
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 27, 2010

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 July 27, 2010, Occidental Petroleum Corporation released information regarding its results of operations for the three and six months ended June 30, 2010. 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 speech given by 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. Forward-Looking Statements Disclosure for Earnings Release Presentation Materials is attached to this report as Exhibit 99.5.

Section 8 – Other Events

Item 8.01. Other Events

On July 27, 2010, Occidental Petroleum Corporation announced net income of \$1.1 billion (\$1.31 per diluted share) for the second quarter of 2010, compared with \$682 million (\$0.84 per diluted share) for the second quarter of 2009.

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$1.9 billion for the second quarter of 2010, compared with \$1.1 billion for the same period in 2009. The increase in the second quarter of 2010 results was due to higher crude oil and natural gas prices and higher volumes.

For the second quarter of 2010, daily oil and gas sales volumes averaged 747,000 barrels of oil equivalent (BOE), compared with 719,000 BOE in the second quarter of 2009. Volumes increased in the Middle East/North Africa and California and were partially offset by decreases in Colombia. The Middle East/North Africa increase included new production from the Bahrain start-up and increased production from the Mukhaizna field in Oman. Underlying daily production volumes were 743,000 BOE in the second quarter of 2010 compared to 717,000 BOE in the second quarter of 2009, an increase of over three and one-half percent. Production was negatively impacted in the Middle East/North Africa, Long Beach and Colombia due to higher oil prices affecting our production sharing and similar contracts by a total of 29,000 BOE per day.

Oxy's realized price for worldwide crude oil was \$72.13 per barrel for the second quarter of 2010, compared with \$52.97 per barrel for the second quarter of 2009. Domestic realized gas prices rose from \$2.87 per MCF in the second quarter of 2009 to \$4.19 per MCF for the second quarter of 2010.

Chemicals

Chemical segment earnings for the second quarter 2010 were \$108 million, compared with \$115 million for the same period in 2009. The second quarter of 2010 results continue to reflect the significant caustic soda price erosion and higher raw material prices experienced in the second half of 2009 offset by improved volumes across most product lines.

Midstream, Marketing and Other

Midstream segment earnings were \$13 million for the second quarter of 2010, compared with \$63 million for the second quarter of 2009. Earnings for the second quarter of 2010 reflect lower margins in the marketing and trading businesses, partially offset by higher margins in the gas processing business and pipelines businesses.

SIX-MONTH RESULTS

Net income for the first six months of 2010 was \$2.1 billion (\$2.61 per diluted share), compared with \$1.1 billion (\$1.29 per diluted share) for the same period in 2009. Year-to-date 2010 core results were \$2.1 billion (\$2.63 per diluted share), compared with \$1.1 billion (\$1.34 per diluted share).

Oil and Gas

Oil and gas segment earnings were \$3.7 billion for the six months of 2010, compared with \$1.6 billion for the same period of 2009. The \$2.1 billion increase in the 2010 results reflected higher crude oil and natural gas prices and higher volumes.

Daily oil and gas sales volumes for the six months were 737,000 BOE per day for 2010, compared with 716,000 BOE per day for the 2009 period. Volumes increased in the Middle East/North Africa, resulting from the new production in Bahrain and higher production in the Mukhaizna field in Oman, and domestically in California. Volumes declined in Latin America, mainly in Colombia. Underlying daily production volumes were 743,000 BOE in the first six months of 2010, compared with 713,000 BOE for 2009, an increase of over four percent. Production was negatively impacted in the Middle East/North Africa, Long Beach and Colombia resulting from higher year-over-year average oil prices affecting our production sharing and similar contracts by 28,000 BOE per day.

Oxy's realized price for worldwide crude oil was \$72.01 per barrel for the six months of 2010, compared with \$46.05 per barrel for the six months of 2009. Domestic realized gas prices increased from \$3.20 per MCF in the six months of 2009 to \$4.90 per MCF in the six months of 2010.

Chemicals

Chemical segment earnings were \$138 million for the six months of 2010, compared with \$284 million for the same period in 2009. The 2010 six-month results reflect the significant margin erosion in caustic soda, which began in 2009 due to the economic downturn, particularly in the housing and construction sectors, combined with higher raw material costs primarily for ethylene. Volumes and prices across most product lines are gradually recovering, resulting in the improvement in earnings from first quarter \$30 million to second quarter of \$108 million.

Midstream, Marketing and Other

Midstream segment earnings were \$107 million for the six months of 2010, compared with \$77 million for the same period in 2009. The 2010 results reflect higher margins in the gas processing business and increased earnings in the pipeline and power generation businesses, partially offset by lower marketing and trading income.

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 actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions; changes in tax rates; exploration risks, such as drilling of unsuccessful wells; and commodity trading risks. 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 disclosures 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	
	2010	2009	2010	2009
SEGMENT NET SALES				
Oil and Gas	\$ 3,676	\$ 2,726	\$ 7,322	\$ 4,863
Chemical	1,013	811	1,969	1,603
Midstream, Marketing and Other	236	250	605	478
Eliminations	(164)	(100)	(364)	(184)
Net Sales	\$ 4,761	\$ 3,687	\$ 9,532	\$ 6,760
SEGMENT EARNINGS				
Oil and Gas (a)	\$ 1,853	\$ 1,083	\$ 3,672	\$ 1,628
Chemical	108	115	138	284
Midstream, Marketing and Other	13	63	107	77
	1,974	1,261	3,917	1,989
Unallocated Corporate Items				
Interest expense, net	(22)	(23)	(58)	(43)
Income taxes	(800)	(455)	(1,529)	(696)
Other (b)	(83)	(99)	(190)	(195)
Income from Continuing Operations (a)	1,069	684	2,140	1,055
Discontinued operations, net	(6)	(2)	(13)	(5)
NET INCOME (a)	\$ 1,063	\$ 682	\$ 2,127	\$ 1,050
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.31	\$ 0.84	\$ 2.63	\$ 1.30
Discontinued operations, net	-	-	(0.02)	(0.01)
	\$ 1.31	\$ 0.84	\$ 2.61	\$ 1.29
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.31	\$ 0.84	\$ 2.63	\$ 1.30
Discontinued operations, net	-	-	(0.02)	(0.01)
	\$ 1.31	\$ 0.84	\$ 2.61	\$ 1.29
AVERAGE BASIC COMMON SHARES OUTSTANDING				
BASIC	812.6	811.0	812.3	810.8
DILUTED	813.8	814.0	813.7	813.7

(a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$12 million for the second quarter of 2010 and 2009 and \$36 million and \$21 million for the first six months of 2010 and 2009, respectively. Oil and gas segment earnings are presented net of these non-controlling interest amounts.

(b) **Unallocated Corporate Items - Other** - The second quarter of 2009 includes a pre-tax charge of \$8 million related to severance. The first six months of 2009 includes additional pre-tax charges of \$32 million for severance and \$15 million for railcar leases.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Second Quarter		Six Months	
	2010	2009	2010	2009
CAPITAL EXPENDITURES	\$ 868	\$ 831	\$ 1,716	\$ 1,902
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 876	\$ 742	\$ 1,750	\$ 1,528

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income / (Expense) (\$ millions)	Second Quarter		Six Months	
	2010	2009	2010	2009
Foreign exchange gains and (losses) *	\$ 4	\$ (6)	\$ (1)	\$ 31

* Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS - SALES

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET OIL, GAS AND LIQUIDS SALES PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	92	90	93	93
Permian	159	163	159	165
Midcontinent Gas	18	14	17	13
Total	269	267	269	271
Natural Gas (MMCF)				
California	293	232	294	224
Permian	129	124	127	124
Midcontinent Gas	259	265	257	273
Total	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	37	37	41
Colombia	27	42	30	41
Total	64	79	67	82
Natural Gas (MMCF)				
Argentina	32	30	32	32
Bolivia	15	19	13	17
Total	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	23	26
Libya	25	14	14	10
Oman	58	49	57	48
Qatar	78	82	76	79
Yemen	32	32	33	37
Total	219	206	206	200
Natural Gas (MMCF)				
Bahrain	161	-	163	-
Dolphin	235	282	232	257
Oman	48	50	50	52
Total	444	332	445	309
Barrels of Oil Equivalent (MBOE)				
Total Sales - MBOE	747	719	737	716

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil and Liquids (MBBL)	269	267	269	271
Natural Gas (MMCF)	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	38	37	38
Colombia	32	41	33	41
Total	69	79	70	79
Natural Gas (MMCF)				
	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	24	26
Libya	15	13	15	11
Oman	60	49	58	47
Qatar	78	78	76	79
Yemen	31	35	33	37
Total	210	204	209	200
Natural Gas (MMCF)				
	444	332	445	309
Barrels of Oil Equivalent (MBOE)				
Total Worldwide Production - MBOE	743	717	743	713

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 results," 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 results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

(\$ millions, except per-share amounts)			Second Quarter	
	2010	Diluted EPS	2009	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,063	\$ 1.31	\$ 682	\$ 0.84
Oil and Gas				
Segment Earnings	\$ 1,853		\$ 1,083	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>1,853</u>		<u>1,083</u>	
Chemicals				
Segment Earnings	108		115	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>108</u>		<u>115</u>	
Midstream, Marketing and Other				
Segment Earnings	13		63	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>13</u>		<u>63</u>	
Total Segment Core Results	<u>1,974</u>		<u>1,261</u>	
Corporate				
Corporate Results --				
Non Segment *	(911)		(579)	
Add:				
Severance accrual	-		8	
Tax effect of pre-tax adjustments	-		(3)	
Discontinued operations, net **	<u>6</u>		<u>2</u>	
Corporate Core Results - Non Segment	<u>(905)</u>		<u>(572)</u>	
TOTAL CORE RESULTS	\$ 1,069	\$ 1.31	\$ 689	\$ 0.85

* Interest expense, income taxes, G&A expense and other.

