

Unocal Corporation

1998 ANNUAL REPORT

EAST KALIMANTAN

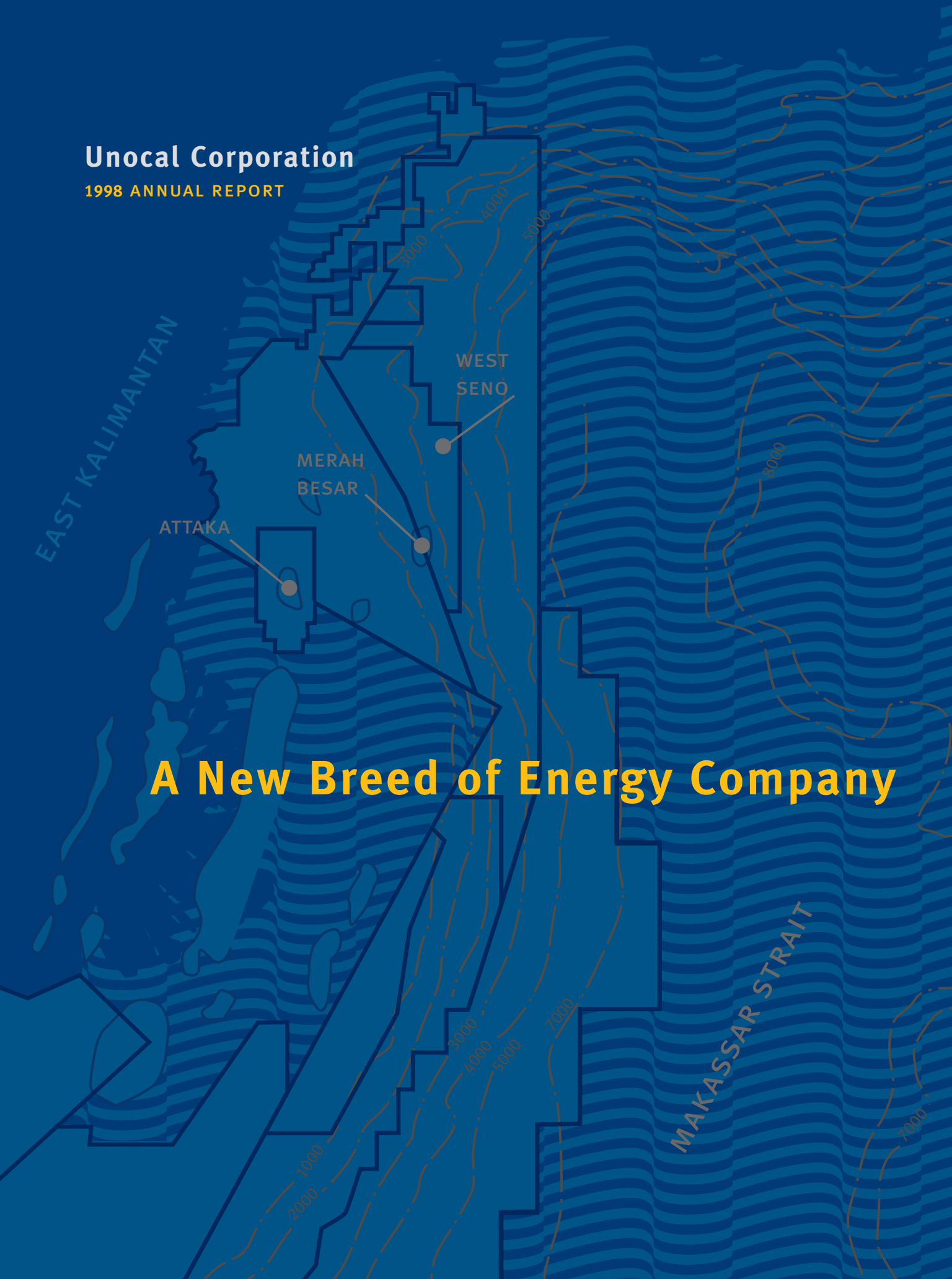
ATTAKA

MERAH
BESAR

WEST
SENO

A New Breed of Energy Company

MAKASSAR STRAIT





MOST ACTIVE EXPLORER IN INDONESIA With a position offshore East Kalimantan of more than 5 million gross acres — about the size of the state of Massachusetts — Unocal is the most active explorer in Indonesia. Nearly half the acreage is in deep water, generally defined as 1,500 feet (500 meters) or more. The first two deepwater discoveries — the Merah Besar and West Seno fields — are scheduled to start production in 2001. In 1998, we added another 4.5 million acres in deep water on the eastern side of the Makassar Strait — but close enough to be supported by existing infrastructure if exploration proves successful. Unocal made its first discovery offshore Indonesia — the Attaka field — in 1970.

