



**Unocal
Corporation**
Annual
Report

AROUND THE WORLD

2003



UNOCAL 

Unocal at a Glance

Unocal is one of the world's leading independent natural gas and crude oil exploration and production companies, with principal operations in North America and Asia. A strong base of sustaining assets is the foundation for near-term earnings. High-potential mid- and long-term development and exploration opportunities are keys to future success.

Sustaining Businesses (Oil & Gas Production)

North America

Gulf Region (Shelf, Onshore)
Pure Resources (Texas, New Mexico)
Alaska
Canada

Asia

Thailand
Indonesia (Shelf, Deepwater)
Myanmar
Bangladesh

Europe and Caspian Region

Netherlands
Azerbaijan

Africa

Democratic Republic of the Congo

South America

Brazil

Exploration Focus 2004

Indonesia Deepwater
Gulf of Mexico Deepwater
Gulf of Mexico Deep Shelf

Longer-term Natural Gas Development

Bangladesh Thailand
China Vietnam
Indonesia

Trade

Responsible for marketing, risk management, and trading of a major portion of the company's hydrocarbon resources.

Midstream and Pipelines

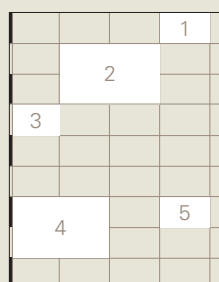
Manages the company's growing base of natural gas storage assets; interests in more than 8,000 miles of oil, natural gas and product pipelines; and associated terminals.

Geothermal Resources / Power Projects

Produces geothermal resources for electricity generation, and operates geothermal steam and natural gas power plants in Southeast Asia.

Major Oil & Gas Developments 2004-2006

West Seno Phase 2 (oil) — Indonesia Deepwater
Mad Dog (oil) — Gulf of Mexico Deepwater
AIOC Phases I & II (oil) — Caspian Sea, Azerbaijan
Platong, Yala, Surat, Plamuk Phase 2 (oil) — Gulf of Thailand
Xihu Trough (natural gas) — East China Sea
Moulavi Bazar (natural gas) — Bangladesh



On the cover:

1. **Rudi Nurahmat** Community Relations Officer, Indonesia
2. **Chaicharn Chutiyo** Warehouseman II, Thailand
3. **Ellen Johnson** Team Leader, Exploration, United States
4. **Thomas J. Leakos** Landman, Canada
5. **Oscar Walker** Construction Foreman, United States

Highlights

Years ended December 31,

	2003	2002	2001
Financial (millions of dollars except per share amounts)			
Total revenues from continuing operations	\$ 6,539	\$ 5,297	\$ 6,796
Earnings from continuing operations	\$ 710	\$ 330	\$ 599
Earnings from discontinued operations (net of tax)	\$ 16	\$ 1	\$ 17
Cumulative effect of accounting change (net of tax)	\$ (83)	\$ —	\$ (1)
Net earnings	\$ 643	\$ 331	\$ 615
Basic earnings per share of common stock:			
Continuing operations	\$ 2.75	\$ 1.34	\$ 2.45
Discontinued operations	\$ 0.06	\$ —	\$ 0.07
Cumulative effect of accounting change	\$ (0.32)	\$ —	\$ —
Net earnings	\$ 2.49	\$ 1.34	\$ 2.52
Diluted earnings per share of common stock:			
Continuing operations	\$ 2.70	\$ 1.34	\$ 2.43
Discontinued operations	\$ 0.06	\$ —	\$ 0.07
Cumulative effect of accounting change	\$ (0.30)	\$ —	\$ —
Net earnings	\$ 2.46	\$ 1.34	\$ 2.50
Return on average stockholders' equity:			
Continuing operations	19.4%	10.3%	20.5%
Net earnings	17.6%	10.3%	21.1%
Cash dividends declared per common share	\$ 0.80	\$ 0.80	\$ 0.80
Capital expenditures ^(a)	\$ 1,718	\$ 1,670	\$ 1,727
Total assets	\$11,798	\$10,846	\$10,491
Total debt and capital leases	\$ 2,883	\$ 3,008	\$ 2,906
Trust convertible preferred securities	\$ 522	\$ 522	\$ 522
Stockholders' equity	\$ 4,009	\$ 3,298	\$ 3,124
Per common share outstanding	\$ 15.39	\$ 12.78	\$ 12.80
Operations			
Net proved reserves			
Crude oil, condensate and natural gas liquids (million barrels) ^(b)	675	681	693
Natural gas — dry basis (billion cubic feet) ^(b)	6,505	6,559	6,749
Geothermal resources — (billion kilowatt-hours) ^(c)	150	155	108
— (equivalent million barrels) ^(c)	225	232	162
Net daily production			
Crude oil, condensate and natural gas liquids (thousand barrels) ^(b)	160	167	170
Natural gas — dry basis (million cubic feet) ^(b)	1,728	1,826	2,003
Geothermal resources (million kilowatt-hours)	12	13	14

