
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) October 27, 2011

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 October 27, 2011, Occidental Petroleum Corporation released information regarding its results of operations for the three and nine months ended September 30, 2011. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speeches given by James M. Lienert and Stephen Chazen are 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. The information in this Item 2.02 and Exhibits 99.1 through 99.5, inclusive, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Section 8 – Other Events

Item 8.01. Other Events

On October 27, 2011, Occidental Petroleum Corporation announced earnings from continuing operations of \$1.8 billion (\$2.18 per diluted share) for the third quarter of 2011, compared with \$1.2 billion (\$1.48 per diluted share) for the third quarter of 2010. Net income was \$1.8 billion (\$2.17 per diluted share) for the third quarter of 2011, compared with the \$1.2 billion (\$1.46 per diluted share) for the third quarter of 2010.

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$2.6 billion for the third quarter of 2011, compared with \$1.8 billion for the same period in 2010. The increase in the third quarter of 2011 earnings was due to higher volumes and liquids prices.

For the third quarter of 2011, daily oil and gas production volumes averaged 739,000 barrels of oil equivalent (BOE), compared with 706,000 BOE in the third quarter of 2010. As a result of higher year-over-year average oil prices and other factors affecting production sharing and similar contracts, production was reduced in the Middle East/North Africa and Colombia by 13,000 BOE per day, with another 1,000 BOE per day reduction at THUMS in Long Beach.

The third quarter 2011 production volume increase was a result of 56,000 BOE per day higher domestic volumes, partially offset by lower volumes in the Middle East/North Africa and Colombia. The domestic increase was from Midcontinent and Other, including the new acquisitions in South Texas and the North Dakota Williston Basin, and California. The Middle East/North Africa was lower primarily due to the lack of production in Libya and price impacts on production sharing contracts, partially offset by higher production from our traditional areas in Oman and Mukhaizna and Iraq production that came on line in 2011. Colombia production was lower due to pipeline interruptions caused by insurgent activity.

Daily sales volumes increased from 713,000 BOE per day in the third quarter of 2010 to 743,000 BOE per day in the third quarter of 2011. The 2011 sales volumes were higher than the production volumes due to the timing of liftings.

Oxy's realized price for worldwide crude oil was \$97.24 per barrel for the third quarter of 2011, compared with \$72.31 per barrel for the third quarter of 2010. The third quarter of 2011 realized oil price represents 108 percent of the average WTI and 87 percent of the average Brent price for the quarter. About 60 percent of Oxy's oil production tracks world oil prices and 40 percent is indexed to WTI. Worldwide NGL prices were \$56.06 per barrel in the third quarter of 2011, compared with \$39.70 per barrel in the third quarter of 2010. Domestic gas prices increased slightly from \$4.20 per MCF in the third quarter of 2010 to \$4.23 per MCF for the third quarter of 2011.

Chemicals

Chemical segment earnings for the third quarter of 2011 were \$245 million, compared to \$189 million in the third quarter of 2010. The improvement in third quarter results on a year-over-year basis reflects higher pricing across most product lines, which more than offset higher feedstock costs.

Midstream, Marketing and Other

Midstream segment earnings were \$77 million for the third quarter of 2011, compared with \$163 million for the third quarter of 2010. The decline in earnings for the third quarter of 2011 was primarily due to lower trading results, partially offset by higher income from our pipeline and power generation businesses.

NINE-MONTH RESULTS

Year-to-date 2011 core income was over \$5.2 billion (\$6.37 per diluted share), compared with \$3.4 billion (\$4.14 per diluted share) for the same period in 2010. Net income for the first nine months of 2011 was \$5.1 billion (\$6.31 per diluted share), compared with \$3.3 billion (\$4.07 per diluted share) for the same period in 2010.

Oil and Gas

Oil and gas segment earnings were \$7.7 billion for the nine months of 2011, compared with \$5.5 billion for the same period of 2010. The \$2.2 billion increase in the 2011 results reflected higher crude oil and NGL prices and sales volumes, partially offset by higher operating costs and DD&A rates.

Oil and gas production volumes for the nine months were 728,000 BOE per day for 2011, compared with 703,000 BOE per day for the 2010 period. Higher year-over-year average oil prices and other factors affecting our production sharing and similar contracts lowered our Middle East/North Africa, Long Beach and Colombia production by 14,000 BOE per day.

Domestic volumes increased primarily due to new operations in South Texas and the Williston Basin. Middle East/North Africa production declined due to impacts of price and other factors on production sharing contracts and lower production in Libya, partially offset by new production in Iraq and higher production in Oman's Mukhaizna field.

Daily sales volumes were 726,000 BOE in the first nine months of 2011, compared with 701,000 BOE for 2010.

Oxy's realized prices improved for crude oil and NGLs but declined for natural gas on a year-over-year basis. Worldwide crude oil prices were \$97.33 per barrel for the nine months of 2011, compared with \$73.58 per barrel for the nine months of 2010. Worldwide NGL prices were \$55.63 per barrel for the nine months of 2011, compared with \$43.66 per barrel in the nine months of 2010. Domestic gas prices declined from \$4.67 per MCF in the nine months of 2010 to \$4.24 per MCF in the nine months of 2011.

Chemicals

Chemical segment earnings were \$717 million for the nine months of 2011, compared with \$327 million for the same period in 2010. The 2011 nine month results reflect strong export sales and higher margins resulting from higher demand across most products.

Midstream, Marketing and Other

Midstream segment earnings were \$378 million for the nine months of 2011, compared with \$270 million for the same period in 2010. The 2011 results reflect higher pipeline income and increased margins in our power generation business.

Forward-Looking Statements

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially 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; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. 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. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(\$ millions, except per-share amounts)	Third Quarter		Nine Months	
	2011	2010	2011	2010
SEGMENT NET SALES				
Oil and Gas	\$ 4,677	\$ 3,508	\$ 13,635	\$ 10,517
Chemical	1,231	1,051	3,721	3,020
Midstream, Marketing and Other	256	388	1,109	993
Eliminations	(158)	(184)	(560)	(548)
Net Sales	\$ 6,006	\$ 4,763	\$ 17,905	\$ 13,982
SEGMENT EARNINGS				
Oil and Gas (a), (b)	\$ 2,612	\$ 1,757	\$ 7,704	\$ 5,485
Chemical	245	189	717	327
Midstream, Marketing and Other	77	163	378	270
	2,934	2,109	8,799	6,082
Unallocated Corporate Items				
Interest expense, net (c)	(23)	(18)	(259)	(73)
Income taxes (d)	(1,087)	(822)	(3,252)	(2,377)
Other	(49)	(66)	(289)	(255)
Income from Continuing Operations (a)	1,775	1,203	4,999	3,377
Discontinued operations, net (e)	(4)	(12)	138	(59)
NET INCOME (a)	\$ 1,771	\$ 1,191	\$ 5,137	\$ 3,318
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 2.18	\$ 1.48	\$ 6.14	\$ 4.15
Discontinued operations, net	(0.01)	(0.02)	0.17	(0.07)
	\$ 2.17	\$ 1.46	\$ 6.31	\$ 4.08
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 2.18	\$ 1.48	\$ 6.14	\$ 4.14
Discontinued operations, net	(0.01)	(0.02)	0.17	(0.07)
	\$ 2.17	\$ 1.46	\$ 6.31	\$ 4.07
AVERAGE COMMON SHARES OUTSTANDING				
BASIC	812.5	812.7	812.6	812.4
DILUTED	813.2	813.9	813.3	813.8

(a) **Earnings and Income** - Represent amounts attributable to Common Stock, after deducting non-controlling interest amounts of \$22 million for the third quarter of 2010 and \$58 million for the nine months of 2010.

(b) **Oil and Gas** - The first nine months of 2011 include pre-tax charges of \$35 million related to exploration write-offs in Libya and \$29 million related to Colombia net worth tax. Also, included in the first nine months of 2011 results is a pre-tax gain for sale of an interest in a Colombia pipeline of \$22 million.

(c) **Unallocated Corporate Items - Interest Expense, net** - The first nine months of 2011 include a pre-tax charge of \$163 million related to the premium on debt extinguishment.

(d) **Unallocated Corporate Items - Taxes** - The first nine months of 2011 include a net \$21 million charge for out-of-period state income taxes.