UNOCAL CORPORATION IS THE PARENT OF UNION OIL COMPANY OF CALIFORNIA. VIRTUALLY ALL OPERATIONS ARE CONDUCTED BY UNION OIL COMPANY OF CALIFORNIA, WHICH DOES BUSINESS AS UNOCAL, AND ITS SUBSIDIARIES. THE NAME UNOCAL IS USED FOR UNOCAL CORPORATION AND ITS SUBSIDIARIES IN THIS REPORT.

FORWARD-LOOKING STATEMENTS AND ESTIMATES OF FUTURE FINANCIAL AND OPERATING RESULTS IN THIS REPORT ARE BASED ON ASSUMPTIONS CONCERNING MARKET, COMPETITIVE, REGULATORY, ENVIRONMENTAL AND OTHER CONSIDERATIONS. ACTUAL RESULTS COULD DIFFER MATERIALLY, AS A RESULT OF FACTORS DISCUSSED IN THE 1998 ANNUAL REPORT ON FORM 10-K.

THE TERM “POTENTIAL RESOURCE” REPRESENTS A SPECULATIVE ESTIMATE OF THE ULTIMATE RECOVERY OF CRUDE OIL AND/OR NATURAL GAS AND NATURAL GAS LIQUIDS, INCLUDING NON-PROVEN RESOURCE AND EXPLORATION POTENTIAL, BASED ON ENGINEERING, GEOPHYSICAL AND GEOLOGICAL STUDIES.

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STOCKHOLDER INFORMATION INSIDE BACK COVER



Unocal at a Glance

INTERNATIONAL OPERATIONS: Unocal explores for and/or produces oil and gas in more than a dozen countries outside of the United States, with flagship operations in Thailand and Indonesia. Significant new discoveries were made in 1998 in Indonesia and Bangladesh. The unit also actively seeks new energy project ventures, both midstream and downstream.

SPIRIT ENERGY 76 conducts oil and gas production, development and exploration operations in the United States (excluding Alaska), with emphasis on the Gulf Coast, Gulf of Mexico shelf and deep-water areas, and the Permian Basin in west Texas.

ALASKA OIL AND GAS RESOURCES, providing natural gas feedstock for Unocal's nitrogen fertilizer production in south Alaska, is managed as part of Agricultural Products.

UNOCAL GLOBAL TRADE

MARKETING AND TRADING is responsible for maximizing crude oil and natural gas margins, and for strategic hedging activities.

MIDSTREAM VENTURES brings commercial focus to storage operations and captures new midstream asset opportunities.

PIPELINES manages interests in more than 14,000 miles of oil, gas and product pipelines worldwide.

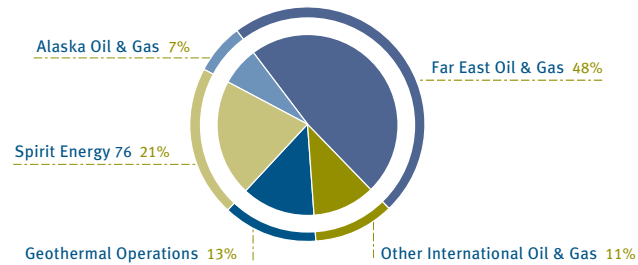
GEOTHERMAL AND POWER OPERATIONS: Unocal has major geothermal operations in the Philippines and Indonesia, and interests in various other projects in Asia and Latin America.

DIVERSIFIED BUSINESS GROUP

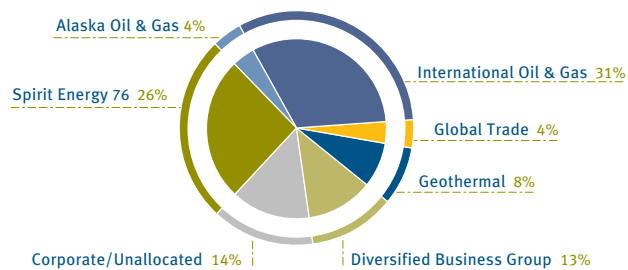
AGRICULTURAL PRODUCTS manufactures fertilizers for markets in the Asian Pacific Rim and U.S. West Coast.

CARBON AND MINERALS produces and markets petroleum coke, graphites and specialty minerals. The business unit also manages an equity interest in a Brazilian niobium producer.

