

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

OCCIDENTAL PETROLEUM CORPORATION
(Exact name of issuer as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

95-4035997
(I.R.S. Employer
Identification No.)

10889 Wilshire Boulevard
Los Angeles, California
(Address of Principal Executive Offices)

90024
(Zip code)

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
(Full title of the plan)

Donald P. de Brier, Esq., General Counsel
OCCIDENTAL PETROLEUM CORPORATION
10889 Wilshire Boulevard
Los Angeles, California
(310) 208-8800
(Name, address and telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$.20 par value (including Preferred Stock Purchase Rights)	32,000,000 (2)	\$50.605	\$1,619,360,000.00	\$49,714.35

(1) Estimated pursuant to Rule 457 solely for the purpose of calculating the amount of the registration fee based on the average of the high and low price for the Common Stock on May 1, 2007.

(2) Includes an indeterminate number of additional shares which may be necessary to adjust the number of shares reserved for issuance pursuant to the plan as the results of any future stock split, stock dividend or similar adjustment of the outstanding Common Stock of the Registrant.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents are hereby incorporated by reference in this Registration Statement:

- (a) The Annual Report on Form 10-K of Occidental Petroleum Corporation ("Occidental" or the "Registrant") for the year ended December 31, 2006;
- (b) The Quarterly Report on Form 10-K of Occidental for the fiscal quarter ended March 31, 2007;
- (c) Current Reports on Form 8-K, dated January 23, 2007 (filed January 23, 2007), January 25, 2007 (filed January 25, 2007), January 30, 2007 (filed January 31, 2007), February 5, 2005 (filed February 5, 2007), February 7, 2007 (filed February 7, 2007), April 24, 2007 (filed April 24, 2007), and May 4, 2007 (filed May 4, 2007); and
- (d) The description of the Common Stock contained in the Registration Statement on Form 8-B, dated June 26, 1986 (as amended by Form 8, dated December 22, 1986, Form 8, dated February 3, 1988, Form 8-B/A, dated July 12, 1993, Form 8-B/A, dated March 21, 1994, and Form 8-B/A, dated November 2, 1995 and including any amendment or report filed for the purpose of updating such descriptions subsequent to the date of this Registration Statement).

All documents filed by the Registrant or the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan (the "Plan") pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, after the date hereof prior to the filing of a post-effective amendment which indicates that the securities offered hereby have been sold or which deregisters the securities covered hereby then remaining unsold, shall also be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of delivery of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. DESCRIPTION OF SECURITIES

Not applicable.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

The validity of the Common Stock registered pursuant hereto has been passed upon by Linda S. Peterson, an Associate General Counsel of the Registrant. Ms. Peterson beneficially owns, and has rights to acquire under employee stock options, an aggregate of less than 1% of the outstanding shares of Common Stock of Occidental.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers under certain circumstances for liabilities incurred in connection with their activities in such capacities (including reimbursement for expenses incurred). Occidental's Restated Certificate of Incorporation, as amended, provides for the elimination of personal liability of its directors to the full extent permitted by the Delaware General Corporation Law and Occidental has entered into indemnification agreements with each director and certain officers providing for additional indemnification. Article VIII of Occidental's By-laws provides that Occidental shall indemnify directors and officers under certain circumstances for liabilities and expenses incurred by reason of their activities in such capacities. In addition, Occidental has insurance policies that provide liability coverage to directors and officers while acting in such capacities.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

Item 8. EXHIBITS

- 3.(i) Restated Certificate of Incorporation of Occidental, dated November 12, 1999 (incorporated by reference to Exhibit 3.(i) to the Annual Report on Form 10-K of Occidental for the year ended December 31, 1999, File No. 1-9210).
- 3.(i)(a) Certificate of Change of Location of Registered Office and of Registered Agent, dated July 6, 2001 (incorporated by reference to Exhibit 3.1(i) to the Registration Statement on Form S-3 of Occidental, File No. 333-82246).
- 3.(i)(b) Certificate of Amendment of Restated Certificate of Incorporation of Occidental Petroleum Corporation (incorporated by reference to Exhibit 3.1(b) to the Annual Report on Form 10-K of Occidental for the year ended December 31, 2006, File No. 1-9210).
- 3.(ii) By-laws of Occidental, as amended through July 20, 2006 (filed as Exhibit 3.(ii) to the Quarterly Report on Form 10-Q of Occidental for the fiscal quarter ended June 30, 2006, File No. 1-9210).
- 5.1 Opinion of Linda S. Peterson, Esq.
- 10.1 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
- 23.1 Consent of Linda S. Peterson, Esq. (Included in Exhibit 5.1).
- 23.2 Consent of KPMG LLP.
- 24.1 Power of Attorney (Reference is hereby made to page 4).

