410 million for the fourth quarter of 1999. The fourth quarter of 2000 capital spending amount excluded \$157 million to acquire additional interests in the Makassar Strait and Rapak production-sharing contract areas in Indonesia. Capital spending for the full year of 2000 was \$1,302 million, compared with \$1,171 million for full year of 1999. Capital spending of \$1,302 million for the full year of 2000 excluded the aforementioned \$157 million and \$161 million for the acquisition of the remaining Northrock common shares. The capital spending of \$1,171 million for the full year of 1999 excluded \$205 million for the initial acquisition of Northrock shares.

The Company's total debt, including current maturities, at the end of 2000 was \$2.51 billion, compared with \$2.85 billion at the end of 1999.

Outlook

The Company projects adjusted after-tax earnings to be \$1.25 to \$1.35 per share (diluted) for the first quarter of 2001, assuming an average benchmark West Texas Intermediate (WTI) crude oil price of \$28 per barrel and a benchmark Henry Hub natural gas price of \$7.50 per million British thermal units (MMBtu). The Company also projects adjusted after-tax earnings to be \$2.90 to \$3.15 per share (diluted) for the full year 2001. The full year 2001 earnings projection assumes an average benchmark WTI crude oil price of \$25 per barrel and a benchmark Henry Hub natural gas price of \$4.75 per MMBtu.

The Company's projected adjusted after-tax earnings for the full year 2001 are estimated to change 13 cents per share for every \$1 change in its average worldwide realized price of oil and 7 cents per share for every 10 cent change in the Company's average Lower 48 realized natural gas price.

The Company's projected 2001 adjusted after-tax earnings assumes dry hole costs of \$200 to \$280 million (63% to 48% success rate) for the full year and \$60 to \$65 million for the first quarter. The Company's projected adjusted after-tax earnings are estimated to change 13 cents per share for every 10-percent change

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in the overall success rate of its exploration drilling program.

-2-

The Company's net crude oil and natural gas production is projected to increase by about five percent. The Company expects that net worldwide daily production for 2001 will average about 530,000 to 540,000 barrels-of-oil equivalent (BOE), up from 509,000 BOE for 2000. First quarter 2001 daily production is expected to average between 525,000 and 530,000 BOE, compared with 512,000 BOE in the fourth quarter 2000.

The Company has projected its capital spending for 2001 to be approximately \$1.5 to \$1.6 billion (excluding significant acquisitions), up from the \$1.3 billion (excluding significant acquisitions) spent in 2000.

Forward-looking statements and estimates regarding projected earnings, capital expenditures, acquisitions, commodity prices, dry hole costs and production levels, in this filing are based on assumptions about operational, market, competitive, regulatory, environmental, political and other considerations. Actual results could differ materially as a result of factors discussed in Unocal 's 1999 Annual Report on Form 10-K and subsequent reports.

-3-

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNOCAL CORPORATION
(Registrant)

Date: January 29, 2001

By: /s/ JOE D. CECIL

Joe D. Cecil
Vice President and Comptroller

-4-

CONSOLIDATED RESULTS
(UNAUDITED)

| | For the Three Months | | For t |
|--|----------------------|-------|-------|
| | Ended December 31, | | Ende |
| | 2000 | 1999 | |
| Millions of dollars except per share amounts | | | |
| Adjusted after-tax earnings from continuing operations | \$ 261 | \$ 72 | |
| Special items | (88) | (1) | |
| Earnings from continuing operations | \$ 173 | \$ 71 | |
| Earnings from discontinued operations | - | 26 | |

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| | | | |
|--|----------|----------|----|
| Net earnings | \$ 173 | \$ 97 | |
| ===== | | | |
| DILUTED EARNINGS PER SHARE DATA (UNAUDITED) | | | |
| Adjusted after-tax earnings per share from continuing operations | \$ 1.04 | \$ 0.30 | \$ |
| ----- | | | |
| Net earnings per share: | | | |
| Continuing operations | \$ 0.70 | \$ 0.29 | \$ |
| Discontinued operations | - | 0.11 | |
| ----- | | | |
| Total net earnings per share | \$ 0.70 | \$ 0.40 | \$ |
| ===== | | | |
| REVENUES FROM CONTINUING OPERATIONS (UNAUDITED) (a) | \$ 2,783 | \$ 1,905 | \$ |
| ----- | | | |