** Amounts shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)			Six Months	
	2010	Diluted EPS	2009	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 2,127	\$ 2.61	\$ 1,050	\$ 1.29
Oil and Gas				
Segment Earnings	\$ 3,672		\$ 1,628	
Add:				
Rig Terminations	-		8	
Segment Core Results	<u>3,672</u>		<u>1,636</u>	
Chemicals				
Segment Earnings	138		284	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>138</u>		<u>284</u>	
Midstream, Marketing and Other				
Segment Earnings	107		77	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>107</u>		<u>77</u>	
Total Segment Core Results	<u>3,917</u>		<u>1,997</u>	
Corporate				
Corporate Results --				
Non Segment *	(1,790)		(939)	
Add:				
Severance accruals	-		40	
Railcar leases	-		15	
Tax effect of pre-tax adjustments	-		(22)	
Discontinued operations, net **	<u>13</u>		<u>5</u>	
Corporate Core Results - Non Segment	<u>(1,777)</u>		<u>(901)</u>	
TOTAL CORE RESULTS	\$ 2,140	\$ 2.63	\$ 1,096	\$ 1.34

* Interest expense, income taxes, G&A expense and other.

** Amounts shown after tax.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press release dated July 27, 2010.

99.2 Full text of speech given by Stephen I. Chazen.

99.3 Investor Relations Supplemental Schedules.

99.4 Earnings Conference Call Slides.

99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.

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 27, 2010

/s/ ROY PINECI

Roy Pineci, Vice President, Controller
and Principal Accounting Officer

EXHIBIT INDEX

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Oxy News Release



Occidental Petroleum Corporation

10889 Wilshire Boulevard
Los Angeles, California 90024-4201
310.208.8800
www.oxy.com

For Immediate Release: July 27, 2010

Occidental Petroleum Announces Second Quarter and First Six Months of 2010 Results

- ÿ Q2 2010 net income \$1.1 billion (\$1.31 per diluted share)
- ÿ Q2 2010 daily oil and gas sales average of 747,000 BOE
- ÿ Quarterly year-over-year production volume growth of over 3 ½ percent

LOS ANGELES, July 27, 2010 -- [Occidental Petroleum Corporation](#) (NYSE:OXY) announced net income of \$1.1 billion (\$1.31 per diluted share) for the second quarter of 2010, compared with \$682 million (\$0.84 per diluted share) for the second quarter of 2009.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "The second quarter 2010 net income of \$1.1 billion was a 56-percent increase over the same period of 2009. The second quarter 2010 production was 743,000 BOE per day, a 3.6-percent increase from the second quarter of 2009 despite losing 29,000 BOE per day from the effect of production sharing and similar contracts. We continue to generate significant cash flow with the first six months of 2010 results generating cash flow from operating activities of \$4.3 billion. Free cash flow after capital spending and dividends was over \$2 billion."

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$1.9 billion for the second quarter of 2010, compared with \$1.1 billion for the same period in 2009. The increase in the second quarter of 2010 results was due to higher crude oil and natural gas prices and higher volumes.

For the second quarter of 2010, daily oil and gas sales volumes averaged 747,000 barrels of oil equivalent (BOE), compared with 719,000 BOE in the second quarter of 2009. Volumes increased in the Middle East/North Africa and California and were partially offset by decreases in Colombia. The Middle East/North Africa increase included new production from the Bahrain start-up and increased production from the Mukhaizna field in Oman. Underlying daily production volumes were 743,000 BOE in the second quarter of 2010 compared to 717,000 BOE in the second quarter of 2009, an increase of over three and one-half percent. Production was negatively impacted in

the Middle East/North Africa, Long Beach and Colombia due to higher oil prices affecting our production sharing and similar contracts by a total of 29,000 BOE per day.

Oxy's realized price for worldwide crude oil was \$72.13 per barrel for the second quarter of 2010, compared with \$52.97 per barrel for the second quarter of 2009. Domestic realized gas prices rose from \$2.87 per MCF in the second quarter of 2009 to \$4.19 per MCF for the second quarter of 2010.

Chemicals

Chemical segment earnings for the second quarter 2010 were \$108 million, compared with \$115 million for the same period in 2009. The second quarter of 2010 results continue to reflect the significant caustic soda price erosion and higher raw material prices experienced in the second half of 2009 offset by improved volumes across most product lines.

Midstream, Marketing and Other

Midstream segment earnings were \$13 million for the second quarter of 2010, compared with \$63 million for the second quarter of 2009. Earnings for the second quarter of 2010 reflect lower margins in the marketing and trading businesses, partially offset by higher margins in the gas processing business and pipelines businesses.

SIX-MONTH RESULTS

Net income for the first six months of 2010 was \$2.1 billion (\$2.61 per diluted share), compared with \$1.1 billion (\$1.29 per diluted share) for the same period in 2009. Year-to-date 2010 core results were \$2.1 billion (\$2.63 per diluted share), compared with \$1.1 billion (\$1.34 per diluted share).

Oil and Gas

Oil and gas segment earnings were \$3.7 billion for the six months of 2010, compared with \$1.6 billion for the same period of 2009. The \$2.1 billion increase in the 2010 results reflected higher crude oil and natural gas prices and higher volumes.

Daily oil and gas sales volumes for the six months were 737,000 BOE per day for 2010, compared with 716,000 BOE per day for the 2009 period. Volumes increased in the Middle East/North Africa, resulting from the new production in Bahrain and higher production in the Mukhaizna field in Oman, and domestically in California. Volumes declined in Latin America, mainly in Colombia. Underlying daily production volumes were 743,000 BOE in the first six months of 2010, compared with 713,000 BOE for 2009, an increase of over four percent. Production was negatively impacted in the Middle East/North Africa, Long Beach and Colombia resulting from higher year-over-year average oil prices affecting our production sharing and similar contracts by 28,000 BOE per day.

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Midstream segment earnings were \$107 million for the six months of 2010, compared with \$77 million for the same period in 2009. The 2010 results reflect higher margins in the gas processing business and increased earnings in the pipeline and power generation businesses, partially offset by lower marketing and trading income.

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

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310-443-6249

Chris Stavros (investors)
chris_stavros@oxy.com
212-603-8184

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	
	2010	2009	2010	2009
SEGMENT NET SALES				
Oil and Gas	\$ 3,676	\$ 2,726	\$ 7,322	\$ 4,863
Chemical	1,013	811	1,969	1,603
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Discontinued operations, net	(6)	(2)	(13)	(5)
NET INCOME (a)	\$ 1,063	\$ 682	\$ 2,127	\$ 1,050
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.31	\$ 0.84	\$ 2.63	\$ 1.30
Discontinued operations, net	-	-	(0.02)	(0.01)
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DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 1.31	\$ 0.84	\$ 2.63	\$ 1.30
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AVERAGE BASIC COMMON SHARES OUTSTANDING				
BASIC	812.6	811.0	812.3	810.8
DILUTED	813.8	814.0	813.7	813.7

(a) **Net Income** - Net income and income from continuing operations represent amounts attributable to Common Stock, after deducting non-controlling interest of \$12 million for the second quarter of 2010 and 2009 and \$36 million and \$21 million for the first six months of 2010 and 2009, respectively. Oil and gas segment earnings are presented net of these non-controlling interest amounts.

(b) **Unallocated Corporate Items - Other** - The second quarter of 2009 includes a pre-tax charge of \$8 million related to severance. The first six months of 2009 includes additional pre-tax charges of \$32 million for severance and \$15 million for railcar leases.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Second Quarter		Six Months	
	2010	2009	2010	2009
CAPITAL EXPENDITURES	\$ 868	\$ 831	\$ 1,716	\$ 1,902
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 876	\$ 742	\$ 1,750	\$ 1,528

ITEMS AFFECTING COMPARABILITY OF CORE EARNINGS BETWEEN PERIODS

Income / (Expense) (\$ millions)	Second Quarter		Six Months	
	2010	2009	2010	2009
Foreign exchange gains and (losses) *	\$ 4	\$ (6)	\$ (1)	\$ 31

* Amounts shown after tax.