Item 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Donald P. de Brier, Robert E. Sawyer and Linda S. Peterson his or her true and lawful attorneys-in-fact and agents, each acting alone, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all Amendments (including Post-Effective Amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, here ratifying and confirming all that said attorneys-in-fact and agents, each acting along, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Occidental Petroleum Corporation certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on May 8, 2007.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ RAY R. IRANI
 Ray R. Irani
 Chairman of the Board of Directors, President and Chief
 Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ RAY R. IRANI</u> Ray R. Irani	Chairman of the Board of Directors, President and Chief Executive Officer	May 8, 2007
<u>/s/ STEPHEN I. CHAZEN</u> Stephen I. Chazen	Senior Executive Vice President and Chief Financial Officer	May 8, 2007
<u>/s/ JIM A. LEONARD</u> Jim A. Leonard	Vice President and Controller (Principal Accounting Officer)	May 8, 2007
<u>/s/ SPENCER ABRAHAM</u> Spencer Abraham	Director	May 8, 2007
<u>/s/ RONALD W. BURKLE</u> Ronald W. Burkle	Director	May 8, 2007

Signature**Title****Date**/s/ JOHN S. CHALSTY

John S. Chalsty

Director

May 8, 2007

/s/ EDWARD P. DJEREJIAN

Edward P. Djerejian

Director

May 8, 2007

/s/ R. CHAD DREIER

R. Chad Dreier

Director

May 8, 2007

/s/ JOHN E. FEICK

John E. Feick

Director

May 8, 2007

/s/ IRVIN W. MALONEY

Irvin W. Maloney

Director

May 8, 2007

/s/ RODOLFO SEGOVIA

Rodolfo Segovia

Director

May 8, 2007

/s/ AZIZ SYRIANI

Aziz Syriani

Director

May 8, 2007

/s/ ROSEMARY TOMICH

Rosemary Tomich

Director

May 8, 2007

/s/ WALTER L. WEISMAN

Walter L. Weisman

Director

May 8, 2007

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

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24.1	Power of Attorney (Reference is hereby made to page 4).



LINDA S. PETERSON
ASSOCIATE GENERAL COUNSEL

Direct Telephone (310) 443-6189
Direct Facsimile (310) 443-6737
Email linda_peterson@oxy.com

May 7, 2007

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, CA 90024

Re: Occidental Petroleum Corporation
Registration Statement on Form S-8
Occidental Petroleum Corporation
2005 Long-Term Incentive Plan

Ladies and Gentlemen:

I am an Associate General Counsel of Occidental Petroleum Corporation, a Delaware corporation ("Occidental"), and have acted as counsel to Occidental in connection with the preparation of the above-referenced Registration Statement on Form S-8, submitted by Occidental to the Securities and Exchange Commission ("Commission") on May 8, 2007 (the "Registration Statement"). The Registration Statement relates to the registration under the Securities Act of 1933, as amended (the "1933 Act"), of 32,000,000 shares (the "Shares") of Common Stock, par value \$.20 per share, of Occidental. The Shares are to be issued in accordance with the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan (the "Plan").

In connection with this opinion, I have examined and am familiar with originals or copies, certified or otherwise identified to my satisfaction, of such records of Occidental and all such agreements, certificates of public officials, certificates of officers or other representatives of Occidental and others and such other documents, certificates and records as I have deemed necessary or appropriate as a basis for the opinions set forth herein, including, without limitation, (i) the Registration Statement (together with the form of prospectus forming a part thereof), (ii) the Restated Certificate of Incorporation and By-laws of Occidental, as amended to date, (iii) copies of certain resolutions adopted by the Board of Directors of Occidental, relating to the adoption of the Plan, the filing of the Registration Statement and any amendments or supplements thereto, and the issuance of the Shares and related matters, (iv) copies of the action adopted at the Annual Meeting of Stockholders approving the amendment of the Plan to increase the number of shares available for issuance and (v) the Plan. In my examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies and the authenticity of the originals of such copies. As to any facts material to the opinions expressed herein which I have not independently established or verified, I have relied upon statements and representations of officers and other representatives of Occidental and others.

I am a member of the California and New York Bars and for purposes of this opinion do not hold myself out as an expert on, nor do I express any opinion as to, the laws of any jurisdiction other than the General Corporation Law of the State of Delaware.

Based upon and subject to the foregoing, I am of the opinion that the Shares have been duly authorized and, when issued and paid for in accordance with the Plan, will be validly issued, fully paid and nonassessable.

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the 1933 Act and is furnished to you solely for your benefit in connection with the filing of the Registration Statement and is not to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written consent. I hereby consent to the filing of this opinion with the Commission as Exhibit 5 to the Registration Statement. I also consent to the reference to me under the heading "Legal Matters" in the Registration Statement. In giving this consent, I do not thereby admit that I am included in the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ LINDA S. PETERSON

Linda S. Peterson

**OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN**

1. Purpose

The purposes of this Plan are (i) to furnish a significant incentive to the employees and non-employee Directors of the Company and its subsidiaries by making available to them the benefits of increased ownership of Shares (ii) to promote the alignment of the interests of employees and non-employee Directors on the one hand and stockholders on the other hand and (iii) to assist in the recruitment and retention of employees and non-employee Directors.