ADJUSTED AFTER-TAX EARNINGS
BY BUSINESS SEGMENT
(UNAUDITED)

| Millions of dollars | For the Three Months | | For t |
|--|----------------------|-------|-------|
| | Ended December 31, | | |
| | 2000 | 1999 | |
| ----- | | | |
| Exploration & Production | | | |
| North America | | | |
| Lower 48 (a) | \$ 149 | \$ 26 | |
| Alaska | 23 | 20 | |
| Canada (a) | 14 | 5 | |
| International | | | |
| Far East | 127 | 57 | |
| Other | 14 | 4 | |
| Global Trade | 2 | 1 | |
| Pipelines | 7 | 16 | |
| Geothermal and Power Operations | 6 | 2 | |
| Carbon & Minerals (a) | 1 | 1 | |
| Corporate and Unallocated | | | |
| Administrative & General | (26) | (16) | |
| Interest Expense - Net (a) | (36) | (37) | |
| Environmental & Litigation | (2) | (2) | |
| Other | (18) | (5) | |
| ----- | | | |
| Adjusted after-tax earnings from continuing operations | \$ 261 | \$ 72 | |
| Adjusted after-tax earnings from discontinued operations | - | 5 | |
| ----- | | | |
| Adjusted after-tax earnings | \$ 261 | \$ 77 | |
| ===== | | | |

-5-

OPERATING HIGHLIGHTS
(UNAUDITED)

For the Three Months
Ended December 31,

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| | 2000 | 1999 |
|--|----------|----------|
| ----- | | |
| North America Net Daily Production | | |
| Crude oil (thousand barrels) | | |
| Lower 48 (a) | 46 | 41 |
| Alaska | 25 | 28 |
| Canada (a) | 15 | 14 |
| ----- | | |
| Total North America crude oil | 86 | 83 |
| Natural gas - wet basis (million cubic feet) | | |
| Lower 48 (a) | 852 | 722 |
| Alaska | 90 | 154 |
| Canada (a) | 104 | 105 |
| ----- | | |
| Total North America natural gas | 1,046 | 981 |
| North America Average Prices (b) | | |
| Crude oil (per barrel) | | |
| Lower 48 | \$ 30.43 | \$ 21.90 |
| Alaska | \$ 28.03 | \$ 18.35 |
| Canada | \$ 22.54 | \$ 17.77 |
| Average North America crude oil prices | \$ 28.32 | \$ 20.01 |
| Natural gas (per mcf) | | |
| Lower 48 | \$ 5.27 | \$ 2.41 |
| Alaska | \$ 1.20 | \$ 1.20 |
| Canada | \$ 3.20 | \$ 2.28 |
| Average North America natural gas prices | \$ 4.69 | \$ 2.19 |
| ----- | | |
| International Net Daily Production (c) | | |
| Crude oil (thousand barrels) | | |
| Far East | 69 | 76 |
| Other | 17 | 21 |
| ----- | | |
| Total International crude oil | 86 | 97 |
| Natural gas - wet basis (million cubic feet) | | |
| Far East | 940 | 825 |
| Other | 58 | 53 |
| ----- | | |
| Total International natural gas | 998 | 878 |
| International Average Prices (b) | | |
| Crude oil (per barrel) | | |
| Far East | \$ 28.07 | \$ 20.08 |
| Other | \$ 29.08 | \$ 22.08 |
| Average International crude oil prices | \$ 28.28 | \$ 20.73 |
| Natural gas (per mcf) | | |
| Far East | \$ 2.68 | \$ 2.22 |
| Other | \$ 2.86 | \$ 2.74 |
| Average International natural gas prices | \$ 2.69 | \$ 2.25 |
| ----- | | |
| Worldwide Net Daily Production (a) (c) | | |
| Crude oil (thousand barrels) | 172 | 180 |
| Natural gas - wet basis (million cubic feet) | 2,044 | 1,859 |
| Barrels oil equivalent (thousands) | 512 | 490 |
| Worldwide Average Prices (b) | | |
| Crude oil (per barrel) | \$ 28.30 | \$ 20.34 |
| Natural gas (per mcf) | \$ 3.76 | \$ 2.22 |
| ----- | | |

