
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) August 4, 2006

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

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 August 4, 2006, Occidental Petroleum Corporation released information regarding its results of operations for the six months ended June 30, 2006. 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.

Section 8 – Other Events

Item 8.01. Other Events

On August 4, 2006, Occidental Petroleum Corporation announced income from continuing operations was \$2.77 per diluted share for the second quarter 2006, compared with \$3.63 per diluted share for the second quarter 2005. Net income for the second quarter 2006 was \$857 million (\$1.97 per diluted share), compared with \$1.536 billion (\$3.77 per diluted share) for the second quarter 2005.

Core earnings for the second quarter 2006 were \$1.204 billion (\$2.77 per diluted share), compared with \$799 million (\$1.96 per diluted share) for the same period in 2005. The second quarter 2006 core earnings excludes a net after-tax loss of \$347 million in discontinued operations, which includes the impairment charge for Occidental's Block 15 investment in Ecuador and income from Vintage properties held for sale. The second quarter 2005 core income excludes a \$619 million tax benefit related to the resolution of tax issues with the IRS and an \$89 million after-tax gain from the sale of an investment. See the attached schedule for a reconciliation of net income to core earnings.

Oil and Gas

Oil and gas segment earnings were \$1.953 billion for the second quarter 2006, a 56 percent increase from the \$1.255 billion segment earnings for the second quarter 2005. The improvement in the second quarter 2006 earnings reflected a \$557 million increase from higher worldwide crude oil prices, a \$262 million increase from higher production, and lower exploration expense, partially offset by higher operating expenses and increased DD&A rates.

The average price for West Texas Intermediate crude oil in the second quarter 2006 was \$70.70 per barrel compared to \$53.17 per barrel in the second quarter 2005. Occidental's realized price for worldwide crude oil was \$60.67 per barrel for the second quarter 2006, compared with \$46.27 per barrel for the second quarter 2005. The average price for NYMEX gas in the second quarter 2006 was \$7.26 per MMCF, compared with \$6.80 per MMCF in the second quarter 2005. Domestic realized gas prices increased from \$6.18 per MMCF in the second quarter 2005 to \$6.24 per MMCF for the second quarter 2006.

Production

For the quarter, oil and gas daily production from continuing operations averaged 609,000 barrels of oil equivalent (BOE), which was an 18 percent increase over the 516,000 equivalent barrels per day produced in the second quarter 2005. The increase included Vintage production of 62,000 BOE per day and Libya production of 27,000 BOE per day.

Worldwide daily production from continuing operations for the six months of 2006 averaged 601,000 BOE, compared with 519,000 BOE for the six months of 2005. The increase included five months of Vintage production at 60,000 BOE per day which added 50,000 BOE per day to Occidental's year-to-date production and Libya production of 25,000 BOE per day that came on line in the third quarter of 2005.

Chemicals

Chemical segment earnings were \$250 million for the second quarter 2006, compared with \$225 million for the second quarter 2005. The improvement in the second quarter 2006 results was due to chlor-alkali volume increases.

Six-Months Results

For the first six months of 2006, net income was \$2.086 billion (\$4.83 per diluted share), compared with \$2.382 billion (\$5.86 per diluted share) for the first six months of 2005.

Core earnings were \$2.355 billion (\$5.45 per diluted share) for 2006, compared with \$1.612 billion (\$3.96 per diluted share) for 2005. See the attached schedule for a reconciliation of net income to core earnings.

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, changes in tax rates, and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; 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.

SUMMARY OF SEGMENT NET SALES AND EARNINGS

| (\$ millions, except per-share amounts) | Second Quarter | | Six Months | |
|--|----------------|----------|------------|----------|
| | 2006 | 2005 | 2006 | 2005 |
| SEGMENT NET SALES | | | | |
| Oil and Gas | \$ 3,292 | \$ 2,220 | \$ 6,417 | \$ 4,309 |
| Chemical | 1,273 | 1,128 | 2,514 | 2,189 |
| Other | 34 | 37 | 64 | 60 |
| Net sales | \$ 4,599 | \$ 3,385 | \$ 8,995 | \$ 6,558 |
| SEGMENT EARNINGS | | | | |
| Oil and Gas | \$ 1,953 | \$ 1,255 | \$ 3,863 | \$ 2,534 |
| Chemical | 250 | 225 | 498 | 439 |
| | 2,203 | 1,480 | 4,361 | 2,973 |
| Unallocated Corporate Items | | | | |
| Interest expense, net (a) | (33) | (47) | (62) | (108) |
| Income taxes (b) | (882) | (26) | (1,787) | (610) |
| Other (c) | (84) | 73 | (157) | 22 |
| Income from Continuing Operations | 1,204 | 1,480 | 2,355 | 2,277 |
| Discontinued operations, net (d) | (347) | 56 | (269) | 105 |
| NET INCOME | \$ 857 | \$ 1,536 | \$ 2,086 | \$ 2,382 |
| BASIC EARNINGS PER COMMON SHARE | | | | |
| Income from continuing operations | \$ 2.80 | \$ 3.68 | \$ 5.51 | \$ 5.68 |
| Discontinued operations, net (d) | (0.81) | 0.14 | (0.63) | 0.26 |
| | \$ 1.99 | \$ 3.82 | \$ 4.88 | \$ 5.94 |
| DILUTED EARNINGS PER COMMON SHARE | | | | |
| Income from continuing operations | \$ 2.77 | \$ 3.63 | \$ 5.45 | \$ 5.60 |
| Discontinued operations, net (d) | (0.80) | 0.14 | (0.62) | 0.26 |
| | \$ 1.97 | \$ 3.77 | \$ 4.83 | \$ 5.86 |
| AVERAGE COMMON SHARES OUTSTANDING | | | | |
| BASIC | 430.1 | 401.9 | 427.3 | 401.2 |
| DILLUTED | 433.9 | 407.3 | 432.2 | 406.8 |

Occidental has classified its Ecuador Block 15 operations as discontinued operations on a retrospective application basis.

See footnotes on following page.

- (a) The second quarter and six months 2006 include \$4 million pre-tax interest charges to purchase various debt issues in the open market. The six months 2005 includes \$11 million pre-tax interest charges to purchase various debt issues in the open market.
- (b) The second quarter 2005 includes a \$619 million tax benefit resulting from a closing agreement with the U.S. Internal Revenue Service (IRS) resolving certain tax issues. The six months 2005 also includes a net \$10 million charge related to a state income tax issue.
- (c) The second quarter 2005 includes a \$140 million pre-tax gain from the sale of 11 million shares of Lyondell Chemical Company.
- (d) On May 15, 2006, Ecuador's Minister of Energy terminated Occidental's contract for the operation of Block 15 and the Government of Ecuador seized Occidental's Block 15 assets shortly thereafter. As a result of the seizure, Occidental has classified its Block 15 operations as discontinued operations on a retrospective application basis. The second quarter and six months 2006 discontinued operations also include income from the Vintage properties that were held for sale.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

| (\$ millions) | Second Quarter | | Six Months | |
|---|----------------|---------------|-----------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| CAPITAL EXPENDITURES | \$ 646 | \$ 492 | \$ 1,242 | \$ 998 |
| DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS | \$ 494 | \$ 342 | \$ 953 | \$ 673 |

SUMMARY OF OPERATING STATISTICS

| | Second Quarter | | Six Months | |
|--|----------------|------------|------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| NET OIL, GAS AND LIQUIDS | | | | |
| PRODUCTION PER DAY | | | | |
| United States | | | | |
| Crude oil and liquids (MBBL) | | | | |
| California | 82 | 75 | 83 | 76 |
| Permian | 168 | 156 | 167 | 152 |
| Horn Mountain | 12 | 11 | 13 | 14 |
| Hugoton and other | 3 | 3 | 3 | 3 |
| Total | 265 | 245 | 266 | 245 |
| Natural Gas (MMCF) | | | | |
| California | 258 | 240 | 255 | 240 |
| Hugoton and other | 136 | 133 | 134 | 131 |
| Permian | 199 | 166 | 194 | 156 |
| Horn Mountain | 8 | 9 | 9 | 11 |
| Total | 601 | 548 | 592 | 538 |
| Latin America | | | | |
| Crude oil (MBBL) | | | | |
| Argentina | 38 | — | 31 | — |
| Colombia | 34 | 36 | 36 | 34 |
| Total | 72 | 36 | 67 | 34 |
| Natural Gas (MMCF) | | | | |
| Argentina | 21 | — | 17 | — |
| Bolivia | 20 | — | 17 | — |
| Total | 41 | — | 34 | — |
| Middle East/North Africa | | | | |
| Crude oil (MBBL) | | | | |
| Oman | 17 | 19 | 17 | 21 |
| Qatar | 44 | 43 | 44 | 43 |
| Yemen | 30 | 28 | 31 | 31 |
| Libya | 27 | — | 25 | — |
| Total | 118 | 90 | 117 | 95 |
| Natural Gas (MMCF) | | | | |
| Oman | 35 | 61 | 30 | 58 |
| Other Eastern Hemisphere | | | | |
| Crude oil (MBBL) | | | | |
| Pakistan | 5 | 6 | 4 | 6 |
| Natural Gas (MMCF) | | | | |
| Pakistan | 80 | 72 | 77 | 75 |
| Barrels of Oil Equivalent (MBOE) | | | | |
| Subtotal consolidated subsidiaries | 586 | 491 | 576 | 492 |
| Colombia-minority interest | (5) | (5) | (5) | (4) |
| Russia-Occidental net interest | 27 | 28 | 28 | 29 |
| Yemen-Occidental net interest | 1 | 2 | 2 | 2 |
| Total Worldwide Production (MBOE) | 609 | 516 | 601 | 519 |

