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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) July 24, 2007**

**OCcidental PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-9210**  
(Commission  
File Number)

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

**10889 Wilshire Boulevard**  
**Los Angeles, California**  
(Address of principal executive offices)

**90024**  
(ZIP code)

Registrant's telephone number, including area code:  
**(310) 208-8800**

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Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Section 2 – Financial Information

### Item 2.02. Results of Operations and Financial Condition

On July 24, 2007, Occidental Petroleum Corporation released information regarding its results of operations for the three and six months ended June 30, 2007. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speeches given by Dr. Ray R. Irani and Stephen I. Chazen is attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3. Earnings Conference Call Slides are attached to this report as Exhibit 99.4.

## Section 8 – Other Events

### Item 8.01. Other Events

On July 24, 2007, Occidental Petroleum Corporation announced net income for the second quarter 2007 was \$1.412 billion (\$1.68 per diluted share), compared with \$860 million (\$0.99 per diluted share) for the second quarter 2006. The second quarter 2007 net income includes \$419 million after-tax gains (\$0.50 per diluted share) from the sale of non-core assets. The second quarter 2006 net income includes a \$347 million after-tax loss (\$0.40 per diluted share) from the write-off of assets and income from the operations of assets written off and held for sale.

### QUARTERLY RESULTS

#### Oil and Gas

Oil and gas segment earnings, excluding the results of Pakistan, which was sold, and Horn Mountain, which was exchanged, at the end of June, were \$1.682 billion for the second quarter 2007, compared with \$1.857 billion for the same period in 2006. The decline in the second quarter 2007 earnings reflected decreases from lower crude oil prices, increased DD&A rates and higher exploration and operating expenses, partially offset by higher production and natural gas prices.

The average price for West Texas Intermediate crude oil in the second quarter 2007 was \$65.05 per barrel compared to \$70.70 per barrel in the second quarter 2006. Oxy's realized price for worldwide crude oil was \$59.11 per barrel for the second quarter 2007, compared with \$61.66 per barrel for the second quarter 2006. The average price for NYMEX gas in the second quarter 2007 was \$7.56 per MCF, compared with \$7.26 per MCF in the second quarter 2006. Domestic realized gas prices increased from \$6.23 per MCF in the second quarter 2006 to \$7.07 per MCF for the second quarter 2007.

#### Production

For the second quarter 2007, daily oil and gas production averaged 583,000 barrels of oil equivalent (BOE), compared with 609,000 BOE per day produced in the second quarter 2006. Daily production, excluding Horn Mountain, Pakistan and Russia, was 558,000 BOE for the second quarter 2007, compared with 551,000 BOE for the second quarter 2006.

#### Chemicals

Chemical segment earnings for the second quarter of 2007 were \$158 million, compared with second quarter 2006 segment earnings of \$251 million. The second quarter 2007 results reflect lower margins for chloro-vinyl products.

### Items Affecting Net Income

The second quarter 2007 net income includes after-tax gains of \$419 million, consisting of: a \$181 million gain resulting from the sale of 18.6 million shares of the investment in Lyondell common stock, a \$116 million gain from the sale of Pakistan assets to BP, a \$107 million gain from the swap of Horn Mountain assets with BP and a \$15 million gain from the sale of domestic mineral interests.

The second quarter 2006 net income includes a net after-tax loss of \$347 million, consisting of: a \$415 million loss from the write-off of assets, \$45 million income for the operations of assets written off and \$23 million income from the Vintage properties held for sale.

In addition to the second quarter items affecting net income, net income for the six months of 2007 includes, net of tax: a \$112 million gain for litigation settlements, a \$412 million gain resulting from the sale of Oxy's 50-percent investment in the Russian Vanyoganneft joint venture, a \$107 million charge for the completion of cash tender offers for various debt issues, and a \$30 million provision for a plant closure and related environmental remediation reserve. The six months of 2006 includes an additional \$78 million income from operations of assets held for sale.

### SIX-MONTHS RESULTS

Net income for the six months of 2007 was \$2.624 billion (\$3.11 per diluted share), compared with \$2.091 billion (\$2.42 per diluted share) for the six months of 2006.

#### Oil and Gas

Oil and gas segment earnings, excluding Pakistan and Horn Mountain results, were \$3.690 billion for the six months of 2007, compared with \$3.668 billion for the same period and on the same basis in 2006. Oil and gas earnings were \$3.143 billion for the six months of 2007, after also excluding gains from the sale of Oxy's investment in the Russian Vanyoganneft joint venture, sale of mineral interests and litigation settlements. The decline in the six months of 2007 reflected \$284 million of decreases from lower crude oil and natural gas prices, increased DD&A rates and higher exploration and operating expenses, partially offset by higher crude oil and natural gas production.

The average price for West Texas Intermediate crude oil in the six months of 2007 was \$61.61 per barrel compared to \$67.09 per barrel in the six months of 2006. Oxy's realized price for worldwide crude oil was \$55.34 per barrel for the six months of 2007, compared with \$58.53 per barrel for the six months of 2006. The average price for NYMEX gas in the six months of 2007 was \$7.37 per MCF, compared with \$9.34 per MCF in the six months of 2006. Domestic realized gas prices decreased from \$7.25 per MCF in the six months of 2006 to \$6.74 per MCF for the same period of 2007.

#### Production

For the six months of 2007, daily oil and gas production averaged 587,000 BOE, compared with 601,000 BOE per day produced in the six months of 2006. Daily production, excluding Horn Mountain, Pakistan and Russia, was 559,000 BOE for the six months of 2007, compared with 542,000 BOE for the six months of 2006.

#### Chemicals

Chemical segment earnings for the six months of 2007 were \$295 million, compared with six months of 2006 segment earnings of \$501 million. The 2007 results reflect lower margins for chloro-vinyl products.

### Forward-Looking Statements

Statements in this report that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; changes in tax rates and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosure in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

**SUMMARY OF SEGMENT NET SALES AND EARNINGS**

(Millions, except per-share amounts)	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>SEGMENT NET SALES</b>				
Oil and Gas	\$ 3,145	\$ 3,163	\$ 6,061	\$ 6,157
Chemical	1,229	1,273	2,289	2,514
Other	37	34	76	64
Net sales	\$ 4,411	\$ 4,470	\$ 8,426	\$ 8,735
<b>SEGMENT EARNINGS</b>				
Oil and Gas (a)	\$ 1,682	\$ 1,857	\$ 3,690	\$ 3,668
Chemical	158	251	295	501
	1,840	2,108	3,985	4,169
<b>Unallocated Corporate Items</b>				
Interest expense, net (b)	6	(33)	(175)	(62)
Income taxes	(904)	(851)	(1,588)	(1,725)
Other (c)	470	(364)	402	(291)
<b>NET INCOME</b>	\$ 1,412	\$ 860	\$ 2,624	\$ 2,091
<b>EARNINGS PER COMMON SHARE</b>				
BASIC	\$ 1.68	\$ 1.00	\$ 3.13	\$ 2.45
DILUTED	\$ 1.68	\$ 0.99	\$ 3.11	\$ 2.42
<b>AVERAGE BASIC COMMON SHARES OUTSTANDING</b>				
BASIC	837.7	860.2	839.3	854.5
DILUTED	841.8	867.7	843.2	864.3

See footnotes on following page.

- (a) The second quarter 2007 includes a \$23 million pre-tax gain from the sale of domestic mineral interests and a \$3 million gain resulting from the resolution of certain legal disputes. The six months 2007 also includes an after-tax gain of \$412 million from the sale of Occidental's 50-percent interest in the Russian Vanyoganneft joint venture and an additional \$109 million after-tax gain resulting from the resolution of certain legal disputes.
- (b) The second quarter 2007 includes a \$5 million pre-tax interest gain and the six months 2007 also includes a \$172 million pre-tax interest charge for the purchase of various debt issues in the open market. Decreased debt levels have resulted in lower interest expense which was entirely offset by interest income in the second quarter of 2007.
- (c) The second quarter 2007 includes a \$284 million pre-tax gain from the sale of 18.6 million shares (approximately 89%) of Occidental's investment in Lyondell Chemical Company. The remaining 2.4 million shares were sold in early July. The quarter also includes after-tax gains of \$116 million from the sale of Pakistan operations to BP, \$107 million from the swap of the Horn Mountain operations with BP and \$44 million for the operations of Horn Mountain and Pakistan. The second quarter 2006 includes a \$415 million after-tax loss for the write-off of assets, \$45 million after-tax income for the first five months of operations which were written off, \$23 million after-tax income for the Vintage properties held for sale and \$65 million after-tax income for the operations of Horn Mountain and Pakistan.

In addition to the second quarter items described above, the six months 2007 includes an additional \$43 million after-tax income for the operations of Horn Mountain and Pakistan. The six months of 2007 also includes a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve. The six months 2006 includes additional after-tax income of \$65 million for the operations which were written off, \$13 million after-tax income for the Vintage properties held for sale and \$66 million after-tax income for the operations of Horn Mountain and Pakistan.

#### SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>CAPITAL EXPENDITURES</b>	<b>\$ 850</b>	<b>\$ 642</b>	<b>\$ 1,630</b>	<b>\$ 1,230</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 564</b>	<b>\$ 483</b>	<b>\$ 1,138</b>	<b>\$ 930</b>

**SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>NET OIL, GAS AND LIQUIDS</b>				
<b>PRODUCTION PER DAY</b>				
United States				
Crude oil and liquids (MBBL)				
California	93	82	89	83
Permian	163	168	164	167
Hugoton and other	3	3	4	3
Total	259	253	257	253
Natural Gas (MMCF)				
California	268	258	250	255
Hugoton and other	154	136	152	134
Permian	187	199	192	194
Total	609	593	594	583
Latin America				
Crude Oil (MBBL)				
Argentina	34	38	33	31
Colombia	44	34	43	36
Total	78	72	76	67
Natural Gas (MMCF)				
Argentina	28	21	25	17
Bolivia	18	20	16	17
Total	46	41	41	34
Middle East/North Africa				
Crude Oil (MBBL)				
Oman	19	17	21	17
Qatar	47	44	46	44
Yemen	25	30	28	31
Libya	19	27	23	25
Total	110	118	118	117
Natural Gas (MMCF)				
Oman	32	35	29	30
<b>Barrels of Oil Equivalent (MBOE)</b>				
Subtotal consolidated subsidiaries	561	555	562	545
Colombia-minority interest	(6)	(5)	(6)	(5)
Yemen-Occidental net interest	3	1	3	2
<b>Continuing operations</b>	<b>558</b>	<b>551</b>	<b>559</b>	<b>542</b>
<b>Sold operations (a)</b>				
Horn Mountain	9	13	9	14
Pakistan	16	18	16	17
Russia	--	27	3	28
<b>Total Worldwide Production - MBOE</b>	<b>583</b>	<b>609</b>	<b>587</b>	<b>601</b>

(a) Occidental sold its interest in the Russian Vanyoganneft joint venture in January 2007. In June 2007, Occidental sold its Pakistan operations to BP and swapped its Gulf of Mexico - Horn Mountain operations with BP.

## **Section 9 – Financial Statements and Exhibits**

### Item 9.01. Financial Statements and Exhibits

#### (d) Exhibits

99.1 Press release dated July 24, 2007.

99.2 Full text of speeches given by Dr. Ray R. Irani and Stephen I. Chazen.

99.3 Investor Relations Supplemental Schedules.

99.4 Earnings Conference Call Slides.



SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION  
(Registrant)

DATE: July 24, 2007

/s/ JIM A. LEONARD

Jim A. Leonard, Vice President and Controller  
(Principal Accounting and Duly Authorized Officer)

## EXHIBIT INDEX

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- 99.3 Investor Relations Supplemental Schedules.
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For Immediate Release: Tuesday, July 24, 2007

Occidental Petroleum Announces Second Quarter Earnings

LOS ANGELES -- Occidental Petroleum Corporation (NYSE: OXY) announced net income for the second quarter 2007 was \$1.412 billion (\$1.68 per diluted share), compared with \$860 million (\$0.99 per diluted share) for the second quarter 2006. The second quarter 2007 net income includes \$419 million after-tax gains (\$0.50 per diluted share) from the sale of non-core assets. The second quarter 2006 net income includes a \$347 million after-tax loss (\$0.40 per diluted share) from the write-off of assets and income from the operations of assets written off and held for sale.

In announcing the results, Dr. Ray R. Irani, Chairman, President and Chief Executive Officer said, "Net income for the first six months of 2007 was at a record high \$2.624 billion. We look ahead to the remainder of the year as the giant Dolphin Project, one of the largest energy projects ever undertaken in the Middle East, has become operational. Dolphin is now delivering natural gas from its wells in Qatar's North Field to customers in the United Arab Emirates. This unique project will have significant impact on the region and we expect our 24.5-percent interest in Dolphin to provide a steady contribution to Oxy's financial performance for the next 25 years."

"During the first half of 2007, Occidental has strengthened its asset base by acquiring additional producing properties in the Permian Basin in Texas and by divesting of non-core assets in the Gulf of Mexico, Pakistan, and Russia. The net impact of these transactions, together with the Dolphin Project production ramp-up, should result in Occidental producing at a year-end exit rate in the range of 630,000 to 650,000 barrels of oil equivalent per day," said Dr. Irani.

## QUARTERLY RESULTS

### Oil and Gas

Oil and gas segment earnings, excluding the results of Pakistan, which was sold, and Horn Mountain, which was exchanged, at the end of June, were \$1.682 billion for the second quarter 2007, compared with \$1.857 billion for the same period in 2006. The decline in the second quarter 2007 earnings reflected decreases from lower crude oil prices, increased DD&A rates and higher exploration and operating expenses, partially offset by higher production and natural gas prices.

The average price for West Texas Intermediate crude oil in the second quarter 2007 was \$65.05 per barrel compared to \$70.70 per barrel in the second quarter 2006. Oxy's realized price for worldwide crude oil was \$59.11 per barrel for the second quarter 2007, compared with \$61.66 per barrel for the second quarter 2006. The average price for NYMEX gas in the second quarter 2007 was \$7.56 per MCF, compared with \$7.26 per MCF in the second quarter 2006. Domestic realized gas prices increased from \$6.23 per MCF in the second quarter 2006 to \$7.07 per MCF for the second quarter 2007.

### Production

For the second quarter 2007, daily oil and gas production averaged 583,000 barrels of oil equivalent (BOE), compared with 609,000 BOE per day produced in the second quarter 2006. Daily production, excluding Horn Mountain, Pakistan and Russia, was 558,000 BOE for the second quarter 2007, compared with 551,000 BOE for the second quarter 2006.

### Chemicals

Chemical segment earnings for the second quarter of 2007 were \$158 million, compared with second quarter 2006 segment earnings of \$251 million. The second quarter 2007 results reflect lower margins for chloro-vinyl products.

### **Items Affecting Net Income**

The second quarter 2007 net income includes after-tax gains of \$419 million, consisting of: a \$181 million gain resulting from the sale of 18.6 million shares of the investment in Lyondell common stock, a \$116 million gain from the sale of Pakistan assets to BP, a \$107 million gain from the swap of Horn Mountain assets with BP and a \$15 million gain from the sale of domestic mineral interests.

The second quarter 2006 net income includes a net after-tax loss of \$347 million, consisting of: a \$415 million loss from the write-off of assets, \$45 million income for the operations of assets written off and \$23 million income from the Vintage properties held for sale.

In addition to the second quarter items affecting net income, net income for the six months of 2007 includes, net of tax: a \$112 million gain for litigation settlements, a \$412 million gain resulting from the sale of Oxy's 50-percent investment in the Russian Vanyoganneft joint venture, a \$107 million charge for the completion of cash tender offers for various debt issues, and a \$30 million provision for a plant closure and related environmental remediation reserve. The six months of 2006 includes an additional \$78 million income from operations of assets held for sale.

### **SIX-MONTHS RESULTS**

Net income for the six months of 2007 was \$2.624 billion (\$3.11 per diluted share), compared with \$2.091 billion (\$2.42 per diluted share) for the six months of 2006.

### **Oil and Gas**

Oil and gas segment earnings, excluding Pakistan and Horn Mountain results, were \$3.690 billion for the six months of 2007, compared with \$3.668 billion for the same period and on the same basis in 2006. Oil and gas earnings were \$3.143 billion for the six months of 2007, after also excluding gains from the sale of

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### **Chemicals**

Chemical segment earnings for the six months of 2007 were \$295 million, compared with six months of 2006 segment earnings of \$501 million. The 2007 results reflect lower margins for chloro-vinyl products.

### **About Oxy**

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem,

manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

### **Forward-Looking Statements**

Statements in this release that contain words such as "will," "expect" or "estimate," or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; changes in tax rates and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this release. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosure in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

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310-443-6249

Christopher G. Stavros (investors)  
212-603-8184

For further analysis of Occidental's quarterly performance, please visit the web site: [www.oxy.com](http://www.oxy.com)

**SUMMARY OF SEGMENT NET SALES AND EARNINGS**

(Millions, except per-share amounts)	Second Quarter		Six Months	
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<b>SEGMENT NET SALES</b>				
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Income taxes	(904)	(851)	(1,588)	(1,725)
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BASIC	\$ 1.68	\$ 1.00	\$ 3.13	\$ 2.45
DILUTED	\$ 1.68	\$ 0.99	\$ 3.11	\$ 2.42
<b>AVERAGE BASIC COMMON SHARES OUTSTANDING</b>				
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#### SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>CAPITAL EXPENDITURES</b>	<b>\$ 850</b>	<b>\$ 642</b>	<b>\$ 1,630</b>	<b>\$ 1,230</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 564</b>	<b>\$ 483</b>	<b>\$ 1,138</b>	<b>\$ 930</b>

**SUMMARY OF OPERATING STATISTICS**

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	2007	2006	2007	2006
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Hugoton and other	3	3	4	3
Total	259	253	257	253
Natural Gas (MMCF)				
California	268	258	250	255
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Total	609	593	594	583
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Crude Oil (MBBL)				
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Total	78	72	76	67
Natural Gas (MMCF)				
Argentina	28	21	25	17
Bolivia	18	20	16	17
Total	46	41	41	34
Middle East/North Africa				
Crude Oil (MBBL)				
Oman	19	17	21	17
Qatar	47	44	46	44
Yemen	25	30	28	31
Libya	19	27	23	25
Total	110	118	118	117
Natural Gas (MMCF)				
Oman	32	35	29	30
<b>Barrels of Oil Equivalent (MBOE)</b>				
Subtotal consolidated subsidiaries				
Colombia-minority interest	(6)	(5)	(6)	(5)
Yemen-Occidental net interest	3	1	3	2
<b>Continuing operations</b>	<b>558</b>	<b>551</b>	<b>559</b>	<b>542</b>
<b>Sold operations (a)</b>				
Horn Mountain	9	13	9	14
Pakistan	16	18	16	17
Russia	--	27	3	28
<b>Total Worldwide Production - MBOE</b>	<b>583</b>	<b>609</b>	<b>587</b>	<b>601</b>

(a) Occidental sold its interest in the Russian Vanyoganneft joint venture in January 2007. In June 2007, Occidental sold its Pakistan operations to BP and swapped its Gulf of Mexico - Horn Mountain operations with BP.