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PRODUCTION PROFILE

| | 1999A |
|--------------------------|-------|
| ----- | |
| Lower 48 United States | |
| Oil/Cond (MBOPD) | 40.0 |
| Wet Gas (MMCFD) | 747.0 |
| ----- | |
| Total (MBOED) | 176.0 |
| Total MMBOE per year (a) | 64.3 |
| ----- | |
| Alaska | |
| Oil/Cond (MBOPD) | 27.0 |
| Wet Gas (MMCFD) | 133.0 |
| ----- | |
| Total (MBOED) | 47.0 |
| Total MMBOE per year | 17.2 |
| ----- | |
| Total United States | |
| Oil/Cond (MBOPD) | 67.0 |
| Wet Gas (MMCFD) | 880.0 |
| ----- | |
| Total (MBOED) | 213.7 |
| Total MMBOE per year (a) | 78.0 |
| ----- | |
| Canada | |
| Oil/Cond (MBOPD) | 12.0 |
| Wet Gas (MMCFD) | 70.0 |
| ----- | |
| Total (MBOED) | 31.8 |
| Total MMBOE per year | 11.6 |
| ----- | |
| Total North America | |
| Oil/Cond (MBOPD) | 79.0 |
| Wet Gas (MMCFD) | 950.0 |
| ----- | |
| Total (MBOED) | 237.2 |
| Total MMBOE per year (a) | 86.6 |
| ----- | |
| Far East | |
| Oil/Cond (MBOPD) | 73.0 |
| Gas (MMCFD) | 847.0 |
| ----- | |
| Total (MBOED) | 214.2 |
| Total MMBOE per year | 78.2 |
| ----- | |
| Other International | |
| Oil/Cond (MBOD) | 23.0 |
| Gas (MMCFD) | 39.0 |
| ----- | |
| Total (MBOED) | 29.5 |
| Total MMBOE per year | 10.8 |
| ----- | |
| Total International | |
| Oil/Cond (MBOPD) | 96.0 |
| Gas (MMCFD) | 886.0 |
| ----- | |
| Total (MBOED) | 243.7 |
| Total MMBOE per year | 88.9 |

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| | |
|----------------------------|---------|
| Total Worldwide Production | |
| Oil/Cond (MBOD) | 175.0 |
| Gas (MMCFD) | 1,836.0 |
| Total (MBOED) | 481.0 |
| Total MMBOE per year (a) | 175.6 |

-7-

NORTH AMERICA
ADJUSTED OPERATING EXPENSES (PRE-TAX)

| Millions of dollars except BOE amounts | 1999A | 2000A | 2001E | 1999A |
|---|---------------|-----------------|-----------------|-----------------|
| Lower 48 | | | | |
| Production Costs | \$ 167 | \$ 208 | \$ 235 | \$ 2.84 |
| Exploration Expenses | 74 | 90 | 79 | 1.26 |
| Dry Hole Costs | 82 | 85 | 160 | 1.39 |
| DD&A | 365 | 427 | 471 | 6.21 |
| Other | 65 | 78 | 98 | 1.11 |
| Total Lower 48 operating expense | \$ 753 | \$ 888 | \$ 1,043 | \$ 12.81 |
| Alaska | | | | |
| Production Costs | \$ 69 | \$ 80 | \$ 83 | \$ 3.85 |
| Exploration Expenses | 2 | 3 | 2 | 0.11 |
| Dry Hole Costs | - | 3 | 4 | - |
| DD&A | 53 | 57 | 51 | 2.96 |
| Other | 10 | 9 | 11 | 0.56 |
| Total Alaska operating expense | \$ 134 | \$ 152 | \$ 151 | \$ 7.48 |
| United States | | | | |
| Production Costs | \$ 236 | \$ 288 | \$ 318 | \$ 3.08 |
| Exploration Expenses | 76 | 93 | 81 | 0.99 |
| Dry Hole Costs | 82 | 88 | 164 | 1.07 |
| DD&A | 418 | 484 | 522 | 5.45 |
| Other | 75 | 87 | 109 | 0.98 |
| Total U.S. operating expense | \$ 887 | \$ 1,040 | \$ 1,194 | \$ 11.56 |
| Canada | | | | |
| Production Costs | \$ 35 | \$ 51 | \$ 48 | \$ 4.07 |
| Exploration Expenses | 7 | 7 | 8 | 0.81 |
| Dry Hole Costs | 4 | 7 | 8 | 0.47 |
| DD&A | 54 | 111 | 131 | 6.28 |
| Other | 11 | 13 | 12 | 1.40 |
| Total Canada operating expense | \$ 111 | \$ 189 | \$ 207 | \$ 13.03 |
| North America | | | | |
| Production Costs | \$ 271 | \$ 339 | \$ 366 | \$ 3.18 |
| Exploration Expenses | 83 | 100 | 89 | 0.97 |