(e) **Discontinued Operations, net** - The first nine months of 2011 include a \$144 million after-tax gain from the sale of the Argentina operations.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Third Quarter		Nine Months	
	2011	2010	2011	2010
CAPITAL EXPENDITURES	\$ 2,011	\$ 1,020	\$ 4,969	\$ 2,580
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 924	\$ 792	\$ 2,653	\$ 2,353

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Third Quarter		Nine Months	
	2011	2010	2011	2010
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil (MBBL)				
California	80	75	78	75
Permian	133	134	132	136
Midcontinent and other	17	7	16	7
Total	230	216	226	218
NGL (MBBL)				
California	16	17	15	17
Permian	37	30	38	28
Midcontinent and other	20	7	14	7
Total	73	54	67	52
Natural Gas (MMCF)				
California	269	276	254	288
Permian	151	186	153	194
Midcontinent and other	379	194	357	189
Total	799	656	764	671
Latin America				
Crude Oil (MBBL)				
Colombia	27	33	29	33
Natural Gas (MMCF)				
Bolivia	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
Bahrain	4	3	4	3
Dolphin	10	12	10	12
Iraq	4	-	6	-
Libya	-	11	5	13
Oman	69	63	68	60
Qatar	73	78	72	77
Yemen	28	30	28	32
Total	188	197	193	197
NGL (MBBL)				
Dolphin	11	13	11	12
Libya	-	1	-	1
Total	11	14	11	13
Natural Gas (MMCF)				
Bahrain	169	181	171	169
Dolphin	215	250	205	238
Oman	59	47	53	49
Total	443	478	429	456
Barrels of Oil Equivalent (MBOE)	739	706	728	703

SUMMARY OF OPERATING STATISTICS - SALES

	Third Quarter		Nine Months	
	2011	2010	2011	2010
NET OIL, GAS AND LIQUIDS SALES PER DAY				
United States				
Crude Oil (MBBL)	230	216	226	218
NGL (MBBL)	73	54	67	52
Natural Gas (MMCF)	799	656	764	671
Latin America				
Crude Oil (MBBL)				
Colombia	24	36	29	32
Natural Gas (MMCF)				
Bolivia	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
Bahrain	4	3	4	3
Dolphin	9	12	9	11
Iraq	7	-	2	-
Libya	-	12	5	12
Oman	71	66	70	60
Qatar	76	79	73	77
Yemen	28	30	28	32
Total	195	202	191	195
NGL (MBBL)				
Dolphin	11	13	11	13
Libya	-	-	-	1
Total	11	13	11	14
Natural Gas (MMCF)	443	478	429	456
Barrels of Oil Equivalent (MBOE)	743	713	726	701

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)	<u>2011</u>	<u>Diluted EPS</u>	<u>2010</u>	<u>Third Quarter Diluted EPS</u>
TOTAL REPORTED EARNINGS	\$ 1,771	\$ 2.17	\$ 1,191	\$ 1.46
Oil and Gas				
Segment Earnings	\$ 2,612		\$ 1,757	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>2,612</u>		<u>1,757</u>	
Chemicals				
Segment Earnings	245		189	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>245</u>		<u>189</u>	
Midstream, Marketing and Other				
Segment Earnings	77		163	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>77</u>		<u>163</u>	
Total Segment Core Results	<u>2,934</u>		<u>2,109</u>	
Corporate				
Corporate Results --				
Non Segment *	(1,163)		(918)	
Add:				
Discontinued operations, net **	4		12	
Corporate Core Results - Non Segment	<u>(1,159)</u>		<u>(906)</u>	
TOTAL CORE RESULTS	<u>\$ 1,775</u>	<u>\$ 2.18</u>	<u>\$ 1,203</u>	<u>\$ 1.48</u>

* 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)	2011		2010	
	\$	Diluted EPS	\$	Diluted EPS
TOTAL REPORTED EARNINGS	5,137	6.31	3,318	4.07
Oil and Gas				
Segment Earnings	\$ 7,704		\$ 5,485	
Add:				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Segment Core Results	<u>7,746</u>		<u>5,485</u>	
Chemicals				
Segment Earnings	717		327	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>717</u>		<u>327</u>	
Midstream, Marketing and Other				
Segment Earnings	378		270	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>378</u>		<u>270</u>	
Total Segment Core Results	<u>8,841</u>		<u>6,082</u>	
Corporate				
Corporate Results --				
Non Segment *	(3,662)		(2,764)	
Add:				
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of pre-tax adjustments	(50)		-	
Discontinued operations, net **	(138)		59	
Corporate Core Results - Non Segment	<u>(3,654)</u>		<u>(2,705)</u>	
TOTAL CORE RESULTS	<u>\$ 5,187</u>	<u>\$ 6.37</u>	<u>\$ 3,377</u>	<u>\$ 4.14</u>

* 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 October 27, 2011.

99.2 Full text of speeches given by James M. Lienert and Stephen 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: October 27, 2011

/s/ ROY PINECI

Roy Pineci, Vice President, Controller
and Principal Accounting Officer

EXHIBIT INDEX

- (d) Exhibits
 - 99.1 Press release dated October 27, 2011.
 - 99.2 Full text of speeches given by James M. Lienert and Stephen Chazen.
 - 99.3 Investor Relations Supplemental Schedules.
 - 99.4 Earnings Conference Call Slides.
 - 99.5 Forward-Looking Statements Disclosure for Earnings Release Presentation Materials.

For Immediate Release: October 27, 2011

Occidental Petroleum Announces Third Quarter and Nine Months of 2011 Income

- Q3 2011 earnings from continuing operations of \$1.8 billion (\$2.18 per diluted share)
- Q3 2011 daily domestic oil and gas production of 436,000 BOE, highest in Company's history
- Q3 2011 total daily oil and gas sales of 743,000 BOE

LOS ANGELES, October 27, 2011 -- [Occidental Petroleum Corporation](#) (NYSE:OXY) announced earnings from continuing operations of \$1.8 billion (\$2.18 per diluted share) for the third quarter of 2011, compared with \$1.2 billion (\$1.48 per diluted share) for the third quarter of 2010. Net income was \$1.8 billion (\$2.17 per diluted share) for the third quarter of 2011, compared with the \$1.2 billion (\$1.46 per diluted share) for the third quarter of 2010.

In announcing the results, Stephen I. Chazen, President and Chief Executive Officer, said, "The third quarter 2011 income of \$1.8 billion was 48 percent higher than the same period of 2010. The third quarter 2011 domestic production was 436,000 BOE per day, the highest in Occidental's history, and total sales were 743,000 BOE per day.

"We continue to generate strong financial results with cash flow from operations of \$8.6 billion for the first nine months of 2011 and annualized ROE of 20 percent."

QUARTERLY RESULTS

Oil and Gas

Oil and gas segment earnings were \$2.6 billion for the third quarter of 2011, compared with \$1.8 billion for the same period in 2010. The increase in the third quarter of 2011 earnings was due to higher volumes and liquids prices.

For the third quarter of 2011, daily oil and gas production volumes averaged 739,000 barrels of oil equivalent (BOE), compared with 706,000 BOE in the third quarter of 2010. As a result of higher year-over-year average oil prices and other factors affecting production sharing and similar contracts, production was reduced in the Middle East/North Africa and Colombia by 13,000 BOE per day, with another 1,000 BOE per day reduction at THUMS in Long Beach.

The third quarter 2011 production volume increase was a result of 56,000 BOE per day higher domestic volumes, partially offset by lower volumes in the Middle East/North Africa and Colombia. The domestic increase was from Midcontinent and Other, including the new acquisitions in South Texas and the North Dakota Williston Basin, and California. The Middle East/North Africa was lower primarily due to the lack of production in Libya and

price impacts on production sharing contracts, partially offset by higher production from our traditional areas in Oman and Mukhaizna and Iraq production that came on line in 2011. Colombia production was lower due to pipeline interruptions caused by insurgent activity.

Daily sales volumes increased from 713,000 BOE per day in the third quarter of 2010 to 743,000 BOE per day in the third quarter of 2011. The 2011 sales volumes were higher than the production volumes due to the timing of liftings.

Oxy's realized price for worldwide crude oil was \$97.24 per barrel for the third quarter of 2011, compared with \$72.31 per barrel for the third quarter of 2010. The third quarter of 2011 realized oil price represents 108 percent of the average WTI and 87 percent of the average Brent price for the quarter. About 60 percent of Oxy's oil production tracks world oil prices and 40 percent is indexed to WTI. Worldwide NGL prices were \$56.06 per barrel in the third quarter of 2011, compared with \$39.70 per barrel in the third quarter of 2010. Domestic gas prices increased slightly from \$4.20 per MCF in the third quarter of 2010 to \$4.23 per MCF for the third quarter of 2011.

Chemicals

Chemical segment earnings for the third quarter of 2011 were \$245 million, compared to \$189 million in the third quarter of 2010. The improvement in third quarter results on a year-over-year basis reflects higher pricing across most product lines, which more than offset higher feedstock costs.

Midstream, Marketing and Other

Midstream segment earnings were \$77 million for the third quarter of 2011, compared with \$163 million for the third quarter of 2010. The decline in earnings for the third quarter of 2011 was primarily due to lower trading results, partially offset by higher income from our pipeline and power generation businesses.

NINE-MONTH RESULTS

Year-to-date 2011 core income was over \$5.2 billion (\$6.37 per diluted share), compared with \$3.4 billion (\$4.14 per diluted share) for the same period in 2010. Net income for the first nine months of 2011 was \$5.1 billion (\$6.31 per diluted share), compared with \$3.3 billion (\$4.07 per diluted share) for the same period in 2010.

Oil and Gas

Oil and gas segment earnings were \$7.7 billion for the nine months of 2011, compared with \$5.5 billion for the same period of 2010. The \$2.2 billion increase in the 2011 results reflected higher crude oil and NGL prices and sales volumes, partially offset by higher operating costs and DD&A rates.

Oil and gas production volumes for the nine months were 728,000 BOE per day for 2011, compared with 703,000 BOE per day for the 2010 period. Higher year-over-year average oil prices and other factors affecting our production sharing and similar contracts lowered our Middle East/North Africa, Long Beach and Colombia production by 14,000 BOE per day.

Domestic volumes increased primarily due to new operations in South Texas and the Williston Basin. Middle East/North Africa production declined due to impacts of price and other factors on production sharing contracts and lower production in Libya, partially offset by new production in Iraq and higher production in Oman's Mukhaizna field.

Daily sales volumes were 726,000 BOE in the first nine months of 2011, compared with 701,000 BOE for 2010.

Oxy's realized prices improved for crude oil and NGLs but declined for natural gas on a year-over-year basis. Worldwide crude oil prices were \$97.33 per barrel for the nine months of 2011, compared with \$73.58 per barrel for the nine months of 2010. Worldwide NGL prices were \$55.63 per barrel for the nine months of 2011, compared with \$43.66 per barrel in the nine months of 2010. Domestic gas prices declined from \$4.67 per MCF in the nine months of 2010 to \$4.24 per MCF in the nine months of 2011.

