SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number 1-9210

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

DELAWARE	95-4035997
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10889 WILSHIRE BOULEVARD LOS ANGELES, CALIFORNIA	90024
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at September 30, 2004
Common stock $.20 par value	394,721,639 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2004 AND DECEMBER 31, 2003
(Amounts in millions)

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 998	$ 683
Receivables, net	2,178	1,154
Inventories	499	510
Prepaid expenses and other	130	127
Total current assets	3,805	2,474
LONG-TERM RECEIVABLES, net	252	264
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,544	1,155
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $8,391 at September 30, 2004 and $7,467 at December 31, 2003	14,452	14,005
OTHER ASSETS	323	270
	$ 20,376	$ 18,168

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2004 and December 31, 2003
(Amounts in millions)

	2004	2003
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt and capital lease liabilities	$ 23	$ 23
Accounts payable	1,417	909
Accrued liabilities	1,043	978
Domestic and foreign income taxes	383	163
Trust preferred securities	--	453
Total current liabilities	2,866	2,526
LONG-TERM DEBT, net of current maturities and unamortized discount	3,809	3,993
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	1,114	1,001
Other	2,466	2,407
	3,580	3,408
MINORITY INTEREST	343	312
STOCKHOLDERS' EQUITY		
Common stock, at par value	79	77
Additional paid-in capital	4,559	4,272
Retained earnings	5,032	3,530
Accumulated other comprehensive income	108	50
	9,778	7,929
	$ 20,376	$ 18,168

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in millions, except per-share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
REVENUES				
Net sales	$ 3,033	$ 2,319	$ 8,363	$ 6,956
Interest, dividends and other income	34	21	75	72
Gains on disposition of assets, net	--	9	1	31
	3,067	2,349	8,439	7,059
COSTS AND OTHER DEDUCTIONS				
Cost of sales	1,490	1,282	4,363	3,844
Selling, general and administrative and other operating expenses	243	216	708	653
Environmental remediation	--	--	--	13
Exploration expense	37	37	131	94
Interest and debt expense, net	65	72	198	262
	1,835	1,607	5,400	4,866
Income before taxes and other items	1,232	742	3,039	2,193
Provision for domestic and foreign income and other taxes	494	300	1,238	923
Minority interest	23	11	59	49
(Income) loss from equity investments	(43)	(15)	(84)	8
Income from continuing operations	758	446	1,826	1,213
Cumulative effect of changes in accounting principles, net	--	--	--	(68)
NET INCOME	$ 758	$ 446	$ 1,826	$ 1,145
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 1.91	$ 1.16	$ 4.63	$ 3.17
Cumulative effect of changes in accounting principles, net	--	--	--	(.18)
Basic earnings per common share	$ 1.91	$ 1.16	$ 4.63	$ 2.99
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 1.88	$ 1.14	$ 4.57	$ 3.14
Cumulative effect of changes in accounting principles, net	--	--	--	(.18)
Diluted earnings per common share	$ 1.88	$ 1.14	$ 4.57	$ 2.96
DIVIDENDS PER COMMON SHARE	$ .275	$ .260	$ .825	$ .780
BASIC SHARES	396.3	385.5	394.1	382.6
DILUTED SHARES	403.3	391.1	399.8	387.0

The accompanying notes are an integral part of these financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in millions)

	2004	2003
CASH FLOW FROM OPERATING ACTIVITIES		
Income from continuing operations	$ 1,826	$ 1,213
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation, depletion and amortization of assets	972	866
Deferred income tax provision	83	112
Other noncash charges to income	271	186
Gains on disposition of assets, net	(1)	(31)
(Income) loss from equity investments	(84)	8
Dry hole and impairment expense	86	50
Changes in operating assets and liabilities	(307)	(13)
Other operating, net	(135)	(129)
Net cash provided by operating activities	2,711	2,262
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(1,271)	(1,151)
Sale of businesses and disposal of property, plant and equipment, net	7	67
Purchase of businesses, net	(173)	(262)
Equity investments and other, net	(206)	(108)
Net cash used by investing activities	(1,643)	(1,454)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	17	298
Redemption (2004) / Repurchase (2003) of trust preferred securities	(466)	(1)
Payments of long-term debt and capital lease liabilities	(183)	(596)
Proceeds from issuance of common stock	5	8
Cash dividends paid	(316)	(292)
Stock options exercised	191	159
Other financing, net	(1)	(1)
Net cash used by financing activities	(753)	(425)
Increase in cash and cash equivalents	315	383
Cash and cash equivalents--beginning of period	683	146
Cash and cash equivalents--end of period	$ 998	$ 529

The accompanying notes are an integral part of these financial statements.

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation (OPC), and/or one or more entities where it owns a majority voting interest. Certain information and disclosures normally included in notes to consolidated financial statements have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations, but resultant disclosures are in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes to those financial statements in Occidental's Annual Report on Form 10-K for the year ended December 31, 2003 (2003 Form 10-K).

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of September 30, 2004, the consolidated statements of operations for the three and nine months then ended and the consolidated statements of cash flows for the nine months then ended. The income and cash flows for the period ended September 30, 2004, are not necessarily indicative of the income or cash flows to be expected for the full year.

Certain financial statements and notes for the prior year have been changed to conform to the 2004 presentation.

Refer to Note 1 to the consolidated financial statements in the 2003 Form 10-K for a summary of significant accounting policies.

2. Asset Acquisitions and Other Transactions

In the third quarter of 2004, Occidental redeemed all of its 6.5 percent senior notes which reduced long-term debt by approximately $157 million. This resulted in an after-tax charge of $2 million.

In the second quarter of 2004, Occidental discontinued, for the present time, the sale of an interest in its outstanding accounts receivable balance which had the effect of increasing receivables by approximately $360 million. There was no gain or loss associated with this transaction.

In April 2004, Occidental agreed with the government of Colombia to extend the term of its contract for the Cano Limon field. The contract was extended to the economic life of the field, which Occidental will continue to operate.

In January 2004, Occidental acquired a 1,300-mile oil pipeline and gathering system located in the Permian Basin for approximately $143 million in cash (including a $5 million deposit in 2003).

In January 2004, Occidental redeemed all of its outstanding 8.16 percent Trust Preferred Redeemable Securities (trust preferred securities) at par plus accrued interest which resulted in a decrease in current liabilities of approximately $453 million. This resulted in an after-tax charge of $7 million.