# **Occidental Petroleum Corporation**

**DR. RAY R. IRANI**

**Chairman, President and Chief Executive Officer**

**– Conference Call –**

**Second Quarter 2007 Earnings Announcement**

*July 24, 2007*

Los Angeles, California

Good morning – and thank you for joining us.

As you are no doubt aware, we announced two weeks ago that the giant Dolphin Project was fully operational and is delivering natural gas from Dolphin wells in Qatar's North Field to customers in the United Arab Emirates. As one of the largest energy initiatives ever undertaken in the Middle East, this unique project will have a significant impact on the development of the region and we expect it to be a steady contributor to Oxy's financial performance over the next 25 years.

When this project was in its formative stages, some industry observers expressed doubt that it could be completed on time and on budget because of huge cost overruns and lengthy construction delays typically incurred by other mega-energy projects. In the case of Dolphin, we're exceptionally pleased that it is on target to deliver the projected production of 2 billion cubic feet per day with minimal variance in the project's budget and construction schedule. This is a remarkable achievement for a project of this size and scope.

Let me take a minute or two to give you an overview of the project to date.

More than 20 wells were drilled to a depth of between 10,000 and 12,000 feet in the North Field's Khuff Zone, which is one of the world's largest natural gas reservoirs. These wells produce not only natural gas, but also associated natural gas liquids. The liquids are separated from the gas stream at Dolphin's newly completed, 500-acre gas processing plant in Ras Laffan. The dry gas is then transported through a 48-inch, 230-mile long subsea pipeline completed late last year to the Taweellah receiving facility in the United Arab Emirates. The gas then supplies plants in the UAE and in the near future, Oman.

Regional authorities are forecasting substantial additional growth in demand for natural gas, and Dolphin's gas grid is uniquely positioned to serve this expanding market.

We expect Dolphin gas production to ramp-up throughout the balance of this year and reach approximately two billion cubic feet per day by early next year. Ethane production from the project will be sold to Qatar under a long-term contract while the other liquids will be sold in international markets.

As a result of Oxy's 24.5-percent interest in Dolphin, we expect our net share of production to ramp up to an average of 60,000 to 65,000 barrels of oil equivalent per day, and remain in that range for the foreseeable future.

Total cost of the Dolphin Project is expected to be approximately \$4.8 billion including investments in the existing UAE eastern gas distribution system and related pipelines. Oxy's investment in the Dolphin Project is approximately \$1.2 billion of which investments of \$361 million were made last year and approximately \$218 million are expected this year. We expect the ROCE on Dolphin to be excellent, continuing at very attractive levels for the next 25 years.

Let me shift briefly to our ongoing efforts to add major new growth projects in the Middle East region.

I alluded to some of those opportunities last quarter, and while it remains premature to discuss the individual status of those negotiations, I'm pleased to report that we have not encountered any unforeseen obstacles to hinder our efforts. Our discussions are proceeding as expected and I remain confident that formal announcements will be made prior to year-end.

Since our continuing involvement in the projects to develop natural gas reserves in Abu Dhabi has received considerable attention in the industry press, I will comment specifically on that opportunity.

Oxy is honored to have been selected as one of the finalists for these giant gas projects. As you know, they involve development of trillions of cubic feet of natural gas and related liquids at the Shah and Bab fields, as well as multibillion dollar capital investments. We look forward to the final decision on participation in these projects later in the year.

Finally, I would like to update you on our production outlook for this year. As you will hear shortly from Steve Chazen, our worldwide oil and gas production for the first six months averaged 587,000 barrels of oil equivalent per day. Following our various asset trades and acquisitions in 2007, together with the ramp-up of the Dolphin Project, we expect the net effect to result in a 2007 year-end exit rate in the range of 630,000 to 650,000 barrels of oil equivalent per day.

With our focus on the continued strengthening of our core areas in an environment of robust energy prices, we expect 2007 to be another excellent year for Oxy.

I'll now turn the call over to Steve Chazen.

# Occidental Petroleum Corporation

**STEPHEN CHAZEN**

**Senior Executive Vice President and Chief Financial Officer**

**– Conference Call –**

**Second Quarter 2007 Earnings Announcement**

*July 24, 2007*

Los Angeles, California

Thank you, Ray.

Net income for the quarter was \$1.412 billion, or \$1.68 per diluted share, compared to \$860 million, or \$0.99 per diluted share in the second quarter of 2006. The 2007 second quarter net income includes \$419 million of after-tax gains (\$0.50 per diluted share) from the sale of non-core assets, comprised of the following: a \$181 million gain from the sale of 18.6 million shares (89 %) of our investment in Lyondell, the remaining 2.4 million shares were sold in early July; a \$116 million gain from the sale of the Pakistan assets; a gain of \$107 million from the swap of the Horn Mountain assets with BP; and a \$15 million gain from the sale of domestic mineral interests. At the end of the second quarter, we sold Pakistan and exchanged the Gulf of Mexico (Horn Mountain) assets with BP for producing properties in the Permian Basin and oil pipelines. The results of these operations will be reported as discontinued operations in our second quarter 10Q filing with the SEC. The second quarter 2007 also includes \$44 million after-tax income (\$0.06 per diluted share) from the Pakistan and Horn Mountain operations and other.

Here's the segment breakdown for the **second quarter**.

Oil and gas second quarter 2007 results, excluding the Horn Mountain and Pakistan operations were \$1.682 billion. After excluding the gain from the sale of domestic mineral interests, the second quarter 2007 results were \$1.656 billion, compared to \$1.857 billion for the second quarter of 2006. The following accounted for the decline in oil and gas earnings between these quarters:

- Lower worldwide oil price realizations offset by higher gas realizations resulted in a decrease of \$66 million of earnings over the comparable period in 2006.
- The average price of West Texas Intermediate crude oil for the second quarter 2007 was \$65.05 per barrel which was \$5.65 per barrel lower than the second quarter 2006 price of \$70.70. Occidental's average realized price in the 2007 second quarter was \$2.55 lower than in the comparable period in 2006. The differentials in the second quarter narrowed mainly in the middle east and domestically at Elk Hills.
- The NYMEX gas price for the quarter was \$7.56, compared to \$7.26 for the second quarter 2006. Oxy's domestic average realized gas price for the quarter was \$7.07, up from \$6.23 for the second quarter 2006.
- Worldwide oil and gas production for the quarter averaged 583,000 barrels of oil equivalent per day, compared with 609,000 BOE production in the second quarter of last year. The second quarter production excluding volumes of the Russian non-operated asset sale in January, the Horn Mountain swap and the Pakistan sale in

June was 558,000 BOE for the second quarter 2007, compared with 551,000 BOE for the second quarter 2006.

- Our guidance for the second quarter was in the range of 585,000 to 600,000 BOE per day. We were slightly under this range due to the impact of product prices that reduced volumes from our production sharing contracts in the Middle East by approximately 3,000 BOE per day. In this product price range for the current quarter, each dollar per barrel change in the price of oil impacts production by 600 barrels per day. We also had some weather related downtime in Permian and processing plant maintenance in Libya during the quarter.
- Exploration expense of \$93 million in the quarter was lower than our previous guidance of \$110 million. The second quarter 2007 expense was \$43 million higher than the second quarter of 2006, with the increase coming from the Middle East / North Africa.

Oil and gas production costs for the first half of 2007 were \$12.30 a barrel compared to last year's \$11.70 a barrel. The increases were a result of higher field operating and maintenance expenses.

Chemical segment earnings for the second quarter 2007 of \$158 million was in line with our first quarter conference call guidance. Chemicals earned \$251 million in last year's second quarter. The primary factor that accounted for the quarter-to-quarter difference was lower chloro-vinyl margins due to lower industry demand.

Net interest expense, excluding debt retirement charges, was a net \$1 million income during the second quarter 2007, compared to \$33 million expense in the 2006 second quarter.



The worldwide effective tax rate, excluding the impact of asset sales and other significant items, was 46 percent for the second quarter of 2007, three percent lower than our guidance. The lower rate reflects a change in the mix – with more income coming from U.S. sources than higher taxed foreign sources.

Let me now turn to Occidental's performance through the **first six months**.