Chemicals

Chemical segment earnings were \$717 million for the nine months of 2011, compared with \$327 million for the same period in 2010. The 2011 nine month results reflect strong export sales and higher margins resulting from higher demand across most products.

Midstream, Marketing and Other

Midstream segment earnings were \$378 million for the nine months of 2011, compared with \$270 million for the same period in 2010. The 2011 results reflect higher pipeline income and increased margins in our power generation business.

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

Portions of this press release contain forward-looking statements and involve risks and uncertainties that could materially 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; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve

expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. 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. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.

-0-

Contacts: Melissa E. Schoeb (media)
 melissa_schoeb@oxy.com
 310-443-6504

 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

4 of 4

SUMMARY OF SEGMENT NET SALES AND EARNINGS

(\$ millions, except per-share amounts)	Third Quarter		Nine Months	
	2011	2010	2011	2010
SEGMENT NET SALES				
Oil and Gas	\$ 4,677	\$ 3,508	\$ 13,635	\$ 10,517
Chemical	1,231	1,051	3,721	3,020
Midstream, Marketing and Other	256	388	1,109	993
Eliminations	(158)	(184)	(560)	(548)
Net Sales	\$ 6,006	\$ 4,763	\$ 17,905	\$ 13,982
SEGMENT EARNINGS				
Oil and Gas (a), (b)	\$ 2,612	\$ 1,757	\$ 7,704	\$ 5,485
Chemical	245	189	717	327
Midstream, Marketing and Other	77	163	378	270
	2,934	2,109	8,799	6,082
Unallocated Corporate Items				
Interest expense, net (c)	(23)	(18)	(259)	(73)
Income taxes (d)	(1,087)	(822)	(3,252)	(2,377)
Other	(49)	(66)	(289)	(255)
Income from Continuing Operations (a)	1,775	1,203	4,999	3,377
Discontinued operations, net (e)	(4)	(12)	138	(59)
NET INCOME (a)	\$ 1,771	\$ 1,191	\$ 5,137	\$ 3,318
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 2.18	\$ 1.48	\$ 6.14	\$ 4.15
Discontinued operations, net	(0.01)	(0.02)	0.17	(0.07)
	\$ 2.17	\$ 1.46	\$ 6.31	\$ 4.08
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 2.18	\$ 1.48	\$ 6.14	\$ 4.14
Discontinued operations, net	(0.01)	(0.02)	0.17	(0.07)
	\$ 2.17	\$ 1.46	\$ 6.31	\$ 4.07
AVERAGE COMMON SHARES OUTSTANDING				
BASIC	812.5	812.7	812.6	812.4
DILUTED	813.2	813.9	813.3	813.8

(a) **Earnings and Income** - Represent amounts attributable to Common Stock, after deducting non-controlling interest amounts of \$22 million for the third quarter of 2010 and \$58 million for the nine months of 2010.

(b) **Oil and Gas** - The first nine months of 2011 include pre-tax charges of \$35 million related to exploration write-offs in Libya and \$29 million related to Colombia net worth tax. Also, included in the first nine months of 2011 results is a pre-tax gain for sale of an interest in a Colombia pipeline of \$22 million.

(c) **Unallocated Corporate Items - Interest Expense, net** - The first nine months of 2011 include a pre-tax charge of \$163 million related to the premium on debt extinguishment.

(d) **Unallocated Corporate Items - Taxes** - The first nine months of 2011 include a net \$21 million charge for out-of-period state income taxes.

(e) **Discontinued Operations, net** - The first nine months of 2011 include a \$144 million after-tax gain from the sale of the Argentina operations.

SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE

(\$ millions)	Third Quarter		Nine Months	
	2011	2010	2011	2010
CAPITAL EXPENDITURES	\$ 2,011	\$ 1,020	\$ 4,969	\$ 2,580
DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS	\$ 924	\$ 792	\$ 2,653	\$ 2,353

SUMMARY OF OPERATING STATISTICS - PRODUCTION

	Third Quarter		Nine Months	
	2011	2010	2011	2010
NET OIL, GAS AND LIQUIDS PRODUCTION PER DAY				
United States				
Crude Oil (MBBL)				
California	80	75	78	75
Permian	133	134	132	136
Midcontinent and other	17	7	16	7
Total	230	216	226	218
NGL (MBBL)				
California	16	17	15	17
Permian	37	30	38	28
Midcontinent and other	20	7	14	7
Total	73	54	67	52
Natural Gas (MMCF)				
California	269	276	254	288
Permian	151	186	153	194
Midcontinent and other	379	194	357	189
Total	799	656	764	671
Latin America				
Crude Oil (MBBL)				
Colombia	27	33	29	33
Natural Gas (MMCF)				
Bolivia	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
Bahrain	4	3	4	3
Dolphin	10	12	10	12
Iraq	4	-	6	-
Libya	-	11	5	13
Oman	69	63	68	60
Qatar	73	78	72	77
Yemen	28	30	28	32
Total	188	197	193	197
NGL (MBBL)				
Dolphin	11	13	11	12
Libya	-	1	-	1
Total	11	14	11	13
Natural Gas (MMCF)				
Bahrain	169	181	171	169
Dolphin	215	250	205	238
Oman	59	47	53	49
Total	443	478	429	456
Barrels of Oil Equivalent (MBOE)	739	706	728	703

SUMMARY OF OPERATING STATISTICS - SALES

	Third Quarter		Nine Months	
	2011	2010	2011	2010
NET OIL, GAS AND LIQUIDS SALES PER DAY				
United States				
Crude Oil (MBBL)	230	216	226	218
NGL (MBBL)	73	54	67	52
Natural Gas (MMCF)	799	656	764	671
Latin America				
Crude Oil (MBBL)				
Colombia	24	36	29	32
Natural Gas (MMCF)				
Bolivia	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
Bahrain	4	3	4	3
Dolphin	9	12	9	11
Iraq	7	-	2	-
Libya	-	12	5	12
Oman	71	66	70	60
Qatar	76	79	73	77
Yemen	28	30	28	32
Total	195	202	191	195
NGL (MBBL)				
Dolphin	11	13	11	13
Libya	-	-	-	1
Total	11	13	11	14
Natural Gas (MMCF)	443	478	429	456
Barrels of Oil Equivalent (MBOE)	743	713	726	701

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)	2011	Diluted EPS	2010	Third Quarter Diluted EPS
TOTAL REPORTED EARNINGS	\$ 1,771	\$ 2.17	\$ 1,191	\$ 1.46
Oil and Gas				
Segment Earnings	\$ 2,612		\$ 1,757	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>2,612</u>		<u>1,757</u>	
Chemicals				
Segment Earnings	245		189	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>245</u>		<u>189</u>	
Midstream, Marketing and Other				
Segment Earnings	77		163	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>77</u>		<u>163</u>	
Total Segment Core Results	<u>2,934</u>		<u>2,109</u>	
Corporate				
Corporate Results --				
Non Segment *	(1,163)		(918)	
Add:				
Discontinued operations, net **	<u>4</u>		<u>12</u>	
Corporate Core Results - Non Segment	<u>(1,159)</u>		<u>(906)</u>	
TOTAL CORE RESULTS	\$ 1,775	\$ 2.18	\$ 1,203	\$ 1.48

* 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)	2011		2010	
		Diluted EPS		Diluted EPS
TOTAL REPORTED EARNINGS	\$ 5,137	\$ 6.31	\$ 3,318	\$ 4.07
Oil and Gas				
Segment Earnings	\$ 7,704		\$ 5,485	
Add:				
Libya exploration write-off	35		-	
Gain on sale of Colombia pipeline interest	(22)		-	
Foreign tax	29		-	
Segment Core Results	<u>7,746</u>		<u>5,485</u>	
Chemicals				
Segment Earnings	717		327	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>717</u>		<u>327</u>	
Midstream, Marketing and Other				
Segment Earnings	378		270	
Add:				
No significant items affecting earnings	-		-	
Segment Core Results	<u>378</u>		<u>270</u>	
Total Segment Core Results	<u>8,841</u>		<u>6,082</u>	
Corporate				
Corporate Results --				
Non Segment *	(3,662)		(2,764)	
Add:				
Premium on debt extinguishments	163		-	
State income tax charge	33		-	
Tax effect of pre-tax adjustments	(50)		-	
Discontinued operations, net **	(138)		59	
Corporate Core Results - Non Segment	<u>(3,654)</u>		<u>(2,705)</u>	
TOTAL CORE RESULTS	<u>\$ 5,187</u>	<u>\$ 6.37</u>	<u>\$ 3,377</u>	<u>\$ 4.14</u>

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

** Amounts shown after tax.

Occidental Petroleum Corporation

JAMES M. LIENERT

Executive Vice President and Chief Financial Officer

– Conference Call –

Third Quarter 2011 Earnings Announcement

October 27, 2011

Los Angeles, California

Thank you Chris.

Core income was \$1.8 billion or \$2.18 per diluted share in the third quarter this year, compared to \$1.2 billion or \$1.48 per diluted share in the third quarter of last year. Net income was \$1.8 billion or \$2.17 per diluted share in the third quarter of 2011, compared to \$1.2 billion or \$1.46 per diluted share in the third quarter of 2010. The small difference between net and core income is due to discontinued operations.