3. Accounting Changes

In December 2003, the Financial Accounting Standards Board (FASB) revised Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities" to exempt certain entities from its requirements and to clarify certain issues arising during the initial implementation of FIN 46. Occidental adopted the revised FIN 46 in the first quarter of 2004 and it did not have a material effect on its financial statements when adopted.

In June 2001, FASB issued Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," which states in paragraph 8(b) that the accounting specified in SFAS No. 19, "Financial Accounting and Reporting by Oil and Gas Producing Companies" is not affected by SFAS No. 142. A question has arisen about whether the balance sheet classification and disclosure requirements for oil and gas mineral and drilling rights are included in this exception and, if they are not included, whether these rights should be classified as intangible assets. In September 2004, FASB issued FASB Staff Position (FSP) FAS 142-2, "Application of FASB Statement No. 142, Goodwill and Other Intangible Assets, to Oil- and Gas-Producing Entities" which states that the scope exception does include the classification and disclosure of mineral and drilling rights. Therefore, Occidental will continue to classify all of its mineral and drilling rights within property, plant and equipment. When Occidental adopts the provisions of this pronouncement in the fourth quarter of 2004, it will have no effect on its results of operations or financial position.

In May 2004, FASB issued FSP FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003," which specifies the accounting and disclosure requirements for the prescription drug benefits that are available under this new plan. Occidental adopted the provisions of this pronouncement in the second quarter of 2004. See Note 12 for more information.

4. Comprehensive Income

The following table presents Occidental's comprehensive income items (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2004	2003	2004	2003
Net income	$ 758	$ 446	$ 1,826	$ 1,145
Other comprehensive income items				
Foreign currency translation adjustments	6	3	(4)	27
Derivative activity	(13)	11	(12)	6
Unrealized gains (losses) on securities	6	9	74	8
Minimum pension liability adjustment	--	--	--	(4)
Other comprehensive income (loss), net of tax	(1)	23	58	37
Comprehensive income	$ 757	$ 469	$ 1,884	$ 1,182

5. Supplemental Cash Flow Information

During the nine months ended September 30, 2004 and 2003, cash payments (net of refunds) for federal, foreign and state income taxes totaled approximately $582 million and $323 million, respectively. Interest paid (net of interest capitalized) totaled approximately $187 million and $276 million (including a $61 million debt repayment fee) for the nine months ended September 30, 2004 and 2003, respectively.

6. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on management's estimates of year-end inventory levels and costs. Inventories consist of the following (in millions):

Balance at	September 30, 2004	December 31, 2003
Raw materials	$ 57	$ 46
Materials and supplies	160	143
Finished goods	303	342
	520	531
LIFO adjustment	(21)	(21)
Total	$ 499	$ 510

7. Asset Retirement Obligations

In accordance with SFAS No. 143, the following table summarizes the activity of the asset retirement obligations of which $4 million is included in accrued liabilities in both 2004 and 2003 and the remaining balance in both years is included in deferred credits and other liabilities - other (in millions):

Nine Months Ended September 30	2004	2003
Balance at beginning of year	$ 167	$ 155
Liabilities incurred in the period	9	--
Liabilities settled in the period	(7)	(2)
Accretion expense	9	3
Acquisitions and other	16	1
Revisions to estimated cash flows	(2)	(1)
Ending balance at September 30	$ 192	$ 156

8. Environmental Expenditures

Occidental's operations in the United States are subject to stringent federal, state and local laws and regulations relating to improving or maintaining environmental quality. Foreign operations also are subject to environmental-protection laws. The laws that require or address environmental remediation may apply to past waste disposal practices and releases regardless of fault, legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries are currently participating in environmental assessments and cleanups at federal Superfund sites and other sites subject to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), sites subject to equivalent state laws and other remediation sites, including Occidental facilities and previously-owned sites.

The following table presents Occidental's environmental remediation reserves at September 30, 2004, which are included in accrued liabilities ($76 million) and deferred credits and other liabilities - other ($261 million). The reserves are grouped by three categories of environmental remediation sites ($ amounts in millions):

	# of Sites	Reserve
CERCLA & Equivalent Sites	124	$ 219
Active Facilities	14	69
Closed or Sold Facilities	40	49
Total	178	$ 337

In determining the environmental remediation reserves and reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental expects that it will continue to incur additional liabilities beyond those recorded for environmental remediation at these and other sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $400 million beyond the amount accrued.

Shown below is additional detail regarding reserves for CERCLA or CERCLA-equivalent proceedings in which OPC or certain of its subsidiaries were involved at September 30, 2004 ($ amounts in millions):

Description	# of Sites	Reserve
Minimal/No Exposure(a)	103	$ 6
Reserves between $1-10 MM	15	64
Reserves over $10 MM	6	149
Total	124	$ 219

(a) Includes 27 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 7 sites where Occidental has denied liability without challenge, 57 sites where Occidental's reserves are less than $50,000 each, and 12 sites where reserves are between $50,000 and $1 million each.

Refer to Note 8 to the consolidated financial statements in the 2003 Form 10-K for additional information regarding Occidental's environmental expenditures.

9. Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC and certain of its subsidiaries have been named in a substantial number of lawsuits, claims and other legal proceedings. These actions seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses; or injunctive or declaratory relief. OPC and certain of its subsidiaries also have been named in proceedings under CERCLA and other federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages and civil penalties; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims and proceedings, including environmental proceedings, Occidental accrues reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Taxable years prior to 1997 are closed for U.S. federal income tax purposes. Taxable years 1997 through 2002 are in various stages of audit by the Internal Revenue Service. Disputes arise during the course of such audits as to facts and matters of law.

Occidental has guarantees outstanding at September 30, 2004 which encompass performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that Occidental and/or its subsidiaries and affiliates will meet their various obligations (guarantees). At September 30, 2004, the notional amount of these guarantees was approximately $450 million. Of this amount, $365 million relates to Occidental's guarantee of equity investees' debt and other commitments. The remaining $85 million relates to various indemnities and guarantees provided to third parties. The amount of these guarantees recorded on the consolidated balance sheet was immaterial.

It is impossible at this time to determine the ultimate liabilities that OPC and its subsidiaries may incur resulting from any lawsuits, claims and proceedings, audits, commitments, contingencies and related matters. If these matters were to be ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently anticipated, it is possible that such outcome could have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

10. Income Taxes

The provision for taxes based on income for the 2004 and 2003 interim periods was computed in accordance with Interpretation No. 18 of Accounting Principles Board Opinion No. 28 on reporting taxes for interim periods and was based on projections of total year pre-tax income excluding significant unusual items.