Net income was \$2.624 billion, or \$3.11 per diluted share for the first six months of 2007, compared with \$2.091 billion, or \$2.42 per diluted share for the same period of 2006. In addition to the asset sales recorded in the second quarter, the six months 2007 also includes income of \$387 million, net of tax for the following: a \$412 million gain from the sale of our Russian investment, a \$112 million gain for litigation settlements, a \$107 million charge for cash tender offers for various debt issues and a \$30 million provision for a plant closure.

Worldwide oil and gas production for the six months averaged 587,000 barrels of oil equivalent per day, compared with 601,000 BOE production in the first six months of last year. Production after excluding Russia, Pakistan and Horn Mountain, averaged 559,000 BOE for the first six months of 2007, an increase of 3 percent over the 542,000 BOE for the same period of 2006.

Capital spending was \$850 million for the quarter and \$1.630 billion for the first six months. We expect total capital spending for the year to be in the range of \$3.4 to \$3.5 billion.

Cash flow from operations for the six months was approximately \$2.9 billion. We received total proceeds of \$485 million from the sale of our interest in the Russian joint venture, \$55 million from the sale of domestic

mineral interests and \$600 million from the sale of 19 million shares of our investment in Lyondell. We used \$1.6 billion of the company's cash flow to fund capital expenditures, \$500 million for acquisitions, \$1.1 billion to repurchase debt and \$370 million to pay dividends. In addition, we spent \$550 million to repurchase 11.2 million common shares at an average price of \$49.84 per share. These net cash outlays reduced our \$1.6 billion cash balance at the end of last year by \$100 million to \$1.5 billion at June 30. Debt was \$2.0 billion at the end of June, with non-current debt of \$1.7 billion.

The weighted average basic shares outstanding for the six months were 839.3 million and the weighted average diluted shares outstanding were 843.2 million. At June 30, there were 835.1 million basic shares outstanding and the fully dilutive share amount was approximately 839.0 million.

Our debt to capitalization ratio was 9 percent, down from 13 percent at yearend 2006. Over the first half of the year, Oxy's annualized return on equity was 26 percent, with an annualized return on capital employed of 24 percent.

As we look ahead in the **current quarter**:

- We expect oil and gas production to be in the range of 585,000 to 590,000 BOE per day during the third quarter. The increase includes 17,000 BOE per day from Dolphin, 7,000 BOE per day from the Permian assets acquired in the BP swap and 4,000 BOE per day from the announced acquisition of Qatar assets from Anadarko. These increases will be partially offset by the sale of Pakistan and the swap of Horn Mountain which will reduce third

quarter production by 25,000 barrels of oil equivalent per day compared to the second quarter.

- Dolphin is expected to contribute \$10 million to pre-tax income during the third quarter start up. The third quarter income reflects lower start-up gas sales and pipeline tariff volumes. We're not anticipating liftings of NGLs, as initial inventories build up. Additionally, the third quarter will have start-up expenses and full operating costs including interest on the pipeline operations which was capitalized during construction. Income will increase as production ramps up to capacity.

We expect the oil and gas production year end exit rate to be in the range of 630,000 to 650,000 BOE per day. The increase includes 47,000 to 65,000 BOE per day from Dolphin, 7,000 BOE per day from the Permian assets acquired in the BP swap and 6,000 BOE per day from the announced acquisition of Qatar assets from Anadarko.

With regards to **prices** -

- A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings by about \$40 million before the impact of income taxes.
- A swing of 50-cents per million BTUs in gas prices has a \$24 million impact on quarterly earnings before income taxes. The NYMEX gas price for the second quarter was \$7.56 per thousand cubic feet.

Additionally - -

- We expect exploration expense to be about \$95 million for seismic and drilling for our Libya and South American exploration programs.

- We expect chemical segment earnings to be in the range of \$160 to \$175 million, compared to the \$158 million in the second quarter.
- We expect interest expense to be about \$12 million in the third quarter. The increase from the second quarter reflects the loss of capitalized interest on the Dolphin Project.
- We expect our combined worldwide tax rate in the third quarter to increase to about 47 percent, due to increases in foreign exploration. Our second quarter and six months U. S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule”.

Copies of the press release announcing our second quarter earnings and the Investor Relations Supplemental Schedules are available on our website [www.oxy.com](http://www.oxy.com) or through the SEC’s EDGAR system.

Now we’re ready to take your questions.

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See the investor relations supplemental schedules for the reconciliation of non-GAAP items. Statements in this presentation that contain words such as "will", "expect" or "estimate", or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could significantly affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; changes in tax rates; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this presentation. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of

new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosure in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com> . You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

Occidental Petroleum Corporation  
Cash and Cash Equivalents  
(\$ Millions)

Reconciliation to Generally Accepted Accounting Principles (GAAP)

	31-Dec-06	30-Jun-07
Cash and cash equivalents	1,339	1,505
Short-term investments	240	-
	<u>1,579</u>	<u>1,505</u>
Roundings for presentation	21	(5)
	<u>1,600</u>	<u>1,500</u>

**Occidental Petroleum Corporation**  
**Return on Capital Employed (%)**  
(\$ Millions)

	<b>2006</b>	<b>Six Months 2007</b>	<b>Annualized 2007</b>
<b>Reconciliation to Generally Accepted Accounting Principles (GAAP)</b>			
GAAP measure - earnings applicable to common shareholders	4,191	2,624	
Interest expense	131	175	
Tax effect of interest expense	(46)	(61)	
Earnings before tax-effected interest expense	4,276	2,738	
GAAP stockholders' equity	19,252	21,111	
<b>DEBT</b>			
GAAP debt			
Debt, including current maturities	2,790	1,880	
Non-GAAP debt			
Capital lease obligation	25	25	
Subsidiary preferred stock	75	75	
Total debt	2,890	1,980	
Total capital employed	22,142	23,091	
<b>Return on Capital Employed (%)</b>	21.2	12.1	<b>24.2</b>

**Occidental Petroleum Corporation**  
**Results of Operations and Results Per Unit of Production**  
**Retrospective Application**

	<b>Consolidated Subsidiaries</b>			
	<b>2006 Annual Report</b>	<b>Less: Pakistan</b>	<b>Less: Horn Mountain</b>	<b>Retrospective Application</b>
<b>December 31, 2006</b>				
<b>Results of Operations (\$ Millions)</b>				
Revenues (incl implied tax \$1,123)	12,256	173	288	11,795
Production costs	2,365	17	10	2,338
Exploration expenses	295	-	(1)	296
Other operating expenses	600	19	1	580
Depreciation, depletion and amort.	<u>1,761</u>	<u>35</u>	<u>24</u>	<u>1,702</u>
Pretax income	7,235	102	254	6,879
Income tax expense	<u>2,911</u>	<u>24</u>	<u>91</u>	<u>2,796</u>
Results of operations	<u><u>4,324</u></u>	<u><u>78</u></u>	<u><u>163</u></u>	<u><u>4,083</u></u>
<b>Results Per Unit of Production (\$/BOE)</b>				
Revenues	52.83			53.42
Production costs	11.23			11.70
Exploration expenses	1.40			1.48
Other operating expenses	2.85			2.90
Depreciation, depletion and amort.	<u>8.35</u>			<u>8.52</u>
Pretax income	29.00	-	-	28.82
Income tax expense	<u>8.49</u>			<u>8.38</u>
Results of operations	<u><u>20.51</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>20.44</u></u>





**Investor Relations Supplemental Schedules**  
**Summary**  
 (\$ Millions)

	<u>2Q 2007</u>	<u>2Q 2006</u>
Reported Net Income	\$1,412	\$860
EPS - Diluted	\$1.68	\$0.99
Total Worldwide Production (mboe/day)	583	609
Total Worldwide Crude Oil Realizations (\$/BBL)	\$59.11	\$61.66
Domestic Natural Gas Realizations (\$/MCF)	\$7.07	\$6.23
Wtd. Average Basic Shares O/S (mm)	837.7	860.2
Wtd. Average Diluted Shares O/S (mm)	841.8	867.7
	<u>YTD 2007</u>	<u>YTD 2006</u>
Reported Net Income	\$2,624	\$2,091
EPS - Diluted	\$3.11	\$2.42
Total Worldwide Production (mboe/day)	587	601
Total Worldwide Crude Oil Realizations (\$/BBL)	\$55.34	\$58.53
Domestic Natural Gas Realizations (\$/MCF)	\$6.74	\$7.25
Wtd. Average Basic Shares O/S (mm)	839.3	854.5
Wtd. Average Diluted Shares O/S (mm)	843.2	864.3
Shares Outstanding (mm)	830.7	845.3
Cash Flow from Operations	\$2,900	\$3,100



**OCCIDENTAL PETROLEUM**  
**2007 Second Quarter**  
**Net Income (Loss)**  
**(\$ millions)**

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	
		<u>Asset Sales</u>	
Oil & Gas	\$ 1,682	\$ (23)	Sale of mineral interests
Chemical	158		
Corporate Interest expense, net	6		
Other	470	(284) (116) (107)	Sale of Lyondell shares Sale of Pakistan assets, net of tax Sale of Horn Mountain assets, net of tax
Taxes	(904)	111	Tax effect of adjustments
<b>Net Income</b>	<b><u>\$ 1,412</u></b> *	<b><u>\$ (419)</u></b>	
<b>Earnings Per Common Share</b>			
<b>Diluted</b>	<b>\$ 1.68</b>	<b>\$ (0.50)</b>	

\* The second quarter reported income includes after-tax income for the following: \$17 million for Pakistan operations, \$27 million for Horn Mountain operations and \$6 million for litigation and debt purchases.