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

Oil and gas segment earnings for the third quarter of 2011 were \$2.6 billion, the same as the second quarter of 2011 and compared to \$1.8 billion in the third quarter of 2010. Higher volumes this quarter, compared to the second quarter of 2011, resulted in flat quarter to quarter income despite lower product prices. The improvement in 2011, over the same period in 2010, was driven by higher production and liquids prices. The third quarter 2011 realized prices increased on a year-over-year basis by 34 percent for

crude oil, 41 percent for NGLs and remained about flat for domestic natural gas. Sales volumes, which are different than production volumes due to the timing of liftings, were 743,000 BOE per day, compared to 713,000 BOE per day in the third quarter of 2010. Our production was 739,000 BOE per day, compared to 706,000 in the third quarter of 2010, which included production from Libya. This represents a greater than 4 ½ percent increase year-over-year, reflecting our continued focus on production growth. The third quarter production was also more than 3 percent higher than the second quarter 2011 volumes of 715,000 BOE per day.

- Domestically, our production was 436,000 BOE per day, representing the highest ever domestic production volumes for the company, compared to our guidance of 430,000 to 432,000 BOE per day. Our production in California rose by 6,000 BOE per day compared to the second quarter, and contributed a large portion of the sequential increase in our overall domestic production volumes.
- Latin America volumes were 30,000 BOE per day. Colombia volumes decreased from the second quarter due to pipeline interruptions caused by insurgent activity.
- In the Middle East region:
 - We recorded no production in Libya.
 - In Iraq, we produced 4,000 BOE per day.
 - Yemen daily production was 28,000 BOE, slightly ahead of our guidance.

- In Oman, the third quarter production was 79,000 BOE per day, an increase of 3,000 BOE per day over the second quarter volumes.
- In Qatar, the third quarter production was 73,000 BOE per day, an increase of 5,000 BOE per day over the second quarter volumes. The increase reflected the results of the development program, as well as maintenance issues that affected the second quarter volumes.
- In Dolphin and Bahrain combined, production increased 3,000 BOE per day from the second quarter volumes.
- Our third quarter sales volumes were 743,000 BOE per day, compared to our guidance of 725,000 BOE per day. The improvement resulted mainly from the higher domestic production and the timing of liftings.
- Third quarter 2011 realized prices declined for all our products from the second quarter of the year. Our worldwide crude oil realized price was \$97.24 per barrel, a decrease of 6 percent, worldwide NGLs were \$56.06 per barrel, a decline of 3 percent, and domestic natural gas prices were about flat at \$4.23 per MCF.
- Differentials improved in the quarter, resulting in realized oil prices representing 108 percent of the average WTI and 87 percent of the average Brent price. About 60 percent of Oxy's oil production tracks world oil prices and 40 percent is indexed to WTI. For example, in California our realized price was 114 percent of WTI and 91 percent of Brent in the third quarter. In Oman our average price was 117 percent of WTI and 93 percent of Brent.

- Price changes at current global prices, affect our quarterly earnings before income taxes by \$38 million for a \$1.00 per barrel change in oil prices and \$7 million for a \$1.00 per barrel change in NGL prices. A swing of 50 cents per million BTUs in domestic gas prices affects quarterly pre-tax earnings by about \$34 million.
- Oil and gas cash production costs were \$12.36 a barrel for the first nine months of 2011, compared with last year's twelve-month costs of \$10.19 a barrel. The cost increase reflects higher workover and maintenance activity driven by our program to increase production at these higher levels of oil prices.
- Taxes other than on income, which are directly related to product prices, were \$2.29 per barrel for the first nine months of 2011, compared to \$1.83 per barrel for all of 2010.
- Total exploration expense was \$39 million in the quarter.

Chemical segment earnings for the third quarter of 2011 were \$245 million, compared to \$253 million in the second quarter of 2011 and \$189 million in the third quarter of 2010. The improvement in third quarter results on a year-over-year basis reflects higher margins across most product lines. In addition, during the third quarter of 2011, we temporarily idled certain production in our Texas plants and sold power to the grid during the power shortage, resulting in an increase in the quarter's earnings.

Midstream segment earnings for the third quarter of 2011 were \$77 million, compared to \$187 million in the second quarter of 2011 and \$163 million in the third quarter of 2010. The decreases from the second quarter and prior year third quarter earnings were due to losses from our Phibro unit both for the quarter and year-to-date, partially offset by higher pipeline income and increased power sales to the grid during the third quarter.

The worldwide effective tax rate was 38 percent for the third quarter of 2011. Our third quarter U.S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule.”

Let me now turn to Occidental’s performance during the **first nine months**.

Core income was \$5.2 billion or \$6.37 per diluted share, compared with \$3.4 billion or \$4.14 per diluted share in 2010. Net income was \$5.1 billion or \$6.31 per diluted share for the first nine months of 2011, compared with \$3.3 billion or \$4.07 per diluted share in 2010.

Cash flow from operations for the first nine months of 2011 was \$8.6 billion. We used \$5.0 billion of the company’s total cash flow to fund capital expenditures and \$1.5 billion on net acquisitions and divestitures. We used \$1.1 billion to pay dividends and had a net cash inflow from debt activity of \$0.6 billion. These and other net cash flows resulted in a \$4.0 billion cash balance at September 30.

Capital spending was \$5.0 billion for the first nine months, of which \$2.0 billion was spent in the third quarter. Year-to-date capital expenditures by segment were 83 percent in oil and gas, 14 percent in midstream and the remainder in chemicals.

Our net **acquisition expenditures** in the first nine months were \$1.5 billion, which are net of proceeds from the sale of our Argentina operations. The acquisitions included the South Texas purchase, properties in California and the Permian, and a payment in connection with the signing of the Al Hosn Gas project in Abu Dhabi which is the gas development of the Shah field. This payment was for Occidental’s share of development expenditures incurred by the project prior to the date the final agreement was signed.

The weighted-average basic shares outstanding for the first nine months of 2011 were 812.6 million and the weighted-average diluted shares outstanding were 813.3 million.

Our debt-to-capitalization ratio was 14 percent, the same as at the end of last year. During the third quarter of 2011, Oxy issued senior notes of \$1.3 billion due in 2017 and \$900 million due in 2022 at a weighted average interest rate of 2.3 percent, which brought the Company's average effective borrowing rate down to 3.2 percent.

Our annualized return on equity for the first nine months of the year was 20 percent.

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

I will now turn the call over to Steve Chazen to discuss Oxy's strategy to maximize total shareholder return and provide guidance for the fourth quarter.

Occidental Petroleum Corporation

STEPHEN CHAZEN

President and Chief Executive Officer

– Conference Call –

Third Quarter 2011 Earnings Guidance

October 27, 2011

Los Angeles, California

Thank you Jim.

This morning, I want to spend a few minutes discussing Occidental's overriding goal to maximize **Total Shareholder Return**. We believe this can be achieved through a combination of:

1. Growing our oil and gas production by 5% to 8% per year on average over the long term;
2. Allocating and deploying capital with a focus on achieving well above cost-of-capital returns;
and
3. Consistent dividend growth.

Following is an update of our progress to-date:

- Oil and gas production – The impact of our capital program and increase in drilling activity has started to have a visible impact on our domestic oil and gas production volumes. Compared to the second quarter, our domestic production increased by about 6,000 BOE per day per month, compared to

our guidance of 3,000 to 4,000 BOE per day. This increase resulted in domestic production of 436,000 BOE/D for the third quarter, compared to the 430,000 to 432,000 BOE/D guidance we gave you. The third quarter 2011 domestic production is the highest U.S. total production volume in Occidental's history, reflecting the highest ever volumes for liquids.

- Compared to the prior year, total company third quarter production of 739,000 BOE per day was affected by a 7-percent decline in our international production. This reduction was the result of disruptions in the Middle East/North Africa region, and the impact of higher oil prices on our production sharing contracts. On a year-over-year basis, our domestic production volumes increased by 15 percent.

In our operations we experience disruptions affecting our production. Examples of such events in the third quarter 2011 included the Elk Hills gas plant shutdown due to mechanical issues, mechanical issues with plants, compressors and pipelines in the Permian and Qatar, and insurgent activity in Colombia that caused a significant portion of our production to be shut down for about 10 days. Without these events our production would have been 10,000 to 15,000 BOE per day higher, which is more representative of our assets' current theoretical productive capacity. Some of these constraints have been removed and we expect others to be removed over time. Others are not within our control and reoccur. We believe our

capital program will yield higher production growth and reliability over time.

- Returns –
 - ROE – Oxy’s annualized return on equity for the first nine months of 2011 was 20 percent.
 - ROCE – Occidental’s annualized return on capital employed for the first nine months of 2011 was 18 percent.
 - We continue to manage our capital program and acquisition strategy to yield well above cost-of-capital returns.
- Dividend growth – Our ability to pay dividends is indicated by our free cash flow generation. Free cash flow after interest, taxes and capital spending, but before dividends, acquisitions and debt activity for the first nine months of the year was \$3.7 billion. Oxy’s annual dividend rate is currently \$1.84 per share or about \$1.1 billion for the nine months of 2011. Oxy has increased its dividends 10 times over the last 9 years, resulting in a compound annual dividend growth rate of 15.6 percent. In keeping with our philosophy to raise the dividend on a consistent basis, the Board of Directors is expected to consider a dividend increase at the February meeting.
- Share repurchases –
 - The policy on possible share repurchases remains essentially unchanged. We do not view share repurchases as an alternative to dividends. We believe that dividends are given directly to the shareholders

while the effect of share repurchases on the stock price is at best murky. Therefore, you should not expect a program of regular share repurchases except to offset any shares issued under employee programs. These numbers tend to be very small. If there's continuing excess cash, it will be used to boost the dividend rate. We do consider using the shareholders' capital to buy shares when the stock is trading at a discount to the results we can expect from our capital or acquisition program.