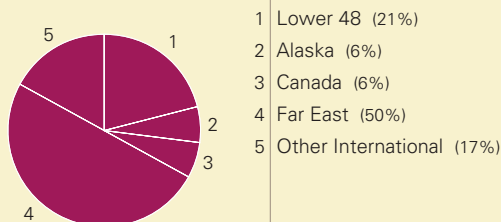
(a) Excludes major acquisitions.

(b) Includes the company's proportional shares of equity investees and 100% of consolidated subsidiaries. See the Supplemental Information on Oil and Gas Exploration and Production Activities and the Operating Summary in Unocal's 2003 Form 10-K for further information.

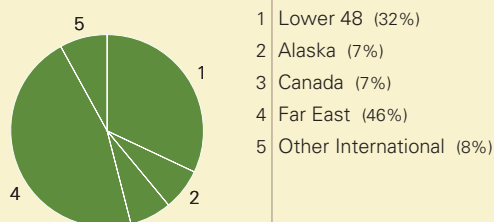
(c) Includes reserves underlying a service fee arrangement in the Philippines.

Unocal at Year-end 2003

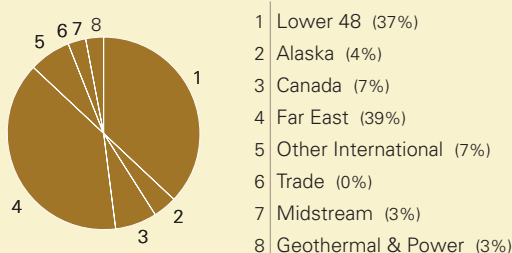
2003 Proved Oil & Gas Reserves 1.8 Billion BOE



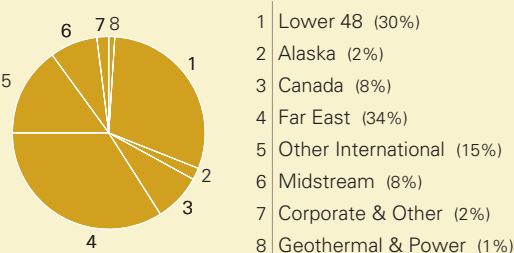
2003 Worldwide Oil/NGL/Gas Production 448,200 BOE/D



2003 Operating Cash Flow \$3.0 Billion*



2003 Capital Expenditures \$1.7 Billion



* Excludes corporate and other expenses, income taxes, interest and working capital changes.