The provision for income taxes for the first nine months of 2004 includes a $20 million credit from settlement of a tax issue with the Internal Revenue Service. There have been continuing tax audit settlement discussions on other issues. Based on these discussions, the Company believes that it is reasonably possible there may be favorable settlements that would have a positive and material effect on Occidental's results of operations and its financial condition. These settlements could occur in 2004, or later.

The third quarter and nine month periods of 2004 reflected lower U.S. income tax rates than the comparable 2003 periods due to the crediting of foreign income taxes.

11. Stock-Based Compensation

Occidental accounts for stock options using the intrinsic value method under Accounting Principles Board Opinion (APB) No. 25 and related interpretations. Under this accounting method, Occidental did not record any compensation expense related to its stock option plans. The following table presents pro-forma information as if Occidental had adopted the provisions of SFAS No. 123 at January 1, 2002 (in millions, except per-share amounts):

	Periods Ended September 30			
	Three Months		Nine Months	
	2004	2003	2004	2003
Net income	$ 758	$ 446	$ 1,826	$ 1,145
Add: Stock-based compensation included in net income, net of tax, under APB No. 25	14	9	31	25
Deduct: Stock-based compensation, net of tax, determined under SFAS No. 123 fair value method	(17)	(14)	(43)	(39)
Pro-forma net income	$ 755	$ 441	$ 1,814	$ 1,131
Earnings per share:				
Basic - as reported	$ 1.91	$ 1.16	$ 4.63	$ 2.99
Basic - pro forma	1.91	1.15	4.60	2.96
Diluted - as reported	$ 1.88	$ 1.14	$ 4.57	$ 2.96
Diluted - pro forma	1.87	1.13	4.54	2.92

12. Retirement Plans and Postretirement Benefits

Occidental has various defined contribution and defined benefit retirement plans for its salaried, domestic union and nonunion hourly, and certain foreign national employees.

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans as of September 30 (in millions):

Three Months Ended September 30,	2004		2003	
Net Periodic Benefit Cost	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 3	$ 2	$ 3	$ 2
Interest cost	6	9	6	8
Expected return on plan assets	(7)	--	(5)	--
Recognized actuarial loss	--	3	1	2
Total	$ 2	$ 14	$ 5	$ 12

Nine Months Ended September 30,	2004		2003	
Net Periodic Benefit Cost	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 10	$ 6	$ 9	$ 6
Interest cost	18	25	18	25
Expected return on plan assets	(18)	--	(15)	--
Amortization of prior service cost	1	--	--	--
Recognized actuarial loss	2	8	3	6
Total	$ 13	$ 39	$ 15	$ 37

On December 8, 2003, President Bush signed into law a bill that expands Medicare, primarily adding a prescription drug benefit for Medicare-eligible retirees starting in 2006. Occidental intends to review its retirees' health care plans in light of the new Medicare provisions, which may change Occidental's obligations under the plan. At this time, Occidental is unable to determine the impact of the new Medicare provisions due to the lack of final regulations for determining the actuarial equivalency of its benefits compared to the new Medicare benefits. Therefore, the retiree medical obligations and costs reported do not reflect the impact of this legislation in accordance with FSP No. FAS 106-2. When the regulations are clarified and Occidental is able to determine the impact of these provisions, it will adopt the requirements of this standard.

Occidental funded approximately $4.6 million to its domestic defined benefit pension plans for the nine months ended September 30, 2004 and it expects to contribute a total of $6.3 million during 2004. All of the contributions are expected to be in the form of cash.

Refer to Note 13 to the consolidated financial statements in the 2003 Form 10-K for additional information regarding Occidental's retirement plans and postretirement benefits.

13. Industry Segments

The following table presents Occidental's interim industry segment disclosures (in millions):

	Oil and Gas	Chemical	Corporate	Total
Nine months ended September 30, 2004				
Net sales	$ 5,509	$ 2,767	$ 87	$ 8,363
Pretax operating profit (loss)	$ 3,125 (a)	$ 279	$ (340)(b)	$ 3,064
Income taxes	(558)	(7)	(673)(c)	(1,238)
Net income (loss)	$ 2,567	$ 272	$ (1,013)(d)	$ 1,826
Nine months ended September 30, 2003				
Net sales	$ 4,473	$ 2,368	$ 115	$ 6,956
Pretax operating profit (loss)	$ 2,436	$ 147	$ (447)(b)	$ 2,136
Income taxes	(412)	(8)	(503)(c)	(923)
Cumulative effect of changes in accounting principles, net	--	--	(68)	(68)
Net income (loss)	$ 2,024	$ 139	$ (1,018)(e)	$ 1,145

(a) Includes pre-tax interest income of $12 million from loans made to an equity investee.
(b) Includes unallocated net interest expense, administration expense and other items.
(c) Includes unallocated income taxes. The 2004 amount includes a $20 million credit from a tax settlement.
(d) Includes a trust preferred securities redemption pre-tax charge of $11 million ($7 million net of tax).
(e) Includes a $61 million pre-tax interest charge ($40 million net of tax) to repay a $450 million 6.4 percent senior note issue that had ten years of remaining life, but was subject to remarketing on April 1, 2003.

14. Subsequent Event

In October 2004, Occidental announced that its indirect subsidiary, Basic Chemical Company, LLC, agreed to purchase three chemical manufacturing facilities from Vulcan Materials Company for $214 million in cash, subject to adjustment for changes in net working capital. In addition, the purchaser may become obligated to make contingent payments based upon the future performance of these businesses, and will assume specified obligations. This transaction, which is subject to regulatory approval, is expected to close in 2005.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CONSOLIDATED RESULTS OF OPERATIONS

Occidental (as defined in Note 1 to the consolidated condensed financial statements) reported net income for the first nine months of 2004 of $1.8 billion, on net sales of $8.4 billion, compared with net income of $1.1 billion, on net sales of $7.0 billion, for the same period of 2003. Basic earnings per common share were $4.63 for the first nine months of 2004, compared with basic earnings per common share of $2.99 for the same period of 2003. Occidental's net income for the third quarter of 2004 was $758 million, on net sales of $3.0 billion, compared with net income of $446 million, on net sales of $2.3 billion, for the same period of 2003. Basic earnings per common share were $1.91 for the third quarter of 2004, compared with $1.16 for the same period of 2003.