SUMMARY OF OPERATING STATISTICS - SALES

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET OIL, GAS AND LIQUIDS SALES PER DAY				
United States				
Crude Oil and Liquids (MBBL)				
California	92	90	93	93
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Midcontinent Gas	18	14	17	13
Total	269	267	269	271
Natural Gas (MMCF)				
California	293	232	294	224
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Total	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	37	37	41
Colombia	27	42	30	41
Total	64	79	67	82
Natural Gas (MMCF)				
Argentina	32	30	32	32
Bolivia	15	19	13	17
Total	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	23	26
Libya	25	14	14	10
Oman	58	49	57	48
Qatar	78	82	76	79
Yemen	32	32	33	37
Total	219	206	206	200
Natural Gas (MMCF)				
Bahrain	161	-	163	-
Dolphin	235	282	232	257
Oman	48	50	50	52
Total	444	332	445	309
Barrels of Oil Equivalent (MBOE)				
Total Sales - MBOE	747	719	737	716

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET OIL, GAS AND LIQUIDS PRODUCTION				
PER DAY				
United States				
Crude Oil and Liquids (MBBL)	269	267	269	271
Natural Gas (MMCF)	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	38	37	38
Colombia	32	41	33	41
Total	69	79	70	79
Natural Gas (MMCF)				
	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	24	26
Libya	15	13	15	11
Oman	60	49	58	47
Qatar	78	78	76	79
Yemen	31	35	33	37
Total	210	204	209	200
Natural Gas (MMCF)				
	444	332	445	309
Barrels of Oil Equivalent (MBOE)				
Total Worldwide Production - MBOE	743	717	743	713

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 results," 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 results is not considered to be an alternative to operating income in accordance with generally accepted accounting principles.

(\$ millions, except per-share amounts)			Second Quarter	
	2010	Diluted EPS	2009	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,063	\$ 1.31	\$ 682	\$ 0.84
Oil and Gas				
Segment Earnings	\$ 1,853		\$ 1,083	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>1,853</u>		<u>1,083</u>	
Chemicals				
Segment Earnings	108		115	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>108</u>		<u>115</u>	
Midstream, Marketing and Other				
Segment Earnings	13		63	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>13</u>		<u>63</u>	
Total Segment Core Results	<u>1,974</u>		<u>1,261</u>	
Corporate				
Corporate Results --				
Non Segment *	(911)		(579)	
Add:				
Severance accrual	-		8	
Tax effect of pre-tax adjustments	-		(3)	
Discontinued operations, net **	<u>6</u>		<u>2</u>	
Corporate Core Results - Non Segment	<u>(905)</u>		<u>(572)</u>	
TOTAL CORE RESULTS	\$ 1,069	\$ 1.31	\$ 689	\$ 0.85

* Interest expense, income taxes, G&A expense and other.

** Amounts shown after tax.

SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING EARNINGS (continued)

(\$ millions, except per-share amounts)			Six Months	
	2010	Diluted EPS	2009	Diluted EPS
TOTAL REPORTED EARNINGS	\$ 2,127	\$ 2.61	\$ 1,050	\$ 1.29
Oil and Gas				
Segment Earnings	\$ 3,672		\$ 1,628	
Add:				
Rig Terminations	-		8	
Segment Core Results	<u>3,672</u>		<u>1,636</u>	
Chemicals				
Segment Earnings	138		284	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>138</u>		<u>284</u>	
Midstream, Marketing and Other				
Segment Earnings	107		77	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>107</u>		<u>77</u>	
Total Segment Core Results	<u>3,917</u>		<u>1,997</u>	
Corporate				
Corporate Results --				
Non Segment *	(1,790)		(939)	
Add:				
Severance accruals	-		40	
Railcar leases	-		15	
Tax effect of pre-tax adjustments	-		(22)	
Discontinued operations, net **	<u>13</u>		<u>5</u>	
Corporate Core Results - Non Segment	<u>(1,777)</u>		<u>(901)</u>	
TOTAL CORE RESULTS	\$ 2,140	\$ 2.63	\$ 1,096	\$ 1.34

* Interest expense, income taxes, G&A expense and other.

** Amounts shown after tax.

Occidental Petroleum Corporation**STEPHEN CHAZEN**
President and Chief Financial Officer**– Conference Call –**
Second Quarter 2010 Earnings Announcement**July 27, 2010**
Los Angeles, California

Thank you Chris.

Net income was \$1.1 billion or \$1.31 per diluted share in the second quarter of 2010, compared to \$682 million or \$0.84 per diluted share in the second quarter of 2009.

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

Oil and gas second quarter 2010 segment earnings were \$1.9 billion, compared to \$1.1 billion for the second quarter of 2009. The improvement in 2010 was driven mostly by higher commodity prices with additional contributions from higher volumes. Realized crude oil prices increased 36 percent in 2010 and domestic natural gas prices improved 46 percent from the second quarter of 2009. Partially offsetting these gains were higher DD&A rates and higher operating expenses, partly resulting from fully expensing CO₂ costs in 2010.

• Worldwide oil and gas production for the second quarter of 2010 was 743,000 barrels of oil equivalent per day, an increase of over 3

½ percent, compared with 717,000 BOE per day in the second quarter of last year.

- Second quarter 2010 production was lower than our guidance due primarily to shortfalls in California and adjustments resulting from the mechanics of production sharing contracts in the Middle East. Our production in California continues to be affected by the gas plants' and related infrastructures' inability to process all gas that could be produced.
- Year-over-year production was negatively impacted by 29,000 BOE per day in the Middle East/North Africa, Long Beach and Colombia, as a result of higher oil prices affecting our production sharing and similar contracts.
- Second quarter 2010 production includes volumes in Bahrain of 3,000 barrels of oil and 161 million cubic feet of gas and 16,000 BOE higher volumes in the Mukhaizna field of Oman. Our domestic operations added 11,000 BOE. Volume gains in the Kern County discovery area were moderated by production declines in Elk Hills, which were caused by gas gathering and processing issues.

ÿ Exploration expense was \$73 million in the quarter.

ÿ Oil and gas cash production costs, excluding production and property taxes, were \$9.90 a barrel for the first six months of 2010. The second quarter 2010 per barrel production costs were slightly lower than this figure. Last year's twelve-month costs were \$9.37 a barrel. The increase reflects \$0.30 a barrel higher CO₂ costs, due

to our decision to expense 100% of injected CO₂ beginning in 2010, and higher field support operations and maintenance costs.

• Taxes – other than on income were \$1.80 per barrel for the first six months of 2010 compared to \$1.60 per barrel for all of 2009. These costs, which are sensitive to product prices, reflect the effect of higher crude oil and gas prices in 2010.

Chemical segment earnings for the second quarter of 2010 were \$108 million. The second quarter results reflect improvement from the first quarter 2010 in margins and volumes across most product lines.

Midstream segment earnings for the second quarter of 2010 were \$13 million, compared to \$63 million in the second quarter of 2009. The decrease in earnings was mainly due to a pre-tax \$104 million (\$0.07 after-tax per diluted share) loss at Phibro, the bulk of which resulted from marking its quarter-end open positions to market. This was partially offset by higher margins in the marketing, gas processing and pipeline businesses.

The worldwide effective tax rate was 43 percent for the second quarter of 2010.

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

Net income was \$2.1 billion or \$2.61 per diluted share for the first six months of 2010, compared with \$1.1 billion or \$1.29 per diluted share for the first six months of 2009.

Capital spending for the second quarter of 2010 was about \$865 million and \$1.7 billion for the first six months. Year-to-date capital expenditures by segment were 81 percent in Oil and Gas, 13 percent in Midstream with the remainder in Chemicals. Our total year capital is expected to be about \$4.5 billion. The capital spending rate will increase in

the second half of the year largely resulting from Iraq, Bahrain and California.

Cash flow from operations for the six months of 2010 was \$4.3 billion. We used \$1.7 billion of the company's cash flow to fund capital expenditures, \$460 million on acquisitions and \$300 million on foreign contracts. These investing cash flow uses amounted to \$2.5 billion. We also used \$540 million to pay dividends and \$300 million to retire debt. These and other net cash flows increased our \$1.2 billion cash balance at the end of last year by \$1.1 billion to \$2.3 billion at June 30. The first six months' free cash flow after capital spending and dividends but before acquisition activity and debt retirements was about \$2.1 billion.

The weighted-average basic shares outstanding for the six months of 2010 were 812.3 million and the weighted-average diluted shares outstanding were 813.7 million.

Our debt to capitalization ratio was 8 percent at the end of the second quarter.

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

• We expect oil and gas production and sales volumes to be in the range of 750,000 to 760,000 BOE/day at about current oil prices.

• Volume increases in the third quarter are expected to come from California, Oman's Mukhaizna field and Dolphin.