Corporate Governance

Unocal's system of corporate governance emphasizes the Board of Directors' independence and strengthens its ability to evaluate corporate and management performance. It includes the following key principles:

1. The Board of Directors shall be composed predominantly of independent directors. No more than two (2) directors shall be management.
2. The Board Governance Committee, composed of independent directors only, is charged with the responsibility of advising the board 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 Audit Committee, the Corporate Responsibility Committee, and the Management Development and Compensation Committee also consist entirely of independent directors.
4. The Management Development and Compensation Committee annually evaluates the performance of the CEO and senior management.
5. The board reviews succession planning and management development at least annually.
6. Compensation for executive officers is linked to share price performance, operating objectives and other factors, including adherence to the company's Code of Conduct.
7. The board, as a matter of policy, does not authorize the re-pricing of stock options.
8. The schedule and length of board meetings allow sufficient time for in-depth discussions, analysis and strategic planning.
9. Independent directors meet privately on a regular basis. The Vice Chairman of the Board presides at such meetings.
10. The board meeting format is designed to encourage interaction between directors and the company's management.
11. The board and its Committees have ready access to management and the right to hire their own legal or other outside advisors. The Compensation and Management Development Committee has the sole authority to hire and terminate compensation advisors for senior management compensation review. The Audit Committee has the sole authority to hire and terminate the independent auditors. The Board Governance Committee has the sole authority to hire and terminate search firms to identify director candidates and compensation advisors to advise on directors' compensation.
12. An orientation program is provided to each new director.
13. Directors' compensation is reviewed annually and includes cash and stock-based incentives.
14. Directors must retire from the board on the day of the Annual Meeting of Stockholders following their 72nd birthday.
15. The company ensures the confidentiality of stockholder votes.
16. The board reviews its performance periodically.
17. The board sets the corporate governance principles and reviews them at least annually.

Report to Unocal Stockholders

Aided by strong commodity prices and improving overall business performance, Unocal posted superior financial and operational results in 2003. The year was also notable for positive accomplishments in five important areas:

- Significant advancement of several key oil and gas development projects
- High-potential exploration results — including three major deepwater discoveries
- Successful restructuring of our North American operations
- Continued progress in bringing our huge Asia gas position to market
- Strengthened balance sheet with substantially reduced debt

:: Development Projects Advance

Several key development projects moved forward in 2003, providing new oil and gas production and lifting us closer to our near-term growth goals. Combined, these projects are expected to provide Unocal with 190,000 barrels of oil equivalent per day in new production by 2007 — equal to more than 40 percent of our average daily production in 2003.

In Indonesia, Unocal's West Seno field came on stream in August — the first deepwater development in that nation. Although technical problems slowed initial production, West Seno is expected to increase production throughout 2004 as additional wells come online and technical issues are resolved. Unocal is operator and has a 90-percent working interest in the project. Three additional deepwater discoveries in Indonesia — Sadewa, Ranggas and Merah Besar — also moved toward development in 2003.

In the Gulf of Mexico, Unocal's deep shelf exploration program scored two attractive gas discoveries in 2003 — the Harvest and Red Pepper fields. Sitting close to existing infrastructure, both were brought on production very quickly, adding about 50 million cubic feet per day (gross) of new gas production in the fourth quarter of 2003. Out in the deepwater Gulf, the Mad Dog field development is on track for initial production in early 2005. Unocal has a 15.6-percent working interest in this field, which has a resource potential of 200 to 450 million barrels of oil equivalent. Development plans for the K2 and Champlain deepwater fields are also moving forward. While these are smaller fields, they sit near large discoveries that could enable early production through subsea tiebacks or other co-development options. Unocal has a 10.9-percent working interest in K2 and a 26.25-percent working interest in Champlain.

In the Caspian Region, significant progress was made in 2003 on construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline, which will transport oil from the AIOC (Azerbaijan International Operating Company) development project in the Caspian Sea to the Mediterranean port of Ceyhan for export to world markets. At year-end the pipeline was about 50-percent complete. The new pipeline will have a 1 million-barrel-per-day capacity and is expected to go online in mid-2005.