2. Definitions

“Board” means the Board of Directors of the Company.

“Business Combination” means a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of the Company’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of the Company.

“Change in Control” means the occurrence of any of the following events:

(a) Approval by the stockholders of the Company of the dissolution or liquidation of the Company, other than in the context of a transaction that does not constitute a Change in Control under clause (b) below;

(b) Consummation of a Business Combination, unless (1) as a result of the Business Combination, more than 50 percent of the outstanding voting power of the Successor Entity immediately after the reorganization is, or will be, owned, directly or indirectly, by persons who were holders of the Company’s voting securities immediately before the Business Combination; (2) no “*person*” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), excluding the Successor Entity or an Excluded Person, beneficially owns, directly or indirectly, more than 20 percent of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (3) at least 50 percent of the members of the board of directors of the entity resulting from the Business Combination were Directors at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “*person*” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company’s then outstanding voting securities, other than as a result of (1) an acquisition directly from the Company; (2) an acquisition by the Company; or (3) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by the Company’s stockholders, of each new Director was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who were Directors at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an

actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Committee**” means the Executive Compensation and Human Resources Committee of the Board or its successor, which shall be composed of not less than two members of the Board, each of whom shall be a “non-employee director” within the meaning of Rule 16b-3 and an “outside director” within the meaning of Section 162(m).

“**Company**” means Occidental Petroleum Corporation, a Delaware corporation.

“**Director**” means a member of the Board.

“**Disability**” means permanent and total disability as defined in Section 22(e)(3) of the Code.

“**Effective Date**” means May 6, 2005, or such later date as this Plan is approved by the stockholders of the Company.

“**Eligible Person**” means any person who is an officer or employee of the Company or any of its subsidiaries and any person who is a non-employee Director; provided, however that a non-employee Director shall not be an Eligible Person for purposes of awarding of ISOs.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Excluded Person**” means any employee benefit plan of the Company and any trustee or other fiduciary holding securities under a Company employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act.

“**Fair Market Value**” means the last reported sale price of a share of Common Share on the New York Stock Exchange – Composite Transactions on the relevant date or, if there are no reported sales on such date, then the last reported sales price on the next preceding day on which such a sale is transacted.

“**ISO**” means an incentive stock option qualified under Section 422 of the Code.

“**Performance-Based Award**” means an award whose grant, vesting, exercisability or payment depends upon on any one or more of the Performance Objectives, in each case relative to Performance Goals, on an absolute or relative basis (including comparisons to peer companies) or ratio with other Performance Objectives, either as reported currency or constant currency, pre-tax or after-tax, before or after special charges, for the Company on a consolidated basis or for one or more subsidiaries, segments, divisions or business units, or any combination of the foregoing. The applicable performance period may range from one to five years.

“**Performance Goal**” means a preestablished targeted level or levels of any one or more Performance Objectives.

“**Performance Objectives**” mean any one or more of the following business criteria: A/R day sales outstanding, A/R to sales, debt, debt to debt plus stockholder equity, debt to EBIT or EBITDA, EBIT, EBITDA, EPS, EVA, expense reduction, interest coverage, inventory to sales, inventory turns, net income, operating cash flow, pre-tax margin, return on assets, return on capital employed, return on equity, sales, stock price appreciation, and total stockholder return (TSR), each as defined further in

Appendix A. These terms are used as applied under generally accepted accounting principles (if applicable) and in the Company's financial reporting.

"Plan" means this Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time.

"Qualifying Options" mean options and stock appreciation rights granted with an exercise price not less than Fair Market Value on the date of grant. Qualifying Options are Performance-Based Awards.

"Rule 16b-3" means Rule 16b-3 under Section 16 of the Exchange Act.

"Section 162(m)" means Section 162(m) of the Code and the applicable regulations and interpretations thereunder.

"Section 162(m) Award" means a Performance-Based Award intended to satisfy the requirements for "performance-based compensation" within the meaning of Section 162(m).

"Share Limit" means the maximum number of Shares, as adjusted, that may be delivered pursuant to all awards granted under this Plan.

"Shares" mean the Company's Common Stock, par value \$0.20 per share.

"Successor Entity" means the surviving or resulting entity or a parent thereof of a Business Combination.

3. Shares Subject to the Plan

3.1 AGGREGATE SHARE LIMIT - Subject to adjustment as provided in or pursuant to this Section 3 or Section 7, a total of sixty-six million (66,000,000) Shares shall be authorized for issuance pursuant to awards granted under this Plan. Any Shares issued in connection with awards other than options and stock appreciation rights shall be counted against the limit described above as three (3) Shares for every one Share issued in connection with such award or by which the award is valued by reference as three (3) Shares.

3.2 INDIVIDUAL LIMIT - No individual shall be granted options, stock appreciation rights or other awards in any 36-month period covering more than eight million (8,000,000) Shares, and in the case of ISOs granted to any individual who owns more than ten percent of the outstanding stock of the Company within the meaning of Section 422 of the Code the maximum term may not exceed five (5) years and the minimum exercise price may not be less than 110 percent of Fair Market Value on the date of grant.