With regard to **prices** -

• At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$37 million. The average second quarter WTI oil price was \$78.03 per barrel.

• A swing of 50-cents per million BTUs in domestic gas prices has a \$30 million impact on quarterly earnings before income taxes. The current NYMEX gas price is around \$4.80 per MCF.

Additionally -

- We expect exploration expense to be about \$90 million for seismic and drilling for our exploration programs.
- For the chemical segment, modest volume and margin improvement is expected over the second quarter levels for chlor-alkali and vinyl products. The chemical segment is expected to provide earnings for the third quarter of about \$125 million. While the domestic market continues to be lackluster, export volumes are up about 13 percent compared to 2009. Chlorine exports are averaging about 42 percent of total production.
- We successfully renegotiated and extended our hydrocarbon concessions in the Santa Cruz province of Argentina, increasing our oil and gas proved reserves from 129 million barrels to 202 million barrels. The current quarter DD&A expense reflects the resulting decrease in the DD&A rate.
- We have recently negotiated a number of asset acquisitions in the Oil and Gas business that in aggregate would be about \$1.5 billion. These expected acquisitions are mainly from private individuals largely in the gassier parts of the Permian basin where there have been several much more expensive deals announced. When the acquisitions are concluded they will add to production mostly in the Midcontinent Gas business unit, which includes these parts of

the Permian basin. Virtually all of the improvement in the production rate will be in subsequent years.

- We expect our combined worldwide tax rate in the third quarter of 2010 to be about 42 percent. Our second quarter U.S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”
- **California Update** – During the first half of the year, we drilled 6 conventional exploration and extension wells in California. Of these, 5 were outside of the Kern County Discovery area. Two of these new wells are currently being tested. In the second half of the year, we are planning to drill 2 conventional exploration wells in the Kern County Discovery area and one exploration well outside this area. We also drilled 7 unconventional exploration wells in the first half of the year, of which 2 were successful and 2 are being tested. We plan to drill 15 additional unconventional exploration wells in the second half. In addition, we have drilled 10 conventional exploitation wells in the Kern County Discovery area in the first half of the year and plan to drill 23 more in the second half. We have also drilled 10 unconventional exploitation wells in California in the first half, with 25 more expected to be drilled in the second half of the year.
- The skid mounted gas processing plant came online at the end of the second quarter. The existing main processing plant and related infrastructure continue to have operating issues, which are constraining Elk Hills production. We are in the process of upgrading the infrastructure to alleviate these issues until the new gas plant comes on line. We believe these upgrades will be in

place by the end of the third quarter. Construction of the new gas plant has started and is expected to come online in early 2012.

Y Copies of the press release announcing our second quarter earnings and the Investor Relations Supplemental Schedules are available on our website at www.oxy.com or through the SEC's EDGAR system.

Now we're ready to take your questions.

Occidental Petroleum Corporation
Free Cash Flow
Reconciliation to Generally Accepted Accounting Principles (GAAP)
(\$ Millions)

Six Months
2010

Consolidated Statement of Cash Flows
Cash flow from operating activities
Cash flow from investing activities
Cash flow from financing activities
Change in cash

4,277

(2,349)

(836)

1,092

Free Cash Flow

Cash flow from operating activities
Capital spending
Cash dividends paid
Equity method investment dividends
Free cash flow

4,277

(1,716)

(538)

59

2,082



Investor Relations Supplemental Schedules
Summary
 (\$ Millions)

	<u>2Q 2010</u>	<u>2Q 2009</u>
Reported Net Income	\$1,063	\$682
EPS - Diluted	\$1.31	\$0.84
Core Results	\$1,069	\$689
EPS - Diluted	\$1.31	\$0.85
Total Worldwide Sales Volumes (mboe/day)	747	719
Total Worldwide Crude Oil Realizations (\$/BBL)	\$72.13	\$52.97
Domestic Natural Gas Realizations (\$/MCF)	\$4.19	\$2.87
Wtd. Average Basic Shares O/S (mm)	812.6	811.0
Wtd. Average Diluted Shares O/S (mm)	813.8	814.0
	<u>YTD 2010</u>	<u>YTD 2009</u>
Reported Net Income	\$2,127	\$1,050
EPS - Diluted	\$2.61	\$1.29
Core Results	\$2,140	\$1,096
EPS - Diluted	\$2.63	\$1.34
Total Worldwide Sales Volumes (mboe/day)	737	716
Total Worldwide Crude Oil Realizations (\$/BBL)	\$72.01	\$46.05
Domestic Natural Gas Realizations (\$/MCF)	\$4.90	\$3.20
Wtd. Average Basic Shares O/S (mm)	812.3	810.8
Wtd. Average Diluted Shares O/S (mm)	813.7	813.7
Shares Outstanding (mm)	812.2	810.8
Cash Flow from Operations	\$ 4,300	\$ 2,200



OCCIDENTAL PETROLEUM
2010 Second Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	<u>Significant Items Affecting Income</u>	Core Results
Oil & Gas	\$ 1,853		\$ 1,853
Chemical	108		108
Midstream, marketing and other	13		13
Corporate			
Interest expense, net	(22)		(22)
Other	(83)		(83)
Taxes	(800)		(800)
Income from continuing operations	1,069	-	1,069
Discontinued operations, net of tax	(6)	6	-
Net Income	\$ 1,063	\$ 6	\$ 1,069
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.31		
Discontinued operations, net	-		
Net Income	\$ 1.31		\$ 1.31
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 1.31		
Discontinued operations, net	-		
Net Income	\$ 1.31		\$ 1.31



OCCIDENTAL PETROLEUM
2009 Second Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,083		\$ 1,083
Chemical	115		115
Midstream, marketing and other	63		63
Corporate			
Interest expense, net	(23)		(23)
Other	(99)	8 Severance	(91)
Taxes	(455)	(3) Tax effect of adjustments	(458)
Income from continuing operations	684	5	689
Discontinued operations, net of tax	(2)	2 Discontinued operations, net	-
Net Income	\$ 682	\$ 7	\$ 689
Basic Earnings Per Common Share			
Income from continuing operations	\$ 0.84		
Discontinued operations, net	-		
Net Income	\$ 0.84		\$ 0.85
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 0.84		
Discontinued operations, net	-		
Net Income	\$ 0.84		\$ 0.85



OCCIDENTAL PETROLEUM
2010 First Six Months
Net Income (Loss)
(\$ millions)

	Reported Income	<u>Significant Items Affecting Income</u>	Core Results
Oil & Gas	\$ 3,672		\$ 3,672
Chemical	138		138
Midstream, marketing and other	107		107
Corporate			
Interest expense, net	(58)		(58)
Other	(190)		(190)
Taxes	(1,529)		(1,529)
Income from continuing operations	2,140	-	2,140
Discontinued operations, net of tax	(13)	13	-
Net Income	\$ 2,127	\$ 13	\$ 2,140
Basic Earnings Per Common Share			
Income from continuing operations	\$ 2.63		
Discontinued operations, net	(0.02)		
Net Income	\$ 2.61		\$ 2.63
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 2.63		
Discontinued operations, net	(0.02)		
Net Income	\$ 2.61		\$ 2.63



OCCIDENTAL PETROLEUM
2009 First Six Months
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,628	\$ 8 Rig contract terminations	\$ 1,636
Chemical	284		284
Midstream, marketing and other	77		77
Corporate			
Interest expense, net	(43)		(43)
Other	(195)	40 Severance 15 Railcar leases	(140)
Taxes	(696)	(22) Tax effect of adjustments	(718)
Income from continuing operations	1,055	41	1,096
Discontinued operations, net of tax	(5)	5 Discontinued operations, net	-
Net Income	\$ 1,050	\$ 46	\$ 1,096
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.30		
Discontinued operations, net	(0.01)		
Net Income	<u>\$ 1.29</u>		<u>\$ 1.35</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 1.30		
Discontinued operations, net	(0.01)		
Net Income	<u>\$ 1.29</u>		<u>\$ 1.34</u>



OCCIDENTAL PETROLEUM
Items Affecting Comparability of Core Results Between Periods

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

Pre-tax Income / (Expense)	Second Quarter		Six Months	
	2010	2009	2010	2009
Foreign Exchange Gains & (Losses) *	4	(6)	(1)	31