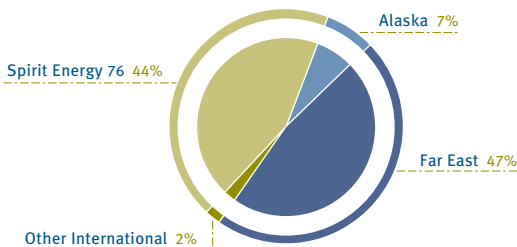
1998 ESTIMATED PROVED RESERVES
(1.8 BILLION BOE)



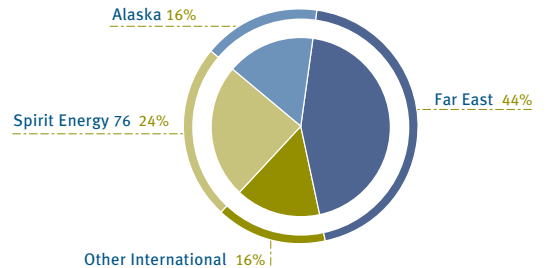
1998 ASSETS (\$8 BILLION)



1998 WORLDWIDE GAS PRODUCTION
(304,311 BOE/d)



1998 WORLDWIDE OIL PRODUCTION
(183,701 BOE/d)



HIGHLIGHTS

Millions of dollars except per share amounts	Years ended December 31		
	1998	1997	1996
FINANCIAL			
Total revenues from continuing operations	\$ 5,479	\$ 6,064	\$ 5,328
Earnings from continuing operations	\$ 130	\$ 669	\$ 456
Earnings (loss) from discontinued operations (net of tax)	\$ —	\$ (50)	\$ (420)
Extraordinary charge — extinguishment of debt (net of tax)	\$ —	\$ (38)	\$ —
Net earnings	\$ 130	\$ 581	\$ 36
Basic earnings (loss) per share of common stock:			
Continuing operations	\$ 0.54	\$ 2.69	\$ 1.54
Discontinued operations	\$ —	\$ (0.20)	\$ (1.69)
Extraordinary item	\$ 0.54	\$ (0.15)	\$ —
Net earnings (loss) per share of common stock	\$ 0.54	\$ 2.34	\$ (0.15)
Diluted earnings (loss) per share of common stock:			
Continuing operations	\$ 0.54	\$ 2.65	\$ 1.53
Discontinued operations	\$ —	\$ (0.19)	\$ (1.60)
Extraordinary item	\$ —	\$ (0.15)	\$ —
Net earnings (loss) per share of common stock	\$ 0.54	\$ 2.31	\$ (0.07)
Adjusted earnings from continuing operations ^(a)	\$ 166	\$ 515	\$ 562
Adjusted basic earnings per share from continuing operations ^(a)	\$ 0.69	\$ 2.08	\$ 1.97
Return on average stockholders' equity and preferred securities:			
Continuing operations	4.7%	23.8%	15.9%
Including discontinued operations and extraordinary item	4.7%	20.6%	1.3%
Cash dividends declared per common share	\$ 0.80	\$ 0.80	\$ 0.80
Capital expenditures from continuing operations	\$ 1,704	\$ 1,378	\$ 1,174
Total assets	\$ 7,952	\$ 7,530	\$ 9,123
Total debt	\$ 2,558	\$ 2,170	\$ 3,058
Convertible preferred securities	\$ 522	\$ 522	\$ 522
Stockholders' equity	\$ 2,202	\$ 2,314	\$ 2,275
Per common share	\$ 9.13	\$ 9.32	\$ 9.14
OPERATIONS			
Net proved reserves			
Crude oil and condensate (million barrels) ^(b)	532	533	513
Natural gas (billion cubic feet) ^(b)	6,122	6,550	6,795
Geothermal (billion kilowatt-hours) ^(c)	157	149	155
Net daily production			
Crude oil and condensate (thousand barrels) ^(b)	184	197	207
Natural gas (million cubic feet) ^(b)	1,826	1,848	1,812
Natural gas liquids (thousand barrels)	19	18	20
Geothermal (million kilowatt-hours)	21	18	18

^(a) Special items are detailed in Management's Discussion and Analysis of Financial Condition and Results of Operations.

^(b) Includes certain host countries' shares. See the Supplemental Information on Oil and Gas Exploration and Production Activities and the Operating Summary for further information.

^(c) Includes reserves underlying a service fee arrangement in the Philippines.

Report to Unocal Stockholders

Unocal has the best portfolio of growth opportunities in the history of the company — and one of the strongest balance sheets.