Unocal has a 10.28-percent working interest in the AIOC project, which produced about 130,000 barrels of oil per day (gross) in 2003, transporting this output through two export pipelines to the Black Sea. Production will ramp up steadily once the new BTC pipeline becomes operational. Gross production from AIOC is expected to average more than 200,000 barrels per day in 2005, rise to more than

Craig A. Van Horn

United States
Reservoir Engineer



GULF OF MEXICO AND THE AMERICAS



Samuel Atta-Darkwah

United States
Reservoir Engineer



Linda Johnson

United States
Crude Oil Scheduler



Gregory P. Day

United States
Field Operator II

Djamaluddin Nata

Indonesia
LEX Plant Operator

**Yunus Setiadi Prajadiredja**

Indonesia
Senior Technician

**Zhoc Gozun**

Philippines
Secretary II, Planning & Valuation

ASIA

700,000 in 2007, and exceed 1 million barrels per day by 2009. The three AIOC fields, located offshore the city of Baku, are estimated to contain between 3.9 and 6.9 billion barrels of recoverable oil.

Another project that will add significant new near-term oil production is under way in the Gulf of Thailand. The first phase of Unocal Thailand's oil development from the Platong, Yala, Surat, and Plamuk areas is currently producing about 20,000 barrels of oil per day. Work has now begun on Phase 2 of the project, which is expected to double production to 40,000 barrels per day in mid-2005. Unocal Thailand is the operator and holds a 71.25-percent working interest in the project.

In August, Unocal signed five contracts to explore for and develop natural gas resources in the Xihu Trough area of the East China Sea. Multiple gas discoveries have already been made in the project area, which covers nearly 5.4 million acres. The produced gas will supply the rapidly growing East China market, centered in Shanghai.

Unocal was one of only two foreign oil companies invited to participate in the project by the Chinese government, an indication of the excellent reputation we have built in over 40 years of working in Asia. Our selection is also a validation of Unocal's experience and expertise in large-scale offshore natural gas development. Production from Xihu is targeted to begin in 2005, and is expected to reach 200 to 250 million cubic feet of gas per day (MMCF/D) within two years. Unocal will hold a 20-percent working interest in the project.

Unocal signed a new gas sales agreement in 2003 with Petrobangla, the state oil company of Bangladesh, to develop the Moulavi Bazar gas field for domestic markets. Moulavi Bazar is expected to produce 70 to 100 MMCF/D beginning in the first half of 2005. This new project will significantly expand Unocal's gas production in Bangladesh. The company is currently producing about 130-140 MMCF/D from the Jalalabad field, with recent peaks as high as 200 MMCF/D. Unocal has a 100-percent working interest in both Jalalabad and Moulavi Bazar, with additional giant discoveries ready to serve domestic and export markets.

:: An Exciting Year with the Drill Bit

After a period of reduced activity, Unocal's global exploration effort kicked into high gear in 2003. The bulk of our drilling program was focused in three areas: the Gulf of Mexico deepwater, Indonesia deepwater, and the Gulf of Mexico deep shelf.

Gulf of Mexico Deepwater

In October, Unocal announced a major discovery on the St. Malo prospect in the Central Gulf region. The St. Malo well encountered more than 450 feet of net oil pay over a gross hydrocarbon column of 1,400 feet — highly encouraging results for a wildcat exploration well on a new trend. Unocal is operator and holds a 28.75-percent working interest. We expect to begin appraisal drilling in early 2004.

Although much work remains to be done, St. Malo represents a true milestone in our Gulf of Mexico deepwater program. For one thing, it builds on the success we've already had with our Trident, Mad Dog, Mirage, Champlain and K2 discoveries. Equally important, St. Malo opens up a new oil play in the Central Gulf's lower Tertiary horizon, a deeper section that is emerging as one of the hottest plays in the Gulf of Mexico. Unocal has an extensive portfolio of prospects in this lower Tertiary play.