3.3 REISSUE OF AWARDS AND SHARES - Awards payable in cash or payable in cash or Shares, including restricted shares, that are forfeited, cancelled, or for any reason do not vest under this Plan, and Shares that are subject to awards that expire or for any reason are terminated, cancelled or fail to vest shall be available for subsequent awards under this Plan. If an award under this Plan is or may be settled only in cash, such award need not be counted against any of the share limits under this Section 3, except as may be required to preserve the status of an award as "performance-based compensation" under Section 162(m). Shares subject to options or stock appreciation rights that are exercised shall not be available for subsequent awards. The following transactions involving Shares will not result in additional Shares becoming available for subsequent awards under this Plan: (i) Shares tendered in payment of an

option; (ii) Shares withheld for taxes; and (iii) Shares repurchased by the Company using option proceeds.

4. Plan Administration

This Plan shall be administered by the Committee.

4.1 POWERS OF THE COMMITTEE - Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the authorization of awards and the administration of this Plan within its delegated authority, including, without limitation, the authority to:

- (a) adopt, amend and rescind rules, regulations and procedures relating to this Plan and its administration or the awards granted under this Plan and determine the forms of awards;
- (b) determine who is an Eligible Person and to which Eligible Persons, if any, awards will be granted under this Plan;
- (c) grant awards to Eligible Persons and determine the terms and conditions of such awards, including but not limited to the number and value of Shares issuable pursuant thereto, the times (subject to Section 5.5) at which and conditions upon which awards become exercisable or vest or shall expire or terminate, and (subject to applicable law) the consideration, if any, to be paid upon receipt, exercise or vesting of awards;
- (d) determine the date of grant of an award, which may be a designated date after but not before the date of the Committee's action;
- (e) determine whether, and the extent to which, adjustments are required pursuant to Section 7 hereof;
- (f) interpret and construe this Plan and the terms and conditions of any award granted hereunder, whether before or after the date set forth in Section 5;
- (g) determine the circumstances under which, consistent with the provisions of Section 8.2, any outstanding award may be amended and make any amendments thereto that the Committee determines are necessary or appropriate; and
- (h) acquire or settle rights under options, stock appreciation rights or other awards in cash, stock of equivalent value, or other consideration.

All authority granted herein (except as provided in Section 6) shall remain in effect so long as any award remains outstanding under this Plan.

4.2 SPECIFIC COMMITTEE RESPONSIBILITY AND DISCRETION REGARDING AWARDS - Subject to the express provisions of this Plan, the Committee, in its sole and absolute discretion, shall determine all of the terms and conditions of each award granted under this Plan, which terms and conditions may include, subject to such limitations as the Committee may from time to time impose, among other things, provisions that:

- (a) permit the recipient of such award to pay the purchase price of the Shares or other property issuable pursuant to such award, or any applicable tax withholding obligation upon such

issuance or in respect of such award or Shares, in whole or in part, by any one or more of the following:

- (i) cash, cash equivalent, or electronic funds transfer,
 - (ii) the delivery of previously owned shares of capital stock of the Company (including shares acquired as or pursuant to awards) or other property,
 - (iii) a reduction in the amount of Shares or other property otherwise issuable pursuant to such award,
 - (iv) a cashless exercise, or
 - (v) any other legal consideration the Committee deems appropriate;
- (b) qualify such award as an ISO;
- (c) accelerate the receipt of benefits pursuant to an award or adjust the exercisability, term (subject to other limits) or vesting schedule of any or all outstanding awards, adjust the number of Shares subject to any award, adjust the price of any or all outstanding awards or otherwise change previously imposed terms and conditions, pursuant to a termination of employment or an event referenced in Section 7 (in which case the Committee's discretion shall be exercised in a manner consistent with Section 7) or in other circumstances or upon the occurrence of other events as deemed appropriate by the Committee, by amendment of an outstanding award, by substitution of an outstanding award, by waiver or by other legally valid means (which may result, among other changes, in a greater or lesser number of shares subject to the award, a shorter or longer vesting or exercise period, or, except as provided below, an exercise or purchase price that is higher or lower than the original or prior award), in each case subject to Sections 3 and 8.2; provided, however, that in no case (other than an adjustment contemplated by Section 7.2) shall the exercise price of any option or stock appreciation right be reduced by an amendment to the award or a cancellation and re-grant of the award to effect a repricing of the award to a price below the Fair Market Value of the underlying Shares on the grant date of the original option or stock appreciation right unless specific stockholder consent is obtained;
- (d) authorize (subject to Sections 7, 8, and 10) the conversion, succession or substitution of one or more outstanding awards upon the occurrence of an event of the type described in Section 7 or in other circumstances or upon the occurrence of other events as deemed appropriate by the Committee; and
- (e) determine the value of and acquire or otherwise settle awards upon termination of employment, upon such terms as the Committee (subject to Sections 7, 8 and 10) deems appropriate.