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| | | | | |
|---------------------------------------|--------|----------|----------|----------|
| Dry Hole Costs | 86 | 95 | 172 | 1.01 |
| DD&A | 472 | 595 | 653 | 5.53 |
| Other | 86 | 100 | 121 | 1.02 |
| <hr/> | | | | |
| Total North America operating expense | \$ 998 | \$ 1,229 | \$ 1,401 | \$ 11.71 |
| <hr/> | | | | |

-8-

INTERNATIONAL/WORLDWIDE
ADJUSTED OPERATING EXPENSES (PRE-TAX)

| Millions of dollars except BOE amounts | 1999A | 2000A | 2001E | 1 |
|---|----------|----------|----------|------|
| <hr/> | | | | |
| Far East | | | | |
| Production Costs | \$ 134 | \$ 152 | \$ 157 | \$ |
| Exploration Expenses | 36 | 41 | 47 | |
| Dry Hole Costs | 41 | 58 | 30 | |
| DD&A | 207 | 221 | 234 | |
| Other | 58 | 61 | 70 | |
| <hr/> | | | | |
| Total Far East operating expense | \$ 476 | \$ 533 | \$ 538 | \$ |
| <hr/> | | | | |
| Other International | | | | |
| Production Costs | \$ 44 | \$ 45 | \$ 48 | \$ |
| Exploration Expenses | 52 | 33 | 36 | |
| Dry Hole Costs | 21 | 3 | 38 | |
| DD&A | 63 | 50 | 50 | |
| Other | 25 | 32 | 19 | |
| <hr/> | | | | |
| Total Other International operating expense | \$ 205 | \$ 163 | \$ 191 | \$ 1 |
| <hr/> | | | | |
| International | | | | |
| Production Costs | \$ 178 | \$ 197 | \$ 205 | \$ |
| Exploration Expenses | 88 | 74 | 83 | |
| Dry Hole Costs | 62 | 61 | 68 | |
| DD&A | 270 | 271 | 284 | |
| Other | 83 | 93 | 89 | |
| <hr/> | | | | |
| Total International operating expense | \$ 681 | \$ 696 | \$ 729 | \$ |
| <hr/> | | | | |
| Worldwide | | | | |
| Production Costs | \$ 449 | \$ 536 | \$ 571 | \$ |
| Exploration Expenses | 171 | 174 | 172 | |
| Dry Hole Costs | 148 | 156 | 240 | |
| DD&A | 742 | 866 | 937 | |
| Other | 169 | 193 | 210 | |
| <hr/> | | | | |
| Total worldwide operating expense | \$ 1,679 | \$ 1,925 | \$ 2,130 | \$ |
| <hr/> | | | | |

-9-

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TOTAL EXPLORATION CAPITAL AND CASH EXPENSE

| | Exploration Capital | | |
|---------------------|------------------------|-------|-------|
| | 1999A | 2000A | 2001E |
| North America | | | |
| Lower 48 | \$275 | \$248 | \$397 |
| Alaska | 3 | 3 | 10 |
| Canada | 34 | 33 | 36 |
| Total North America | 312 | 284 | 443 |
| International | | | |
| Far East | 125 | 100 | 72 |
| Other International | 48 | 14 | 54 |
| Total International | \$173 | \$114 | \$126 |
| Worldwide | \$485 | \$398 | \$569 |