Net income for the three and nine months ended September 30, 2004, compared with the same periods in 2003, reflected higher worldwide crude oil and natural gas prices and higher crude oil volumes partially offset by higher operating costs. Additionally, net income in both periods of 2004, compared to the same periods in 2003, increased due to higher chemical prices and volumes, partially offset by higher feedstock and energy costs.

SELECTED INCOME STATEMENT ITEMS

The increase in net sales of $714 million and $1.4 billion for the three and nine months ended September 30, 2004, compared with the same periods in 2003, primarily reflected higher crude oil, natural gas and chemical prices, higher crude oil production and higher chemical volumes, partially offset by lower domestic natural gas production. For the nine months ended September 30, 2003, the gains on disposition of assets, net account included a pre-tax gain of $22 million on the sale of the remaining interests in a former subsidiary holding assets in the Gulf of Mexico.

The increase in cost of sales of $208 million and $519 million for the three and nine months ended September 30, 2004, compared with the same periods in 2003, primarily reflected higher oil and gas production costs, higher energy and raw material costs, higher crude oil sales volumes and higher DD&A expense. The increase of $27 million and $55 million in selling, general, administrative and other operating expenses for the three and nine months ended September 30, 2004, compared to the same periods in 2003, primarily reflected increases in various oil and gas costs, including higher production-related taxes, energy price-driven costs and other operating costs. The increase in exploration expense of $37 million for the nine months ended September 30, 2004, compared with the same period in 2003, primarily reflected higher lease impairment charges. The $64 million decrease in interest and debt expense, net for the nine months ended September 30, 2004, compared to the same period in 2003, primarily reflected a 2003 pre-tax debt repayment charge of $61 million. The increase in income from equity investments of $28 million and $92 million for the three and nine months ended September 30, 2004, compared to the same periods in 2003, was primarily attributable to improved results from the Lyondell equity investment and higher income from a Russian oil and gas affiliate.

ANALYSIS OF FINANCIAL POSITION

The increase in receivables, net, of $1.0 billion at September 30, 2004, compared with December 31, 2003, was primarily due to higher sales prices and the discontinuation, for the present time, of the sale of an interest in Occidental's outstanding accounts receivable balance totaling $360 million. The increase in investments in unconsolidated entities of $389 million at September 30, 2004, compared with December 31, 2003, was primarily due to a $208 million advance to the Elk Hills Power LLC (EHP) equity investment which EHP used to repay a portion of its debt and a fair value adjustment on the Premcor Inc. available-for-sale investment which is recorded in other comprehensive income.

The increase in accounts payable of $508 million at September 30, 2004, compared with December 31, 2003, was primarily due to higher sales prices and volumes for oil and gas in marketing and trading operations. The increase in domestic and foreign income taxes payable of $220 million at September 30, 2004, compared with December 31, 2003, was primarily due to an increase in current taxes payable due to higher income in 2004. In January 2004, Occidental redeemed all of its outstanding 8.16 percent Trust Preferred Redeemable Securities (trust preferred securities) which reduced the trust preferred securities liability account to zero.

SEGMENT OPERATIONS

The following table sets forth the sales and earnings of each operating segment and corporate items (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2004	2003	2004	2003
SEGMENT NET SALES				
Oil and Gas	$ 2,033	$ 1,480	$ 5,509	$ 4,473
Chemical	973	793	2,767	2,368
Other	27	46	87	115
NET SALES	$ 3,033	$ 2,319	$ 8,363	$ 6,956
SEGMENT EARNINGS				
Oil and Gas	$ 1,003	$ 660	$ 2,567	$ 2,024
Chemical	137	61	272	139
	1,140	721	2,839	2,163
UNALLOCATED CORPORATE ITEMS				
Interest expense, net - debt and trust preferred distributions (a)	(59)	(71)	(187)	(270)
Income taxes (b)	(274)	(160)	(673)	(505)
Other	(49)	(44)	(153)	(175)
INCOME FROM CONTINUING OPERATIONS	758	446	1,826	1,213
Cumulative effect of changes in accounting principles, net	--	--	--	(68)
NET INCOME	$ 758	$ 446	$ 1,826	$ 1,145

(a) The third quarter 2004 includes a $2 million pre-tax interest charge to purchase in the open market and retire $19 million of Occidental's senior notes and a $3 million pre-tax interest charge to redeem all the $157 million outstanding 6.5 percent senior notes which were due in 2005. The nine months 2004 also includes an $11 million pre-tax interest charge to redeem all the outstanding 8.16 percent trust preferred securities on January 20, 2004. The nine months 2003 includes a $61 million pre-tax interest charge to repay a $450 million 6.4 percent senior notes issue that had ten years of remaining life, but was subject to re-marketing on April 1, 2003.

(b) The nine months 2004 includes a $20 million credit related to a first quarter settlement of an issue with the Internal Revenue Service. The nine months 2004 also reflects a lower U.S. income tax rate resulting from the crediting of foreign income taxes.

SIGNIFICANT ITEMS 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 for the three months ended September 30, 2004 and 2003:

	Three Months Ended September 30			
(in millions, except per-share amounts)	2004	Basic EPS	2003	Basic EPS
TOTAL REPORTED EARNINGS	$ 758	$ 1.91	$ 446	$ 1.16
OIL AND GAS				
Segment Earnings	$ 1,003		$ 660	
No significant items affecting earnings	--		--	
Segment Core Earnings	1,003		660	
CHEMICAL				
Segment Earnings	137		61	
No significant items affecting earnings	--		--	
Segment Core Earnings	137		61	
CORPORATE				
Results	(382)		(275)	
No significant items affecting earnings	--		--	
TOTAL CORE EARNINGS	$ 758	$ 1.91	$ 446	$ 1.16

The following table sets forth the core earnings and significant items affecting earnings for each operating segment and corporate for the nine months ended September 30, 2004 and 2003:

(in millions, except per-share amounts)	Nine Months Ended September 30 2004	Basic EPS	2003	Basic EPS
TOTAL REPORTED EARNINGS	$ 1,826	$ 4.63	$ 1,145	$ 2.99
OIL AND GAS				
Segment Earnings	$ 2,567		$ 2,024	
No significant items affecting earnings	--		--	
Segment Core Earnings	2,567		2,024	
CHEMICAL				
Segment Earnings	272		139	
No significant items affecting earnings	--		--	
Segment Core Earnings	272		139	
CORPORATE				
Results	(1,013)		(1,018)	
Less:				
Trust preferred securities redemption	(11)		--	
Settlement of tax issue	20		--	
Debt repayment charge	--		(61)	
Tax effect of pre-tax adjustments	4		21	
Changes in accounting principles, net *	--		(68)	
TOTAL CORE EARNINGS	$ 1,813	$ 4.60	$ 1,253	$ 3.27

*These amounts are shown after tax.