4.3 DELEGATION - Subject to Section 4.5, the Board may delegate different levels of authority to different committees with administrative and grant authority under this Plan, provided that each designated committee granting any awards hereunder shall consist exclusively of a member or members of the Board. A majority of the members of the acting committee shall constitute a quorum. The vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the Committee shall constitute action by the committee. The Committee may delegate authority to grant awards under this Plan for new employees to an officer of the Company who is also a director and

may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or a subsidiary or to third parties.

4.4 BIFURCATION - Notwithstanding anything to the contrary in this Plan, the provisions of this Plan may at any time be bifurcated by the Board or the Committee in any manner so that provisions of any award agreement (or this Plan) intended or required in order to satisfy the applicable requirements of Rule 16b-3, Section 162(m) or other applicable law, to the extent permitted thereby, are applicable only to persons subject to those provisions and to those awards to those persons intended to satisfy the requirements of the applicable legal restriction.

4.5 AWARDS TO NON-EMPLOYEE DIRECTORS -Notwithstanding any provision in this Plan to the contrary and without being subject to management discretion, the Board, acting through the non-employee Directors only, shall have the authority, in its sole and absolute discretion, to select non-employee Directors to receive awards other than ISOs under this Plan. The Board, acting through the non-employee Directors only shall set the terms of any such awards in its sole and absolute discretion, and the Board, acting through the non-employee Directors only, shall be responsible for administering and construing such awards in substantially the same manner that the Committee administers and construes awards to other Eligible Persons.

5. Awards

5.1 TYPE AND FORM OF AWARDS - All awards shall be evidenced in writing (including electronic form), substantially in the form approved by the Committee. The types of awards that the Committee may grant include, but are not limited to, any of the following, on an immediate or deferred basis, either singly, or in tandem or in combination with or in substitution for, other awards of the same or another type: (i) Shares, (ii) options (ISOs or nonqualified stock options), stock appreciation rights (including limited stock appreciation rights), restricted stock (which shall vest over a period of not less than three years), stock units, or similar rights to purchase or acquire shares, whether at a fixed or variable price or ratio related to the Shares, upon the passage of time, the occurrence of one or more events, or the satisfaction of Performance Goals or other conditions, or any combination thereof, (iii) any similar securities with a value derived from the value of or related to the Shares or other securities of the Company and/or returns thereon, or (iv) cash. Share-based awards may include (without limitation) stock options, stock purchase rights, stock bonuses, stock units, stock appreciation rights, limited stock appreciation rights, phantom stock, dividend equivalents (independently or in tandem with any form of stock grant), dividend rights (independently or in tandem with any form of stock grant), Shares, any of which may be payable in Shares or cash, and may consist of one or more of such features in any combination.

5.2 PERFORMANCE-BASED AWARDS - Any of the types of awards listed in Section 5.1 may be granted as Performance-Based Awards.

5.2.1 Section 162(m) Awards. The Committee has discretion to determine if any Performance-Based Award is intended to be a Section 162(m) Award. The specific Performance Goals in respect of Section 162(m) Awards, other than Qualifying Options, must be approved by the Committee in advance of any applicable deadlines under Section 162(m) and while the performance relating to those goals remains substantially uncertain within the meaning thereof. The persons eligible for Section 162(m) Awards shall be executive officers of the Company and its subsidiaries and, in the discretion of the Committee, other employees of the Company or its subsidiaries who are designated by the Committee to receive a Section 162(m) Award because they may be executive officers of the Company or its subsidiaries by the time their awards are

exercised, vested or paid. Except as otherwise permitted under Section 162(m), before any Section 162(m) Award is paid, the Committee must certify that the Performance Goal and any other material terms of the Section 162(m) Award were in fact satisfied.

5.2.2 Reservation of Discretion - The Committee shall have discretion to determine the conditions, restrictions or other limitations, in accordance with the terms of this Plan and, in the case of Section 162(m) Awards, the limitations of Section 162(m), on the payment of individual Performance-Based Awards under this Section 5.2.

5.2.3 Adjustments - Performance Goals or other features of an award under this Section 5.2 may be (i) adjusted to reflect a change in corporate capitalization, a corporate transaction (such as a reorganization, combination, separation, merger, acquisition, or any combination of the foregoing) or a complete or partial corporate liquidation, or (ii) calculated either without regard for or to reflect any change in accounting policies or practices affecting the Company and/or the Performance Objectives or Performance Goals, or (iii) adjusted for any other circumstances or event, or (iv) any combination of (i) through (iii), but only to the extent in each case that such adjustment or determination in respect of Section 162(m) Awards would be consistent with the requirements of Section 162(m) to qualify as performance-based compensation.

5.3 CONSIDERATION FOR SHARES - Shares may be issued pursuant to an award for any lawful consideration as determined by the Committee, including, without limitation, services rendered by the recipient of such award, but shall not be issued for less than the minimum lawful consideration. Awards may be payable in cash, stock or other consideration or any combination thereof, as the Committee shall designate in or (except as required by Section 5.2) by amendment to the terms and conditions governing such award.