- To assist you in determining this, the analysis we employ is as follows:
 - § The value of the chemical and midstream assets that are not related directly to our production is determined. This is done on a conservative basis. The debt and cash levels of the Company are netted.
 - § The current capital program finding and development costs for each of oil and gas are estimated. We use only proved reserves in the calculation, not probable and possible reserves, and we don't consider the value of acreage.
 - § The result of this analysis is not the value of the Company but rather a determination of whether the next dollar should be spent on capital or share repurchases.

- Normally, this results in a decision to invest in the business rather than a decision to buy in shares. When we do repurchase shares we will make only the required public announcements, in order to minimize what we pay for the stock – thereby enriching the remaining shareholders and not assisting the exiting shareholders. This approach eliminates our natural bias to think that the stock is always undervalued and makes the calculation pretty straightforward.
- We have sufficient current authority to purchase a significant number of shares. The Form 10Q filings will show if any shares were purchased, at what price and how many shares remain authorized. Small repurchases are indicative of employee plan activities.
- We value the Company's financial flexibility, especially in times of stress. It would be a disservice to our shareholders to impair that flexibility to achieve some theoretical short-term advantage.

As we look ahead to the **fourth quarter of the year**:

We expect the fourth quarter oil and gas production to be as follows:

- Domestic volumes are expected to increase by about 3,000 – 4,000 BOE per day per month from the current quarterly average level of 436,000 BOE per day. This should result in average fourth quarter production of about 442,000 to 444,000 BOE per day.

This would constitute a year-over-year domestic production growth rate exceeding 10 percent and about a 6 percent per year production growth rate going forward.

In terms of a review of our major domestic assets:

- In California:

- § For the year, we expect to drill and complete 154 shale wells outside Elk Hills, compared to the 107 wells we had indicated at the beginning of the year. Including Elk Hills, we expect to drill 195 shale wells for the year. We expect to drill and complete a total of 42 shale wells during the fourth quarter.

- § Our experience has been that the 30-day initial production rate for these wells is between 300 and 400 BOE per day.

- § With respect to the shale wells outside Elk Hills, about 80 percent of the BOE production is a combination of black oil and high-value condensate;

- § The cost of drilling and completing the wells has been running about \$3.5 million per well, and we expect this to decline over time;

- § Our conventional drilling program is progressing somewhat better than planned;

- § There has been no significant change in the status of permitting issues in the state from our last call. We expect the current permitting levels to allow

our program to go forward at these levels and enable us to continue to grow our production volumes in the state.

§ We expect the rig count to remain the same at 29.

○ In the Permian operations:

§ Our CO₂ flood production is progressing according to plan;

§ We expect our rig count to be about 24 in the fourth quarter;

§ Our non-CO₂ operations have stepped up their development program but they will not show significant production growth until next year.

○ In Williston:

§ We are pursuing a development program with about 13 rigs expected to be running in the fourth quarter;

§ Our production is growing as a result of the development program and we expect the growth to continue.

○ Natural gas prices in the U.S. continue to be weak. As a result, we are considering cutting back our pure gas drilling in the Midcontinent and possibly elsewhere.

- Internationally, we believe that once the current uncertainties are behind us, including the resolution of the situation in Libya and the achievement of a sustained development program in Iraq, we will achieve production growth similar to our domestic operations. We expect our fourth quarter international

production to be about the same as the third quarter production, 4 percent higher than the second quarter of this year, which represented the low point of volumes during the year following the situation in Libya.

- Colombia volumes should be modestly higher than the third quarter, assuming no further pipeline attacks.
- The Middle East region production is expected to be as follows for the fourth quarter:

§ At this point, we expect no significant production from Libya. Our joint venture partnerships are currently in the process of resuming production, but production ramp-up will be hampered in the near term by lack of vehicles and personnel to address operational problems from the prolonged shut-in.

§ In Iraq, we expect production to be similar to the past quarter. Going forward, we still are unable to reliably predict spending levels, which determine production.

§ In the remainder of the Middle East, we expect production to be comparable to third quarter volumes.

- At quarter-end prices, we expect total production to increase to around 745,000 BOE per day as a result of the 3,000 to 4,000 BOE per day per month coming from domestic production. We expect sales volumes to be around 740,000 BOE per day due to the timing of liftings.

- A \$5.00 change in global oil prices would impact our production sharing contracts daily volumes by about 3,000 BOE per day.
- We expect our total year capital expenditures to be about \$7.0 billion.

Additionally –

- We expect exploration expense to be about \$100 million for seismic and drilling for our exploration programs in the fourth quarter.
- The chemical segment fourth quarter earnings, which are historically the weakest quarter, are expected to be about \$100 million. This reduction from the third quarter is due to seasonal slowdowns in many markets such as construction, customers' efforts to minimize inventories and a slowdown in exports.
- We expect our combined worldwide tax rate in the fourth quarter of 2011 to remain at about 38 percent.

So to summarize:

- Our third quarter core income of \$2.18 per share was about 12 percent higher than the analysts' consensus estimate;
- Our third quarter oil and gas earnings of \$2.6 billion were essentially unchanged from the second quarter, despite a \$6 per barrel decline in our average oil realizations;
- Our annualized return on equity was 20 percent for the first nine months of 2011;
- Our total oil and gas production of 739,000 BOE per day during the third quarter grew more than 3 percent compared to the second quarter;

- Domestic oil and gas production volumes grew to 436,000 BOE per day in the third quarter a 3-percent increase from the second quarter, and above our earlier guidance of 430,000 to 432,000 BOE per day;
- Domestic volumes are expected to further increase by about 3,000 – 4,000 BOE per day per month in the fourth quarter.

Now we're ready to take your questions.

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

Nine Months
2011

Consolidated Statement of Cash Flows	
Cash flow from operating activities	8,638
Cash flow from investing activities	(6,488)
Cash flow from financing activities	(689)
Change in cash	<u>1,461</u>

Free Cash Flow

Cash flow from operating activities	8,638
Capital spending	(4,969)
Free cash flow from continuing operations before dividends	<u>3,669</u>

Occidental Petroleum Corporation
Return on Capital Employed (ROCE)
Reconciliation to Generally Accepted Accounting Principles (GAAP)

	2010	9 Months 2011	Annualized 2011
RETURN ON EQUITY (%)	14.7	14.9	19.9
RETURN ON CAPITAL EMPLOYED (%)	13.2	13.3	17.7
GAAP measure - net income attributable to common stock	4,530	5,137	
Interest expense	93	259	
Tax effect of interest expense	(33)	(91)	
Earnings before tax-effected interest expense	<u>4,590</u>	<u>5,305</u>	
GAAP stockholders' equity	32,484	36,479	
Debt	5,111	5,870	
Total capital employed	37,595	42,349	
ROCE	13.2	13.3	17.7
ROE	14.7	14.9	19.9



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

	<u>3Q 2011</u>	<u>3Q 2010</u>
Core Results	\$1,775	\$1,203
EPS - Diluted	\$2.18	\$1.48
Reported Net Income	\$1,771	\$1,191
EPS - Diluted	\$2.17	\$1.46
Total Worldwide Sales Volumes (mboe/day)	743	713
Total Worldwide Production Volumes (mboe/day)	739	706
Total Worldwide Crude Oil Realizations (\$/BBL)	\$97.24	\$72.31
Total Worldwide NGL Realizations (\$/BBL)	\$56.06	\$39.70
Domestic Natural Gas Realizations (\$/MCF)	\$4.23	\$4.20
Wtd. Average Basic Shares O/S (mm)	812.5	812.7
Wtd. Average Diluted Shares O/S (mm)	813.2	813.9
	<u>YTD 2011</u>	<u>YTD 2010</u>
Core Results	\$5,187	\$3,377
EPS - Diluted	\$6.37	\$4.14
Reported Net Income	\$5,137	\$3,318
EPS - Diluted	\$6.31	\$4.07
Total Worldwide Sales Volumes (mboe/day)	726	701
Total Worldwide Production Volumes (mboe/day)	728	703
Total Worldwide Crude Oil Realizations (\$/BBL)	\$97.33	\$73.58
Total Worldwide NGL Realizations (\$/BBL)	\$55.63	\$43.66
Domestic Natural Gas Realizations (\$/MCF)	\$4.24	\$4.67
Wtd. Average Basic Shares O/S (mm)	812.6	812.4
Wtd. Average Diluted Shares O/S (mm)	813.3	813.8
Shares Outstanding (mm)	811.8	812.6
Cash Flow from Operations	\$ 8,600	\$ 6,700



OCCIDENTAL PETROLEUM
2011 Third Quarter
Net Income (Loss)
(\$ millions)

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 2,612		\$ 2,612
Chemical	245		245
Midstream, marketing and other	77		77
Corporate			
Interest expense, net	(23)		(23)
Other	(49)		(49)
Taxes	(1,087)		(1,087)
Income from continuing operations	<u>1,775</u>	<u>-</u>	<u>1,775</u>
Discontinued operations, net of tax	(4)	4	-
Net Income	<u>\$ 1,771</u>	<u>\$ 4</u>	<u>\$ 1,775</u>
Basic Earnings Per Common Share			
Income from continuing operations	\$ 2.18		
Discontinued operations, net	(0.01)		
Net Income	<u>\$ 2.17</u>		<u>\$ 2.18</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 2.18		
Discontinued operations, net	(0.01)		
Net Income	<u>\$ 2.17</u>		<u>\$ 2.18</u>



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

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 1,757		\$ 1,757
Chemical	189		189
Midstream, marketing and other	163		163
Corporate			
Interest expense, net	(18)		(18)
Other	(66)		(66)
Taxes	(822)		(822)
Income from continuing operations	1,203	-	1,203
Discontinued operations, net of tax	(12)	12	-
		Discontinued operations, net	
Net Income	\$ 1,191	\$ 12	\$ 1,203
Basic Earnings Per Common Share			
Income from continuing operations	\$ 1.48		
Discontinued operations, net	(0.02)		
Net Income	<u>\$ 1.46</u>		<u>\$ 1.48</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 1.48		
Discontinued operations, net	(0.02)		
Net Income	<u>\$ 1.46</u>		<u>\$ 1.48</u>