WORLDWIDE EFFECTIVE TAX RATE

The following table sets forth the calculation of the worldwide effective tax rate for reported income and core earnings:

	Periods Ended September 30			
	Three Months		Nine Months	
(in millions)	2004	2003	2004	2003
REPORTED INCOME				
Oil and Gas(a)	$ 1,221	$ 799	$ 3,125	$ 2,436
Chemical	139	63	279	147
Corporate and other	(108)	(116)	(340)	(447)
Pre-tax income	1,252	746	3,064	2,136
Income tax expense				
Federal and State	277	163	681	517
Foreign (included in segments) (a)	217	137	557	406
Total	494	300	1,238	923
Income from continuing operations	$ 758	$ 446	$ 1,826	$ 1,213
Worldwide effective tax rate	39%	40%	40%	43%
CORE INCOME				
Oil and Gas	$ 1,221	$ 799	$ 3,125	$ 2,436
Chemical	139	63	279	147
Corporate and other	(108)	(116)	(329)	(386)
Pre-tax income	1,252	746	3,075	2,197
Income tax expense				
Federal and State	277	163	705	537
Foreign (included in segments) (a)	217	137	557	407
Total	494	300	1,262	944
Income from continuing operations	$ 758	$ 446	$ 1,813	$ 1,253
Worldwide effective tax rate	39%	40%	41%	43%

(a) Revenues, pre-tax income and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas revenues and pre-tax income includes such revenue amounts by period, as follows: third quarter 2004 - $149, third quarter 2003 - $104, first nine months 2004 - $382, first nine months 2003 - $295.

Occidental's third quarter 2004 worldwide effective tax rate was 39 percent. The third quarter 2004 reflected a lower U.S. income tax rate resulting from the crediting of foreign income taxes. Prior to the second quarter 2004, foreign income taxes were deducted in determining U.S. taxable income. An annual tax election permits a taxpayer to claim a credit or deduction for foreign income taxes, whichever is more beneficial. Occidental expects to continue its election to credit foreign income taxes in future years. Occidental expects the tax rate for the rest of the year to be approximately 40 percent.

OIL AND GAS SEGMENT

Summary of Operating Statistics	Three Months 2004	Three Months 2003	Nine Months 2004	Nine Months 2003
	Periods Ended September 30			
NET PRODUCTION PER DAY:				
CRUDE OIL AND NATURAL GAS LIQUIDS (MBL)				
United States	251	259	257	252
Latin America	87	58	83	55
Middle East	86	91	90	95
Other Eastern Hemisphere	7	10	8	10
NATURAL GAS (MMCF)				
United States	488	534	509	535
Middle East	88	--	52	--
Other Eastern Hemisphere	73	71	74	74
BARRELS OF OIL EQUIVALENT (MBOE)				
Consolidated subsidiaries	539	519	544	514
Other interests	24	27	25	27
Worldwide production	563	546	569	541
AVERAGE SALES PRICE:				
CRUDE OIL ($/BBL)				
United States	40.29	28.24	36.07	28.83
Latin America	36.07	25.84	32.00	27.29
Middle East	37.76	27.14	34.00	27.59
Other Eastern Hemisphere	35.44	25.61	32.13	26.49
NATURAL GAS ($/MCF)				
United States	5.87	5.00	5.25	4.93
Middle East	0.97	--	0.97	--
Other Eastern Hemisphere	2.30	2.13	2.33	1.98

Oil and gas segment and core earnings for the nine months ended September 30, 2004, were $2.6 billion, compared with $2.0 billion for the same period of 2003. Oil and gas segment and core earnings for the three months ended September 30, 2004, were $1.0 billion, compared with $660 million for the same period of 2003. The increase in earnings for the three and nine months ended September 30, 2004, compared with the same periods in 2003, primarily reflected higher worldwide crude oil and natural gas prices and higher crude oil volumes partially offset by lower domestic natural gas volumes, higher operating expenses and increased DD&A rates.

The increase in net sales of $553 million and $1.0 billion for the three and nine months ended September 30, 2004, compared with the same periods in 2003, primarily reflected higher crude oil and natural gas prices and higher crude oil production partially offset by lower domestic natural gas volumes.

The average West Texas Intermediate price in the third quarter of 2004 was $43.87 per barrel and the New York Mercantile Exchange (NYMEX) natural gas price for the third quarter of 2004 was $6.26 per million BTU's. In the fourth quarter, a change of 10 cents per million BTU's in NYMEX gas prices will have a pre-tax quarterly impact on oil and gas segment earnings of $5 million while a change of $1.00 per barrel in oil prices will have a pre-tax quarterly impact of $29 million.

Average worldwide production costs for the first nine months of 2004 were $7.14 per barrel of oil equivalent (BOE) compared to the average 2003 production cost of $6.08 per BOE.

Occidental expects fourth quarter 2004 oil and gas production to remain at the same level as the third quarter 2004 taking into account lower October and early November production at the Horn Mountain operations due to Hurricane Ivan and the impact of product price on Occidental's production sharing contracts. In the current product price range, a $1.00 change in the per barrel price of oil changes production by approximately one thousand barrels per day. Occidental expects exploration expense for the fourth quarter 2004 to be approximately $80 million mainly for drilling in Latin America and the Middle East.

CHEMICAL SEGMENT

	Periods Ended September 30			
	Three Months		Nine Months	
Summary of Operating Statistics	2004	2003	2004	2003
MAJOR PRODUCT VOLUMES (M TONS, EXCEPT PVC RESINS)				
Chlorine	730	681	2,176	2,031
Caustic Soda	795	697	2,346	2,053
Ethylene Dichloride	102	135	324	374
PVC Resins (millions of pounds)	1,044	1,009	3,205	2,944
MAJOR PRODUCT PRICE INDEX (BASE: 1987-1990 AVG PRICE = 1.0)				
Chlorine	2.23	1.76	1.94	1.73
Caustic Soda	0.84	0.85	0.72	0.85
Ethylene Dichloride	1.64	1.13	1.48	1.18
PVC Resins	1.13	0.88	1.05	0.91

Chemical segment and core earnings were $137 million and $272 million, respectively, for the three and nine months ended September 30, 2004, compared with $61 million and $139 million for the same periods of 2003. The increase in earnings for the three and nine months ended September 30, 2004, compared with the same periods in 2003, is primarily due to higher prices for chlorine, ethylene dichloride (EDC), polyvinyl chloride resins (PVC) and vinyl chloride monomer (VCM) and higher volumes for chlorine, caustic soda and PVC, partially offset by higher feedstock and energy costs.