5.4 LIMITED RIGHTS - Except as otherwise expressly authorized by the Committee or this Plan or in the applicable award terms and conditions, a participant will not be entitled to any privilege of stock ownership as to any Shares not actually delivered to and held of record by the participant. No adjustment will be made for dividends or other rights as a stockholder for which a record date is prior to such date of delivery.

5.5 OPTION/STOCK APPRECIATION RIGHT PRICING AND TERM LIMITS - The purchase price per share of the Shares covered by any option or the base price of any stock appreciation right shall be determined by the Committee at the time of the grant, but shall not be less than 100 percent of the Fair Market Value of the Shares on the date of grant. Any option, stock appreciation right, warrant or similar right shall expire and any other award shall vest not more than 10 years after the date of grant. An award may be converted or convertible, notwithstanding the foregoing limits, into or payable in, Shares or another award that otherwise satisfies the requirements of this Plan.

5.6 TRANSFER RESTRICTIONS - Unless otherwise expressly provided in or permitted by this Section 5.6, by applicable law or by the award terms and conditions (i) all awards are nontransferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; (ii) awards shall be exercised only by the holder; and (iii) amounts payable or shares issuable pursuant to an award shall be delivered only to (or for the account of) the holder.

5.6.1 Exceptions by Committee Action - The Committee, in its sole discretion, may permit an award to be transferred for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities and the incentive purposes of the award and this Plan. Notwithstanding the foregoing, awards intended as ISOs or restricted stock awards for purposes

of the Code shall be subject to any and all additional transfer restrictions necessary to preserve their status as ISOs or restricted shares, as the case may be, under the Code.

5.6.2 Exclusions - The exercise and transfer restrictions in this Section 5.6 shall not apply to:

- (a) transfers to the Company,
- (b) the designation of a beneficiary to receive benefits in the event of the participant's death or, if the participant has died, transfers to or exercise by the participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution,
- (c) transfers pursuant to a domestic relations order (if approved or ratified by the Committee), if (in the case of ISOs) permitted by the Code,
- (d) if the participant has suffered a Disability, permitted transfers to or exercises on behalf of the holder by his or her legal representative, or
- (e) the authorization by the Committee of "cashless exercise" procedures with third parties who finance or who otherwise facilitate the exercise of awards consistent with applicable laws and the express authorization of the Committee.

5.7 TAX WITHHOLDING - Upon any exercise, vesting, or payment of any award, the Company shall:

- (a) require the recipient (or his or her heirs, personal representatives or beneficiaries, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any subsidiary may be required to withhold with respect to such transaction; or
- (b) deduct from any amount payable in cash the amount of any taxes that the Company or any subsidiary may be required to withhold with respect to such cash amount.

5.8 POSSIBLE SHARE OFFSET - In any case where a tax is required to be withheld in connection with the delivery of Shares under this Plan, the Committee may require or may permit the holder the right to offset, pursuant to such rules and subject to such conditions as the Committee may establish, the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares valued at their then Fair Market Value, to satisfy the minimum statutory withholding taxes with respect thereto.

5.9 CASH AWARDS - The Committee shall have the express authority to pay awards in cash under this Plan, whether in lieu of, in addition to or as part of another award.

5.10 TERMINATION OF EMPLOYMENT OR SERVICE - If an Eligible Person's employment with or service to the Company or to any parent or subsidiary terminates for any reason, his or her outstanding awards may thereafter be exercised (if at all) to the extent provided in the agreement evidencing such award, or as otherwise determined by the Committee.

6. Term of Plan

No award shall be granted under this Plan after the tenth anniversary of the Effective Date of this Plan. After that date, this Plan shall continue in effect as to then outstanding awards. Any then outstanding

award may be amended thereafter in any manner that would have been permitted earlier, except that no such amendment shall increase the number of Shares subject to, comprising or referenced in the award or reduce the exercise or base price of an option or stock appreciation right or permit cash payments in an amount that exceeds the limits of Section 3 (as adjusted pursuant to Section 7.2).

7. Adjustments; Change in Control

7.1 CHANGE IN CONTROL; ACCELERATION AND TERMINATION OF AWARDS - Unless prior to a Change in Control, the Committee determines that, upon its occurrence, benefits under any or all awards will not accelerate or determines that only certain or limited benefits under any or all awards will be accelerated and the extent to which they will be accelerated, or establishes a different time in respect of such Change in Control for such acceleration, then upon the occurrence of a Change in Control:

- (a) each option and stock appreciation right shall become immediately exercisable,
- (b) restricted stock shall immediately vest free of restrictions,
- (c) each award under Section 5.2 shall become payable to the participant,
- (d) the number of Shares covered by each stock unit account shall be issued to the participant, and
- (e) any other rights of a participant under any other award will be accelerated to give the participant the benefit intended under any such award.