**OCCIDENTAL PETROLEUM**  
**2006 Second Quarter**  
**Net Income (Loss)**  
**(\$ millions)**

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	
Oil & Gas	\$ 1,857		
Chemical	251		
Corporate Interest expense, net	(33)		
Other	(364)	415	Ecuador write-off, net of tax
		(45)	Ecuador operations, net of tax
		(23)	Vintage held for sale, net of tax
Taxes	(851)		
<b>Net Income</b>	<u><u>\$ 860</u></u>		
<b>Earnings Per Common Share</b>			
<b>Basic</b>	<b>\$ 1.00</b>		
<b>Diluted</b>	<b>\$ 0.99</b>		



**OCCIDENTAL PETROLEUM**  
**2007 First Six Months**  
**Net Income (Loss)**  
**(\$ millions)**

	<b>Reported Income</b>	<b>Significant Items Affecting Income</b>	
Oil & Gas	\$ 3,690	\$ (412)	Sale of Russia – Vanyoganneft
		(112)	Litigation settlements
		(23)	Sale of mineral interests
Chemical	295		
Corporate			
Interest expense, net	(175)	167	Debt purchases
Other	402	47	Plant closure
		(284)	Sale of Lyondell shares
		(116)	Sale of Pakistan assets, net
		(107)	Sale of Horn Mountain assets, net
Taxes	(1,588)	34	Tax effect of adjustments
<b>Net Income</b>	<b>\$ 2,624</b>		
<b>Earnings Per Common Share</b>			
Basic	\$ 3.13		
Diluted	\$ 3.11		



**OCCIDENTAL PETROLEUM**  
**2006 First Six Months**  
**Net Income (Loss)**  
**(\$ millions)**

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	
Oil & Gas	\$ 3,668		
Chemical	501		
Corporate			
Interest expense, net	(62)		
Other	(291)	415	Ecuador write-off, net of tax
		(109)	Ecuador operations, net of tax
		(36)	Vintage held for sale, net of tax
Taxes	(1,725)		
<b>Net Income</b>	<b>\$ 2,091</b>		
<b>Earnings Per Common Share</b>			
Basic	\$ 2.45		
Diluted	\$ 2.42		



**OCCIDENTAL PETROLEUM**  
**Worldwide Effective Tax Rate**

	QUARTERLY			YEAR-TO-DATE	
	2007 QTR 2	2007 QTR 1	2006 QTR 2	2007 6 Months	2006 6 Months
<b>REPORTED INCOME</b>					
Oil & Gas (a)	1,682	2,008	1,857	3,690	3,668
Chemicals	158	137	251	295	501
Corporate & other	209	(292)	(115)	(83)	(215)
Pre-tax income	2,049	1,853	1,993	3,902	3,954
Income tax expense					
Federal and state	456	266	402	722	835
Foreign (a)	448	418	449	866	890
Total	904	684	851	1,588	1,725
Income from continuing operations	1,145	1,169	1,142	2,314	2,229
<b>Worldwide effective tax rate</b>	<b>44%</b>	<b>37%</b>	<b>43%</b>	<b>41%</b>	<b>44%</b>
<b>INCOME EXCLUDING ASSET SALES AND OTHER SIGNIFICANT ITEMS</b>					
Oil & Gas (a)	1,656	1,487	1,857	3,143	3,668
Chemicals	158	137	251	295	501
Corporate & other	(80)	(73)	(115)	(153)	(215)
Pre-tax income	1,734	1,551	1,993	3,285	3,954
Income tax expense					
Federal and state	343	345	402	688	835
Foreign (a)	448	418	449	866	890
Total	791	763	851	1,554	1,725
Core results	943	788	1,142	1,731	2,229
<b>Worldwide effective tax rate</b>	<b>46%</b>	<b>49%</b>	<b>43%</b>	<b>47%</b>	<b>44%</b>

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes the following revenue amounts by periods.

	2007 QTR 2	2007 QTR 1	2006 QTR 2	2007 6 Months	2006 6 Months
	300	288	282	588	572

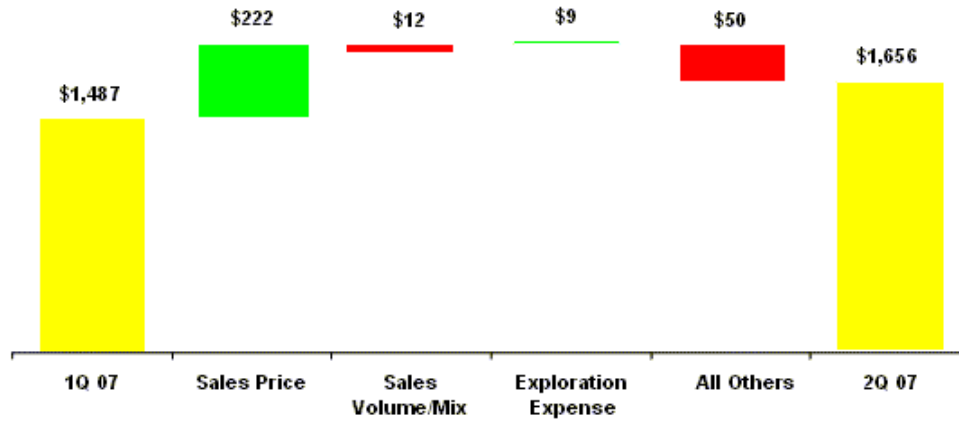


**OCCIDENTAL PETROLEUM**  
**2007 Second Quarter Net Income (Loss)**  
**Reported Income Comparison**

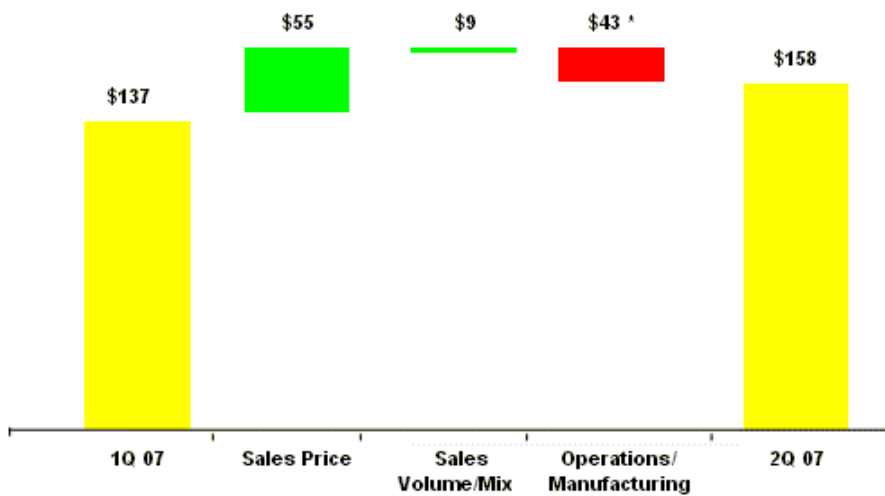
	<b>Second Quarter 2007</b>	<b>First Quarter 2007</b>	<b>B / (W)</b>
<b>Oil &amp; Gas</b>	\$ 1,682	\$ 2,008	\$ (326)
<b>Chemical</b>	158	137	21
<b>Corporate</b>			
<b>Interest expense, net</b>	6	(181)	187
<b>Other</b>	470	(68)	538
<b>Taxes</b>	(904)	(684)	(220)
<b>Net Income</b>	<u>\$ 1,412</u>	<u>\$ 1,212</u>	<u>\$ 200</u>
<b>Earnings Per Common Share</b>			
<b>Basic</b>	\$ 1.68	\$ 1.44	\$ 0.24
<b>Diluted</b>	\$ 1.68	\$ 1.43	\$ 0.25
<b>Worldwide Effective Tax Rate</b>	<u>44%</u>	<u>37%</u>	<u>-7%</u>
<b>Tax Rate Excluding Asset Sales and Other Significant Items</b>	<u>46%</u>	<u>49%</u>	<u>3%</u>