In December, Unocal participated in a second significant success in the deepwater Gulf, the Puma discovery. This well, drilled just west of Unocal's Mad Dog field in

the Green Canyon area, encountered over 500 feet of net oil pay. Unocal has a 15-percent (non-operating) working interest in Puma. The Puma discovery has significantly upgraded our portfolio in the Green Canyon area, where Unocal has identified a number of quality prospects and leads.

In 2004, Unocal will focus on three deepwater “sweet spots” in the Gulf of Mexico, all in areas where we’ve participated in significant discoveries: the Green Canyon Miocene (Mad Dog, K2, Puma); the Perdido Fold Belt (Trident); and the emerging lower Tertiary play (St. Malo). With appraisal drilling on St. Malo and Puma, and three to four wildcat wells scheduled, 2004 promises to be another active and eventful year for Unocal in the deepwater Gulf.

Indonesia Deepwater

After a hiatus of several months to evaluate drilling results and line up prospects, Unocal Indonesia resumed its deepwater exploration program offshore East Kalimantan in 2003. In July, we announced a significant gas-condensate and oil discovery on the Gehem prospect, located just a few miles southeast of the Ranggas oil and gas field that Unocal discovered in 2001. The Gehem-1 well encountered 617 feet of net gas and condensate pay, and 18 feet of net oil pay. More than 400 feet of the net pay was in a new, deep interval that had not been penetrated when Ranggas was drilled.

We have already completed one successful appraisal well at Gehem, and we plan a second for early 2004. The potential size of the Gehem discovery, the high amount of condensate found, and the field’s proximity to the Bontang LNG plant (the world’s largest LNG facility, with a capacity of 3.4 billion cubic feet per day) make Gehem an excellent candidate for early development.

The positive results at Gehem also open up a major new oil and gas trend for Unocal that extends across our huge acreage holdings in the deepwater Kutei Basin. In 2004 and beyond, we plan to drill a series of exploration wells designed to test the prospectivity of these deeper, previously undrilled intervals.

Gulf of Mexico Deep Shelf

Our third major exploration area in 2003 was the Gulf of Mexico deep shelf. Results of the deep shelf program over the past 18 months have been mixed, with five discoveries (including Harvest and Red Pepper, noted above), most in the 20-to-35 billion cubic feet (BCF) range. A second Harvest well — which encountered more than 140 feet of net gas pay — was brought on production in the fourth quarter of 2003. Unocal holds a 41-percent working interest in the multi-block Harvest structure, which has potential to be a 100+ BCF resource.

Based on results thus far, we have scaled back capital allocated to the deep shelf for 2004. Exploration results will continue to shape the pace and scale of the program going forward. But even modest deep shelf discoveries are advantaged, because in most cases they can be brought on production quickly and at low cost.

Alaska Gas Discovery

On Alaska’s Kenai Peninsula, Unocal discovered a new gas field at the Happy Valley prospect in November. The Happy Valley field is estimated to contain 75 to 100 billion cubic feet of recoverable natural gas — making it one of the largest gas discoveries in Alaska in 20 years.

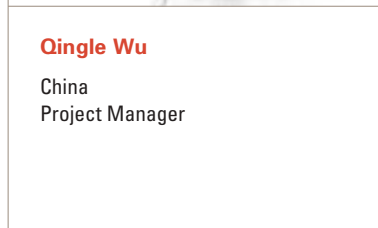
Thu Hang Ngo

Vietnam
Accountant



Qingle Wu

China
Project Manager



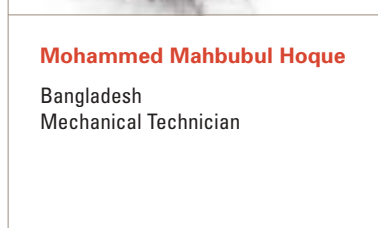
Perapon Sriwattana

Thailand
Production Engineer



Mohammed Mahbubul Hoque

Bangladesh
Mechanical Technician





Marina Besantina

Azerbaijan
Senior Accountant

EUROPE,
CASPIAN REGION,
AFRICA



Teun Witberg

Netherlands
Offshore Installation Manager

Karl Primm

United States
General Auditor



First production from Happy Valley is planned for late 2004. The field is expected to produce 20 to 25 million cubic feet of gas per day during 2005, supplying the Anchorage market. Unocal holds a 100-percent working interest in the field. This is the second discovery for Unocal in our current exploration program on the southern Kenai Peninsula. We have a growing inventory of prospects in this emerging gas play, and plan to drill two or three more exploration wells in 2004.