*Amounts shown after-tax



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

	QUARTERLY			YEAR-TO-DATE	
	2010 QTR 2	2010 QTR 1	2009 QTR 2	2010 6 Months	2009 6 Months
REPORTED INCOME					
Oil & Gas	1,853	1,819	1,083	3,672	1,628
Chemicals	108	30	115	138	284
Midstream, marketing and other	13	94	63	107	77
Corporate & other	(105)	(143)	(122)	(248)	(238)
Pre-tax income	1,869	1,800	1,139	3,669	1,751
Income tax expense					
Federal and state	329	307	148	636	160
Foreign	471	422	307	893	536
Total	800	729	455	1,529	696
Income from continuing operations	1,069	1,071	684	2,140	1,055
Worldwide effective tax rate	43%	41%	40%	42%	40%
	2010 QTR 2	2010 QTR 1	2009 QTR 2	2010 6 Months	2009 6 Months
CORE RESULTS					
Oil & Gas	1,853	1,819	1,083	3,672	1,636
Chemicals	108	30	115	138	284
Midstream, marketing and other	13	94	63	107	77
Corporate & other	(105)	(143)	(114)	(248)	(183)
Pre-tax income	1,869	1,800	1,147	3,669	1,814
Income tax expense					
Federal and state	329	307	151	636	182
Foreign	471	422	307	893	536
Total	800	729	458	1,529	718
Core results	1,069	1,071	689	2,140	1,096
Worldwide effective tax rate	43%	41%	40%	42%	40%

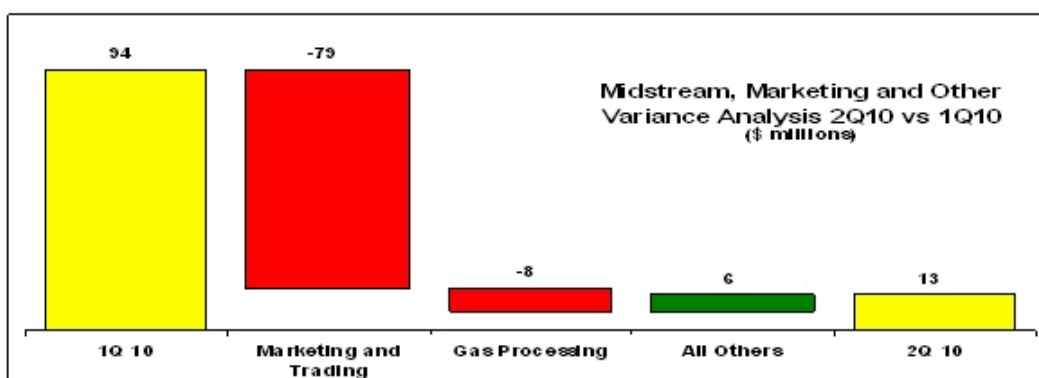
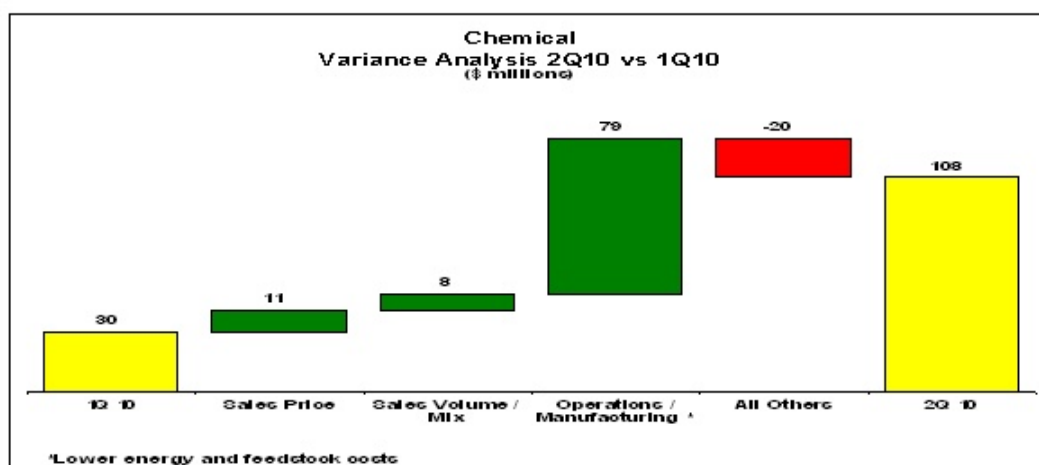
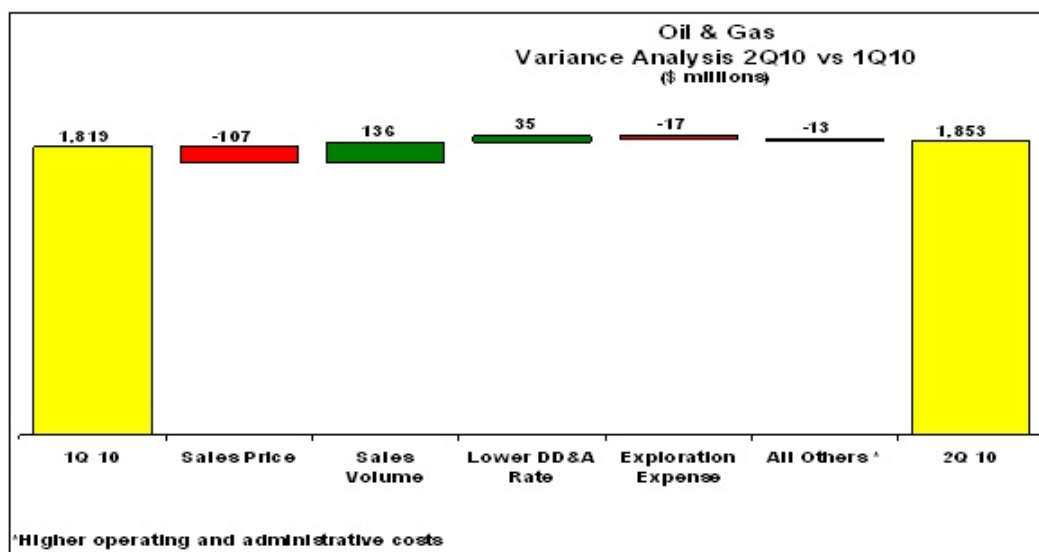


OCCIDENTAL PETROLEUM
2010 Second Quarter Net Income (Loss)
Reported Income Comparison

	Second Quarter 2010	First Quarter 2010	B / (W)
Oil & Gas	\$ 1,853	\$ 1,819	\$ 34
Chemical	108	30	78
Midstream, marketing and other	13	94	(81)
Corporate			
Interest expense, net	(22)	(36)	14
Other	(83)	(107)	24
Taxes	(800)	(729)	(71)
Income from continuing operations	1,069	1,071	(2)
Discontinued operations, net	(6)	(7)	1
Net Income	<u>\$ 1,063</u>	<u>\$ 1,064</u>	<u>\$ (1)</u>
Earnings Per Common Share			
Basic	\$ 1.31	\$ 1.31	\$ -
Diluted	\$ 1.31	\$ 1.31	\$ -
 Worldwide Effective Tax Rate	 <u>43%</u>	 <u>41%</u>	 <u>-2%</u>

OCCIDENTAL PETROLEUM
2010 Second Quarter Net Income (Loss)
Core Results Comparison

	Second Quarter 2010	First Quarter 2010	B / (W)
Oil & Gas	\$ 1,853	\$ 1,819	\$ 34
Chemical	108	30	78
Midstream, marketing and other	13	94	(81)
Corporate			
Interest expense, net	(22)	(36)	14
Other	(83)	(107)	24
Taxes	(800)	(729)	(71)
Core Results	<u>\$ 1,069</u>	<u>\$ 1,071</u>	<u>\$ (2)</u>
Core Results Per Common Share			
Basic	\$ 1.31	\$ 1.32	\$ (0.01)
Diluted	\$ 1.31	\$ 1.32	\$ (0.01)
 Worldwide Effective Tax Rate	 <u>43%</u>	 <u>41%</u>	 <u>-2%</u>