Occidental has classified its Ecuador Block 15 operations as discontinued operations on a retrospective application basis.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core earnings," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core earnings is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate:

| (\$ millions, except per-share amounts) | 2006 | | Second Quarter | |
|---|-----------------|----------------|-----------------|----------------|
| | | Diluted EPS | 2005 | Diluted EPS |
| TOTAL REPORTED EARNINGS | \$ 857 | \$ 1.97 | \$ 1,536 | \$ 3.77 |
| Oil and Gas | | | | |
| Segment Earnings | \$ 1,953 | | \$ 1,255 | |
| Less: Contract settlement | - | | (26) | |
| Segment Core Earnings | <u>1,953</u> | | <u>1,281</u> | |
| Chemicals | | | | |
| Segment Earnings | 250 | | 225 | |
| No significant items affecting earnings | - | | - | |
| Segment Core Earnings | <u>250</u> | | <u>225</u> | |
| Total Segment Core Earnings | <u>2,203</u> | | <u>1,506</u> | |
| Corporate | | | | |
| Corporate Results - | | | | |
| Non Segment* | (1,346) | | 56 | |
| Less: | | | | |
| Gain on sale of Lyondell shares | - | | 140 | |
| Settlement of federal tax issue | - | | 619 | |
| Debt purchase expense | - | | (1) | |
| Tax effect of pre-tax adjustments | - | | (51) | |
| Discontinued operations, net** | <u>(347)</u> | | <u>56</u> | |
| Corporate Core Results - | | | | |
| Non Segment | <u>(999)</u> | | <u>(707)</u> | |
| TOTAL CORE EARNINGS | \$ 1,204 | \$ 2.77 | \$ 799 | \$ 1.96 |

*Interest expense, income taxes, G&A expense and other, and non-core items.

**Amount shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

| (\$ millions, except per-share amounts) | 2006 | | 2005 | |
|---|-----------------|----------------|-----------------|----------------|
| | | Diluted EPS | | Diluted EPS |
| TOTAL REPORTED EARNINGS | \$ 2,086 | \$ 4.83 | \$ 2,382 | \$ 5.86 |
| Oil and Gas | | | | |
| Segment Earnings | \$ 3,863 | | \$ 2,534 | |
| Less: Contract settlement | - | | (26) | |
| Segment Core Earnings | <u>3,863</u> | | <u>2,560</u> | |
| Chemicals | | | | |
| Segment Earnings | 498 | | 439 | |
| No significant items affecting earnings | - | | - | |
| Segment Core Earnings | <u>498</u> | | <u>439</u> | |
| Total Segment Core Earnings | <u>4,361</u> | | <u>2,999</u> | |
| Corporate | | | | |
| Corporate Results - | | | | |
| Non Segment* | (2,275) | | (591) | |
| Less: | | | | |
| Debt purchase expense | - | | (11) | |
| Gain on sale of Lyondell shares | - | | 140 | |
| State tax issue charge | - | | (10) | |
| Settlement of federal tax issue | - | | 619 | |
| Tax effect of pre-tax adjustments | - | | (47) | |
| Discontinued operations, net** | <u>(269)</u> | | <u>105</u> | |
| Corporate Core Results - | | | | |
| Non Segment | <u>(2,006)</u> | | <u>(1,387)</u> | |
| TOTAL CORE EARNINGS | \$ 2,355 | \$ 5.45 | \$ 1,612 | \$ 3.96 |

*Interest expense, income taxes, G&A expense and other, and non-core items.

**Amount shown after tax.

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: August 4, 2006

/s/ Jim A. Leonard

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

EXHIBIT INDEX

- 99.1 Press release dated August 4, 2006.
- 99.2 Full text of speeches given by Dr. Ray R. Irani and Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.



13889 Wilshire Boulevard, Los Angeles, California 90024 (410) 208-4800

For Immediate Release: August 4, 2006

Occidental Petroleum Announces Second Quarter Earnings

LOS ANGELES -- Occidental Petroleum Corporation (NYSE: OXY) announced income from continuing operations was \$2.77 per diluted share for the second quarter 2006, compared with \$3.63 per diluted share for the second quarter 2005. Net income for the second quarter 2006 was \$857 million (\$1.97 per diluted share), compared with \$1.536 billion (\$3.77 per diluted share) for the second quarter 2005.

In announcing the results, Dr. Ray R. Irani, chairman, president and chief executive officer, said, "Daily production from continuing operations increased to 609,000 barrels of oil equivalent, 93,000 barrels higher than in the second quarter 2005. Higher production and robust crude oil prices were key factors in our financial performance that drove our core earnings 50 percent higher than last year's second quarter results."

Core earnings for the second quarter 2006 were \$1.204 billion (\$2.77 per diluted share), compared with \$799 million (\$1.96 per diluted share) for the same period in 2005. The second quarter 2006 core earnings excludes a net after-tax loss of \$347 million in discontinued operations, which includes the impairment charge for Occidental's Block 15 investment in Ecuador and income from Vintage properties held for sale. The second quarter 2005 core income excludes a \$619 million tax benefit related to the resolution of tax issues with the IRS and an \$89 million after-tax gain from the sale of an investment. See the attached schedule for a reconciliation of net income to core earnings.

Oil and Gas

Oil and gas segment earnings were \$1.953 billion for the second quarter 2006, a 56 percent increase from the \$1.255

billion segment earnings for the second quarter 2005. The improvement in the second quarter 2006 earnings reflected a \$557 million increase from higher worldwide crude oil prices, a \$262 million increase from higher production, and lower exploration expense, partially offset by higher operating expenses and increased DD&A rates.

The average price for West Texas Intermediate crude oil in the second quarter 2006 was \$70.70 per barrel compared to \$53.17 per barrel in the second quarter 2005. Occidental's realized price for worldwide crude oil was \$60.67 per barrel for the second quarter 2006, compared with \$46.27 per barrel for the second quarter 2005. The average price for NYMEX gas in the second quarter 2006 was \$7.26 per MMCF, compared with \$6.80 per MMCF in the second quarter 2005. Domestic realized gas prices increased from \$6.18 per MMCF in the second quarter 2005 to \$6.24 per MMCF for the second quarter 2006.

Production

For the quarter, oil and gas daily production from continuing operations averaged 609,000 barrels of oil equivalent(BOE), which was an 18 percent increase over the 516,000 equivalent barrels per day produced in the second quarter 2005. The increase included Vintage production of 62,000 BOE per day and Libya production of 27,000 BOE per day.

Worldwide daily production from continuing operations for the six months of 2006 averaged 601,000 BOE, compared with 519,000 BOE for the six months of 2005. The increase included five months of Vintage production at 60,000 BOE per day which added 50,000 BOE per day to Occidental's year-to-date production and Libya production of 25,000 BOE per day that came on line in the third quarter of 2005.

Chemicals

Chemical segment earnings were \$250 million for the second quarter 2006, compared with \$225 million for the second quarter

2005. The improvement in the second quarter 2006 results was due to chlor-alkali volume increases.

Six-Months Results

For the first six months of 2006, net income was \$2.086 billion (\$4.83 per diluted share), compared with \$2.382 billion (\$5.86 per diluted share) for the first six months of 2005.

Core earnings were \$2.355 billion (\$5.45 per diluted share) for 2006, compared with \$1.612 billion (\$3.96 per diluted share) for 2005. See the attached schedule for a reconciliation of net income to core earnings.

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, changes in tax rates, and supply/demand considerations for oil, gas and chemicals; higher-than-expected costs; 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.