The increase in net sales of $180 million and $399 million for the three and nine months ended September 30, 2004, compared with the same periods in 2003, primarily reflected higher prices and volumes for chlorine, PVC and VCM and higher prices for EDC. The sales increase for the nine months ended September 30, 2004 was partially offset by lower caustic soda prices.

Although the demand for chlorine and caustic soda is expected to stay strong in the near term, Occidental expects fourth quarter feedstock costs to increase. In addition, the first and fourth quarters are typically the weakest quarters for the chemical business due to seasonal factors.

CORPORATE AND OTHER

The unallocated corporate items - income taxes account for the nine months ended September 30, 2004, includes a $20 million credit related to a settlement of a tax issue with the Internal Revenue Service. There have been continuing tax audit settlement discussions on other issues. Based on these discussions, the Company believes that it is reasonably possible there may be favorable settlements that would have a positive and material effect on Occidental's results of operations and its financial condition. These settlements could occur in 2004, or later.

LIQUIDITY AND CAPITAL RESOURCES

Occidental's net cash provided by operating activities was approximately $2.7 billion and $2.3 billion for the first nine months of 2004 and 2003, respectively. The increase of $449 million in the 2004 amount is primarily attributable to higher earnings. The 2004 amount includes the effect of the discontinuation, for the present time, of the sale of an interest in Occidental's outstanding accounts receivable balance which reduced the 2004 operating cash flow by $360 million.

Occidental's net cash used by investing activities was $1.6 billion and $1.5 billion for the first nine months of 2004 and 2003, respectively. The 2004 amount includes a $208 million advance to the Elk Hills Power LLC (EHP) equity investment which EHP used to repay a portion of its debt. The 2004 amount also includes the purchase of a pipeline and gathering system in the Permian Basin. The 2003 amount includes the purchase of Permian assets, advances to equity investees, purchases of other equity investee debt and the purchase of additional stock of a cost-method investee.

Capital expenditures for the first nine months of 2004 were $1.3 billion, including $1.2 billion in the oil and gas segment. Capital expenditures for the first nine months of 2003 were $1.2 billion, including $836 million for the oil and gas segment and $300 million for the chemical segment. The chemical segment amount includes $180 million for the purchase of a leased facility in La Porte, Texas and $44 million related to the exercise of purchase options for certain leased assets.

Occidental's financing activities used net cash of $753 million and $425 million in the first nine months of 2004 and 2003, respectively. The 2004 amount includes $466 million paid to redeem the trust preferred securities in January 2004 and $159 million paid to redeem Occidental's 6.5 percent senior notes. The 2003 amount includes net debt repayments of approximately $298 million.

In July 2004, Dolphin Energy Limited (Dolphin Energy), the operator of the Dolphin Project, entered into a facility agreement with banks to provide a $1.36 billion bridge loan for the Dolphin Project. The loan has a term of five years and is a revolver for the first two years. Occidental guaranteed 24.5-percent of the obligations of Dolphin Energy under the facility agreement. As part of the financing, a subsidiary of Occidental that is an upstream participant in the Dolphin Project entered into an on-loan agreement with Dolphin Energy to borrow up to $245 million from the proceeds of loans under the facility agreement for its share of upstream costs.

Available but unused lines of committed bank credit totaled approximately $1.5 billion at September 30, 2004 and cash and cash equivalents totaled $998 million on the September 30, 2004 balance sheet. Bank fees on the committed lines of credit ranged from 0.110 percent to 0.225 percent. Occidental's primary bank credit matures on June 18, 2009. None of Occidental's committed bank credits contain material adverse change (MAC) clauses or debt rating triggers that could restrict Occidental's ability to borrow under these lines. Occidental's credit facilities and debt agreements do not contain ratings triggers that could terminate bank commitments or accelerate debt in the event of a ratings downgrade.

At September 30, 2004, under the most restrictive covenants of certain financing agreements, Occidental's capacity for additional unsecured borrowing was approximately $21.0 billion, and the capacity for the payment of cash dividends and other distributions on, and for acquisitions of, Occidental's capital stock was approximately $7.7 billion, assuming that such dividends, distributions and acquisitions were made without incurring additional borrowing.

Occidental currently expects to spend approximately $1.8 billion on its 2004 capital spending program with more than 90 percent in the oil and gas segment. Although its income and cash flows are largely dependent on oil and gas prices and production, Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs, capital expenditure requirements, dividend payments and potential acquisitions. If needed, Occidental could access its existing credit facilities.

ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Occidental's operations in the United States are subject to stringent federal, state and local laws and regulations relating to improving or maintaining environmental quality. Foreign operations also are subject to environmental-protection laws. The laws that require or address environmental remediation may apply retroactively to past waste disposal practices and releases. In many cases, the laws apply regardless of fault, legality of the original activities, or current ownership or control of sites. Pursuant to these laws, Occidental Petroleum Corporation (OPC) or certain of its subsidiaries are currently participating in environmental assessments and cleanups at federal Superfund sites and other sites subject to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), sites subject to equivalent state laws, and other remediation sites, including Occidental facilities and previously-owned sites.

The following table presents Occidental's environmental remediation reserves at September 30, 2004, grouped by three categories of environmental remediation sites ($ amounts in millions):

	# of Sites	Reserve
CERCLA & Equivalent Sites	124	$ 219
Active Facilities	14	69
Closed or Sold Facilities	40	49
Total	178	$ 337

In determining the environmental remediation reserves and reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental expects that it may continue to incur additional liabilities beyond those recorded for environmental remediation at these and other sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $400 million beyond the amount accrued.