**OCCIDENTAL PETROLEUM**  
**Oil & Gas**  
**Variance Analysis 2Q07 vs. 1Q07**  
 (\$ millions)



**OCCIDENTAL PETROLEUM**  
**Chemical**  
**Variance Analysis 2Q07 vs. 1Q07**  
 (\$ millions)



\* Higher energy and feedstock cost



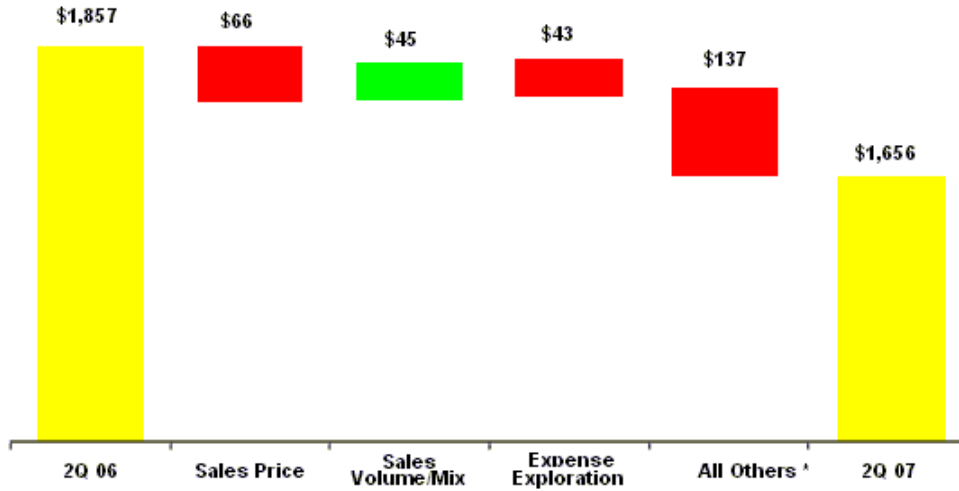


**OCCIDENTAL PETROLEUM**  
**2007 Second Quarter Net Income (Loss)**  
**Reported Income Comparison**

	<u>Second Quarter 2007</u>	<u>Second Quarter 2006</u>	<u>B / (W)</u>
Oil & Gas	\$ 1,682	\$ 1,857	\$ (175)
Chemical	158	251	(93)
Corporate			
Interest expense, net	6	(33)	39
Other	470	(364)	834
Taxes	<u>(904)</u>	<u>(851)</u>	<u>(53)</u>
Net Income	<u>\$ 1,412</u>	<u>\$ 860</u>	<u>\$ 552</u>
Earnings Per Common Share			
Basic	\$ 1.68	\$ 1.00	\$ 0.68
Diluted	\$ 1.68	\$ 0.99	\$ 0.69
Worldwide Effective Tax Rate	<u>44%</u>	<u>43%</u>	<u>-1%</u>
Tax Rate Excluding Asset Sales	<u>46%</u>	<u>43%</u>	<u>-3%</u>

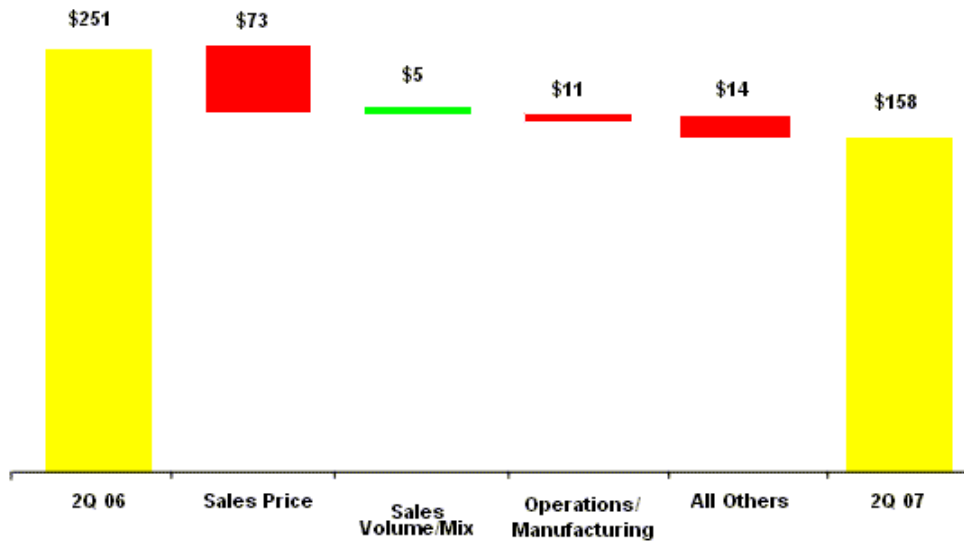


**OCCIDENTAL PETROLEUM**  
**Oil & Gas**  
**Variance Analysis 2Q07 vs. 2Q06**  
 (\$ millions)



\* DD&A rate increase (46) and higher operating expenses

**OCCIDENTAL PETROLEUM**  
**Chemical**  
**Variance Analysis 2Q07 vs. 2Q06**  
 (\$ millions)





**OCCIDENTAL PETROLEUM  
SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>NET PRODUCTION PER DAY:</b>				
<b>United States</b>				
<b>Crude Oil and Liquids (MBL)</b>				
California	93	82	89	83
Permian	163	168	164	167
Hugoton and other	3	3	4	3
<b>Total</b>	<b>259</b>	<b>253</b>	<b>257</b>	<b>253</b>
<b>Natural Gas (MMCF)</b>				
California	268	258	250	255
Hugoton and other	154	136	152	134
Permian	187	199	192	194
<b>Total</b>	<b>609</b>	<b>593</b>	<b>594</b>	<b>583</b>
<b>Latin America</b>				
<b>Crude Oil (MBL)</b>				
Argentina	34	38	33	31
Colombia	44	34	43	36
<b>Total</b>	<b>78</b>	<b>72</b>	<b>76</b>	<b>67</b>
<b>Natural Gas (MMCF)</b>				
Argentina	28	21	25	17
Bolivia	18	20	16	17
<b>Total</b>	<b>46</b>	<b>41</b>	<b>41</b>	<b>34</b>
<b>Middle East / North Africa</b>				
<b>Crude Oil (MBL)</b>				
Oman	19	17	21	17
Qatar	47	44	46	44
Yemen	25	30	28	31
Libya	19	27	23	25
<b>Total</b>	<b>110</b>	<b>118</b>	<b>118</b>	<b>117</b>
<b>Natural Gas (MMCF)</b>				
Oman	32	35	29	30
<b>Barrels of Oil Equivalent (MBOE)</b>				
Subtotal consolidated subsidiaries	561	555	562	545
Other interests				
Colombia - minority interest	(6)	(5)	(6)	(5)
Yemen - Occidental net interest	3	1	3	2
Worldwide production - continuing operations	558	551	559	542
Sold operations				
Horn Mountain	9	13	9	14
Pakistan	16	18	16	17
Russia	-	27	3	28
<b>Total worldwide production - MBOE</b>	<b>583</b>	<b>609</b>	<b>587</b>	<b>601</b>



**OCCIDENTAL PETROLEUM**  
**SUMMARY OF OPERATING STATISTICS**

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b><u>OIL &amp; GAS:</u></b>				
<b>PRICES</b>				
<b>United States</b>				
Crude Oil (\$/BBL)	58.19	61.78	55.09	58.40
Natural gas (\$/MCF)	7.07	6.23	6.74	7.25
<b>Latin America</b>				
Crude Oil (\$/BBL)	52.57	56.47	49.19	54.28
Natural Gas (\$/MCF)	2.26	1.87	2.12	1.82
<b>Middle East / North Africa</b>				
Crude Oil (\$/BBL)	66.21	65.08	60.42	61.57
Natural Gas (\$/MCF)	0.97	0.97	0.96	0.96
<b>Total Worldwide</b>				
Crude Oil (\$/BBL)	59.11	61.66	55.34	58.53
Natural Gas (\$/MCF)	6.46	5.69	6.20	6.68

Excludes Horn Mountain and Pakistan

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Exploration Expense</b>				
Domestic	\$ 9	\$ 16	\$ 27	\$ 48
Latin America	8	3	31	6
Middle East / North Africa	61	30	114	53
Other Eastern Hemisphere	15	1	23	14
<b>TOTAL</b>	<b>\$ 93</b>	<b>\$ 50</b>	<b>\$ 195</b>	<b>\$ 121</b>



**OCCIDENTAL PETROLEUM**  
**SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2007	2006	2007	2006
<b>Capital Expenditures (\$MM)</b>				
Oil & Gas				
California	\$ 153	\$ 123	\$ 285	\$ 226
Permian	153	138	317	265
Other - U.S.	57	64	100	127
Latin America	109	78	223	125
Middle East / North Africa	316	188	609	397
Other Eastern Hemisphere	6	(2)	7	-
Chemicals	48	47	75	80
Corporate	8	6	14	10
<b>TOTAL</b>	<b><u>\$ 850</u></b>	<b><u>\$ 642</u></b>	<b><u>\$ 1,630</u></b>	<b><u>\$ 1,230</u></b>
<b>Depreciation, Depletion &amp; Amortization of Assets (\$MM)</b>				
Oil & Gas				
Domestic	\$ 255	\$ 209	\$ 501	\$ 407
Latin America	88	70	178	119
Middle East / North Africa	132	129	285	258
Chemicals	77	70	150	136
Corporate	12	5	24	10
<b>TOTAL</b>	<b><u>\$ 564</u></b>	<b><u>\$ 483</u></b>	<b><u>\$ 1,138</u></b>	<b><u>\$ 930</u></b>



**OCCIDENTAL PETROLEUM  
CORPORATE  
(\$ millions)**

	<u>30-Jun-07</u>	<u>31-Dec-06</u>
<b>CAPITALIZATION</b>		
Long-Term Debt (including current maturities)	\$ 1,880	\$ 2,790
Subsidiary Preferred Stock	75	75
Others	<u>25</u>	<u>25</u>
<b>Total Debt</b>	<b><u>\$ 1,980</u></b>	<b><u>\$ 2,890</u></b>
<b>EQUITY</b>		
Total Debt To Total Capitalization	<u>9%</u>	<u>13%</u>



See the investor relations supplemental schedules for the reconciliation of non-GAAP items. Statements in this presentation that contain words such as "will", "expect" or "estimate", or otherwise relate to the future, are forward-looking and involve risks and uncertainties that could materially affect expected results. Factors that could cause results to differ materially include, but are not limited to: exploration risks, such as drilling of unsuccessful wells; global commodity pricing fluctuations and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; political risk; and not successfully completing (or any material delay in) any expansion, capital expenditure, acquisition, or disposition. You should not place undue reliance on these forward-looking statements which speak only as of the date of this filing. Unless legally required, Occidental disclaims any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosure in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com>. You also can obtain a copy from the SEC by calling 1-800-SEC-0330.