-0-

Contacts: Lawrence P. Meriage (media)
310-443-6562
Kenneth J. Huffman (investors)
212-603-8183
For further analysis of Occidental's quarterly performance, please visit the web site: www.oxy.com

SUMMARY OF SEGMENT NET SALES AND EARNINGS

| (\$ millions, except per-share amounts) | Second Quarter | | Six Months | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2006 | 2005 | 2006 | 2005 |
| SEGMENT NET SALES | | | | |
| Oil and Gas | \$ 3,292 | \$ 2,220 | \$ 6,417 | \$ 4,309 |
| Chemical | 1,273 | 1,128 | 2,514 | 2,189 |
| Other | 34 | 37 | 64 | 60 |
| Net sales | <u>\$ 4,599</u> | <u>\$ 3,385</u> | <u>\$ 8,995</u> | <u>\$ 6,558</u> |
| SEGMENT EARNINGS | | | | |
| Oil and Gas | \$ 1,953 | \$ 1,255 | \$ 3,863 | \$ 2,534 |
| Chemical | 250 | 225 | 498 | 439 |
| | <u>2,203</u> | <u>1,480</u> | <u>4,361</u> | <u>2,973</u> |
| Unallocated Corporate Items | | | | |
| Interest expense, net (a) | (33) | (47) | (62) | (108) |
| Income taxes (b) | (882) | (26) | (1,787) | (610) |
| Other (c) | <u>(84)</u> | <u>73</u> | <u>(157)</u> | <u>22</u> |
| Income from Continuing Operations | 1,204 | 1,480 | 2,355 | 2,277 |
| Discontinued operations, net (d) | <u>(347)</u> | <u>56</u> | <u>(269)</u> | <u>105</u> |
| NET INCOME | <u>\$ 857</u> | <u>\$ 1,536</u> | <u>\$ 2,086</u> | <u>\$ 2,382</u> |
| BASIC EARNINGS PER COMMON SHARE | | | | |
| Income from continuing operations | \$ 2.80 | \$ 3.68 | \$ 5.51 | \$ 5.68 |
| Discontinued operations, net (d) | <u>(0.81)</u> | <u>0.14</u> | <u>(0.63)</u> | <u>0.26</u> |
| | <u>\$ 1.99</u> | <u>\$ 3.82</u> | <u>\$ 4.88</u> | <u>\$ 5.94</u> |
| DILUTED EARNINGS PER COMMON SHARE | | | | |
| Income from continuing operations | \$ 2.77 | \$ 3.63 | \$ 5.45 | \$ 5.60 |
| Discontinued operations, net (d) | <u>(0.80)</u> | <u>0.14</u> | <u>(0.62)</u> | <u>0.26</u> |
| | <u>\$ 1.97</u> | <u>\$ 3.77</u> | <u>\$ 4.83</u> | <u>\$ 5.86</u> |
| AVERAGE COMMON SHARES OUTSTANDING | | | | |
| BASIC | <u>430.1</u> | <u>401.9</u> | <u>427.3</u> | <u>401.2</u> |
| DILLUTED | <u>433.9</u> | <u>407.3</u> | <u>432.2</u> | <u>406.8</u> |

Occidental has classified its Ecuador Block 15 operations as discontinued operations on a retrospective application basis.

See footnotes on following page.

- (a) The second quarter and six months 2006 include \$4 million pre-tax interest charges to purchase various debt issues in the open market. The six months 2005 includes \$11 million pre-tax interest charges to purchase various debt issues in the open market.
- (b) The second quarter 2005 includes a \$619 million tax benefit resulting from a closing agreement with the U.S. Internal Revenue Service (IRS) resolving certain tax issues. The six months 2005 also includes a net \$10 million charge related to a state income tax issue.
- (c) The second quarter 2005 includes a \$140 million pre-tax gain from the sale of 11 million shares of Lyondell Chemical Company.
- (d) On May 15, 2006, Ecuador's Minister of Energy terminated Occidental's contract for the operation of Block 15 and the Government of Ecuador seized Occidental's Block 15 assets shortly thereafter. As a result of the seizure, Occidental has classified its Block 15 operations as discontinued operations on a retrospective application basis. The second quarter and six months 2006 discontinued operations also include income from the Vintage properties that were held for sale.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

| (\$ millions) | Second Quarter | | Six Months | |
|---|----------------|---------------|-----------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| CAPITAL EXPENDITURES | \$ 646 | \$ 492 | \$ 1,242 | \$ 998 |
| DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS | \$ 494 | \$ 342 | \$ 953 | \$ 673 |

SUMMARY OF OPERATING STATISTICS

| | Second Quarter | | Six Months | |
|--|----------------|------------|------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| NET OIL, GAS AND LIQUIDS | | | | |
| PRODUCTION PER DAY | | | | |
| United States | | | | |
| Crude oil and liquids (MBBL) | | | | |
| California | 82 | 75 | 83 | 76 |
| Permian | 168 | 156 | 167 | 152 |
| Horn Mountain | 12 | 11 | 13 | 14 |
| Hugoton and other | 3 | 3 | 3 | 3 |
| Total | 265 | 245 | 266 | 245 |
| Natural Gas (MMCF) | | | | |
| California | 258 | 240 | 255 | 240 |
| Hugoton and other | 136 | 133 | 134 | 131 |
| Permian | 199 | 166 | 194 | 156 |
| Horn Mountain | 8 | 9 | 9 | 11 |
| Total | 601 | 548 | 592 | 538 |
| Latin America | | | | |
| Crude oil (MBBL) | | | | |
| Argentina | 38 | — | 31 | — |
| Colombia | 34 | 36 | 36 | 34 |
| Total | 72 | 36 | 67 | 34 |
| Natural Gas (MMCF) | | | | |
| Argentina | 21 | — | 17 | — |
| Bolivia | 20 | — | 17 | — |
| Total | 41 | — | 34 | — |
| Middle East/North Africa | | | | |
| Crude oil (MBBL) | | | | |
| Oman | 17 | 19 | 17 | 21 |
| Qatar | 44 | 43 | 44 | 43 |
| Yemen | 30 | 28 | 31 | 31 |
| Libya | 27 | — | 25 | — |
| Total | 118 | 90 | 117 | 95 |
| Natural Gas (MMCF) | | | | |
| Oman | 35 | 61 | 30 | 58 |
| Other Eastern Hemisphere | | | | |
| Crude oil (MBBL) | | | | |
| Pakistan | 5 | 6 | 4 | 6 |
| Natural Gas (MMCF) | | | | |
| Pakistan | 80 | 72 | 77 | 75 |
| Barrels of Oil Equivalent (MBOE) | | | | |
| Subtotal consolidated subsidiaries | 586 | 491 | 576 | 492 |
| Colombia-minority interest | (5) | (5) | (5) | (4) |
| Russia-Occidental net interest | 27 | 28 | 28 | 29 |
| Yemen-Occidental net interest | 1 | 2 | 2 | 2 |
| Total Worldwide Production (MBOE) | 609 | 516 | 601 | 519 |

Occidental has classified its Ecuador Block 15 operations as discontinued operations on a retrospective application basis.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS

Occidental's results of operations often include the effects of significant transactions and events affecting earnings that vary widely and unpredictably in nature, timing and amount. Therefore, management uses a measure called "core earnings," which excludes those items. This non-GAAP measure is not meant to disassociate those items from management's performance, but rather is meant to provide useful information to investors interested in comparing Occidental's earnings performance between periods. Reported earnings are considered representative of management's performance over the long term. Core earnings is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate:

| (\$ millions, except per-share amounts) | 2006 | | Second Quarter | |
|---|-----------------|----------------|-----------------|----------------|
| | | Diluted EPS | 2005 | Diluted EPS |
| TOTAL REPORTED EARNINGS | \$ 857 | \$ 1.97 | \$ 1,536 | \$ 3.77 |
| Oil and Gas | | | | |
| Segment Earnings | \$ 1,953 | | \$ 1,255 | |
| Less: Contract settlement | - | | (26) | |
| Segment Core Earnings | <u>1,953</u> | | <u>1,281</u> | |
| Chemicals | | | | |
| Segment Earnings | 250 | | 225 | |
| No significant items affecting earnings | - | | - | |
| Segment Core Earnings | <u>250</u> | | <u>225</u> | |
| Total Segment Core Earnings | <u>2,203</u> | | <u>1,506</u> | |
| Corporate | | | | |
| Corporate Results - | | | | |
| Non Segment* | (1,346) | | 56 | |
| Less: | | | | |
| Gain on sale of Lyondell shares | - | | 140 | |
| Settlement of federal tax issue | - | | 619 | |
| Debt purchase expense | - | | (1) | |
| Tax effect of pre-tax adjustments | - | | (51) | |
| Discontinued operations, net** | <u>(347)</u> | | <u>56</u> | |
| Corporate Core Results - | | | | |
| Non Segment | <u>(999)</u> | | <u>(707)</u> | |
| TOTAL CORE EARNINGS | \$ 1,204 | \$ 2.77 | \$ 799 | \$ 1.96 |

*Interest expense, income taxes, G&A expense and other, and non-core items.

**Amount shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

| (\$ millions, except per-share amounts) | 2006 | | 2005 | |
|---|-----------------|----------------|-----------------|----------------|
| | | Diluted EPS | | Diluted EPS |
| TOTAL REPORTED EARNINGS | \$ 2,086 | \$ 4.83 | \$ 2,382 | \$ 5.86 |
| Oil and Gas | | | | |
| Segment Earnings | \$ 3,863 | | \$ 2,534 | |
| Less: Contract settlement | - | | (26) | |
| Segment Core Earnings | <u>3,863</u> | | <u>2,560</u> | |
| Chemicals | | | | |
| Segment Earnings | 498 | | 439 | |
| No significant items affecting earnings | - | | - | |
| Segment Core Earnings | <u>498</u> | | <u>439</u> | |
| Total Segment Core Earnings | <u>4,361</u> | | <u>2,999</u> | |
| Corporate | | | | |
| Corporate Results - | | | | |
| Non Segment* | (2,275) | | (591) | |
| Less: | | | | |
| Debt purchase expense | - | | (11) | |
| Gain on sale of Lyondell shares | - | | 140 | |
| State tax issue charge | - | | (10) | |
| Settlement of federal tax issue | - | | 619 | |
| Tax effect of pre-tax adjustments | - | | (47) | |
| Discontinued operations, net** | <u>(269)</u> | | <u>105</u> | |
| Corporate Core Results - | | | | |
| Non Segment | <u>(2,006)</u> | | <u>(1,387)</u> | |
| TOTAL CORE EARNINGS | \$ 2,355 | \$ 5.45 | \$ 1,612 | \$ 3.96 |

*Interest expense, income taxes, G&A expense and other, and non-core items.