At September 30, 2004, OPC or certain of its subsidiaries have been named in CERCLA or state equivalent proceedings, as shown below ($ amounts in millions):

Description	# of Sites	Reserve
Minimal/No Exposure(a)	103	$ 6
Reserves between $1-10 MM	15	64
Reserves over $10 MM	6	149
Total	124	$ 219

(a) Includes 27 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 7 sites where Occidental has denied liability without challenge, 57 sites where Occidental's reserves are less than $50,000 each, and 12 sites where reserves are between $50,000 and $1 million each.

Refer to the "Environmental Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2003 Form 10-K for additional information regarding Occidental's environmental expenditures.

LAWSUITS, CLAIMS, COMMITMENTS, CONTINGENCIES AND RELATED MATTERS

OPC and certain of its subsidiaries have been named in a substantial number of lawsuits, claims and other legal proceedings. These actions seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses; or injunctive or declaratory relief. OPC and certain of its subsidiaries also have been named in proceedings under CERCLA and other federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages and civil penalties; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims and proceedings, including environmental proceedings, Occidental accrues reserves when it believes it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Taxable years prior to 1997 are closed for U.S. federal income tax purposes. Taxable years 1997 through 2002 are in various stages of audit by the Internal Revenue Service. Disputes arise during the course of such audits as to facts and matters of law.

Occidental has guarantees outstanding at September 30, 2004 which encompass performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that Occidental and/or its subsidiaries and affiliates will meet their various obligations (guarantees). At September 30, 2004, the notional amount of these guarantees was approximately $450 million. Of this amount, $365 million relates to Occidental's guarantee of equity investees' debt and other commitments. The remaining $85 million relates to various indemnities and guarantees provided to third parties. The carrying amount of these guarantees on the consolidated balance sheet was immaterial.

It is impossible at this time to determine the ultimate liabilities that OPC and its subsidiaries may incur resulting from any lawsuits, claims and proceedings, audits, commitments, contingencies and related matters. If these matters were to be ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently anticipated, it is possible that such outcome could have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

ACCOUNTING CHANGES

In December 2003, the FASB revised FIN 46, "Consolidation of Variable Interest Entities" to exempt certain entities from its requirements and to clarify certain issues arising during the initial implementation of FIN 46. Occidental adopted the revised FIN 46 in the first quarter of 2004 and it did not have a material effect on its financial statements when adopted.

In June 2001, FASB issued Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," which states in paragraph 8(b) that the accounting specified in SFAS No. 19, "Financial Accounting and Reporting by Oil and Gas Producing Companies" is not affected by SFAS No. 142. A question has arisen about whether the balance sheet classification and disclosure requirements for oil and gas mineral and drilling rights are included in this exception and, if they are not included, whether these rights should be classified as intangible assets. In September 2004, FASB issued FASB Staff Position (FSP) FAS 142-2, "Application of FASB Statement No. 142, Goodwill and Other Intangible Assets, to Oil- and Gas-Producing Entities" which states that the scope exception does include the classification and disclosure of mineral and drilling rights. Therefore, Occidental will continue to classify all of its mineral and drilling rights within property, plant and equipment. When Occidental adopts the provisions of this pronouncement in the fourth quarter of 2004, it will have no effect on its results of operations or financial position.

In May 2004, FASB issued FSP FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003," which specifies the accounting and disclosure requirements for the prescription drug benefits that are available under this new plan. Occidental adopted the provisions of this pronouncement in the second quarter of 2004. At this time, Occidental is unable to determine the impact of the new Medicare provisions due to the lack of final regulations for determining the actuarial equivalency of its benefits compared to the new Medicare benefits. Therefore, the retiree medical obligations and costs reported do not reflect the impact of this legislation in accordance with FSP No. FAS 106-2. When the regulations are clarified and Occidental is able to determine the impact of these provisions, it will adopt the requirements of this standard.

SAFE HARBOR STATEMENT REGARDING OUTLOOK AND FORWARD-LOOKING INFORMATION

Portions of this report contain forward-looking statements and involve risks and uncertainties that could significantly affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; competitive pricing pressures; higher-than-expected costs, including feedstocks; crude oil and natural gas prices; chemical prices; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing facilities due to accidents, political events or insurgent activity; potential failure to achieve expected production from existing and future oil and gas development projects; the supply/demand considerations for Occidental's products; any general economic recession or slowdown domestically or internationally; regulatory uncertainties; and not successfully completing, or any material delay of, any development of new fields, expansion, capital expenditure, efficiency-improvement project, acquisition or disposition. Forward-looking statements are generally accompanied by words such as "estimate", "project", "predict", "will", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes. Occidental expressly disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed might not occur.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For the period ended September 30, 2004, there were no material changes in the information required to be provided under Item 305 of Regulation S-X included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) - Derivative Activities" in Occidental's 2003 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Occidental's Chief Executive Officer and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in Occidental's periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based upon that evaluation, Occidental's Chief Executive Officer and Chief Financial Officer concluded that Occidental's disclosure controls and procedures are effective.

There has been no change in Occidental's internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

GENERAL

This item incorporates by reference the information regarding lawsuits, claims, commitments, contingencies and related matters in Note 11 to the consolidated condensed financial statements in Part I of this Form 10-Q.

In September 2004, shortly after Occidental was awarded compensation for value added tax refunds withheld by Ecuador with respect to Occidental's Block 15 operations in the country, Occidental received formal notification from Petroecuador, the state oil company of Ecuador, initiating proceedings to determine if Occidental had violated its Participation Contract for Block 15 or the Ecuadorian Hydrocarbons Law and whether the alleged violations constitute grounds for terminating the Participation Contract. The principal allegation stated in the notice is an assertion that Occidental should have obtained government approval of a farmout agreement. Occidental believes that it has complied with all material obligations under the Participation Contract and law and that any termination of the contract based upon the stated allegations would be unfounded and would constitute an unlawful expropriation. Occidental is cooperating with Ecuadorian authorities in the current proceedings and will continue to strive for an amicable resolution. Block 15 operations represent approximately eight percent of Occidental's current worldwide production, four percent of its proved reserves and two percent of its total property, plant and equipment, net of accumulated depreciation, depletion and amortization.