This puts us in an excellent position to ride out the current down cycle in crude oil prices — recently at 30-year lows — and weak U.S. natural gas prices. With 1998 earnings and cash flow depressed, we are taking decisive steps to cut capital costs and expenditures — while continuing to fund higher potential growth projects. Unocal will emerge from this low price cycle in a much stronger position to grow.

Unocal's total reserve base plus resource potential is more than five times our current size. To maintain our momentum toward realizing this potential, despite soft commodity prices, we are prioritizing our investments on a project-by-project basis, emphasizing growth projects in core asset areas. Our capital plan will be fine-tuned each quarter, based on commodity prices and cash flow. In 1999, we have allocated about \$1.0 billion for capital spending, down from \$1.7 billion in 1998. We are also cutting expenses by \$150 million to \$200 million this year.

A key goal is to protect our strong balance sheet. We plan to “live within our means” — holding our debt-to-total-capitalization ratio in its current range. We expect that cash flow constraints will keep our worldwide oil and gas production about flat to slightly declining this year compared to 1998, with expected increases in 2000 as new production comes on stream.



BUILDING A REGIONAL POWER GRID Unocal Thailand is at the hub of a developing regional gas-to-power network. The 11 fields Unocal operates in the Gulf of Thailand produce gas mainly for electricity generation. Gas coming on stream from the Yadana field, offshore Myanmar, will tie into this market. In the future, recent Unocal gas discoveries offshore Vietnam could help to meet that country's needs and add to regional supplies.



ROGER C. BEACH, CHAIRMAN AND CEO

Our strong balance sheet gives us an extraordinary opportunity to acquire quality assets available at attractive costs during this period of weak commodity prices. Our Corporate Development group is aggressively — but highly selectively — looking for only those opportunities that will add value, complement our existing portfolio, enhance our leverage in selected areas, or help us build scale in places where we want to grow. We welcome the right opportunity — but we are under no pressure to make any deal that doesn't meet our criteria.

During 1998, we continued to build our global exploration portfolio, with particular emphasis on deep-water projects — generally defined as those in 1,500 feet (500 meters) of water or more. In Indonesia, for example, we have consolidated a dominant position in deep water offshore East Kalimantan. By adapting low-cost, proprietary technologies we've developed in Southeast Asia to these new deepwater prospects, we have already made two significant discoveries — which we expect to have on production in 2001.

We are now transferring this industry-leading knowledge to our operations in the Gulf of Mexico, with a goal to cut drilling costs in deep water by half compared to the industry's current average costs. Over the

last two years, our Spirit Energy 76 business unit has acquired a strong deepwater position in the Gulf with interests in more than 200 blocks. We also acquired deepwater interests offshore Gabon, West Africa, and are pursuing blocks offshore Brazil.

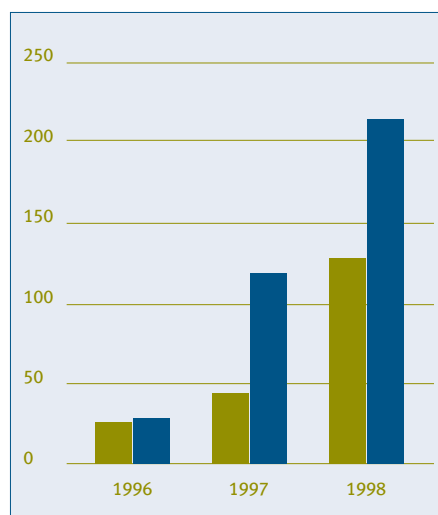
SPECIFIC HIGHLIGHTS OF 1998 INCLUDE:

- A second significant deepwater discovery in Indonesia — the West Seno field — following the 1997 discovery of the Merah Besar field
- Over 30 discoveries in the Gulf of Mexico region, where we more than replaced our production with new reserves (excluding sales and price-related revisions) for the first time in several years
- A world-class natural gas discovery in Bangladesh
- Replacement of 101 percent of worldwide crude oil and natural gas production (excluding sales and price-related revisions) during 1998 with new reserves
- Steady natural gas production of nearly 1 billion cubic feet per day (gross) in Thailand — despite the economic slowdown and contrary to predicted severe cutbacks
- Acquisition of significant new acreage in the Gulf of Thailand, including the Thailand-Vietnam “overlap” area, to help assure our long-term future in the region

A NEW BREED OF ENERGY COMPANY Today’s Unocal focuses on investment returns, not just on increasing production and reserves. We look at regional needs, linking resources to markets and creating the right infrastructure for a project’s success. This requires the commercial mindset and project capabilities that we have been developing in our New Ventures group since it was formed in 1994.