**Amount shown after tax.

Occidental Petroleum Corporation**DR. RAY R. IRANI**
Chairman, President and Chief Executive Officer**– Conference Call –**
Second Quarter 2006 Earnings Announcement*August 4, 2006*
Los Angeles, California

Good morning - and thank you for joining us.

As Steve Chazen will tell you in some detail shortly, our core earnings of \$2.35 billion were the highest in the company's history for a six-month period. That's up 46 percent from the previous high set in the first half of 2005.

Our success in keeping production growing has allowed us to continue capturing the benefits of a strong energy price environment. During the second quarter, worldwide production from continuing operations of 609,000 equivalent barrels per day was 18 percent higher than last year's second quarter results. This year's results included 62,000 equivalent barrels per day from the recently acquired Vintage properties and 27,000 barrels per day from Libya. U.S. production of 365,000 equivalent barrels per day, which accounted for 60 percent of the worldwide total, was up 9 percent compared to last year's second quarter.

At our February analysts meeting we emphasized our commitment to creating top quartile total returns for our stockholders. Since that time, we completed an analysis of our dividend policy and raised the dividend by 22 percent after concluding that the company has the underlying financial strength to sustain the higher rate - even at significantly lower energy prices.

We also implemented a two-for-one split of our common stock.

In addition, we expanded our share repurchase program to 40 million post-split shares. This program is designed to enhance the value of the remaining shares.

We are continuing to make steady progress on all of our growth projects. The Mukhaizna development project in Oman, the growth plans for our Argentina operations and our Libya exploration and producing activities are moving on schedule. And, as I mentioned before, we are continuing to grow our base U.S. production.

We ended the quarter with \$1.6 billion of cash on hand, and we expect to continue generating a significant amount of free cash flow in the second half of the year to fund our growth and share repurchase initiatives. With the strides we made in the first half of the year, together with continuing strong energy prices and a strong economy, 2006 is shaping up as another outstanding year for both our oil and gas and chemical businesses.

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 2006 Earnings Announcement

August 4, 2006
Los Angeles, California

Thank you, Ray.

Core earnings for the second quarter were \$1.2 billion, or \$2.77 per diluted share. That represents an increase of 50 percent compared to last year's second quarter core earnings of \$799 million, or \$1.96 per diluted share. The core earnings for this year's second quarter exclude a \$347 million after-tax charge for discontinued operations, which includes impairment of Occidental's investment in Ecuador and income from Vintage properties held for sale. The core earnings for the second quarter in 2005 excluded a \$619 million tax benefit resulting from a settlement with the IRS and an after-tax gain of \$89 million from the sale of 11 million Lyondell shares.

Oil and gas segment core earnings for the quarter were approximately \$1.95 billion, a 52 percent increase compared to \$1.28 billion of core earnings for the second quarter of 2005.

- Worldwide daily production for the quarter from continuing operations averaged 609,000 barrels of oil equivalent per day, which was 18 percent higher than the 516,000 equivalent barrels per day we produced in the second quarter last year.

- The acquisition of Vintage Petroleum accounted for 62,000 equivalent barrels per day of the increase and production from Libya that began in the third quarter last year added 27,000 equivalent barrels per day.
- Exploration costs for the quarter were \$50 million which was lower than our guidance last quarter. Some seismic and drilling activity has been rescheduled for the second half of the year.
- Oxy's realized oil price for the quarter was \$60.67 per barrel compared to \$46.27 for the second quarter 2005. For the first half of the year, Oxy's realized oil price was \$57.39 compared to last year's price of \$44.39. Oxy's realized oil price increased by \$6.64 per barrel in the second quarter, compared to the first quarter of 2006, while WTI increased by \$7.22 per barrel in the same period.
- The price differential between Oxy's realized price and WTI narrowed in the second quarter to 86 percent of WTI, compared to 85 percent in the first quarter of 2006.
- The NYMEX gas price for the quarter was \$7.26 per million BTUs, compared to \$6.80 for the second quarter 2005. Oxy's average realized domestic gas price for the quarter was \$6.24 per thousand cubic feet, up from \$6.18 for the second quarter 2005. In the guidance we gave last quarter, we said our expected realized domestic gas price of \$5.83 per thousand cubic feet would reduce segment income by about \$120 million, compared to this year's first quarter. Since the actual realized price was higher than we expected, the amount of the reduction was approximately \$110 million.

- Oil and gas production costs for the first six months were \$11.14 per BOE, compared to average costs of \$8.81 in 2005. Included in the increase of \$2.33 per BOE were utility costs of 15 cents, gas plant costs of 14 cents, ad valorem and production taxes of 31 cents, and export taxes and tariffs of 39 cents. Export taxes for our Argentina production alone accounted for 38 cents of the increase, or 16 percent of the total increase. The remaining cost changes were the result of workovers, maintenance and other costs. Higher energy prices also reduced the volumes produced under our production sharing contracts which resulted in spreading the gross costs for the total production we operate over fewer net barrels.

Chemical earnings for the quarter were \$250 million, up from \$225 million earned in the same quarter last year. The increase is primarily due to improved chlor-alkali volumes resulting from the Vulcan acquisition. Price increases for chlor-alkali and PVC were offset by higher feedstock and energy costs. Chemical earnings for the first six months were \$498 million, up from \$439 million in the comparable period last year.

Cash flow from operations for the first six months of approximately \$3.1 billion was 29 percent higher than the \$2.4 billion we generated in the first half of 2005.

Net interest expense was \$33 million for the quarter, and \$62 million for the first six months. The worldwide effective tax rate for the second quarter was 42 percent. This was down from Oxy's forecast of 44 percent due to higher than expected domestic income, which has a lower tax rate than foreign income.

During the quarter, we spent a total of \$748 million to repurchase 7.6 million common shares at an average price of \$98.11 per share. Since we

implemented the share repurchase program last February, we have spent a total of \$986 million to repurchase 10.2 million shares at an average price of \$96.52 per share.

The weighted average basic shares outstanding for the first half of the year totaled 427.3 million, and the weighted average diluted shares outstanding totaled 432.2 million. At June 30, there were 426.6 million basic shares outstanding and the fully diluted shares numbered approximately 431.5 million.

Since the late January closing of the Vintage acquisition, the former Vintage properties held for sale generated \$66 million of cash from operations. Through the end of the second quarter, proceeds from the sale of Vintage assets were approximately \$700 million, and we expect to sell an additional \$300 to \$400 million of assets by the end of the current quarter. Proved reserves associated with these assets were about 71 million barrels of oil equivalent as on December 31, 2005. The assets will realize between \$15 and \$16 per proven barrel equivalent.

Turning to the balance sheet, we reduced total debt at the end of the quarter to the pre-Vintage acquisition level of \$3 billion, compared to \$3.6 billion at the end of the first quarter. Stockholder equity at the end of the quarter was \$18 billion, which was \$2.9 billion higher than the year-end 2005 level and about even with the end of the first quarter. Our annualized return on equity during the first half of the year was 25 percent, with an annualized return on capital of 22 percent.

The second quarter cash flow from operations, after tax payments in excess of \$1 billion, was \$1.1 billion. We also received approximately \$700 million from the sale of assets. We used the cash flow to fund capital expenditures of \$646 million, debt repayment of \$640 million, stock

repurchases totaling \$748 million and dividend payments of \$156 million. These cash outlays reduced our \$2 billion cash balance at the end of the first quarter to \$1.6 billion at the end of the second quarter.

Capital spending was \$646 million for the quarter, and \$1.24 billion for the first six months. We expect capital spending for the year to be \$3 billion. While inflation in capital costs continues, the increase is within our original plan so our capital program remains at our original estimate.

As we look ahead in the third quarter:

- We expect third quarter production to be about the same level as the second quarter.
- Each dollar per barrel change in the oil prices impacts Oil and Gas Segment third quarter earnings by about \$38 million before the impact of income taxes.
- A swing of 25 cents per million BTUs in gas prices has a \$12 million impact on quarterly segment earnings. Our realized domestic gas price in the third quarter is expected to be about \$5.30 per thousand cubic feet. That's about \$0.94 less than the second quarter, with a negative impact on segment earnings of \$50 million.
- We expect exploration expense for the third quarter to be about \$70 million.
- In Chemicals, we expect third quarter earnings to be similar to the second quarter.
- We expect to realize \$7 million in dividend income during the third quarter from our Lyondell shares. We no longer record equity income from our Lyondell investment.

- Third quarter net interest expense is expected to be approximately \$16 million.
- We expect the worldwide tax rate to be 44 percent.

If you would like a copy of the press release announcing our second quarter earnings, along with the Investor Relations Supplemental Schedules, you can find them on our website www.oxy.com or through the SEC's EDGAR system.