In April 2004, a number of U.S. companies, including Occidental Chemical Corporation (OxyChem), were served with seven lawsuits filed in Nicaragua by approximately two thousand individual plaintiffs. These individuals allege that they have sustained several billion dollars of personal injury damages as a result of their alleged exposure to the pesticide DBCP. In the opinion of management, all of these claims are without merit because, among other things, the Company believes that OxyChem DBCP was never sold or used in Nicaragua. Under the applicable Nicaraguan statute, DBCP defendants are required to pay pre-trial deposits so large as to effectively prohibit defendants from participating fully in their defense. In two such situations, involving other defendants, Nicaraguan courts proceeded to enter significant judgments against the defendants under that statute. OxyChem has filed an answer to these lawsuits and denied the material allegations without posting such pre-trial deposit. In the opinion of management, any judgment rendered under the statute would be unenforceable in the United States. Accordingly, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

ENVIRONMENTAL PROCEEDINGS

On October 1, 2003, the Environmental Protection Agency (EPA) served OxyChem with an administrative compliance order and an administrative complaint alleging certain violations of environmental laws at OxyChem's Pottstown, Pennsylvania facility. On July 14, 2004, the Regional Judicial Officer for EPA Region III entered a Consent Agreement and Final Order (CAFO) between OxyChem and EPA. Pursuant to the CAFO, OxyChem paid the EPA and the U.S. Coast Guard a total of $150,000 in penalties and agreed to expend not less than $902,000 performing certain supplemental environmental projects intended to reduce emissions from the facility.

ITEM 6. EXHIBITS

10.1	Occidental Petroleum Corporation 2005 Deferred Compensation Plan (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental dated October 14, 2004, filed October 20, 2004, File No. 1-9210).
10.2	Occidental Petroleum Corporation 2005 Deferred Stock Plan (filed as Exhibit 10.2 to the Current Report on Form 8-K of Occidental dated October 14, 2004, filed October 20, 2004, File No. 1-9210).
11	Statement regarding the computation of earnings per share for the three and nine months ended September 30, 2004 and 2003.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the nine months ended September 30, 2004 and 2003 and the five years ended December 31, 2003.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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 thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: November 2, 2004

S. P. Dominick, Jr.

S. P. Dominick, Jr., Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

EXHIBIT INDEX

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OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(Amounts in thousands, except per-share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
BASIC EARNINGS PER SHARE				
Income after taxes	$ 757,966	$ 445,689	$ 1,826,041	$ 1,213,127
Effect of repurchase of Trust Preferred Securities	--	(22)	--	(41)
Income from continuing operations	757,966	445,667	1,826,041	1,213,086
Cumulative effect of changes in accounting principles, net	--	2	--	(68,428)
Earnings applicable to common stock	$ 757,966	$ 445,669	$ 1,826,041	$ 1,144,658
Basic shares				
Weighted average basic common shares outstanding	393,617	384,109	391,499	381,287
Issued, unvested restricted stock	(14)	(95)	(14)	(95)
Vested, unissued restricted stock	863	330	863	330
Deferred shares	1,804	1,192	1,731	1,046
Basic shares outstanding	396,270	385,536	394,079	382,568
Basic earnings per share				
Income from continuing operations	$ 1.91	$ 1.16	$ 4.63	$ 3.17
Cumulative effect of changes in accounting principles, net	--	--	--	(.18)
Basic earnings per common share	$ 1.91	$ 1.16	$ 4.63	$ 2.99
DILUTED EARNINGS PER SHARE				
Earnings applicable to common stock	$ 757,966	$ 445,669	$ 1,826,041	$ 1,144,658
Diluted shares				
Basic shares outstanding	396,270	385,536	394,079	382,568
Dilutive effect of exercise of options outstanding	5,628	4,403	4,661	3,585
Issued, unvested restricted shares	14	95	14	95
Deferred, restricted stock	1,340	1,096	1,017	761
Diluted shares	403,252	391,130	399,771	387,009
Diluted earnings per share				
Income from continuing operations	$ 1.88	$ 1.14	$ 4.57	$ 3.14
Cumulative effect of changes in accounting principles, net	--	--	--	(.18)
Diluted earnings per common share	$ 1.88	$ 1.14	$ 4.57	$ 2.96

There were no antidilutive options for any of the periods presented above.

EXHIBIT 12

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES
(Amounts in millions, except ratios)

	Nine Months Ended September 30		Year Ended December 31				
	2004	2003	2003	2002	2001	2000	1999
Income from continuing operations	$ 1,826	$ 1,213	$ 1,595	$ 1,163	$ 1,179	$ 1,557	$ 461
Add:							
Minority interest(a)	59	49	62	77	143	185	58
Adjusted income from equity investments(b)	(5)	49	69	308	89	31	73
	1,880	1,311	1,726	1,548	1,411	1,773	592
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	708	522	682	(41)	172	871	306
Interest and debt expense	199	265	335	309	411	540	515
Portion of lease rentals representative of the interest factor	28	22	8	6	7	6	31
	935	809	1,025	274	590	1,417	852
Earnings before fixed charges	$ 2,815	$ 2,120	$ 2,751	$ 1,822	$ 2,001	$ 3,190	$ 1,444
Fixed charges							
Interest and debt expense including capitalized interest	$ 205	$ 269	$ 341	$ 321	$ 417	$ 543	$ 522
Portion of lease rentals representative of the interest factor	28	22	8	6	7	6	31
Total fixed charges	$ 233	$ 291	$ 349	$ 327	$ 424	$ 549	$ 553
Ratio of earnings to fixed charges	12.08	7.29	7.88	5.57	4.72	5.81	2.61

(a) Includes (1) minority interest in net income of majority-owned subsidiaries and partnerships having fixed charges and (2) income from less-than-50-percent-owned equity investments adjusted to reflect only dividends received.

(b) Includes proportionate share of interest and debt expense of 50-percent-owned equity investments.

EXHIBIT 31.1

CERTIFICATION

I, Ray R. Irani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

/s/ Ray R. Irani

Ray R. Irani
Chairman of the Board of Directors and
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Stephen I. Chazen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

/s/ Stephen I. Chazen

Stephen I. Chazen
Senior Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the quarterly period ending September 30, 2004, as filed with the Securities and Exchange Commission on November 2, 2004 (the "Report"), Ray R. Irani, as Chief Executive Officer of the Company, and Stephen I. Chazen, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ray R. Irani

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Name: Ray R. Irani
Title: Chairman of the Board of Directors and Chief Executive Officer
Date: November 2, 2004

/s/ Stephen I. Chazen

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Name: Stephen I. Chazen
Title: Senior Executive Vice President and Chief Financial Officer
Date: November 2, 2004

A signed original of this written statement required by Section 906 has been provided to Occidental Petroleum Corporation and will be retained by Occidental Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.