EXPLORATION DRILLING

| Millions of dollars | 1999A | | | 2000A | | |
|---------------------|-------------------------|--------------|-----------------|-------------------------|--------------|-----------------|
| | Exploration Drilling | Dry Holes | Success Rate | Exploration Drilling | Dry Holes | Success Rate |
| North America | | | | | | |
| Lower 48 | \$ 246 | \$82 | 67% | \$ 206 | \$ 85 | 59% |
| Alaska | 2 | - | 100% | 3 | 3 | 0% |
| Canada | 20 | 4 | 80% | 27 | 7 | 74% |
| Total North America | 268 | 86 | 68% | 236 | 95 | 60% |
| International | | | | | | |
| Far East | 118 | 41 | 65% | 94 | 58 | 38% |
| Other International | 42 | 21 | 50% | 13 | 3 | 77% |
| Total International | 160 | 62 | 61% | 107 | 61 | 43% |
| Worldwide | \$ 428 | \$148 | 65% | \$ 343 | \$ 156 | 55% |

-10-

ADJUSTED DEPRECIATION, DEPLETION & AMORTIZATION

| Millions of dollars except BOE amounts | Amount | | |
|--|--------|-------|-------|
| | 1999A | 2000A | 2001E |
| North America | | | |
| Lower 48 | \$365 | \$427 | \$471 |

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| | | | |
|---------------------------------|-------|-------|-------|
| Alaska | 53 | 57 | 51 |
| Canada | 54 | 111 | 131 |
| ----- | | | |
| Total North America | 472 | 595 | 653 |
| International | | | |
| Far East | 207 | 221 | 234 |
| Other International | 63 | 50 | 50 |
| ----- | | | |
| Total International | \$270 | \$271 | \$284 |
| ----- | | | |
| Worldwide E&P | \$742 | \$866 | \$937 |
| ----- | | | |
| Global Trade | 1 | 1 | 1 |
| Pipelines | 12 | 12 | 12 |
| Geothermal and Power Operations | 22 | 17 | 19 |
| Carbon and Minerals | 11 | 11 | 10 |
| Other | 10 | 12 | 18 |
| ----- | | | |
| Total | \$798 | \$919 | \$997 |
| Discontinued operations | 15 | - | - |
| ----- | | | |
| Total DD&A | \$813 | \$919 | \$997 |
| ----- | | | |

CAPITAL EXPENDITURES

| Millions of dollars | YTD 1999A |
|--|--------------|
| ----- | |
| Exploration & Production | |
| North America | |
| Lower 48 | \$ 530 |
| Alaska | 28 |
| Canada (a) | 112 |
| International | |
| Far East (b) | 320 |
| Other | 118 |
| Global Trade | 3 |
| Pipelines | 7 |
| Geothermal and Power Operations | 21 |
| Carbon & Minerals | 12 |
| Corporate and Unallocated | 10 |
| ----- | |
| Total capital expenditures for continuing operations | 1,161 |
| Discontinued Operations | 10 |
| ----- | |
| Total capital expenditures | \$ 1,171 |
| ----- | |

-11-

NON-E&P ADJUSTED SEGMENT EARNINGS

Pre-Tax

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| Millions of dollars | 1999A | 2000A | 2001E | 1999 |
|---------------------------------|--------|-------|--------|-------|
| Global Trade | \$ (7) | \$ 6 | \$ 14 | \$ (|
| Pipelines | 73 | 63 | 72 | 6 |
| Geothermal and Power Operations | 43 | 45 | 55 | 2 |
| Carbon and Minerals | 23 | 20 | 25 | 2 |
| Total non-E&P adjusted earnings | \$ 132 | \$134 | \$ 166 | \$ 10 |

ADJUSTED CORPORATE AND UNALLOCATED

| Millions of dollars | 1999A | Pre-Tax 2000A | 2001E | 199 |
|--|----------|------------------|----------|-------|
| Corporate and Unallocated | | | | |
| Administrative and General | (117) | (124) | (121) | (|
| Interest Expense - net | (174) | (175) | (144) | (1 |
| Environmental and Litigation | (17) | (21) | (16) | (|
| Other | (23) | (53) | (40) | (|
| Total Adjusted Corporate and Unallocated | \$ (331) | \$ (373) | \$ (321) | \$ (2 |