Now we're ready to take your questions.

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; 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. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements. 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
Return on Capital Employed (%)
(\$ Millions)

| Reconciliation to Generally Accepted Accounting Principles (GAAP) | 2004 | 2005 | Three Months 2006 | Six Months 2006 | Annualized 2006 |
|--|--------------|--------------|----------------------------------|--------------------------------|----------------------------|
| GAAP measure - earnings applicable to common shareholders | 2,568 | 5,281 | 1,229 | 2,086 | |
| Interest expense | 239 | 201 | 29 | 62 | |
| Tax effect of interest expense | (84) | (70) | (10) | (22) | |
| Earnings before tax-effected interest expense | <u>2,723</u> | <u>5,412</u> | <u>1,248</u> | <u>2,126</u> | |
| GAAP stockholders' equity | 10,550 | 15,032 | 17,947 | 17,962 | |
| DEBT | | | | | |
| GAAP debt | | | | | |
| Debt, including current maturities | 3,804 | 2,919 | 3,528 | 2,887 | |
| Non-GAAP debt | | | | | |
| Capital lease obligation | 26 | 25 | 25 | 25 | |
| Subsidiary preferred stock | 75 | 75 | 75 | 75 | |
| Total debt | <u>3,905</u> | <u>3,019</u> | <u>3,628</u> | <u>2,987</u> | |
| Total capital employed | 14,455 | 18,051 | 21,575 | 20,949 | |
| Return on Capital Employed (%) | 20.2 | 33.3 | 6.3 | 10.9 | 21.8 |



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

| | <u>Reported Income</u> | <u>Significant Items Affecting Income</u> | <u>Core Earnings</u> |
|--|----------------------------|---|-----------------------------------|
| Oil & Gas | \$ 1,953 | | \$ 1,953 |
| Chemical | 250 | | 250 |
| Corporate | | | |
| Interest expense, net | (33) | | (33) |
| Other | (84) | | (84) |
| Taxes | (882) | | (882) |
| Income from continuing operations | <u>1,204</u> | <u>—</u> | <u>1,204</u> |
| Discontinued operations, net of tax | (347) | 347 | Discontinued operations, net — |
| Net Income | <u>\$ 857</u> | <u>\$ 347</u> | <u>\$ 1,204</u> |
| | | | |
| Basic Earnings Per Common Share | | | |
| Income from continuing operations | \$ 2.80 | | |
| Discontinued operations, net | (0.81) | | |
| Net Income | <u>\$ 1.99</u> | | <u>\$ 2.80</u> |
| | | | |
| Diluted Earnings Per Common Share | | | |
| Income from continuing operations | \$ 2.77 | | |
| Discontinued operations, net | (0.80) | | |
| Net Income | <u>\$ 1.97</u> | | <u>\$ 2.77</u> |



OCCIDENTAL PETROLEUM
2005 Second Quarter
Net Income (Loss)
(\$ millions)

| | <u>Reported Income</u> | <u>Significant Items Affecting Income</u> | <u>Core Earnings</u> |
|--|----------------------------|---|--------------------------|
| Oil & Gas | \$ 1,255 | \$ 26 Contract settlement | \$ 1,281 |
| Chemical | 225 | | 225 |
| Corporate | | | |
| Interest expense, net | (47) | 1 Debt purchase expense | (46) |
| Other | 73 | (140) Sale of Lyondell shares | (67) |
| Taxes | (26) | (619) Settlement of federal tax issue 51 Tax effect of adjustments | (594) |
| Income from continuing operations | 1,480 | (681) | 799 |
| Discontinued operations, net of tax | 56 | (56) Discontinued operations, net | — |
| Net Income | \$ 1,536 | \$ (737) | \$ 799 |

Basic Earnings Per Common Share

| | | |
|-------------------------------------|----------------|----------------|
| Income from continuing operations | \$ 3.68 | |
| Discontinued operations, net of tax | 0.14 | |
| Net Income | \$ 3.82 | \$ 1.99 |

Diluted Earnings Per Common Share

| | | |
|-------------------------------------|----------------|----------------|
| Income from continuing operations | \$ 3.63 | |
| Discontinued operations, net of tax | 0.14 | |
| Net Income | \$ 3.77 | \$ 1.96 |



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

| | <u>Reported Income</u> | <u>Significant Items Affecting Income</u> | <u>Core Earnings</u> |
|--|----------------------------|---|--------------------------|
| Oil & Gas | \$ 3,863 | | \$ 3,863 |
| Chemical | 498 | | 498 |
| Corporate | | | |
| Interest expense, net | (62) | | (62) |
| Other | (157) | | (157) |
| Taxes | (1,787) | | (1,787) |
| Income from continuing operations | <u>2,355</u> | — | <u>2,355</u> |
| Discontinued operations, net of tax | (269) | 269 | — |
| Net Income | <u>\$ 2,806</u> | <u>\$ 269</u> | <u>\$ 2,355</u> |
| | | | |
| Basic Earnings Per Common Share | | | |
| Income from continuing operations | \$ 5.51 | | |
| Discontinued operations, net | (0.63) | | |
| Net Income | <u>\$ 4.88</u> | | <u>\$ 5.51</u> |
| | | | |
| Diluted Earnings Per Common Share | | | |
| Income from continuing operations | \$ 5.45 | | |
| Discontinued operations, net | (0.62) | | |
| Net Income | <u>\$ 4.83</u> | | <u>\$ 5.45</u> |



OCCIDENTAL PETROLEUM
2005 First Six Months
Net Income (Loss)
(\$ millions)

| | <u>Reported Income</u> | <u>Significant Items Affecting Income</u> | <u>Core Earnings</u> |
|--|----------------------------|---|--------------------------|
| Oil & Gas | \$ 2,534 | \$ 26 Contract settlement | \$ 2,560 |
| Chemical | 439 | | 439 |
| Corporate | | | |
| Interest expense, net | (108) | 11 Debt purchase expense | (97) |
| Other | 22 | (140) Sale of Lyondell shares | (118) |
| Taxes | (610) | (619) Settlement of federal tax issue 10 State tax issue 47 Tax effect of adjustments | (1,172) |
| Income from continuing operations | <u>2,277</u> | <u>(665)</u> | <u>1,612</u> |
| Discontinued operations, net of tax | 105 | (105) Discontinued operations, net | — |
| Net Income | <u>\$ 2,382</u> | <u>\$ (770)</u> | <u>\$ 1,612</u> |

Basic Earnings Per Common Share

| | | |
|-------------------------------------|----------------|----------------|
| Income from continuing operations | \$ 5.68 | |
| Discontinued operations, net of tax | 0.26 | |
| Net Income | <u>\$ 5.94</u> | <u>\$ 4.02</u> |

Diluted Earnings Per Common Share

| | | |
|-------------------------------------|----------------|----------------|
| Income from continuing operations | \$ 5.60 | |
| Discontinued operations, net of tax | 0.26 | |
| Net Income | <u>\$ 5.86</u> | <u>\$ 3.96</u> |



OCCIDENTAL PETROLEUM
Items Affecting Comparability of Core Earnings Between Periods

The item(s) below are included in core earnings but are shown in this table because they affect the comparability of core earnings between periods.

| Pre-tax Income / (Expense) | Second Quarter | | Six Months | |
|--|----------------|------|------------|------|
| | 2006 | 2005 | 2006 | 2005 |
| Corporate Environmental remediation | (9) | (10) | (16) | (19) |



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

| | QUARTERLY | | | YEAR TO-DATE | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | 2006 QTR 2 | 2006 QTR 1 | 2005 QTR 2 | 2006 6 Months | 2005 6 Months |
| REPORTED INCOME | | | | | |
| Oil & Gas (a) | 1,953 | 1,910 | 1,255 | 3,863 | 2,534 |
| Chemicals | 250 | 248 | 225 | 498 | 439 |
| Corporate & other | (117) | (102) | 26 | (219) | (86) |
| Pre-tax income | <u>2,086</u> | <u>2,056</u> | <u>1,506</u> | <u>4,142</u> | <u>2,887</u> |
| Income tax expense | | | | | |
| Federal and state | 427 | 459 | (258) | 886 | 90 |
| Foreign (a) | 455 | 446 | 284 | 901 | 520 |
| Total | <u>882</u> | <u>905</u> | <u>26</u> | <u>1,787</u> | <u>610</u> |
| Income from continuing operations | <u>1,204</u> | <u>1,151</u> | <u>1,480</u> | <u>2,355</u> | <u>2,277</u> |
| Worldwide effective tax rate | 42% | 44% | 2% | 43% | 21% |
| | | | | | |
| | 2006 QTR 2 | 2006 QTR 1 | 2005 QTR 2 | 2006 6 Months | 2005 6 Months |
| CORE INCOME | | | | | |
| Oil & Gas (a) | 1,953 | 1,910 | 1,281 | 3,863 | 2,560 |
| Chemicals | 250 | 248 | 225 | 498 | 439 |
| Corporate & other | (117) | (102) | (113) | (219) | (215) |
| Pre-tax income | <u>2,086</u> | <u>2,056</u> | <u>1,393</u> | <u>4,142</u> | <u>2,784</u> |
| Income tax expense | | | | | |
| Federal and state | 427 | 459 | 310 | 886 | 652 |
| Foreign (a) | 455 | 446 | 284 | 901 | 520 |
| Total | <u>882</u> | <u>905</u> | <u>594</u> | <u>1,787</u> | <u>1,172</u> |
| Core income | <u>1,204</u> | <u>1,151</u> | <u>799</u> | <u>2,355</u> | <u>1,612</u> |
| Worldwide effective tax rate | 42% | 44% | 43% | 43% | 42% |