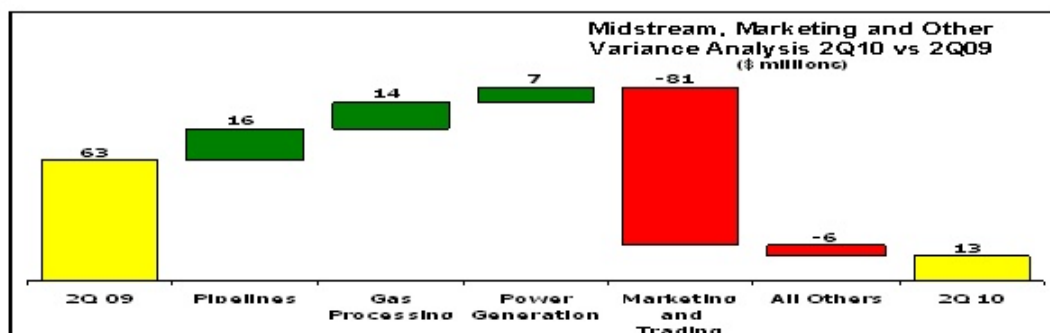
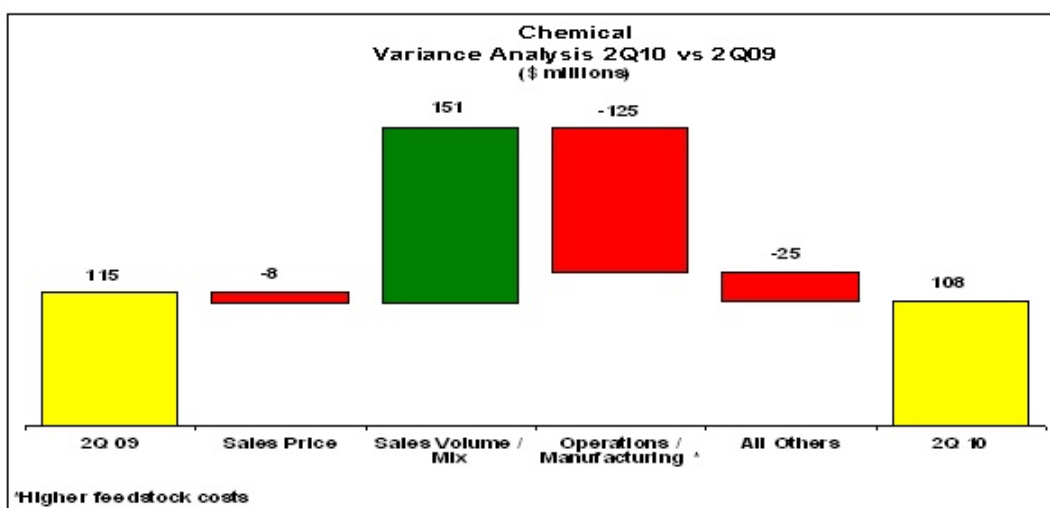
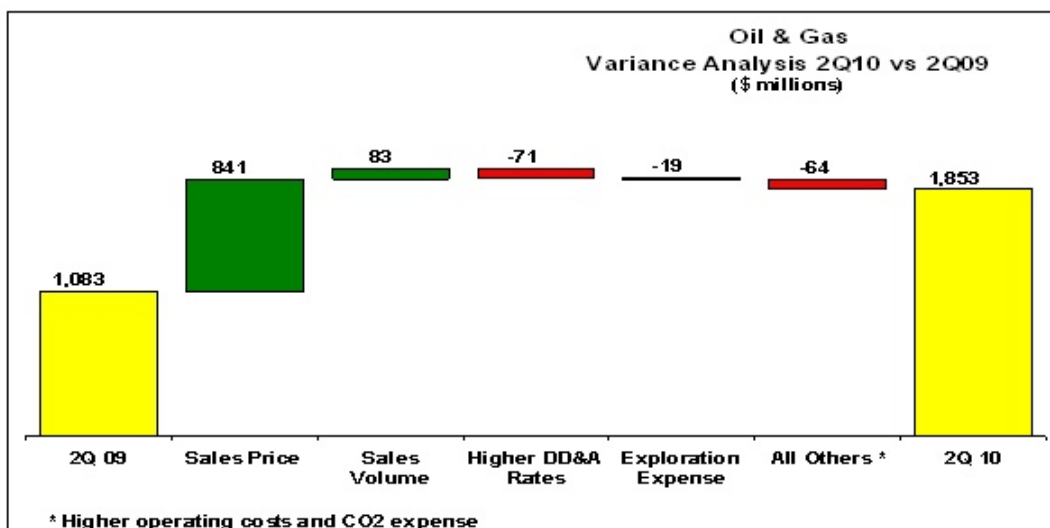


OCCIDENTAL PETROLEUM
2010 Second Quarter Net Income (Loss)
Reported Income Comparison

	Second Quarter 2010	Second Quarter 2009	B / (W)
Oil & Gas	\$ 1,853	\$ 1,083	\$ 770
Chemical	108	115	(7)
Midstream, marketing and other	13	63	(50)
Corporate			
Interest expense, net	(22)	(23)	1
Other	(83)	(99)	16
Taxes	(800)	(455)	(345)
Income from continuing operations	<u>1,069</u>	<u>684</u>	<u>385</u>
Discontinued operations, net	(6)	(2)	(4)
Net Income	<u><u>\$ 1,063</u></u>	<u><u>\$ 682</u></u>	<u><u>\$ 381</u></u>
Earnings Per Common Share			
Basic	\$ 1.31	\$ 0.84	\$ 0.47
Diluted	\$ 1.31	\$ 0.84	\$ 0.47
Worldwide Effective Tax Rate	<u>43%</u>	<u>40%</u>	<u>-3%</u>

OCCIDENTAL PETROLEUM
2010 Second Quarter Net Income (Loss)
Core Results Comparison

	Second Quarter 2010	Second Quarter 2009	B / (W)
Oil & Gas	\$ 1,853	\$ 1,083	\$ 770
Chemical	108	115	(7)
Midstream, marketing and other	13	63	(50)
Corporate			
Interest expense, net	(22)	(23)	1
Other	(83)	(91)	8
Taxes	(800)	(458)	(342)
Core Results	<u><u>\$ 1,069</u></u>	<u><u>\$ 689</u></u>	<u><u>\$ 380</u></u>
Core Results Per Common Share			
Basic	\$ 1.31	\$ 0.85	\$ 0.46
Diluted	\$ 1.31	\$ 0.85	\$ 0.46
Worldwide Effective Tax Rate	<u>43%</u>	<u>40%</u>	<u>-3%</u>





**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET SALES VOLUMES PER DAY:				
United States				
Crude Oil and Liquids (MBBL)				
California	92	90	93	93
Permian	159	163	159	165
Midcontinent Gas	18	14	17	13
Total	269	267	269	271
Natural Gas (MMCF)				
California	293	232	294	224
Permian	129	124	127	124
Midcontinent Gas	259	265	257	273
Total	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	37	37	41
Colombia	27	42	30	41
Total	64	79	67	82
Natural Gas (MMCF)				
Argentina	32	30	32	32
Bolivia	15	19	13	17
Total	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	23	26
Libya	25	14	14	10
Oman	58	49	57	48
Qatar	78	82	76	79
Yemen	32	32	33	37
Total	219	206	206	200
Natural Gas (MMCF)				
Bahrain	161	-	163	-
Dolphin	235	282	232	257
Oman	48	50	50	52
Total	444	332	445	309
Barrels of Oil Equivalent (MBOE)	747	719	737	716



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	Second Quarter		Six Months	
	2010	2009	2010	2009
NET PRODUCTION PER DAY:				
United States				
Crude Oil and Liquids (MBBL)	269	267	269	271
Natural Gas (MMCF)	681	621	678	621
Latin America				
Crude Oil (MBBL)				
Argentina	37	38	37	38
Colombia	32	41	33	41
Total	69	79	70	79
Natural Gas (MMCF)	47	49	45	49
Middle East / North Africa				
Crude Oil and Liquids (MBBL)				
Bahrain	3	-	3	-
Dolphin	23	29	24	26
Libya	15	13	15	11
Oman	60	49	58	47
Qatar	78	78	76	79
Yemen	31	35	33	37
Total	210	204	209	200
Natural Gas (MMCF)	444	332	445	309
Barrels of Oil Equivalent (MBOE)	743	717	743	713



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2010	2009	2010	2009
OIL & GAS:				
PRICES				
United States				
Crude Oil (\$/BBL)	71.66	55.55	72.38	46.43
Natural gas (\$/MCF)	4.19	2.87	4.90	3.20
Latin America				
Crude Oil (\$/BBL)	57.57	46.08	59.37	42.71
Natural Gas (\$/MCF)	3.90	2.75	3.63	3.11
Middle East / North Africa				
Crude Oil (\$/BBL)	77.50	53.43	76.31	47.60
Total Worldwide				
Crude Oil (\$/BBL)	72.13	52.97	72.01	46.05
Natural Gas (\$/MCF)	2.90	2.34	3.30	2.61
	Second Quarter		Six Months	
	2010	2009	2010	2009
Exploration Expense				
United States	\$ 42	\$ 35	\$ 72	\$ 62
Latin America	4	8	5	10
Middle East / North Africa	27	10	52	38
Other Eastern Hemisphere	-	1	-	2
TOTAL REPORTED	\$ 73	\$ 54	\$ 129	\$ 112



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Second Quarter		Six Months	
	2010	2009	2010	2009
Capital Expenditures (\$MM)				
Oil & Gas				
California	\$ 180	\$ 128	\$ 329	\$ 284
Permian	81	82	154	271
Midcontinent Gas	49	12	86	68
Latin America	112	118	215	308
Middle East / North Africa	252	262	515	534
Exploration	35	29	92	77
Chemicals	50	40	80	71
Midstream, marketing and other	104	143	228	265
Corporate	5	17	17	24
TOTAL	\$ 868	\$ 831	\$ 1,716	\$ 1,902
Depreciation, Depletion & Amortization of Assets (\$MM)				
Oil & Gas				
Domestic	\$ 349	\$ 304	\$ 700	\$ 615
Latin America	105	155	247	323
Middle East / North Africa	300	179	559	387
Chemicals	81	73	161	144
Midstream, marketing and other	36	26	73	49
Corporate	5	5	10	10
TOTAL	\$ 876	\$ 742	\$ 1,750	\$ 1,528