The Committee may override the limitations on acceleration in this Section 7.1 by express provision in the award agreement and may accord any Eligible Person a right to refuse any acceleration, whether pursuant to the award agreement or otherwise, in such circumstances as the Committee may approve. Any acceleration of awards shall comply with applicable legal and regulatory requirements. Without limiting the generality of the foregoing, the Committee may deem an acceleration to occur immediately prior to or up to 30 days before the applicable event and/or reinstate the original terms of an award if an event giving rise to an acceleration does not occur.

If any option or other right to acquire Shares under this Plan has been fully accelerated as required or permitted by this Plan but is not exercised prior to (i) a dissolution of the Company, or (ii) an event described in this Section 7.1 that the Company does not survive, or (iii) the consummation of an event described in Section 7.2 involving a Change in Control approved by the Board, such option or right will terminate, subject to any provision that has been expressly made by the Committee or the Board through a plan of reorganization approved by the Board or otherwise for the survival, substitution, assumption, exchange or other settlement of such option or right.

7.2 ADJUSTMENTS - The following provisions will apply if any extraordinary dividend or other extraordinary distribution occurs in respect of the Shares (whether in the form of cash, Shares, other securities, or other property), or any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend), reverse stock split, reorganization, merger, combination, consolidation, split-up, spin-off, repurchase, or exchange of Shares or other securities of the Company, or any similar, unusual or extraordinary corporate transaction (or event in respect of the Shares) or a sale of substantially all the assets of the Company as an entirety occurs. The Committee will, in such manner and to such extent (if any) as it deems appropriate and equitable:

(a) proportionately adjust any or all of (i) the number and type of Shares (or other securities) that thereafter may be made the subject of awards (including the specific maxima and numbers of shares set forth elsewhere in this Plan), (ii) the number, amount and type of shares (or other securities or property) subject to any or all outstanding awards, (iii) the grant, purchase, or exercise price of any or all outstanding awards, (iv) the securities, cash or other property deliverable upon exercise of any outstanding awards, or (v) the Performance Goals or Performance Objectives appropriate to any outstanding awards, or

(b) in the case of an extraordinary dividend or other distribution, recapitalization, reclassification, merger, reorganization, consolidation, combination, sale of assets, split-up, exchange, or spin-off, make provision for a cash payment or for the substitution or exchange of any or all outstanding awards or the cash, securities or property deliverable to the holder of any or all outstanding awards based upon the distribution or consideration payable to holders of the Shares of the Company upon or in respect of such event.

In each case, with respect to awards of ISOs, no such adjustment will be made that would cause this Plan to violate Section 422 or 424 of the Code or any successor provisions without the written consent of holders materially adversely affected thereby. In any of such events, the Committee may take such action sufficiently prior to such event if necessary or deemed appropriate to permit the participant to realize the benefits intended to be conveyed with respect to the underlying shares in the same manner as is available to stockholders generally.

8. Plan Amendment and Termination

8.1 AUTHORITY OF THE BOARD - Subject to Sections 8.2 and 8.3 and New York Stock Exchange Rules applicable to companies listed on such Exchange, the Board may amend or terminate this Plan at any time and in any manner.

8.2 RESTRICTIONS - No amendment or termination of this Plan or change in or affecting any outstanding award shall deprive in any material respect the holder, without the consent of the holder, of any of his or her rights or benefits under or with respect to the award. Adjustments contemplated by Section 7 shall not be deemed to constitute a change requiring such consent.

8.3 STOCKHOLDER APPROVAL - Stockholder approval shall be required for any amendment to this Plan that would:

- (a) materially increase the benefits accruing to participants under this Plan,
- (b) materially increase the number of securities which may be issued under this Plan, or
- (c) materially modify the requirements as to eligibility for participation in this Plan.

9. Legal Matters

9.1 COMPLIANCE AND CHOICE OF LAW; SEVERABILITY - This Plan, the granting and vesting of awards under this Plan and the issuance and delivery of Shares and/or the payment of money under this Plan or under awards granted hereunder are subject to compliance with all applicable federal and state laws, rules and regulations and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. This Plan, the awards, all documents evidencing awards and all other related documents shall be governed by, and construed in accordance with the laws of the state of Delaware. If any provision shall

be held by a court of competent jurisdiction to be invalid and unenforceable, the remaining provisions of this Plan shall continue in effect.

9.2 NON-EXCLUSIVITY OF PLAN - Nothing in this Plan shall limit or be deemed to limit the authority of the Board or the Committee to grant awards or authorize any other compensation, with or without reference to the Shares, under any other plan or authority.

9.3 NO EMPLOYMENT CONTRACT - Nothing contained in this Plan (or in any other documents relating to this Plan or to any award) shall confer upon any Eligible Person or other participant any right to continue in the employ or other service of the Company or any subsidiary or constitute any contract or agreement of employment or other service, nor shall interfere in any way with the right of the Company or any subsidiary to change such person's compensation or other benefits or to terminate the employment of such person, with or without cause.