(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.

| | 2006 QTR 2 | 2006 QTR 1 | 2005 QTR 2 | 2006 6 Months | 2005 6 Months |
|--|---------------|---------------|---------------|------------------|------------------|
| | <u>282</u> | <u>290</u> | <u>226</u> | <u>572</u> | <u>413</u> |



OCCIDENTAL PETROLEUM
2006 Second Quarter Net Income (Loss)
Reported Income Comparison

| | Second Quarter 2006 | First Quarter 2006 | B / (W) |
|-----------------------------------|---------------------------|--------------------------|-----------------|
| Oil & Gas | \$ 1,953 | \$ 1,910 | \$ 43 |
| Chemical | 250 | 248 | 2 |
| Corporate | | | |
| Interest expense, net | (33) | (29) | (4) |
| Other | (84) | (73) | (11) |
| Taxes | (882) | (905) | 23 |
| Income from continuing operations | 1,204 | 1,151 | 53 |
| Discontinued operations, net | (347) | 78 | (425) |
| Net Income | <u>\$ 857</u> | <u>\$ 1,229</u> | <u>\$ (372)</u> |
| Earnings Per Common Share | | | |
| Basic | \$ 1.99 | \$ 2.90 | \$ (0.91) |
| Diluted | \$ 1.97 | \$ 2.86 | \$ (0.89) |
| Worldwide Effective Tax Rate | <u>42%</u> | <u>44%</u> | <u>2%</u> |

OCCIDENTAL PETROLEUM
2006 Second Quarter Net Income (Loss)
Core Earnings Comparison

| | Second Quarter 2006 | First Quarter 2006 | B / (W) |
|---------------------------------------|---------------------------|--------------------------|--------------|
| Oil & Gas | \$ 1,953 | \$ 1,910 | \$ 43 |
| Chemical | 250 | 248 | 2 |
| Corporate | | | |
| Interest expense, net | (33) | (29) | (4) |
| Other | (84) | (73) | (11) |
| Taxes | (882) | (905) | 23 |
| Net Income | <u>\$ 1,204</u> | <u>\$ 1,151</u> | <u>\$ 53</u> |
| Core Earnings Per Common Share | | | |
| Basic | \$ 2.80 | \$ 2.71 | \$ 0.09 |
| Diluted | \$ 2.77 | \$ 2.67 | \$ 0.10 |
| Worldwide Effective Tax Rate | <u>42%</u> | <u>44%</u> | <u>2%</u> |



**OCCIDENTAL PETROLEUM
Oil & Gas
Core Earnings Variance Analysis
(\$ millions)**

| | | |
|-----------------------|-----------|------------------|
| 2006 2nd Quarter | \$ | 1,953 |
| 2006 1st Quarter | | 1,910 |
| | | <u>43</u> |
| Sales Price | \$ | 82 |
| Sales Volume/Mix | | 34 |
| Exploration Expense | | 21 |
| All Others | | (94) * |
| TOTAL VARIANCE | \$ | <u>43</u> |

* Higher operating expenses

**OCCIDENTAL PETROLEUM
Chemical
Core Earnings Variance Analysis
(\$ millions)**

| | | |
|--------------------------|-----------|-----------------|
| 2006 2nd Quarter | \$ | 250 |
| 2006 1st Quarter | | 248 |
| | | <u>2</u> |
| Sales Price | \$ | (36) |
| Sales Volume/Mix | | 8 |
| Operations/Manufacturing | | 15 * |
| All Others | | 15 |
| TOTAL VARIANCE | \$ | <u>2</u> |

* Lower energy costs



OCCIDENTAL PETROLEUM
2006 Second Quarter Net Income (Loss)
Reported Income Comparison

| | Second Quarter 2006 | Second Quarter 2005 | B / (W) |
|-----------------------------------|---------------------------|---------------------------|-----------------|
| Oil & Gas | \$ 1,953 | \$ 1,255 | \$ 698 |
| Chemical | 250 | 225 | 25 |
| Corporate | | | |
| Interest expense, net | (33) | (47) | 14 |
| Other | (84) | 73 | (157) |
| Taxes | (882) | (26) | (856) |
| Income from continuing operations | 1,204 | 1,480 | (276) |
| Discontinued operations, net | (347) | 56 | (403) |
| Net Income | <u>\$ 857</u> | <u>\$ 1,536</u> | <u>\$ (679)</u> |
| Earnings Per Common Share | | | |
| Basic | \$ 1.99 | \$ 3.82 | \$ (1.83) |
| Diluted | \$ 1.97 | \$ 3.77 | \$ (1.80) |
| Worldwide Effective Tax Rate | <u>42%</u> | <u>2%</u> | <u>-40%</u> |

OCCIDENTAL PETROLEUM
2006 Second Quarter Net Income (Loss)
Core Earnings Comparison

| | Second Quarter 2006 | Second Quarter 2005 | B / (W) |
|---------------------------------------|---------------------------|---------------------------|---------------|
| Oil & Gas | \$ 1,953 | \$ 1,281 | \$ 672 |
| Chemical | 250 | 225 | 25 |
| Corporate | | | |
| Interest expense, net | (33) | (46) | 13 |
| Other | (84) | (67) | (17) |
| Taxes | (882) | (594) | (288) |
| Net Income | <u>\$ 1,204</u> | <u>\$ 799</u> | <u>\$ 405</u> |
| Core Earnings Per Common Share | | | |
| Basic | \$ 2.80 | \$ 1.99 | \$ 0.81 |
| Diluted | \$ 2.77 | \$ 1.96 | \$ 0.81 |
| Worldwide Effective Tax Rate | <u>42%</u> | <u>43%</u> | <u>1%</u> |



**OCCIDENTAL PETROLEUM
Oil & Gas
Core Earnings Variance Analysis
(\$ millions)**

| | | |
|------------------|-----------|-------------------|
| 2006 2nd Quarter | \$ | 1,953 |
| 2005 2nd Quarter | | <u>1,281</u> |
| | \$ | <u>672</u> |

| | | |
|---------------------|-----------------------|----------------------|
| Sales Price | \$ | 557 |
| Sales Volume/Mix | | 262 |
| Exploration Expense | | 57 |
| All Others * | | <u>(204)</u> |
| | TOTAL VARIANCE | \$ <u>672</u> |

*DD&A rate increase (52) and higher operating expenses

**OCCIDENTAL PETROLEUM
Chemical
Core Earnings Variance Analysis
(\$ millions)**

| | | |
|--------------------------|-----------------------|---------------------|
| 2006 2nd Quarter | \$ | 250 |
| 2005 2nd Quarter | | <u>225</u> |
| | \$ | <u>25</u> |
| Sales Price | \$ | 60 |
| Sales Volume/Mix | | 27 |
| Operations/Manufacturing | | <u>(72) *</u> |
| All Others | | <u>10</u> |
| | TOTAL VARIANCE | \$ <u>25</u> |

* Higher feedstock costs



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

| | Second Quarter | | Six Months | |
|---|----------------|------------|------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| NET PRODUCTION PER DAY: | | | | |
| United States | | | | |
| Crude Oil and Liquids (MBL) | | | | |
| California | 82 | 75 | 83 | 76 |
| Permian | 168 | 156 | 167 | 152 |
| Horn Mountain | 12 | 11 | 13 | 14 |
| Hugoton and other | 3 | 3 | 3 | 3 |
| Total | 265 | 245 | 266 | 245 |
| Natural Gas (MMCF) | | | | |
| California | 258 | 240 | 255 | 240 |
| Hugoton and other | 136 | 133 | 134 | 131 |
| Permian | 199 | 166 | 194 | 156 |
| Horn Mountain | 8 | 9 | 9 | 11 |
| Total | 601 | 548 | 592 | 538 |
| Latin America | | | | |
| Crude Oil (MBL) | | | | |
| Argentina | 38 | — | 31 | — |
| Colombia | 34 | 36 | 36 | 34 |
| Total | 72 | 36 | 67 | 34 |
| Natural Gas (MMCF) | | | | |
| Argentina | 21 | — | 17 | — |
| Bolivia | 20 | — | 17 | — |
| Total | 41 | — | 34 | — |
| Middle East / North Africa | | | | |
| Crude Oil (MBL) | | | | |
| Oman | 17 | 19 | 17 | 21 |
| Qatar | 44 | 43 | 44 | 43 |
| Yemen | 30 | 28 | 31 | 31 |
| Libya | 27 | — | 25 | — |
| Total | 118 | 90 | 117 | 95 |
| Natural Gas (MMCF) | | | | |
| Oman | 35 | 61 | 30 | 58 |
| Other Eastern Hemisphere | | | | |
| Crude Oil (MBL) | | | | |
| Pakistan | 5 | 6 | 4 | 6 |
| Natural Gas (MMCF) | | | | |
| Pakistan | 80 | 72 | 77 | 75 |
| Barrels of Oil Equivalent (MBOE) | | | | |
| Subtotal consolidated subsidiaries | 586 | 491 | 576 | 492 |
| Other interests | | | | |
| Colombia – minority interest | (5) | (5) | (5) | (4) |
| Russia – Occidental net interest | 27 | 28 | 28 | 29 |
| Yemen – Occidental net interest | 1 | 2 | 2 | 2 |
| Total worldwide production (MBOE) | 609 | 516 | 601 | 519 |