We are now consolidating New Ventures into our operations to maximize performance, improve our customer relationships and provide organizational efficiencies. We are also enhancing systems within the company to assure that best practices and leading-edge technologies are shared and applied — quickly and effectively — wherever they are needed.

To maximize our capacity to capture the most promising business opportunities, we have formed a new Management Committee to set the strategic direction and investment priorities for the company.



GULF OF MEXICO OFFSHORE EXPLORATION BLOCKS

■ Continental Shelf ■ Deep Water

Joining me on this committee are John F. Imle, Jr., Vice Chairman of the Board; Timothy H. Ling, Executive Vice President, North American Energy Operations, and CFO; and Charles R. Williamson, Executive Vice President, International Energy Operations. Together we represent more than 100 years of industry experience, with skills in every area critical to strengthening Unocal's competitive position.

We are building a new breed of energy company — one that combines the global reach and financial muscle of a major with the agility, aggressiveness and creativity of a much smaller firm. We have the people, the strategy, the assets and the technical abilities to succeed where our competitors can't — even in an environment of depressed commodity prices.

SOUTHEAST ASIA RECOVERY Signs of economic recovery are evident in Asia. Long term, we believe that the region will emerge from today's economic crisis with greater discipline and be in a stronger position to participate in the global economy. We also believe that Unocal, by continuing to work through this difficult period with our partners in the region, can be part of the recovery process.

Since the devaluation of its currency last year, the Thai government has worked with the International Monetary Fund to adopt economic reforms. Forecasts predict the economy could show moderate growth as early as 2000. That would bode well for growth in electricity demand, which is key to Unocal's gas sales.

In Indonesia, Parliament recently passed a political reform package, and new elections are scheduled for June. Recognizing that oil and gas development is critical to the nation's economic recovery, Pertamina — the state oil company — has granted a number of new production-sharing contracts in recent months.

From Unocal's perspective, our oil and gas operations are secure, and our revenues are protected from fluctuations in the baht and rupiah. Our Thai contracts are pegged to the U.S. dollar. In Indonesia, we sell most of our share of oil and gas production in export markets for U.S. dollars, and our operations are located far from areas that have experienced civil unrest. In both nations, we have excellent, long-term relationships with key energy ministries.

CELEBRATING 30 YEARS IN INDONESIA Unocal signed two of the world's first production-sharing contracts (PSCs) with Pertamina in 1968. Today, in the Makassar Strait offshore East Kalimantan, we operate nine fields and have interests in more than 5 million acres (gross) that include the largest contiguous deepwater position — more than 2 million acres — with a single company as operator.

Late in 1998, we acquired interests in an additional 4.5 million acres in deep water offshore Sulawesi. This is a designated "frontier" area of the Makassar Strait where Unocal would be eligible for a larger net profit share of any ensuing resource production.

Unocal's deepwater Seno prospect offshore East Kalimantan has a gross resource potential of between 210 and 720 million oil equivalent barrels. We're pursuing a fast-track development program for the West Seno field, discovered in 1998. The field has estimated gross recoverable oil resources of at least 150 million barrels. A development plan will be submitted in the second quarter of 1999. It includes provisions for tying in our first discovery, the Merah Besar field, with estimated gross resources of 100 million oil equivalent barrels. Using low-cost, modular development technology, we expect to have both fields producing by 2001.

Unocal is the operator and holds a 50 percent working interest in the Makassar Strait PSC area, where the West Seno and Merah Besar fields are located. Part of the Merah Besar field also lies in the East Kalimantan PSC area, in which we have a 100 percent working interest.

We have also identified more than 20 large prospects in the Rapak and Ganal PSCs, which lie adjacent to the Makassar Strait PSC. We will drill several of these prospects in 1999, and continue to explore the Seno area. Unocal is the operator for both PSCs.

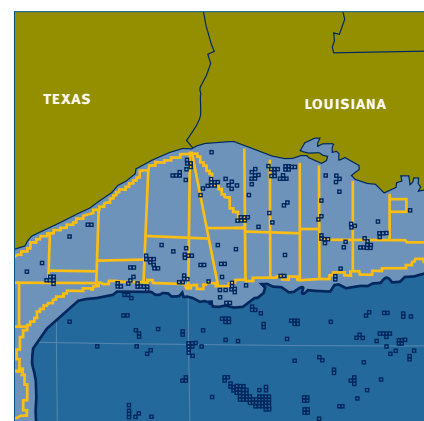
SPIRIT ENERGY 76: A MAJOR GULF PLAYER Exploration and drilling initiatives have produced strong results for Spirit Energy 76, Unocal's U.S. oil and gas business unit centered in the Gulf of Mexico region. Twenty-one discoveries on the continental shelf of the Gulf in 1998 represented a 64 percent exploration success rate. Eleven onshore discoveries also added to new reserves. The business unit replaced 108 percent of its 1998 production with new reserves (excluding sales and price-related revisions). Spirit has

over 130 economically attractive drilling prospects in its shelf inventory, more than two and a half times what it had two years ago.