OCCIDENTAL PETROLEUM
2011 Nine Months
Net Income (Loss)
(\$ millions)

	<u>Reported Income</u>	<u>Significant Items Affecting Income</u>	<u>Core Results</u>
Oil & Gas	\$ 7,704	\$ 35 (22) 29	\$ 7,746
		Libya exploration write-off Gain on sale of Colombia pipeline interest Foreign tax	
Chemical	717		717
Midstream, marketing and other	378		378
Corporate			
Interest expense, net	(259)	163	(96)
Other	(289)		(289)
Taxes	(3,252)	(50) 33	(3,269)
		Tax effect of adjustments State income tax charge	
Income from continuing operations	<u>4,999</u>	<u>188</u>	<u>5,187</u>
Discontinued operations, net of tax	138	(138)	-
Net Income	<u>\$ 5,137</u>	<u>\$ 50</u>	<u>\$ 5,187</u>
Basic Earnings Per Common Share			
Income from continuing operations	\$ 6.14		
Discontinued operations, net	0.17		
Net Income	<u>\$ 6.31</u>		<u>\$ 6.37</u>
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 6.14		
Discontinued operations, net	0.17		
Net Income	<u>\$ 6.31</u>		<u>\$ 6.37</u>



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

	Reported Income	Significant Items Affecting Income	Core Results
Oil & Gas	\$ 5,485		\$ 5,485
Chemical	327		327
Midstream, marketing and other	270		270
Corporate			
Interest expense, net	(73)		(73)
Other	(255)		(255)
Taxes	(2,377)		(2,377)
Income from continuing operations	3,377	-	3,377
Discontinued operations, net of tax	(59)	59	-
Net Income	\$ 3,318	\$ 59	\$ 3,377
Basic Earnings Per Common Share			
Income from continuing operations	\$ 4.15		
Discontinued operations, net	(0.07)		
Net Income	\$ 4.08		\$ 4.15
Diluted Earnings Per Common Share			
Income from continuing operations	\$ 4.14		
Discontinued operations, net	(0.07)		
Net Income	\$ 4.07		\$ 4.14



OCCIDENTAL PETROLEUM
Worldwide Effective Tax Rate

	QUARTERLY			YEAR-TO-DATE	
	2011 QTR 3	2011 QTR 2	2010 QTR 3	2011 9 Months	2010 9 Months
REPORTED INCOME					
Oil & Gas	2,612	2,624	1,757	7,704	5,485
Chemicals	245	253	189	717	327
Midstream, marketing and other	77	187	163	378	270
Corporate & other	(72)	(134)	(84)	(548)	(328)
Pre-tax income	2,862	2,930	2,025	8,251	5,754
Income tax expense					
Federal and state	433	557	322	1,360	958
Foreign	654	554	500	1,892	1,419
Total	1,087	1,111	822	3,252	2,377
Income from continuing operations	1,775	1,819	1,203	4,999	3,377
Worldwide effective tax rate	38%	38%	41%	39%	41%
CORE RESULTS					
Oil & Gas	2,612	2,624	1,757	7,746	5,485
Chemicals	245	253	189	717	327
Midstream, marketing and other	77	187	163	378	270
Corporate & other	(72)	(134)	(84)	(385)	(328)
Pre-tax income	2,862	2,930	2,025	8,456	5,754
Income tax expense					
Federal and state	433	557	322	1,390	958
Foreign	654	554	500	1,879	1,419
Total	1,087	1,111	822	3,269	2,377
Core results	1,775	1,819	1,203	5,187	3,377
Worldwide effective tax rate	38%	38%	41%	39%	41%

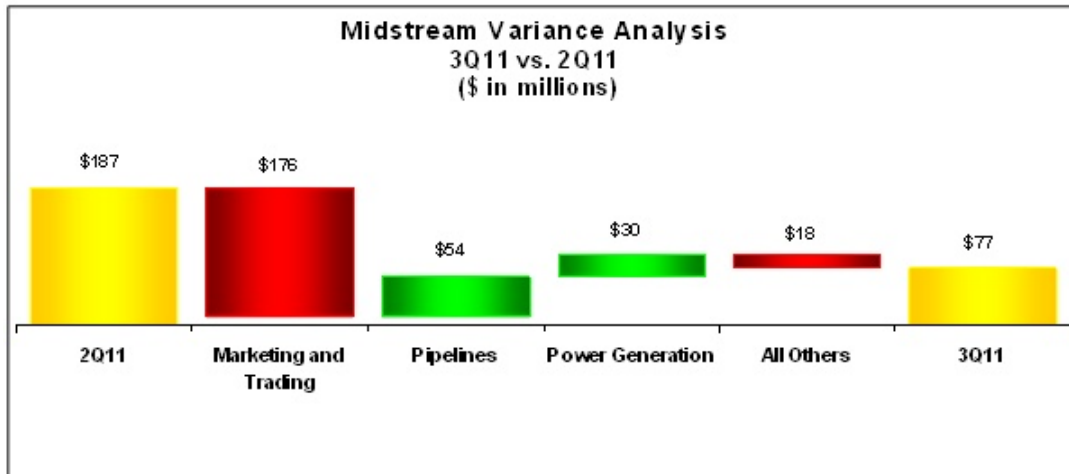
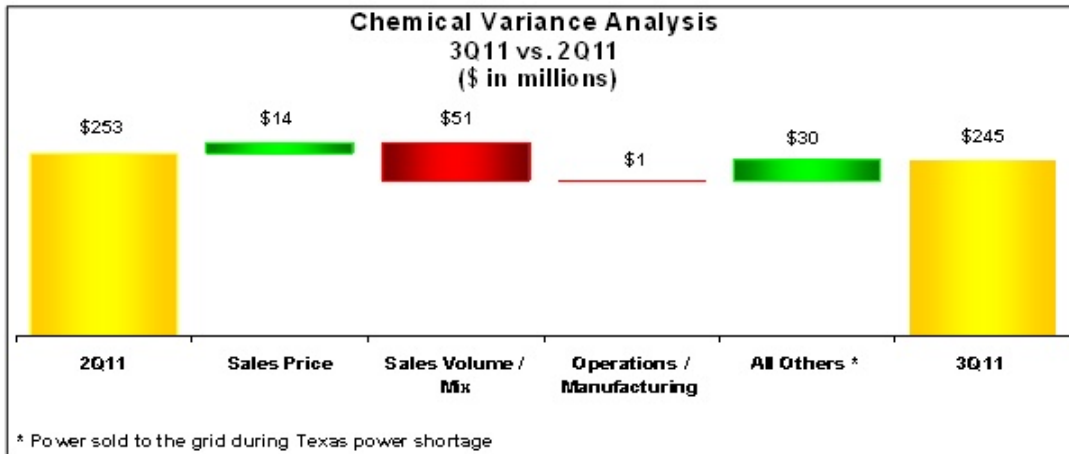
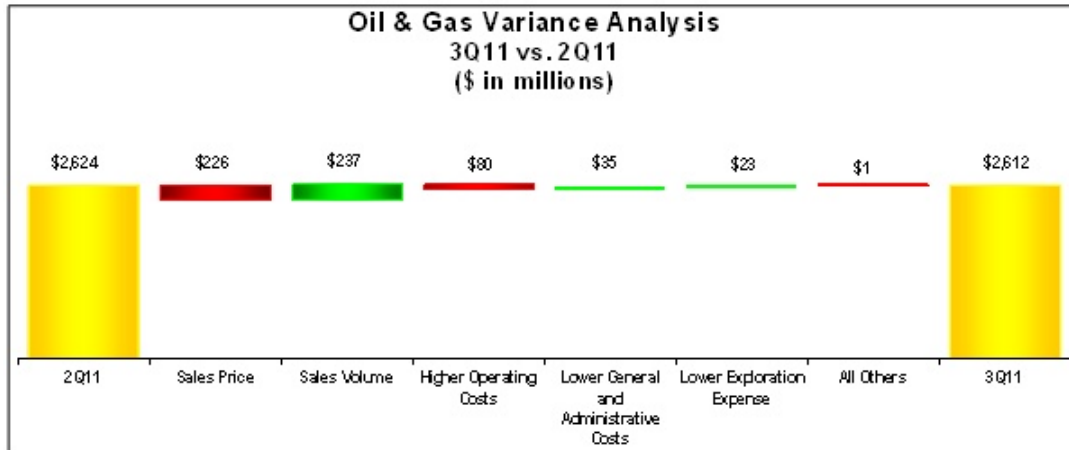


OCCIDENTAL PETROLEUM
2011 Third Quarter Net Income (Loss)
Reported Income Comparison

	Third Quarter 2011	Second Quarter 2011	B / (W)
Oil & Gas	\$ 2,612	\$ 2,624	\$ (12)
Chemical	245	253	(8)
Midstream, marketing and other	77	187	(110)
Corporate			
Interest expense, net	(23)	(22)	(1)
Other	(49)	(112)	63
Taxes	(1,087)	(1,111)	24
Income from continuing operations	1,775	1,819	(44)
Discontinued operations, net	(4)	(2)	(2)
Net Income	<u>\$ 1,771</u>	<u>\$ 1,817</u>	<u>\$ (46)</u>
Earnings Per Common Share			
Basic	\$ 2.17	\$ 2.23	\$ (0.06)
Diluted	\$ 2.17	\$ 2.23	\$ (0.06)
Worldwide Effective Tax Rate	<u>38%</u>	<u>38%</u>	<u>0%</u>