# Second Quarter 2007 Earnings Conference Call July 24, 2007

# Oxy





## Second Quarter 2007 Earnings - Highlights



- Reported Net Income - \$1.412 Billion
  - Reported EPS \$1.68 (diluted)
- Reported Net Income includes:
  - \$419 mm A-T gains (\$0.50 per diluted share) from sale of non-core assets:
    - \$181 mm from sale of 18.6 mm shares of Lyondell (remaining 2.4 mm shares were sold in early July).
    - \$116 mm from sale of Pakistan assets.
    - \$107 mm from swap of Horn Mountain assets with BP.
    - \$15 mm from sale of domestic mineral interests.
  - \$44 mm A-T income (\$0.06 per share) from Pakistan & Horn Mountain operations, and other.
- Pakistan and Horn Mountain will be reported as discontinued operations in 2Q07 SEC 10Q filing.
  - All prior periods will be adjusted for the swap of Horn Mountain and sale of Pakistan.

# Second Quarter 2007 Earnings - Oil & Gas Segment Variance Analysis - 2Q07 vs. 2Q06



- Results for 2Q07 of \$1.656 Billion  
- 11% year-over-year

(\$ in millions)



\*All Others includes: DD&A increase (\$46 mm), Operating and overhead cost increase (\$37 mm), Russia 2006 income (\$19 mm), and other.

## Second Quarter 2007 Earnings – Oil & Gas Segment



	<u>2Q07</u>	<u>2Q06</u>
Reported Segment Earnings (\$ mm)	*\$1,682	\$1,857
WTI Oil Price (\$/bbl)	\$65.05	\$70.70
NYMEX Gas Price (\$/mcf)	\$7.56	\$7.26
Oxy's Realized Prices		
Worldwide Oil (\$/bbl)	\$59.11	\$61.66
US Natural Gas (\$/mcf)	\$7.07	\$6.23

\*Includes gain from sale of domestic mineral interests (\$23 mm) and litigation settlements (\$3 mm).

## Second Quarter 2007 Earnings – Oil & Gas Segment



	<u>2Q07</u>	<u>2Q06</u>
Oil and Gas Production (mboe/day)	583	609
<ul style="list-style-type: none"><li>- 4% year-over-year<ul style="list-style-type: none"><li>– Production for both quarters includes volumes of Horn Mountain &amp; Pakistan.</li></ul></li></ul>		
Oil and Gas Production (mboe/day) (Excluding Horn Mountain, Pakistan, and Russia)	558	551
<ul style="list-style-type: none"><li>+ 1% year-over-year</li><li>• Production lower than earlier guidance due to:<ul style="list-style-type: none"><li>– Higher oil prices lowered PSC volumes by 3 mboe/day.</li><li>– Weather-related downtime in Permian.</li><li>– Processing plant maintenance in Libya.</li></ul></li></ul>		

## Second Quarter 2007 Earnings – Oil & Gas Segment

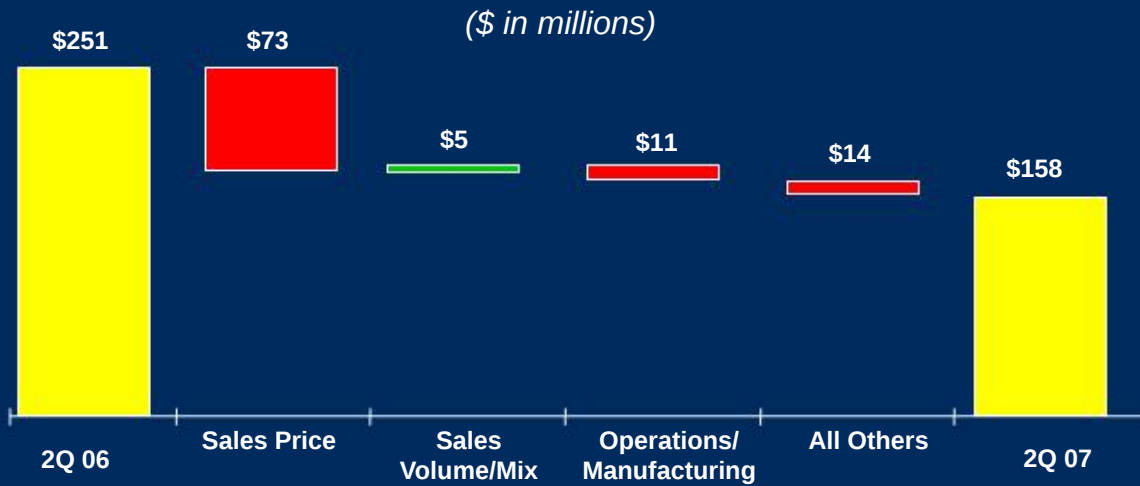


	<u>2Q07</u>	<u>2Q06</u>
• Exploration Expense (\$ mm)	\$93	\$50
• Increase came from Middle East/North Africa.		
• Oil and Gas operating costs were \$12.30 per boe in 1H07 vs. \$11.70 per boe in 2006.		
• Increase due to higher field operating and maintenance expenses.		

# Second Quarter 2007 Earnings – Chemical Segment Variance Analysis - 2Q07 vs. 2Q06



- Earnings for 2Q07 of \$158 Million
  - - 37% year-over-year, and in line with previous guidance.
  - Primary factor accounting for quarter-to-quarter difference was lower chloro-vinyl margins.



## Second Quarter 2007 Earnings – Six Months Results



	<u>YTD2007</u>	<u>YTD2006</u>
• Net Income (\$ mm)	\$2,624	\$2,091
• EPS (diluted)	\$3.11	\$2.42
2007 results include:		
• 2Q07 asset sales gains		
• \$412 mm A-T gain from sale of Russian investment		
• \$112 mm A-T gain for litigation settlements		
• \$107 mm A-T charge for cash tender of debt		
• \$30 mm A-T provision for plant closure		
• Oil and Gas production (mboe/day)	587	601
• Oil and Gas production (mboe/day) (ex- Russia, Pakistan, Horn Mountain)	559	542
• +3% year-over-year		

## Second Quarter 2007 Earnings – Six Months Results

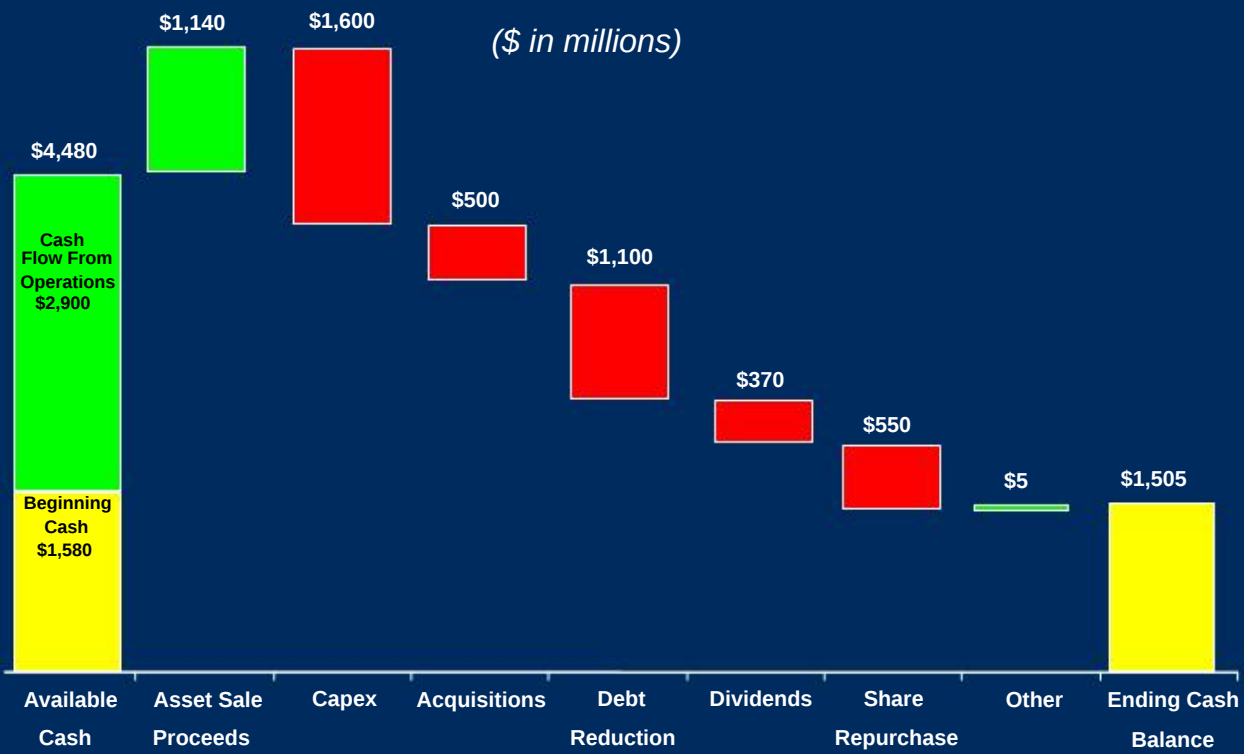


	<u>YTD2007</u>	<u>YTD2006</u>
• Capital Spending (\$ mm)	\$1,630	\$1,230
• Net Interest Expense (\$ mm)	\$8	\$62
• Cash Flow from Operations (\$ mm)	\$2,900	\$3,100
• ROE*	26%	24%
• ROCE*	24%	21%