Over the past two years, we have moved aggressively to acquire a strong prospect position in the Gulf of Mexico's deepwater areas, which we expect will drive future reserves and production growth. With interests in 213 blocks, encompassing 1.2 million acres, we rank as the eighth largest deepwater leaseholder. This gives us the same kind of exploration leverage that has been essential to our success in Thailand and Indonesia.

Spirit, currently participating in two deepwater wells operated by others, will begin drilling its first deepwater well as operator in the second quarter of this year. We have contracted a rig to accelerate the start of our deepwater drilling program. A second rig, capable of drilling in water depths of up to 10,000 feet, is scheduled for delivery by mid-2000. We expect to participate in 4 to 6 deepwater wells this year, and 7 to 9 in 2000.

THAILAND: EMERGING REGIONAL HUB In 1998, Unocal Thailand marked its 36th anniversary — a milestone in Thai culture signaling a full "coming of age." In 1962, Unocal was the first U.S. energy company to be awarded exploration rights in the Kingdom. Today, Unocal



TRANSFERRING SUCCESS When Unocal drills its first deepwater well as operator in the Gulf of Mexico in 1999, the effort will be led by a team that combines experience in both the U.S. Gulf and in Indonesia deep water. The team will adapt low-cost techniques Unocal developed in Southeast Asia to the Gulf deep water. But the key to success is more than technology. It's effective teamwork based on a shared understanding of the project and its objectives — and on a shared commitment to success.

Thailand ranks as the country's leading natural gas producer, providing about two-thirds of its domestic supply in 1998. Most of this gas is used for electricity generation.

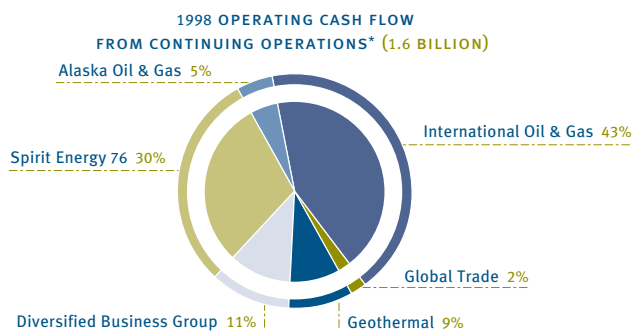
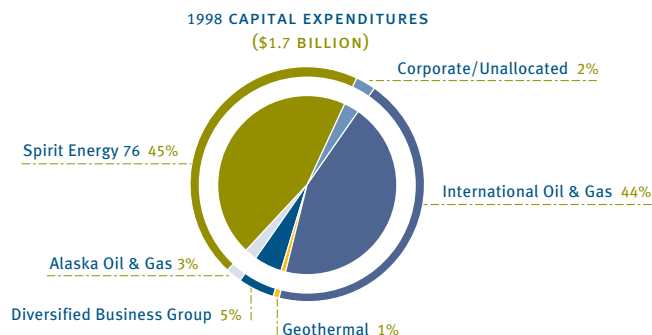
Although Thai power consumption was down in 1998 due to the economic crisis, natural gas demand actually increased as power plants converted from imported fuel oil to indigenous natural gas. This "fuel switching" has enabled Unocal to maintain gross gas production at just under 1 billion cubic feet per day — well above the minimum levels specified in our gas sales contracts. Unocal's average net working interest in the gas production is 64 percent.

We anticipate some reduction in our production in the second half of 1999, depending on the pace of economic recovery and demand. Our gas price averaged \$2.11 per thousand cubic feet in 1998, but we expect this may decline in 1999 by about 10 percent.

The Yadana Project in Myanmar, in which Unocal holds a 28 percent working interest, is the first cross-border energy project and gas sales contract in Southeast Asia. Although the Yadana facilities and export pipeline are completed, commercial-scale natural gas production



UNDERSTANDING THE GEOLOGY With an interest in the Jalalabad gas field and participation in a nearby major discovery, Unocal expects great things in Bangladesh. The reservoirs we are exploring today originated in a river delta environment ten million years ago. Unocal has gained extensive knowledge of this type of geology in Southeast Asia and the Gulf of Mexico, and expects to apply it in finding resources in new deepwater prospects in those areas and offshore Brazil and West Africa.