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

	<u>30-Jun-10</u>	<u>31-Dec-09</u>
CAPITALIZATION		
Long-Term Debt (including current maturities)	\$ 2,523	\$ 2,796
Others	<u>-</u>	<u>25</u>
Total Debt	<u>\$ 2,523</u>	<u>\$ 2,821</u>
EQUITY		
Total Debt To Total Capitalization	<u>8%</u>	<u>9%</u>

Occidental Petroleum Corporation

Second Quarter 2010 Earnings Conference Call

July 27, 2010



Second Quarter 2010 Earnings - Highlights

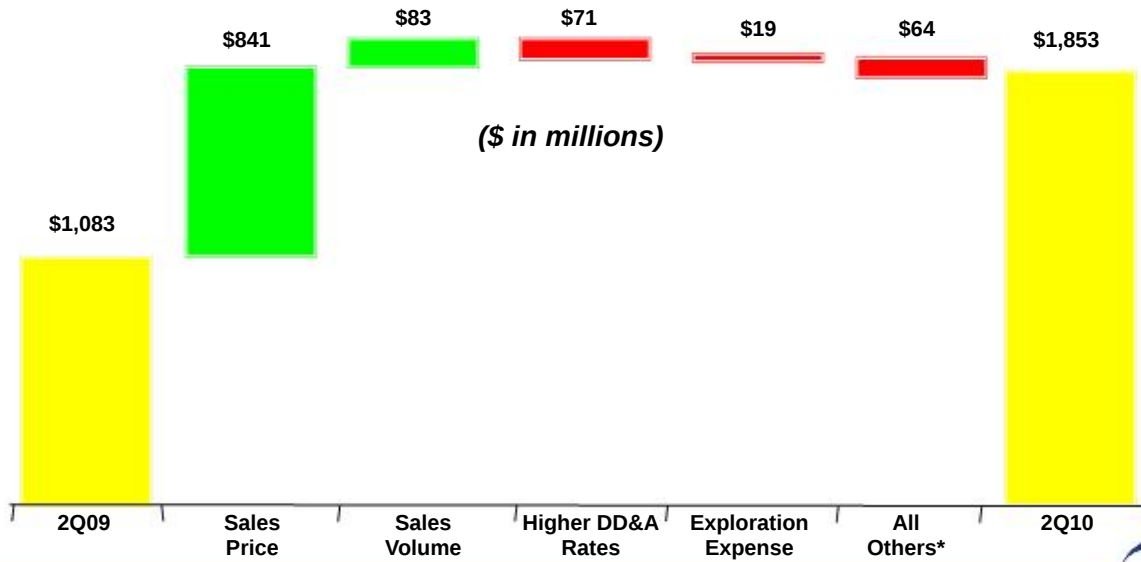
- **Core Results - \$1.1 Billion vs. \$689 Million in 2Q09**
 - **Core EPS \$1.31 (diluted) vs. \$0.85 in 2Q09.**

- **Net Income - \$1.1 Billion vs. \$682 Million in 2Q09**
 - **EPS \$1.31 (diluted) vs. \$0.84 in 2Q09.**



Second Quarter 2010 Earnings - Oil & Gas Segment Variance Analysis - 2Q10 vs. 2Q09

- **Core Results for 2Q10 of \$1.853 B vs. \$1.083 B in 2Q09**
 - Improvement in 2010 driven mostly by higher commodity prices with additional contributions from higher volumes. Partially offsetting these gains were higher DD&A rates and higher operating expenses, partly resulting from fully expensing CO₂ costs in 2010.



*Higher operating costs and CO₂ expense



Second Quarter 2010 Earnings - Oil & Gas Segment

	<u>2Q10</u>	<u>2Q09</u>
Reported Segment Earnings (\$ mm)	\$1,853	\$1,083
WTI Oil Price (\$/bbl)	\$78.03	\$59.62
NYMEX Gas Price (\$/mcf)	\$4.18	\$3.83

Oxy's Realized Prices

<i>Worldwide Oil (\$/bbl)</i>	<i>\$72.13</i>	<i>\$52.97</i>
<i>US Natural Gas (\$/mcf)</i>	<i>\$4.19</i>	<i>\$2.87</i>



Second Quarter 2010 Earnings - Oil & Gas Segment

	<u>2Q10</u>	<u>2Q09</u>
Oil and Gas Production Volumes (mboe/d)	743	717

– *Year-over-year increase of over 3.5%.*

- 2Q10 production was lower than our guidance due primarily to shortfalls in California and adjustments resulting from the mechanics of PSCs in the Middle East. Our production in California continues to be affected by the gas plants' and related infrastructures' inability to process all gas that could be produced.
- Year-over-year production was negatively impacted by 29 mboe/d in MENA, Long Beach and Colombia, as a result of higher oil prices affecting our PSC and similar contracts.
- 2Q10 includes volumes in Bahrain of 3,000 bbls of oil and 161 mmcf of gas and 16 mboe of higher volumes in the Mukhaizna field of Oman. Our domestic operations added 11 mboe. Volume gains in the Kern County discovery area were moderated by production declines in Elk Hills, which were caused by gas gathering and processing issues.



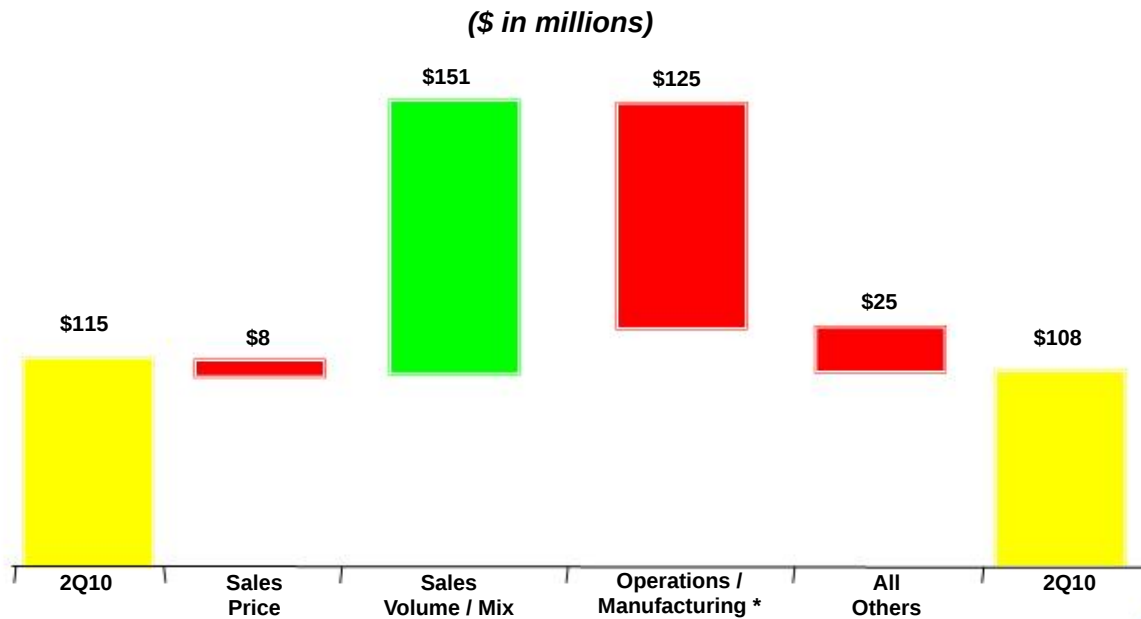
Second Quarter 2010 Earnings - Oil & Gas Segment - Cash Production Costs and Taxes

- Oil and gas cash production costs, excluding production and property taxes, were \$9.90 per boe for 1H10.
 - 2Q10 per boe production costs were slightly lower than this figure.
 - Full-year 2009 costs were \$9.37 a boe.
 - The increase reflects \$0.30 per boe higher CO₂ costs, due to our decision to expense 100% of injected CO₂ beginning in 2010, and higher field support operations and maintenance costs.
- Taxes - other than on income were \$1.80 per boe for the first six months of 2010 compared to \$1.60 per barrel for all of 2009. These costs, which are sensitive to product prices, reflect the effect of higher crude oil and gas prices in 2010.
- Exploration expense was \$73 million in 2Q10.



Second Quarter 2010 Earnings - Chemical Segment Variance Analysis - 2Q10 vs. 2Q09

- **Core Results for 2Q10 of \$108 mm vs. \$115 mm in 2Q09**
 - Results reflect improvement from the first quarter 2010 in margins and volumes across most product lines.