10. Miscellaneous

10.1 UNFUNDED PLAN - Unless otherwise determined by the Committee, this Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. This Plan shall not establish any fiduciary relationship between the Company or any subsidiary and any participant or other person. To the extent any person holds any rights by virtue of awards granted under this Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company.

10.2 AWARDS NOT COMPENSATION - Unless otherwise determined by the Committee, settlements of awards received by participants under this Plan shall not be deemed a part of a participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan, severance program or severance pay law of any country.

10.3 FRACTIONAL SHARES - The Company shall not be required to issue any fractional Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement thereof in cash.

10.4 FOREIGN PARTICIPANTS - No award shall be made to a participant who is a foreign national or who is employed by the Company or any subsidiary outside the United States of America if such award would violate applicable local law. In order to facilitate the making of an award, the Committee may provide for such special terms for awards to participants who are foreign nationals, or who are employed by the Company or any subsidiary outside of the United States of America, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments to this Plan as it may consider necessary or appropriate for such purposes unless stockholder approval for any such change would be required in accordance with the provisions of Section 8.

APPENDIX A TO 2005 LONG-TERM INCENTIVE PLAN

PERFORMANCE OBJECTIVES

The Performance Objectives shall have the meanings set forth below, in each case as reported in the financial statements of the Company or applicable subsidiary, division, segment, or unit (“financial statements”).

“**A/R Day Sales Outstanding**” means trade accounts receivable (A/R)(net of reserves) divided by latest historical day Sales.

“**A/R to Sales**” means the ratio of accounts receivable to Sales.

“**Debt**” means all accounts classified as such in the financial statements.

“**Debt to Debt plus stockholder equity**” means the ratio of Debt to Debt plus stockholder equity.

“**Debt to EBIT or EBITDA**” means the ratio of Debt to EBIT or EBITDA.

“**EBIT**” means Net Income before interest expense and taxes, which may be adjusted for special charges, if any.

“**EBITDA**” means Net Income before interest expense, taxes, depreciation and amortization, which may be adjusted for special charges, if any.

“**EPS**” means Net Income divided by the weighted average number of Shares outstanding. The Shares outstanding may be adjusted to include the dilutive effect of stock options, restricted stock and other dilutive financial instruments as required by generally accepted accounting principles.

“**EVA**” means operating profit after tax (OPAT) (which is defined as Net Income after tax but before tax adjusted interest income and expense and goodwill amortization), less a charge for the use of capital (average total capital as such term is used below under “Return on Capital Employed”). Net Income may be adjusted for special charges and acquisition activity costs, if any. The charge for capital is the percentage cost of capital times the average total capital. The cost of capital is the weighted average cost of capital as calculated for the Company.

“**Expense Reduction**” means reduction in actual expense or an improvement in the expense to Sales ratio compared to a target or prior year actual expense to Sales ratio, which may be adjusted for special charges, if any.

“**Interest Coverage**” means the ratio of EBIT or EBITDA to interest expense. Net Income may be adjusted for special charges.

“**Inventory to Sales**” means the ratio of total inventory to Sales.

“**Inventory Turns**” means the ratio of total cost of goods sold on a historical basis to average net inventory. This ratio may be adjusted for special charges, if any.

“**Net Income**” means the difference between total Sales plus other revenues and net total costs and expenses, including income taxes.

“Operating Cash Flow” means the net cash provided by operating activities less net cash used by operations and investing activities as shown on the statement of cash flows. The numbers relating to the foregoing may be adjusted for special charges, if any.

“Pre-Tax Margin” means the ratio of earnings before income taxes to Sales. Earnings may be adjusted for special charges, if any.

“Return on Assets” means the ratio of Net Income to total average assets including goodwill. Earnings may be adjusted for special charges and goodwill amortization for comparative purposes.

“Return on Capital Employed” means the ratio of Net Income plus tax-effected interest expense to long-term Debt plus stockholder equity.

“Return on Equity” means the ratio of Net Income to stockholder equity.

“Sales” means sales, service and rental income from third parties net of discounts, returns and allowances.

“Stock Price Appreciation” means an increase, or an average annualized increase, in the stock price or market value of the Shares of the Company after purchase of, or the date of grant of, an award or above a specified stock price.

“Total Stockholder Return or TSR” means the appreciation in the price of a Common Share plus reinvested dividends over a specified period of time.

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors
Occidental Petroleum Corporation:

We consent to the incorporation by reference in the registration statement on Form S-8 of Occidental Petroleum Corporation of our reports dated February 27, 2007, with respect to the consolidated balance sheets of Occidental Petroleum Corporation as of December 31, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2006 and the related financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2006 and the effectiveness of internal control over financial reporting as of December 31, 2006, which reports appear in the December 31, 2006 annual report on Form 10-K of Occidental Petroleum Corporation. Our report on the financial statements of Occidental Petroleum Corporation refers to (i) a change in the method of accounting for defined benefit pension and other postretirement plans (effective December 31, 2006), and (ii) a change in the method of accounting for share-based payments (effective July 1, 2005).

/s/ KPMG LLP

Los Angeles, California
May 4, 2007