*excludes corporate and unallocated expenses, income taxes, interest and working capital changes

has been delayed. The Thai power plant at Ratchaburi that will take the gas has not yet been completed. Start-up is currently scheduled for later in 1999.

We substantially increased our acreage position in the Gulf of Thailand last year with the addition of new interests in four blocks on both sides of the Thailand- Vietnam "overlap" area. We also acquired more than 2 million acres north of Block B, offshore Vietnam. In 1997 we made a gas discovery on Block B that tested at 50 million cubic feet per day. (Unocal's working interest is 45 percent.) Vietnam represents a high-potential emerging power market, but Unocal will closely limit investment there until demand can support development.

EXCITING GROWTH OPPORTUNITIES South Asia represents another market with enormous growth potential. In Bangladesh, Unocal is jointly exploring three blocks (12, 13 and 14) in which we hold a 50 percent interest. On Block 13, the Jalalabad field started production in February 1999 under a gas delivery agreement calling for 100 million cubic feet per day. On Block 12, we participated in a significant new natural gas discovery in 1998 on the Bibiyana prospect.

We are pursuing additional resource, power and pipeline opportunities in Bangladesh. Once this gas-rich country is assured of meeting its own growing domestic power needs, it could provide the basis for a regional gas-to-power grid.

Also in 1998, Unocal acquired a 25 percent working interest in two deepwater blocks offshore Gabon, and became an active bidder for deepwater acreage offshore Brazil. These are two of the most prospective deepwater areas in the world. Seismic work is scheduled for the Gabon blocks in 1999.

COMMODITY TRADING: A MARKET FOCUS A vigorous, market-based commercial approach to commodity trading has made Global Trade a profit center for Unocal through proactive marketing and trading activities, and increased third-party volumes. The unit provides commercial and risk management services to support energy operations worldwide, and coordinates and conducts strategic hedging activities. We believe that the management of our pipeline businesses, newly combined with Global Trade, will benefit from the group's commercial and strategic focus.

RESTRUCTURING UPDATE Early this year, we agreed to sell our interest in our geothermal steam venture at The Geysers in California for \$101 million. The proceeds will help fund oil and gas exploration and production activities. Unocal continues to be a leading producer of geothermal energy in the Philippines and Indonesia.

Restructuring plans for the West Coast Agricultural Products group have been stalled by low commodity prices. This business provides a source of earnings and cash flow, even at low fertilizer prices. We will continue to operate these assets, as we pledged last year, unless or until we can get full value from a buyer.

We have also put restructuring efforts on hold for our Carbon and Minerals businesses. Because of low lanthanide and molybdenum prices, we have suspended or cut back mining and manufacturing operations in California and New Mexico.

PATENTS COULD PROVIDE REVENUES Unocal now holds several patents for reformulated motor gasolines (RFG). The first patent, challenged by six refiners and upheld in federal court in a decision last year, covers various formulas that can reduce certain exhaust emissions. The most recent patent, awarded last year, expands on aspects of the first. These patents could provide significant future revenues for Unocal once litigation is concluded. The formulas can assist refiners in making gasolines that comply with California government requirements for reduced emissions and may have applications elsewhere in the United States.



FIRST BUSINESS-HUMANITARIAN FORUM The International Rescue Committee, the United Nations High Commissioner for Refugees, and Unocal started something new in 1999 by co-hosting a meeting of about 30 leaders of humanitarian organizations and multinational businesses. The purpose was to identify new ways of working together to strengthen humanitarian assistance programs in developing nations. Next steps: additional forums and the establishment of in-country coordinating groups.

WELCOME TO NEW DIRECTORS The Unocal Board of Directors welcomed two new members in December 1998: James W. Crownover, former Managing Director, Southwest Practice, McKinsey & Company, Inc., who was a leader in the firm's energy practice during much of his 31-year career; and Dr. Donald B. Rice, President, CEO, and co-founder of UroGenesys, Inc., a biotechnology company.

On behalf of the Board, I would like to thank Dr. Donald P. Jacobs, Dean of Northwestern University's J. L. Kellogg Graduate School of Management, for the 26 years of service he completed in 1998. We also thank Malcolm R. Currie and Charles R. Weaver, who joined the board in 1990 and plan to retire this spring.

COMMITMENT TO SUCCESS Your management team is committed to building value and growing this company. Our financial strength, combined with the best growth portfolio in our 109-year history, sets us apart from our competition. We are in for an exciting future.