\* Annualized (see attached Excel file for GAAP reconciliation)



# Second Quarter 2007 Earnings – Cash Flow YTD2007



## Second Quarter 2007 Earnings – Share Repurchase



- Spent \$550 million to repurchase 11.2 million shares YTD 2007 at an average price of \$49.84 a share.
- 15 million shares remain under the current 55 million share repurchase authorization.

Shares Outstanding (mm)	<u>YTD07</u>	<u>6/30/07</u>
Weighted Average Basic	839.3	
Weighted Average Diluted	843.2	
Basic Shares Outstanding		835.1
Diluted Shares Outstanding		839.0



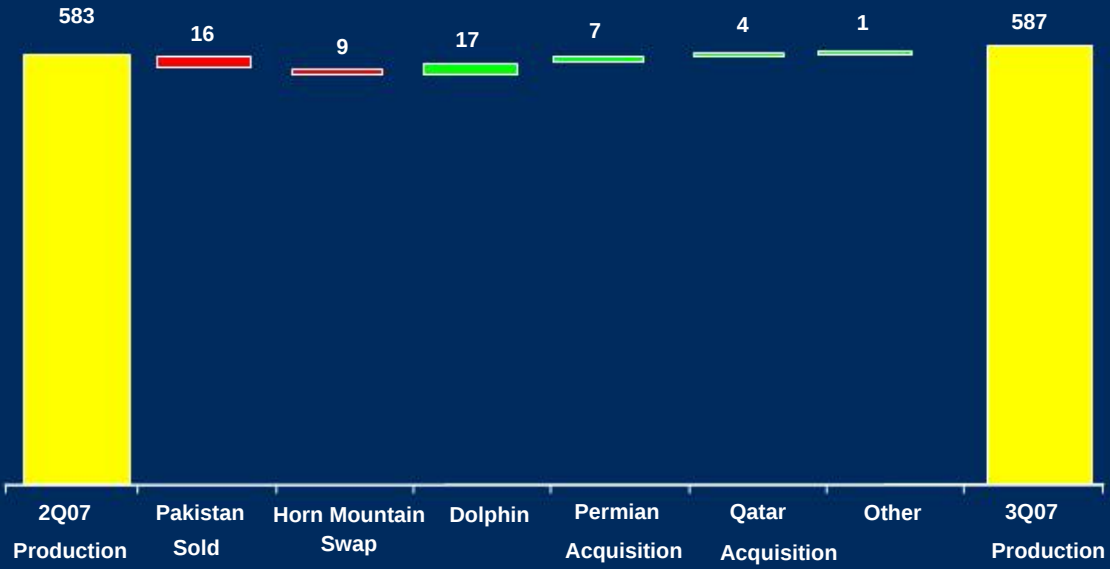
We expect 3Q07 Oil and Gas production of 585 to 590 mboe/day.

- Increase vs. 2Q07 includes:
  - 17 mboe/day from Dolphin.
  - 7 mboe/day from the Permian assets acquired in the BP swap.
  - 4 mboe/day from the announced acquisition of Qatar assets from Anadarko.
- Sale of Pakistan and swap of Horn Mountain will reduce 3Q07 production by 25 mboe/day compared to 2Q07.
- Dolphin expected pre-tax income contribution of \$10 million in 3Q07 (including start-up gas sales and pipeline tariff volumes).
- 3Q07 will include Dolphin start-up expenses and full operating costs (including interest on the pipeline operations which was capitalized during construction).

# Second Quarter 2007 Earnings – 3Q07 Production Outlook



(mboe/day)



## Second Quarter 2007 Earnings – 2007 Production Outlook

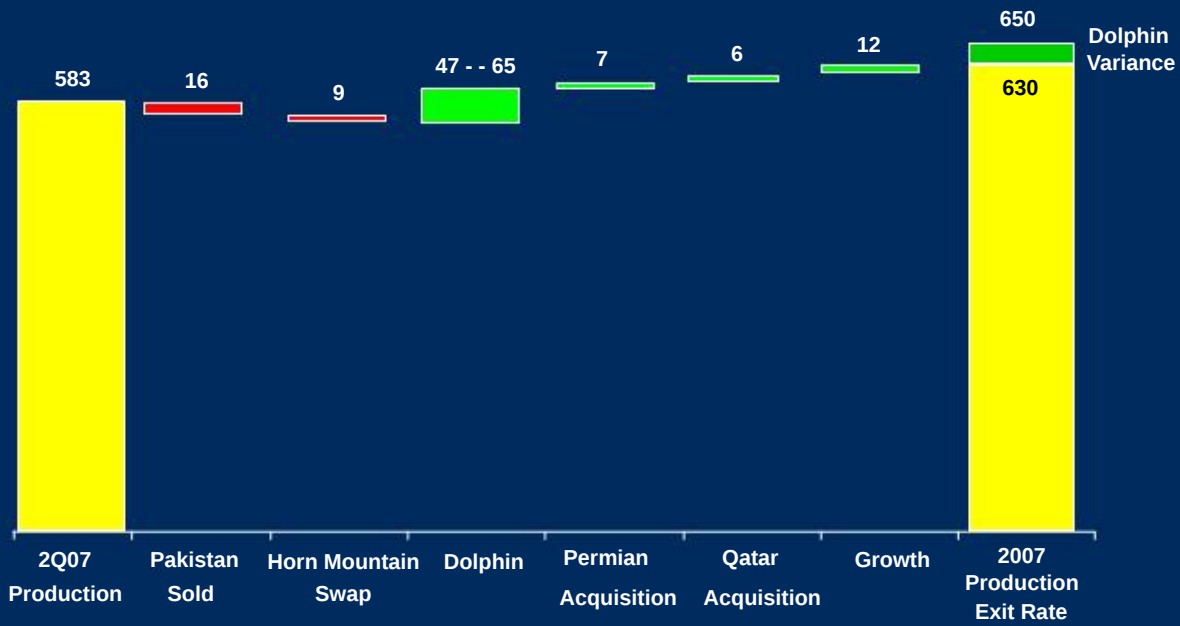


- We expect Oil and Gas production 2007 year-end exit rate of 630 to 650 mboe/day.
- Increase vs. 2Q07 includes:
  - 47 to 65 mboe/day from Dolphin.
  - 7 mboe/day from the Permian assets acquired in the BP swap.
  - 6 mboe/day from the announced acquisition of Qatar assets from Anadarko.

# Second Quarter 2007 Earnings – 2007 Production Outlook



(mboe/day)





- Commodity Price Sensitivity
  - A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings by about \$40 million (pre-tax).
  - A change of 50-cents per million BTUs in gas prices has a \$24 million impact on quarterly earnings (pre-tax). The NYMEX gas price for 2Q07 was \$7.56 per mcf.
- Exploration expense of about \$95 million for seismic and drilling for our Libya and South American programs.



- We expect 3Q07 Chemical earnings to be in the range of \$160 to \$175 million compared to \$158 million in 2Q07.
- Interest expense of about \$12 million in 3Q07.
  - The increase vs. 2Q07 reflects the loss of capitalized interest on the Dolphin Project.
- Expect our worldwide tax rate in 3Q07 to increase to about 47 percent, due to increases in foreign exploration.





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**Occidental Petroleum Corporation**  
**Return on Capital Employed (%)**  
(\$ Millions)

	<b>2006</b>	<b>Six Months 2007</b>	<b>Annualized 2007</b>
<b>Reconciliation to Generally Accepted Accounting Principles (GAAP)</b>			
GAAP measure - earnings applicable to common shareholders	4,191	2,624	
Interest expense	131	175	
Tax effect of interest expense	(46)	(61)	
Earnings before tax-effected interest expense	4,276	2,738	
GAAP stockholders' equity	19,252	21,111	
<b>DEBT</b>			
GAAP debt			
Debt, including current maturities	2,790	1,880	
Non-GAAP debt			
Capital lease obligation	25	25	
Subsidiary preferred stock	75	75	
Total debt	2,890	1,980	
Total capital employed	22,142	23,091	
<b>Return on Capital Employed (%)</b>	21.2	12.1	<b>24.2</b>