:: North America Restructuring

Unocal is committed to maintaining a profitable and sustainable North American business, with stable production and manageable capital requirements. In 2003, we moved aggressively to restructure our North American operations to fit this profile. First, we sold our equity interests in Matador Petroleum Corp. and Tom Brown, Inc., two affiliates with operations focused largely in regions that were non-core to Unocal. We also sold our interests in about 90 Gulf of Mexico oil and gas fields. These were low-producing and lower-profitability fields better suited to a smaller-scale operator. Unocal's combined net daily production from these fields would have averaged about 23,000 BOE/D in 2003. The 30 Gulf region properties we retained in our producing portfolio provide the basis for an ongoing 60,000-65,000 BOE/D net business to Unocal, at a much lower per-barrel cost and higher profitability.

Heading into 2004, Unocal's North American production profile is more efficient, stable and predictable, with a base of about 180,000 BOE/D. Approximately half of this production comes from operations focused in the Permian Basin and Canada. Both provide very stable onshore production, with low decline rates, moderate growth potential and modest capital requirements. About 15 percent of Unocal's North American production is from Alaska, and the remaining 35 percent comes from the Gulf of Mexico.

:: Accelerating Asia Gas Development

In recent years, Unocal has discovered multiple trillion cubic feet of natural gas in South and Southeast Asia. Accelerating the commercial development of this gas is a high priority. In 2003, we made considerable progress, signing agreements for the new Bangladesh and China gas development projects and moving forward in Thailand, Indonesia and Vietnam.

In Thailand, where natural gas consumption has been growing by 5 to 6 percent each year, Unocal has been the major gas supplier for more than two decades. In October, the company signed agreements to extend our existing gas sales contracts, significantly increasing future contract volumes. Once the gas sales extension agreements are finalized, our main Gulf of Thailand gas sales contracts will provide for increasing gross contract volumes from 740 to 850 million cubic feet per day in 2006, ramping up to 1,240 MMCF/D in future years to meet growing market demand. We also signed an amendment to the Pailin contracts, increasing current and future gas production there. Unocal has a 62-percent average net working interest (after royalty) in the main contract areas, and 31-percent net working interest in Pailin.

In Indonesia, Unocal has discovered huge volumes of natural gas in the deepwater Kutei Basin. This could enable us to significantly increase deliveries to the Bontang LNG plant after the facility's existing contracts expire in 2010. In the near-term, we are moving aggressively to develop some of our Indonesia deepwater gas for earlier use. These early developments will help ensure that Bontang can provide reliable deliveries to its customers and could supply the plant with additional gas for spot cargoes sold to Asian markets.

In Vietnam, we are working closely with the government to expedite plans to supply gas for power generation in the southwest. Unocal has discovered several large offshore gas fields in the region, with a combined resource potential of about 10 trillion cubic feet. While first production is still several years off, natural gas development in Vietnam has the potential to become a large-scale business for us.

:: A Stronger Balance Sheet

Unocal begins 2004 with a much improved balance sheet. Last year's strong cash flow, combined with asset sale proceeds, enabled us to reduce our debt and other financings by about \$500 million — a notable accomplishment in one year's time. Equally important, we were able to do this while fully funding our worldwide exploration and development programs.