Sincerely,

Roger C. Beach
March 8, 1999

CORPORATE GOVERNANCE

Unocal's system of corporate governance emphasizes the board of directors' effectiveness, independence and ability to evaluate corporate and management performance. It includes the following:

1. Nine of eleven directors are independent.
2. The Board Governance Committee, composed of non-employee directors only, is charged with the responsibility of advising on all board governance matters, including: recommending the composition, role, structure and procedures of the board; recommending the appointment, composition and responsibilities of the committees of the board; and identifying and presenting qualified candidates for election and re-election as directors.
3. The Accounting and Auditing Committee, the Corporate Responsibility Committee, and the Management Development and Compensation Committee consist entirely of non-employee directors.
4. The schedule and length of board meetings allow sufficient time for in-depth discussion, analysis and strategic planning.
5. Whenever feasible, directors receive materials well in advance of board meetings relating to items that require action.
6. Non-employee directors meet privately from time to time.
7. The board meeting format allows directors to interact with the company's management.
8. The Management Development and Compensation Committee annually evaluates the performance of the CEO and senior management.
9. The board annually reviews succession planning and management development.
10. All incentive compensation for executive officers is linked to share price performance.
11. The company ensures the confidentiality of stockholder votes.
12. The board sets the corporate governance principles and reviews them from time to time.

BOARD OF DIRECTORS

ROGER C. BEACH, 1988

Chairman and Chief Executive Officer, Unocal Corporation

JOHN F. IMLE, JR., 1988

Vice Chairman, Unocal Corporation

JOHN W. AMERMAN, 1991

Former Chairman and Chief Executive Officer, Mattel, Inc. (children's toys)

JOHN W. CREIGHTON, JR., 1995

Former President and Chief Executive Officer, Weyerhaeuser Company (forest products)

JAMES W. CROWNOVER, 1998

Former Managing Director, Southwest Practice, McKinsey & Company, Inc. (management consulting)

MALCOLM R. CURRIE, 1990

Chief Executive Officer, Currie Technologies Transportation; Former Chairman and Chief Executive Officer, Hughes Aircraft Company (now Hughes Electronics — defense, space and automotive electronics)

FRANK C. HERRINGER, 1989

Chairman and Chief Executive Officer, Transamerica Corporation (insurance and financial services)

DONALD B. RICE, 1998

President and Chief Executive Officer, UroGenesys, Inc. (biotechnology)

KEVIN W. SHARER, 1997

President and Chief Operating Officer, Amgen Inc. (biotechnology)

CHARLES R. WEAVER, 1990

Former Chairman and Chief Executive Officer, The Clorox Company (household consumer products)

MARINA V. N. WHITMAN, 1993

Professor of Business Administration and Public Policy, University of Michigan

DATE FOLLOWING THE NAME INDICATES THE YEAR FIRST ELECTED DIRECTOR.

EXECUTIVE OFFICERS

ROGER C. BEACH, Chairman and Chief Executive Officer

JOHN F. IMLE, JR., Vice Chairman

TIMOTHY H. LING, Executive Vice President, North American Energy Operations, and Chief Financial Officer

CHARLES R. WILLIAMSON, Executive Vice President, International Energy Operations

L.E. (ED) SCOTT, Group Vice President, Diversified Business Group

DENNIS P.R. CODON, Vice President, Chief Legal Officer and General Counsel

JOE D. CECIL, Vice President and Comptroller

JOSEPH A. HOUSEHOLDER, Vice President, Corporate Development, and Assistant Chief Financial Officer

WILLIAM T. WILSON, Vice President, Commodity Trading and Risk Management, and President, Unocal Global Trade

STOCK TRANSFER AGENT AND REGISTRAR

Please contact ChaseMellon Shareholder Services for information about:

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NEED MORE INFORMATION ABOUT UNOCAL?

Unocal's web site, www.unocal.com, provides up-to-date information about the company and its activities.

- Unocal news releases, including quarterly earnings results
- Unocal Annual Report
- Unocal Proxy Statement
- Detailed financial reports, forecasts and updates
- Presentations to the investment community
- Links to the company's SEC filings
- Profiles of company operations and projects around the world

In addition, investors can subscribe to ucl.E*news, an e-mail service that provides up-to-date company news and daily e-mail summaries of Unocal stock and market performance.

STOCKHOLDER SERVICES

To request printed copies of the annual report/10-K, other company reports, earnings news releases or other information, contact:

Unocal Stockholder Services
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(800) 252-2233
Fax: (310) 726-7682
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