OCCIDENTAL PETROLEUM
2011 Third Quarter Net Income (Loss)
Core Results Comparison

	Third Quarter 2011	Second Quarter 2011	B / (W)
Oil & Gas	\$ 2,612	\$ 2,624	\$ (12)
Chemical	245	253	(8)
Midstream, marketing and other	77	187	(110)
Corporate			
Interest expense, net	(23)	(22)	(1)
Other	(49)	(112)	63
Taxes	(1,087)	(1,111)	24
Core Results	<u>\$ 1,775</u>	<u>\$ 1,819</u>	<u>\$ (44)</u>
Core Results Per Common Share			
Basic	\$ 2.18	\$ 2.23	\$ (0.05)
Diluted	\$ 2.18	\$ 2.23	\$ (0.05)
Worldwide Effective Tax Rate	<u>38%</u>	<u>38%</u>	<u>0%</u>



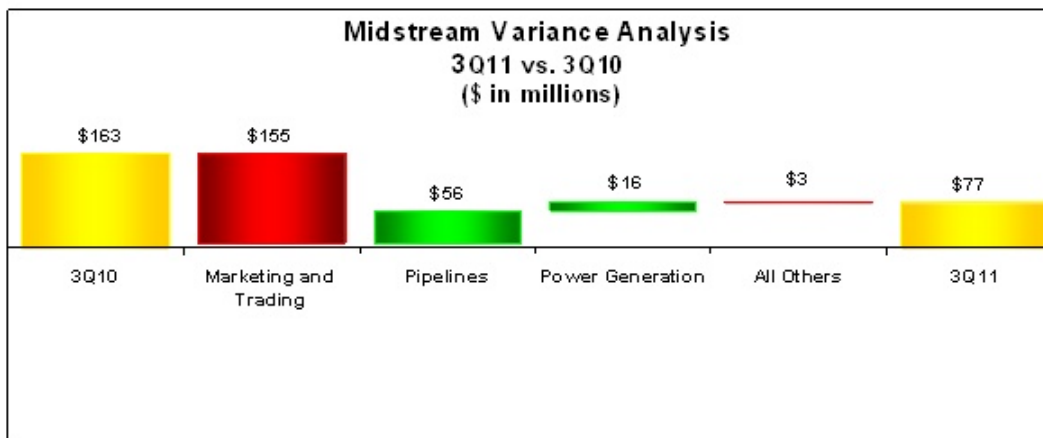
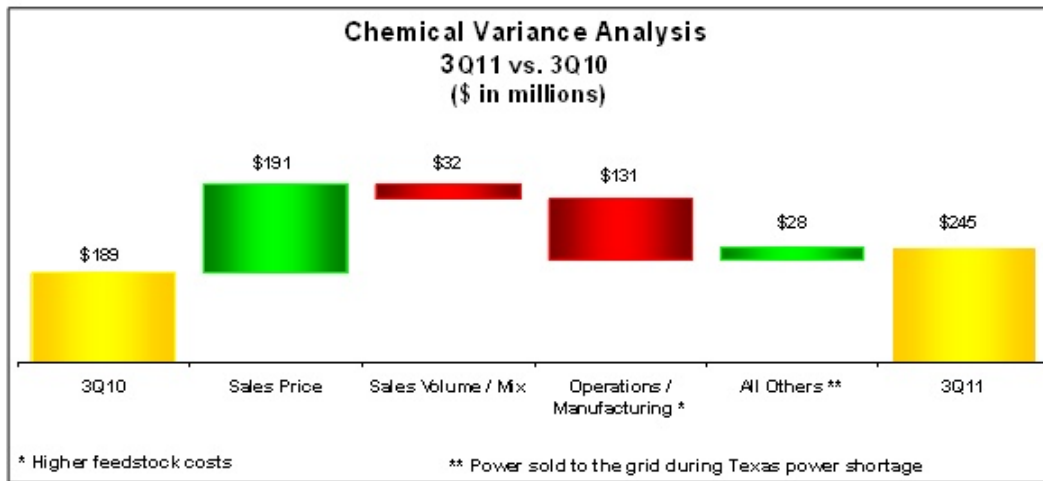
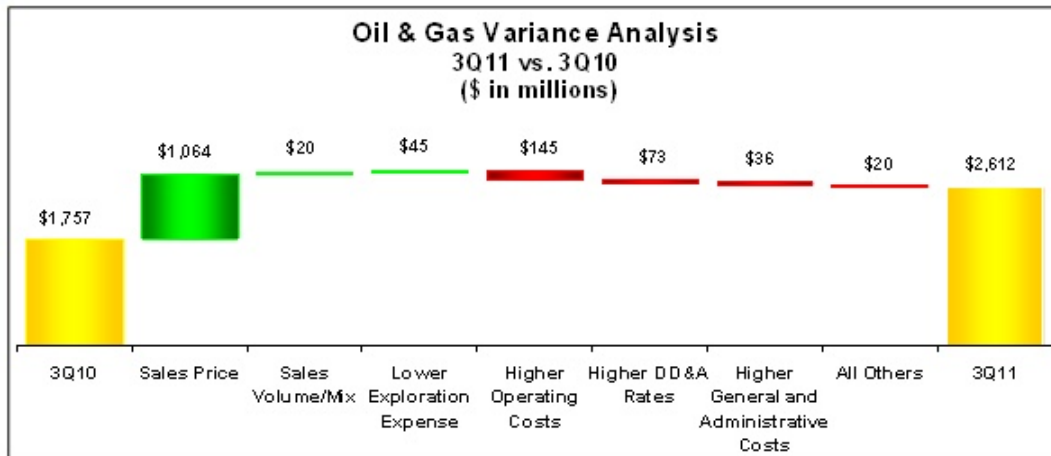


OCCIDENTAL PETROLEUM
2011 Third Quarter Net Income (Loss)
Reported Income Comparison

	Third Quarter 2011	Third Quarter 2010	B / (W)
Oil & Gas	\$ 2,612	\$ 1,757	\$ 855
Chemical	245	189	56
Midstream, marketing and other	77	163	(86)
Corporate			
Interest expense, net	(23)	(18)	(5)
Other	(49)	(66)	17
Taxes	(1,087)	(822)	(265)
Income from continuing operations	1,775	1,203	572
Discontinued operations, net	(4)	(12)	8
Net Income	<u>\$ 1,771</u>	<u>\$ 1,191</u>	<u>\$ 580</u>
Earnings Per Common Share			
Basic	\$ 2.17	\$ 1.46	\$ 0.71
Diluted	\$ 2.17	\$ 1.46	\$ 0.71
Worldwide Effective Tax Rate	<u>38%</u>	<u>41%</u>	<u>3%</u>

OCCIDENTAL PETROLEUM
2011 Third Quarter Net Income (Loss)
Core Results Comparison

	Third Quarter 2011	Third Quarter 2010	B / (W)
Oil & Gas	\$ 2,612	\$ 1,757	\$ 855
Chemical	245	189	56
Midstream, marketing and other	77	163	(86)
Corporate			
Interest expense, net	(23)	(18)	(5)
Other	(49)	(66)	17
Taxes	(1,087)	(822)	(265)
Core Results	<u>\$ 1,775</u>	<u>\$ 1,203</u>	<u>\$ 572</u>
Core Results Per Common Share			
Basic	\$ 2.18	\$ 1.48	\$ 0.70
Diluted	\$ 2.18	\$ 1.48	\$ 0.70
Worldwide Effective Tax Rate	<u>38%</u>	<u>41%</u>	<u>3%</u>





**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Third Quarter		Nine Months	
	2011	2010	2011	2010
NET PRODUCTION PER DAY:				
United States				
Crude Oil (MBBL)				
California	80	75	78	75
Permian	133	134	132	136
Midcontinent and other	17	7	16	7
Total	230	216	226	218
NGL (MBBL)				
California	16	17	15	17
Permian	37	30	38	28
Midcontinent and other	20	7	14	7
Total	73	54	67	52
Natural Gas (MMCF)				
California	269	276	254	288
Permian	151	186	153	194
Midcontinent and other	379	194	357	189
Total	799	656	764	671
Latin America				
Crude Oil (MBBL)				
Colombia	27	33	29	33
Natural Gas (MMCF)				
Bolivia	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
Bahrain	4	3	4	3
Dolphin	10	12	10	12
Iraq	4	-	6	-
Libya	-	11	5	13
Oman	69	63	68	60
Qatar	73	78	72	77
Yemen	28	30	28	32
Total	188	197	193	197
NGL (MBBL)				
Dolphin	11	13	11	12
Libya	-	1	-	1
Total	11	14	11	13
Natural Gas (MMCF)				
Bahrain	169	181	171	169
Dolphin	215	250	205	238
Oman	59	47	53	49
Total	443	478	429	456
Barrels of Oil Equivalent (MBOE)	739	706	728	703



OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS

	<u>Third Quarter</u>		<u>Nine Months</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
NET SALES VOLUMES PER DAY:				
United States				
Crude Oil (MBBL)	230	216	226	218
NGL (MBBL)	73	54	67	52
Natural Gas (MMCF)	799	656	764	671
Latin America				
Crude Oil (MBBL)	24	36	29	32
Natural Gas (MMCF)	15	19	16	15
Middle East / North Africa				
Crude Oil (MBBL)				
	Bahrain	4	3	4
	Dolphin	9	12	9
	Iraq	7	-	-
	Libya	-	12	5
	Oman	71	66	70
	Qatar	76	79	73
	Yemen	28	30	28
	Total	195	202	191
NGL (MBBL)				
	Dolphin	11	13	11
	Libya	-	-	1
	Total	11	13	11
Natural Gas (MMCF)	443	478	429	456
Barrels of Oil Equivalent (MBOE)	743	713	726	701