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

| | Second Quarter | | Six Months | |
|-----------------------------------|----------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| OIL & GAS: | | | | |
| PRICES | | | | |
| United States | | | | |
| Crude Oil (\$/BBL) | 62.14 | 46.72 | 58.69 | 45.47 |
| Natural gas (\$/MCF) | 6.24 | 6.18 | 7.28 | 6.07 |
| Latin America | | | | |
| Crude Oil (\$/BBL) | 56.47 | 46.36 | 54.28 | 46.08 |
| Natural Gas (\$/MCF) | 1.87 | — | 1.82 | — |
| Middle East / North Africa | | | | |
| Crude Oil (\$/BBL) | 65.08 | 48.72 | 61.57 | 45.18 |
| Natural Gas (\$/MCF) | 0.97 | 0.96 | 0.96 | 0.96 |
| Other Eastern Hemisphere | | | | |
| Crude Oil (\$/BBL) | 60.60 | 46.84 | 55.78 | 42.76 |
| Natural Gas (\$/MCF) | 3.05 | 2.28 | 2.95 | 2.25 |
| Total Worldwide | | | | |
| Crude Oil (\$/BBL) | 60.67 | 46.27 | 57.39 | 44.39 |
| Natural Gas (\$/MCF) | 5.23 | 5.16 | 6.05 | 5.02 |
| | | | | |
| | Second Quarter | | Six Months | |
| | 2006 | 2005 | 2006 | 2005 |
| Exploration Expense | | | | |
| Domestic | \$ 16 | \$ 84 | \$ 48 | \$ 111 |
| Latin America | 3 | 4 | 6 | 10 |
| Middle East / North Africa | 30 | 4 | 53 | 5 |
| Other Eastern Hemisphere | 1 | 15 | 14 | 19 |
| TOTAL | \$ 50 | \$ 107 | \$ 121 | \$ 145 |



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

| Capital Expenditures (\$MM) | Second Quarter | | Six Months | |
|------------------------------------|-----------------------|---------------|-------------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| Oil & Gas | | | | |
| California | \$ 123 | \$ 90 | \$ 226 | \$ 172 |
| Permian | 138 | 96 | 265 | 159 |
| Other - U.S. | 64 | 33 | 131 | 62 |
| Latin America | 78 | 22 | 125 | 43 |
| Middle East / North Africa | 188 | 191 | 397 | 464 |
| Other Eastern Hemisphere | 2 | 24 | 8 | 32 |
| Chemicals | 47 | 34 | 80 | 62 |
| Corporate | 6 | 2 | 10 | 4 |
| TOTAL | \$ 646 | \$ 492 | \$ 1,242 | \$ 998 |

| Depreciation, Depletion & Amortization of Assets (\$MM) | Second Quarter | | Six Months | |
|--|-----------------------|---------------|-------------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| Oil & Gas | | | | |
| Domestic | \$ 215 | \$ 170 | \$ 420 | \$ 324 |
| Latin America | 70 | 12 | 119 | 24 |
| Middle East / North Africa | 130 | 83 | 259 | 173 |
| Other Eastern Hemisphere | 9 | 10 | 18 | 20 |
| Chemicals | 66 | 62 | 128 | 121 |
| Corporate | 4 | 5 | 9 | 11 |
| TOTAL | \$ 494 | \$ 342 | \$ 953 | \$ 673 |



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

| | <u>30-Jun-06</u> | <u>31-Dec-05</u> |
|---|-------------------------|-------------------------|
| CAPITALIZATION | | |
| Long-Term Debt (including current maturities) | \$ 2,887 | \$ 2,919 |
| Subsidiary Preferred Stock | 75 | 75 |
| Others | <u>25</u> | <u>25</u> |
| Total Debt | <u>\$ 2,987</u> | <u>\$ 3,019</u> |
| EQUITY | | |
| | <u>\$ 17,962</u> | <u>\$ 15,032</u> |
| Total Debt To Total Capitalization | <u>14%</u> | <u>17%</u> |



Occidental Petroleum Corporation
Financial Data
RETROSPECTIVE APPLICATION
Millions, except per share amounts

| | 2002 | 2003 | 2004 | 2005 | | | | 2006 | |
|--|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 12 Mos | 12 Mos | 12 Mos | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | 12 Mos | Qtr 1 |
| Segment net sales | | | | | | | | | |
| Oil & Gas | 4,536 | 5,783 | 7,093 | 2,089 | 2,220 | 2,617 | 2,879 | 9,805 | 3,125 |
| Chemicals | 2,613 | 3,092 | 3,675 | 1,061 | 1,128 | 1,190 | 1,262 | 4,641 | 1,241 |
| Other | — | 145 | 111 | 23 | 37 | 50 | 41 | 151 | 30 |
| | <u>7,149</u> | <u>9,020</u> | <u>10,879</u> | <u>3,173</u> | <u>3,385</u> | <u>3,857</u> | <u>4,182</u> | <u>14,597</u> | <u>4,396</u> |
| Segment earnings | | | | | | | | | |
| Oil & Gas | \$ 2,160 | \$ 3,129 | \$ 4,021 | \$ 1,279 | \$ 1,255 | \$ 1,638 | \$ 1,796 | \$ 5,968 | \$ 1,910 |
| Chemicals | 177 | 223 | 414 | 214 | 225 | 3 | 165 | 607 | 248 |
| | <u>2,337</u> | <u>3,352</u> | <u>4,435</u> | <u>1,493</u> | <u>1,480</u> | <u>1,641</u> | <u>1,961</u> | <u>6,575</u> | <u>2,158</u> |
| Unallocated corporate items | | | | | | | | | |
| Interest | (321) | (333) | (240) | (61) | (47) | (70) | (23) | (201) | (29) |
| Other | (424) | (271) | (150) | (51) | 73 | 660 | (89) | 593 | (73) |
| Income taxes | (425) | (1,189) | (1,639) | (584) | (26) | (574) | (743) | (1,927) | (905) |
| Income from continuing operations | 1,167 | 1,559 | 2,406 | 797 | 1,480 | 1,657 | 1,106 | 5,040 | 1,151 |
| Discontinued operations, net | (83) | 36 | 162 | 49 | 56 | 87 | 46 | 238 | 78 (a) |
| Change in accounting principles, net | (95) | (68) | — | — | — | 3 | — | 3 | — |
| Net Income | <u>\$ 989</u> | <u>\$ 1,527</u> | <u>\$ 2,568</u> | <u>\$ 846</u> | <u>\$ 1,536</u> | <u>\$ 1,747</u> | <u>\$ 1,152</u> | <u>\$ 5,281</u> | <u>\$ 1,229</u> |
| Basic earnings per common share | | | | | | | | | |
| Income from continuing operations | \$ 3.10 | \$ 4.06 | \$ 6.08 | \$ 1.99 | \$ 3.68 | \$ 4.10 | \$ 2.73 | \$ 12.49 | \$ 2.71 |
| Discontinued operations, net | (0.22) | 0.10 | 0.41 | 0.12 | 0.14 | 0.21 | 0.11 | 0.59 | 0.19 (a) |
| Change in accounting principles, net | (0.25) | (0.18) | — | — | — | 0.01 | — | 0.01 | — |
| | <u>\$ 2.63</u> | <u>\$ 3.98</u> | <u>\$ 6.49</u> | <u>\$ 2.11</u> | <u>\$ 3.82</u> | <u>\$ 4.32</u> | <u>\$ 2.84</u> | <u>\$ 13.09</u> | <u>\$ 2.90</u> |
| Diluted earnings per common share | | | | | | | | | |
| Income from continuing operations | \$ 3.08 | \$ 4.01 | \$ 5.99 | \$ 1.96 | \$ 3.63 | \$ 4.03 | \$ 2.69 | \$ 12.32 | \$ 2.67 |
| Discontinued operations, net | (0.22) | 0.10 | 0.41 | 0.12 | 0.14 | 0.21 | 0.11 | 0.58 | 0.19 (a) |
| Change in accounting principles, net | (0.25) | (0.18) | — | — | — | 0.01 | — | 0.01 | — |
| | <u>\$ 2.61</u> | <u>\$ 3.93</u> | <u>\$ 6.40</u> | <u>\$ 2.08</u> | <u>\$ 3.77</u> | <u>\$ 4.25</u> | <u>\$ 2.80</u> | <u>\$ 12.91</u> | <u>\$ 2.86</u> |
| Dividends per common share | <u>\$ 1.00</u> | <u>\$ 1.04</u> | <u>\$ 1.10</u> | <u>\$ 0.31</u> | <u>\$ 0.31</u> | <u>\$ 0.31</u> | <u>\$ 0.36</u> | <u>\$ 1.29</u> | <u>\$ 0.36</u> |

(a) Discontinued operations, net for the 1st quarter 2006 included \$13 million (\$0.03 per share basic) for Vintage held for sale properties and \$65 million (\$0.16 per share basic) for Ecuador.