:: Code of Conduct, Corporate Governance Principles Revised

Unocal's Code of Conduct is designed to protect and enhance our reputation for engaging in ethical business practices wherever we work. During the past year, we updated the Code to include training, monitoring, reporting and enforcement mechanisms. We also added new sections on human rights and labor issues. The new version is posted on Unocal's public web site. We have also strengthened our Corporate Governance Principles, which you'll find on page 2 of this report.

:: Three New Independent Directors Elected to Unocal's Board

We are pleased to welcome three new directors to Unocal's board, elected in February 2004: Craig Arnold, senior vice president and group executive of Eaton Corporation; Richard D. McCormick, former chairman and CEO of U.S. West, Inc.; and Mark A. Suwyn, chairman and CEO of Louisiana Pacific Corporation. Each brings a wealth of experience in international business that will serve Unocal well in the years ahead.

Two of our long-time independent directors, Frank C. Herringer and John W. Amerman, have elected to retire from the board effective at the company's annual meeting in May of 2004. We thank them for their years of service to Unocal, and wish them well.

In January of this year, all of us were deeply saddened by the sudden loss of Tim Ling, our president and chief operating officer. A brief tribute to Tim can be found on page 8 of this report.

:: Looking to 2004 and Beyond

Unocal's performance over the past year has generated strong momentum as we head into 2004. Our extensive line-up of development projects provides a clear line of sight for significant production and reserve growth in the near-term. Our restructured North American business has a more stable and profitable production base. Our high-performing operations in Asia are the envy of our peers. We have high-potential exploration programs continuing in Indonesia and the Gulf of Mexico. Our balance sheet provides improved financial strength and flexibility. And most important, we have a skilled and focused employee team that is committed to building a successful future for Unocal.



Charles R. Williamson
Chairman, Chief Executive Officer and President

MARCH 11, 2004



Terry G. Dallas
Executive Vice President and
Chief Financial Officer

Board of Directors

Charles R. Williamson, Director since 2000
Chairman, Chief Executive Officer and President,
Unocal Corporation

John W. Creighton, Jr., Director since 1995
Vice Chairman, Unocal Corporation,
Former President and Chief Executive Officer,
Weyerhaeuser Company (forest products)
Former Chairman and Chief Executive Officer, UAL, Inc.
(United Airlines)

John W. Amerman, Director since 1991
Former Chairman and Chief Executive Officer, Mattel, Inc.
(children's toys)

Craig Arnold, Director since 2004
Senior Vice President and Group Executive,
Fluid Power Group, Eaton Corporation
(industrial manufacturing)

James W. Crownover, Director since 1998
Former Director, McKinsey & Company, Inc.
(management consulting)

Frank C. Herringer, Director since 1989
Chairman, Transamerica Corporation (financial services)

Ferrell P. McClean, Director since December 2002
Former Managing Director and Senior Advisor to Global Oil
& Gas Investment Banking, J.P. Morgan Chase & Co.
(investment banking)

Richard D. McCormick, Director since 2004
Former Chairman, President and Chief Executive Officer,
U S West, Inc. (telecommunications)

Donald B. Rice, Director since 1998
Chairman, President, Chief Executive Officer and
Co-Founder, Agensys, Inc. (biotechnology)

Kevin W. Sharer, Director since 1997
Chairman, Chief Executive Officer and President,
Amgen, Inc. (biotechnology)

Mark A. Suwyn, Director since 2004
Chairman and Chief Executive Officer, Louisiana-Pacific
Corporation (building materials)

Marina v.N. Whitman, Director since 1993
Professor of Business Administration and Public Policy,
University of Michigan

Executive Officers

Charles R. Williamson, Chairman, Chief Executive Officer
and President

Terry G. Dallas, Executive Vice President and
Chief Financial Officer

Samuel H. Gillespie III, Senior Vice President, Chief Legal
Officer, General Counsel and Corporate Secretary

Joe D. Cecil, Vice President and Comptroller

Thomas E. Fisher, Senior Vice President,
Commercial Affairs

Douglas M. Miller, Vice President, Corporate Development

Timothy H. Ling

November 22, 1957 – January 28, 2004

Timothy H. Ling, Unocal's president and chief operating officer and a member of Unocal's Board of Directors, died suddenly in January after working out at a sports facility in El Segundo, California. He was 46.