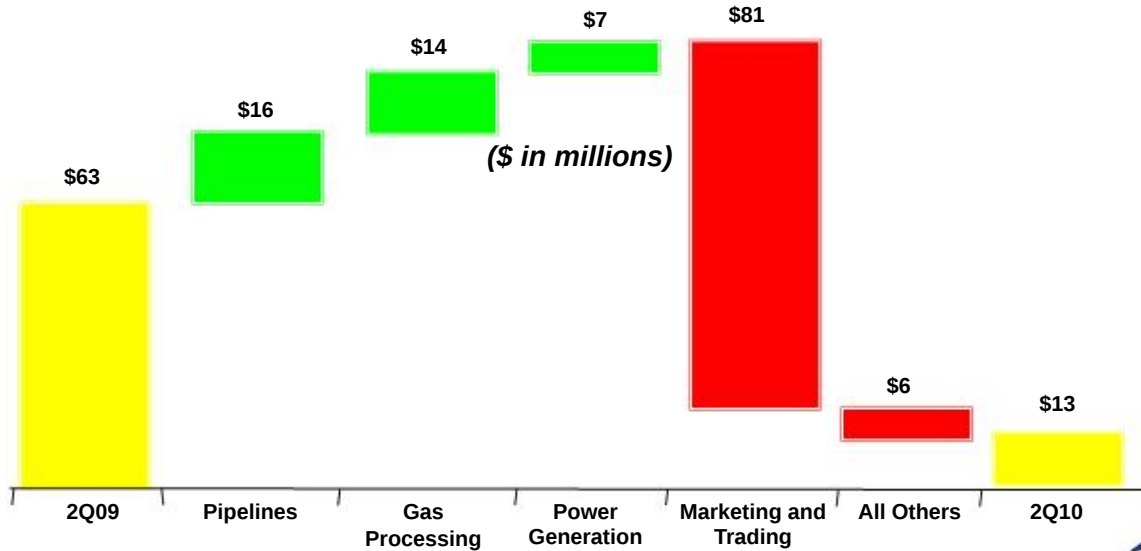
*Higher feedstock costs



Second Quarter 2010 Earnings - Midstream Segment Variance Analysis - 2Q10 vs. 2Q09

- **Core Results for 2Q10 of \$13 mm vs. \$63 mm in 2Q09**

- The decrease in earnings was mainly due to a pre-tax \$104 million (\$0.07 after-tax per diluted share) loss at Phibro, the bulk of which resulted from marking its quarter-end open positions to market. This was partially offset by higher margins in the marketing, gas processing and pipeline businesses.



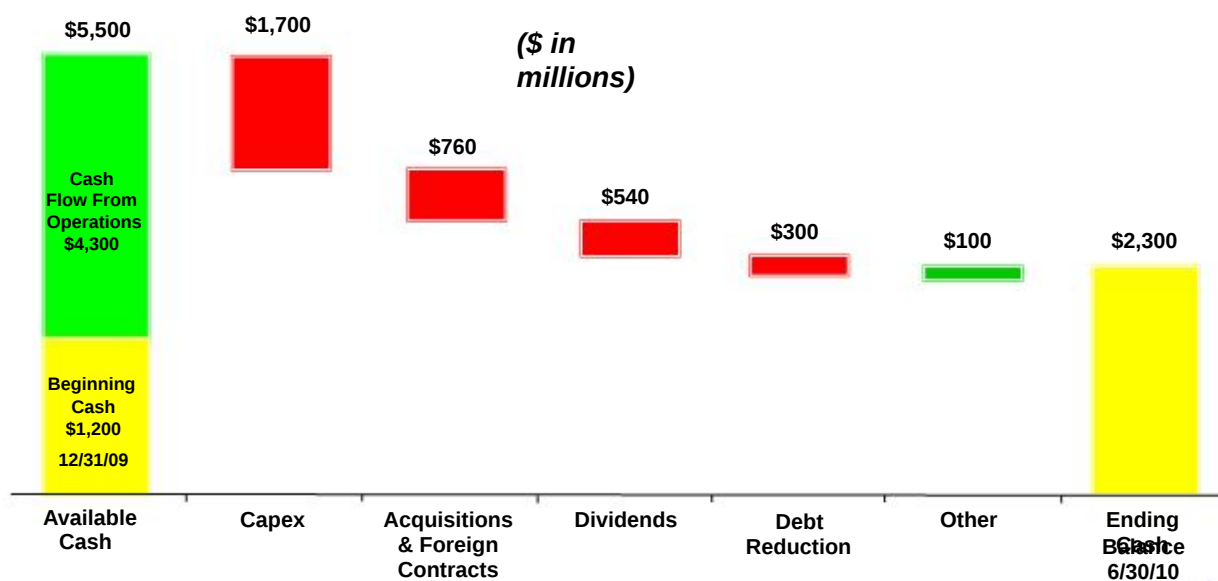
Second Quarter 2010 Earnings - Six Months Results & Capital Spending

	<u>YTD2010</u>	<u>YTD2009</u>
• Net Income (\$ mm)	\$2,127	\$1,050
• EPS (diluted)	\$2.61	\$1.29
• Capital spending for 2Q10 was about \$865 million and \$1.7 billion for 1H10.		
– Year to-date capital expenditures by segment were 81% in Oil and Gas, 13% in Midstream with the remainder in Chemicals.		
– Our total year capital is expected to be about \$4.5 billion.		
– The capital spending rate will increase in the second half of the year largely resulting from Iraq, Bahrain and California.		



Second Quarter 2010 Earnings - Cash Flow 2010 YTD

- *Free Cash Flow for 1H10 after capex and dividends but before acquisition activity and debt retirements was about \$2.1 billion.*



Second Quarter 2010 Earnings - Shares Outstanding and Debt

Shares Outstanding (mm)	<u>YTD10</u>	<u>6/30/10</u>
Weighted Average Basic	812.3	
Weighted Average Diluted	813.7	
Basic Shares Outstanding		812.8
Diluted Shares Outstanding		814.2
	<u>6/30/10</u>	<u>12/31/09</u>
Debt/Capital	8%	9%



Second Quarter 2010 Earnings - Oil and Gas Production - 3Q10 Outlook

- We expect oil and gas production and sales volumes to be in the range of 750 to 760 mboe/d at about current oil prices.
- Volume increases in 3Q10 are expected to come from California, Oman's Mukhaizna field and Dolphin.



- **Commodity Price Sensitivity - Earnings**

- At current market prices, a \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$37 mm;
- A swing of \$0.50 per mm BTU in domestic gas prices has a \$30 mm impact on quarterly pretax income; the current NYMEX gas price is around \$4.80 p/mcf.

- **We expect 3Q10 exploration expense to be about \$90 mm for seismic and drilling for our exploration programs.**



Second Quarter 2010 Earnings - 3Q10 Outlook

- **For the Chemical segment:**
 - Modest volume and margin improvement is expected over 2Q10 levels for chlor-alkali and vinyl products.
 - The Chemical segment is expected to provide earnings for 3Q10 of about \$125 million.
 - While the domestic market continues to be lackluster, export volumes are up about 13% compared to 2009.
 - Chlorine exports are averaging about 42% of total production.
- **We successfully renegotiated and extended our hydrocarbon concessions in the Santa Cruz province of Argentina, increasing our oil and gas proved reserves from 129 mm to 202 mm barrels.**
 - The current quarter DD&A expense reflects the resulting decrease in the DD&A rate.



Second Quarter 2010 Earnings - Acquisitions - 3Q10 Outlook

- We have recently negotiated a number of asset acquisitions in the Oil and Gas business that in aggregate would be about \$1.5 billion.
 - These expected acquisitions are mainly from private individuals largely in the gassier parts of the Permian basin where there have been several much more expensive deals announced.
 - When the acquisitions are concluded they will add to production mostly in the Midcontinent Gas business unit, which includes these parts of the Permian basin.
 - Virtually *all* of the improvement in the production rate will be in subsequent years.
- We expect our combined worldwide tax rate in the third quarter of 2010 to be about 42 percent.



- **Conventional Drilling Opportunities:**
 - During 1H10, we drilled 6 conventional exploration and extension wells in California.
 - Of these, 5 were outside of the Kern County Discovery area.
 - Two of these new wells are currently being tested.
 - In 2H10, we are planning to drill 2 conventional exploration wells in the Kern County Discovery area and one exploration well outside this area.
 - In addition, we have drilled 10 conventional exploitation wells in the Kern County Discovery area in 1H10 and plan to drill 23 more during 2H10.



- **Unconventional Drilling Opportunities:**
 - We also drilled 7 unconventional exploration wells in 1H10, of which 2 were successful and 2 are being tested.
 - We plan to drill 15 additional unconventional exploration wells during 2H10.
 - We have also drilled 10 unconventional exploitation wells in California in 1H10, with 25 more expected to be drilled during 2H10.





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 actual results to differ materially include, but are not limited to: global commodity price fluctuations and supply/demand considerations for oil, gas and chemicals; not successfully completing (or any material delay in) any expansions, field development, capital projects, acquisitions, or dispositions; higher-than-expected costs; political risk; operational interruptions; changes in tax rates; exploration risks, such as drilling of unsuccessful wells; and commodity trading risks. 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 disclosures in our Form 10-K and 10-Qs, 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.