Occidental Petroleum Corporation
Financial Core Data
RETROSPECTIVE APPLICATION
 Millions, except per share amounts

| | 2002 | 2003 | 2004 | 2005 | | | | | 2006 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 12 Mos | 12 Mos | 12 Mos | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | 12 Mos | Qtr 1 |
| Oil & Gas | \$ 2,160 | \$ 3,129 | \$ 4,021 | \$ 1,279 | \$ 1,281 | \$ 1,647 | \$ 1,805 | \$ 6,012 | \$ 1,910 |
| Chemicals | 177 | 223 | 414 | 214 | 225 | 167 | 171 | 777 | 248 |
| Segment earnings | 2,337 | 3,352 | 4,435 | 1,493 | 1,506 | 1,814 | 1,976 | 6,789 | 2,158 |
| Unallocated corporate items | | | | | | | | | |
| Interest | (321) | (272) | (229) | (51) | (46) | (40) | (22) | (159) | (29) |
| Other | (182) | (271) | (256) | (51) | (67) | (39) | (89) | (246) | (73) |
| Taxes | (831) | (1,210) | (1,651) | (578) | (594) | (731) | (749) | (2,652) | (905) |
| Core Income | \$ 1,003 | \$ 1,599 | \$ 2,299 | \$ 813 | \$ 799 | \$ 1,004 | \$ 1,116 | \$ 3,732 | \$ 1,151 |
| Significant items affecting earnings (see detail below) | (14) | (72) | 269 | 33 | 737 | 743 | 36 | 1,549 | 78 |
| Reported income | \$ 989 | \$ 1,527 | \$ 2,568 | \$ 846 | \$ 1,536 | \$ 1,747 | \$ 1,152 | \$ 5,281 | \$ 1,229 |
| Core earnings per share | | | | | | | | | |
| Basic | \$ 2.67 | \$ 4.17 | \$ 5.81 | \$ 2.03 | \$ 1.99 | \$ 2.48 | \$ 2.75 | \$ 9.25 | \$ 2.71 |
| Diluted | \$ 2.64 | \$ 4.11 | \$ 5.73 | \$ 2.00 | \$ 1.96 | \$ 2.44 | \$ 2.71 | \$ 9.12 | \$ 2.67 |
| Significant items affecting earnings | | | | | | | | | |
| Oil & Gas | | | | | | | | | |
| Hurricane related insurance charge | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (9) | \$ (9) | \$ (18) | \$ — |
| Contract settlement | — | — | — | — | (26) | — | — | (26) | — |
| Chemicals | | | | | | | | | |
| Write-off of plants | — | — | — | — | — | (159) | — | (159) | — |
| Hurricane related insurance charge | — | — | — | — | — | (5) | (6) | (11) | — |
| Corporate | | | | | | | | | |
| Debt repurchase expense | — | (61) | — | (10) | (1) | (30) | (1) | (42) | — |
| Trust preferred redemption charge | — | — | (11) | — | — | — | — | — | — |
| Gain on Lyondell stock issuance | — | — | 121 | — | — | — | — | — | — |
| Gain on sale of Lyondell shares | — | — | — | — | 140 | — | — | 140 | — |
| Gain on sale of Premcor / Valero shares | — | — | — | — | — | 726 | — | 726 | — |
| Pre-tax loss on sale of Equistar investment | (242) | — | — | — | — | — | — | — | — |
| Equity investment hurricane related insurance chg | — | — | — | — | — | (2) | — | (2) | — |
| Equity investment impairment | — | — | — | — | — | (15) | — | (15) | — |
| Hurricane related insurance charge | — | — | (15) | — | — | (10) | — | (10) | — |
| State tax issue | — | — | — | (10) | — | — | — | (10) | — |
| Settlement of federal tax issue | — | — | 47 | — | 619 | — | — | 619 | — |
| Tax reserve reversals - statute of limitations | — | — | — | — | — | 335 | — | 335 | — |
| Tax effect of pre-tax adjustments | 406 | 21 | (35) | 4 | (51) | (178) | 6 | (219) | — |
| Discontinued operations, net | (83) | 36 | 162 | 49 | 56 | 87 | 46 | 238 | 78 |
| Changes in accounting principles, net | (95) | (68) | — | — | — | 3 | — | 3 | — |
| | (14) | (72) | 269 | 33 | 763 | 916 | 51 | 1,763 | 78 |
| CONSOLIDATED | \$ (14) | \$ (72) | \$ 269 | \$ 33 | \$ 737 | \$ 743 | \$ 36 | \$ 1,549 | \$ 78 |



Occidental Petroleum Corporation
Operational Data
RETROSPECTIVE APPLICATION
Oil & Gas Net Production Per Day by Geographical Locations

| NET PRODUCTION PER DAY: | | 2002 12 Mos | 2003 12 Mos | 2004 12 Mos | 2005 | | | | 2006 12 Mos | 2006 Qtr 1 |
|--|----------------------------------|----------------|----------------|----------------|------------|------------|------------|------------|----------------|---------------|
| | | | | | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | | |
| United States | | | | | | | | | | |
| Crude Oil and Liquids (MBBL) | | | | | | | | | | |
| | California | 86 | 81 | 78 | 77 | 75 | 73 | 78 | 76 | 82 |
| | Permian | 142 | 150 | 154 | 148 | 156 | 165 | 170 | 161 | 166 |
| | Horn Mountain | 1 | 21 | 19 | 18 | 11 | 10 | 14 | 13 | 15 |
| | Hugoton / Other | 3 | 4 | 3 | 4 | 3 | 3 | 3 | 3 | 3 |
| | Total | 232 | 256 | 254 | 247 | 245 | 251 | 265 | 253 | 266 |
| Natural Gas (MMCF) | | | | | | | | | | |
| | California | 286 | 252 | 237 | 241 | 240 | 239 | 247 | 242 | 250 |
| | Hugoton / Other | 148 | 138 | 127 | 129 | 133 | 133 | 139 | 133 | 133 |
| | Permian | 130 | 129 | 130 | 146 | 166 | 186 | 180 | 170 | 189 |
| | Horn Mountain | — | 13 | 13 | 12 | 9 | 6 | 6 | 8 | 10 |
| | Total | 564 | 532 | 507 | 528 | 548 | 564 | 572 | 553 | 582 |
| Latin America | | | | | | | | | | |
| Crude Oil (MBBL) | | | | | | | | | | |
| | Argentina | — | — | — | — | — | — | — | — | 24 |
| | Colombia | 40 | 37 | 37 | 32 | 36 | 38 | 36 | 36 | 39 |
| | Total | 40 | 37 | 37 | 32 | 36 | 38 | 36 | 36 | 63 |
| Natural Gas (MMCF) | | | | | | | | | | |
| | Argentina | — | — | — | — | — | — | — | — | 13 |
| | Bolivia | — | — | — | — | — | — | — | — | 13 |
| | Total | — | — | — | — | — | — | — | — | 26 |
| Middle East and North Africa | | | | | | | | | | |
| Crude Oil (MBBL) | | | | | | | | | | |
| | Oman | 13 | 12 | 13 | 23 | 19 | 12 | 13 | 17 | 17 |
| | Qatar | 42 | 45 | 45 | 43 | 43 | 42 | 42 | 42 | 44 |
| | Yemen | 37 | 35 | 32 | 35 | 28 | 23 | 24 | 28 | 32 |
| | Libya | — | — | — | — | — | 9 | 24 | 8 | 22 |
| | Total | 92 | 92 | 90 | 101 | 90 | 86 | 103 | 95 | 115 |
| Natural Gas (MMCF) | | | | | | | | | | |
| | Oman | — | — | 55 | 56 | 61 | 35 | 25 | 44 | 25 |
| Other Eastern Hemisphere | | | | | | | | | | |
| Crude Oil (MBBL) | | | | | | | | | | |
| | Pakistan | 10 | 9 | 7 | 5 | 6 | 5 | 5 | 5 | 4 |
| Natural Gas (MMCF) | | | | | | | | | | |
| | Pakistan | 63 | 74 | 75 | 78 | 72 | 81 | 77 | 77 | 75 |
| Consolidated subsidiaries (MBOE) | | | | | | | | | | |
| | | 479 | 495 | 494 | 495 | 491 | 493 | 521 | 501 | 566 |
| | Colombia - minority interest | (5) | (5) | (4) | (4) | (5) | (5) | (4) | (4) | (5) |
| | Russia - Occidental net interest | 27 | 30 | 29 | 30 | 28 | 27 | 28 | 28 | 29 |
| | Yemen - Occidental net interest | 1 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 2 |
| Total worldwide production (MBOE) | | 502 | 522 | 520 | 523 | 516 | 516 | 546 | 526 | 592 |



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.