Tim was a brilliant executive with boundless energy and enthusiasm. He lived every moment with gusto. Although his life was tragically short, it was remarkably full. The entire Unocal family was saddened by Tim's sudden passing.

Tim invested every ounce of his extraordinary energy into making Unocal successful. This company has completed a number of difficult changes over the past few years, restructuring our North American businesses and rebuilding our exploration portfolio. Tim was instrumental in developing and leading many of our key initiatives. He also helped assemble our multitalented and diverse management team. Thanks in good part to Tim's vision and commitment, Unocal today is traveling a clear and well-marked path to future success.



Tim Ling
Former President and
Chief Operating Officer

Stock Transfer Agent and Registrar

Please contact Mellon Investor Services for information about:

- Dividend Reinvestment and Common Stock Purchase Plan
- Direct deposit of dividends
- Consolidation of multiple accounts
- Lost certificates
- Change of address
- Other matters regarding your stock ownership

Access your account online at:
vault.melloninvestor.com/isd
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85 Challenger Road
Ridgefield Park, NJ 07660
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U.S. Stockholders: (800) 279-1249
TDD for Hearing Impaired: (800) 231-5469
Foreign Stockholders: (201) 329-8660
TDD Foreign Stockholders: (201) 329-8354

Unocal's Common Stock is listed on the New York Stock Exchange.

Investor Relations

Unocal's contacts with the security analyst community are through:

Robert E. Wright in El Segundo, California
Vice President, Investor Relations
Telephone: (310) 726-7665
Fax: (310) 726-7818
investor_relations@unocal.com

Lee M. Ahlstrom in Sugar Land, Texas
Manager, Investor Relations
Telephone: (281) 287-7462
Fax: (281) 274-8906
lee.ahlstrom@unocal.com

Nancy A. Murachanian in El Segundo, California
Senior Analyst, Investor Relations
Telephone: (310) 726-7717
Fax: (310) 726-7818
nmurachanian@unocal.com

Stockholder Services

To request printed copies of company reports, earnings news releases or other information, contact:
Unocal Stockholder Services
2141 Rosecrans Avenue, Suite 4000
El Segundo, California 90245
Telephone: (800) 252-2233
E-mail: stockholder_services@unocal.com

Company Description

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.

www.unocal.com

Unocal's web site provides frequently updated information about the company and its activities.

- Unocal news releases, including quarterly earnings results
- Unocal Annual Report
- Unocal Proxy Statement
- Quarterly Fact Book
- Production forecast
- Webcasts and transcripts of quarterly earnings conference calls and investment community presentations
- Links to the company's SEC filings
- Profiles of company activities around the world
- Investor calendar
- E-mail subscription news service

Note Re Production Sharing Contracts

Under the terms of production sharing contracts in Indonesia, Bangladesh, Myanmar, Vietnam and Azerbaijan, Unocal subsidiaries, as contractors to the national oil companies, are entitled to varying shares of the oil and gas produced from commercial discoveries.

Forward-looking Statements

Forward-looking statements and estimates of oil and gas production, reserves, discovery volumes, resource potential, exploration and development activities, and other future financial and operating results in this report are based on assumptions concerning operating, market, competitive, regulatory, environmental and other considerations. Actual results could differ materially, as a result of factors discussed on pages 56-63 of the 2003 Annual Report on Form 10-K, which is bound into this document.

Cautionary Note to U.S. Investors

The U.S. Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. U.S. investors are urged to consider closely the disclosure in Unocal's 2003 Form 10-K, which is bound into this document.



Unocal Corporation
2141 Rosecrans Avenue
Suite 4000
El Segundo, California 90245

www.unocal.com