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Third Quarter		Nine Months	
	2011	2010	2011	2010
OIL & GAS:				
PRICES				
United States				
Crude Oil (\$/BBL)	89.78	71.14	92.19	71.96
NGL (\$/BBL)	59.73	43.67	59.18	47.80
Natural gas (\$/MCF)	4.23	4.20	4.24	4.67
Latin America				
Crude Oil (\$/BBL)	91.01	71.82	95.85	73.52
Natural Gas (\$/MCF)	11.21	7.71	9.64	7.72
Middle East / North Africa				
Crude Oil (\$/BBL)	106.97	73.66	103.74	75.39
NGL (\$/BBL)	31.60	23.24	32.98	27.51
Total Worldwide				
Crude Oil (\$/BBL)	97.24	72.31	97.33	73.58
NGL (\$/BBL)	56.06	39.70	55.63	43.66
Natural Gas (\$/MCF)	3.12	2.85	3.09	3.17
	Third Quarter		Nine Months	
	2011	2010	2011	2010
Exploration Expense				
United States	\$ 36	\$ 63	\$ 135	\$ 135
Latin America	1	-	1	1
Middle East / North Africa	2	20	49	72
	\$ 39	\$ 83	\$ 185	\$ 208
	\$ 39	\$ 83	\$ 150	\$ 208
Less - non-core impairments	-	-	(35)	-
	\$ 39	\$ 83	\$ 150	\$ 208



**OCCIDENTAL PETROLEUM
SUMMARY OF OPERATING STATISTICS**

	Third Quarter		Nine Months	
	2011	2010	2011	2010
Capital Expenditures (\$MM)				
Oil & Gas				
California	\$ 481	\$ 215	\$ 1,202	\$ 544
Permian	308	136	761	290
Midcontinent and other	311	52	725	138
Latin America	52	40	139	107
Middle East / North Africa	338	340	993	855
Exploration	115	46	291	130
Chemicals	59	50	118	129
Midstream, marketing and other	331	128	701	357
Corporate	16	13	39	30
TOTAL	\$ 2,011	\$ 1,020	\$ 4,969	\$ 2,580
Depreciation, Depletion & Amortization of Assets (\$MM)				
Oil & Gas				
Domestic	\$ 448	\$ 346	\$ 1,265	\$ 1,046
Latin America	18	33	67	91
Middle East / North Africa	324	294	920	853
Chemicals	82	81	249	242
Midstream, marketing and other	45	32	134	105
Corporate	7	6	18	16
TOTAL	\$ 924	\$ 792	\$ 2,653	\$ 2,353



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

	30-Sep-11	31-Dec-10
CAPITALIZATION		
Long-Term Debt (including short-term borrowings)	\$ 5,870	\$ 5,111
EQUITY	\$ 36,479	\$ 32,484
Total Debt To Total Capitalization	14%	14%

Occidental Petroleum Corporation

Third Quarter 2011 Earnings Conference Call

October 27, 2011



Third Quarter 2011 Earnings - Highlights

- **Core Results - \$1.8 Billion vs. \$1.2 Billion in 3Q10**
 - **Core EPS \$2.18 (diluted) vs. \$1.48 in 3Q10.**

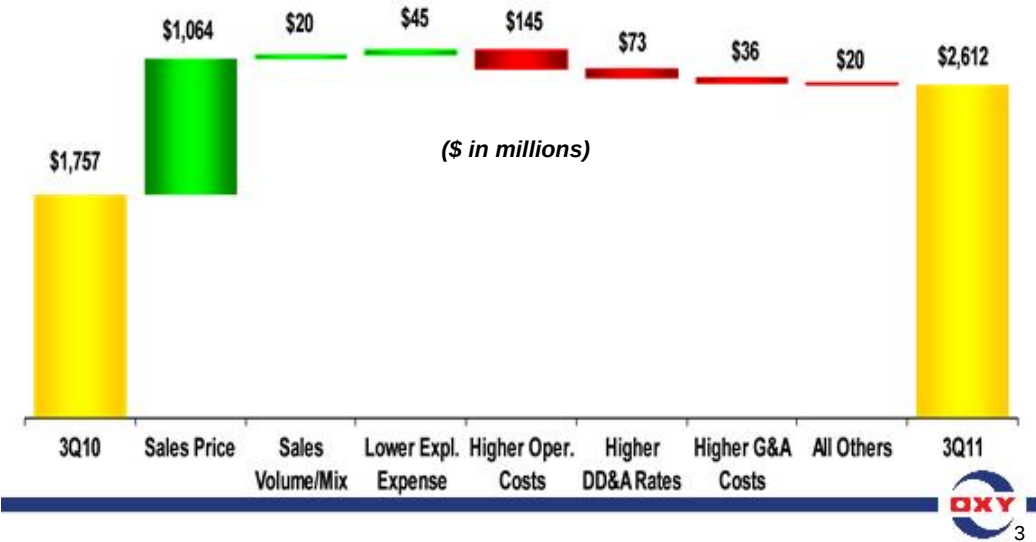
- **Net Income - \$1.8 Billion vs. \$1.2 Billion in 3Q10**
 - **EPS \$2.17 (diluted) vs. \$1.46 in 3Q10.**

- **The small difference between net and core income is due to discontinued operations.**



Third Quarter 2011 Earnings - Oil & Gas Segment Variance Analysis - 3Q11 vs. 3Q10

- **Core Results for 3Q11 of \$2.6 B vs. \$1.8 B in 3Q10 and \$2.6 B in 2Q11**
 - Higher volumes in 3Q11, compared to 2Q11, resulted in flat quarter-to-quarter income despite lower product prices. The improvement in 3Q11 vs. 3Q10 was driven by higher production and liquids prices.



Third Quarter 2011 Earnings - Oil & Gas Segment

	<u>3Q11</u>	<u>3Q10</u>
Reported Segment Earnings (\$mm)	\$2,612	\$1,757
WTI Oil Price (\$/bbl)	\$89.76	\$76.20
Brent Oil Price (\$/bbl)	\$112.22	\$76.41
NYMEX Gas Price (\$/mcf)	\$4.28	\$4.53

Oxy's Realized Prices

<i>Worldwide Oil (\$/bbl)</i> <i>+ 34% year-over-year</i>	<i>\$97.24</i>	<i>\$72.31</i>
<i>Worldwide NGLs (\$/bbl)</i> <i>+ 41% year-over-year</i>	<i>\$56.06</i>	<i>\$39.70</i>
<i>US Natural Gas (\$/mcf)</i> <i>~ flat year-over-year</i>	<i>\$4.23</i>	<i>\$4.20</i>



Third Quarter 2011 Earnings - Oil & Gas Volumes

	<u>3Q11</u>	<u>3Q10</u>
Oil and Gas Sales Volumes (mboe/d)	743	713
Oil and Gas Production Volumes (mboe/d)	739	706
<i>- Year-over-year increase of greater than 4.5% (2010 volumes included production from Libya).</i>		

- The year-over-year volume increase reflects our continued focus on production growth.
- 3Q11 production was also more than 3% higher than 2Q11 volumes of 715 mboe/d.
- *3Q11 sales volumes were 743 mboe/d, compared to our guidance of 725 mboe/d.*
 - The improvement resulted mainly from the higher domestic production and the timing of liftings.



Third Quarter 2011 Earnings - Oil & Gas Production

- *US production was 436 mboe/d, representing the highest ever domestic production volumes for the company, compared to our guidance of 430 to 432 mboe/d.*
- *Our production in CA rose by 6 mboe/d compared to 2Q11, and contributed a large portion of the sequential increase in our overall domestic production volumes.*
- **Latin America volumes were 30 mboe/d.**
 - Colombia volumes decreased from 2Q11 due to pipeline interruptions caused by insurgent activity.



Third Quarter 2011 Earnings - Oil & Gas Production

- ***In the Middle East region:***

- We recorded no production in Libya.
- In Iraq, we produced 4 mboe/d.
- Yemen production was 28 mboe/d, slightly ahead of our guidance.
- *In Oman, 3Q11 production was 79 mboe/d, an increase of 3 mboe/d over 2Q11 volumes.*
- *In Qatar, 3Q11 production was 73 mboe/d, an increase of 5 mboe/d over 2Q11 volumes.*
 - The increase reflected the results of the development program, as well as maintenance issues that affected the second quarter volumes.
- In Dolphin and Bahrain combined, production increased 3 mboe/d from 2Q11 volumes.



Third Quarter 2011 Earnings - Oil & Gas Segment - Realized Prices and Differentials

- **3Q11 realized prices declined for all our products from 2Q11:**
 - Worldwide crude oil realized price was \$97.24 p/b, a decrease of 6%.
 - Worldwide NGLs were \$56.06 p/b, a decline of 3%.
 - Domestic natural gas prices were about flat at \$4.23 p/mcf.
- ***Differentials improved in 3Q11, resulting in realized oil prices representing 108% of the average WTI and 87% of the average Brent price.***
- **About 60% of Oxy's oil production tracks world oil prices and 40% is indexed to WTI. For example:**
 - *In CA our realized price was 114% of WTI and 91% of Brent in 3Q11.*
 - *In Oman our average price was 117% of WTI and 93% of Brent.*
- **Price changes at current global prices affect our quarterly earnings before income taxes by \$38 mm for a \$1.00 p/b change in oil prices and \$7 mm for a \$1.00 p/b change in NGL prices. A swing of \$0.50 per mm BTUs in domestic gas prices affects quarterly pre-tax earnings by about \$34 mm.**



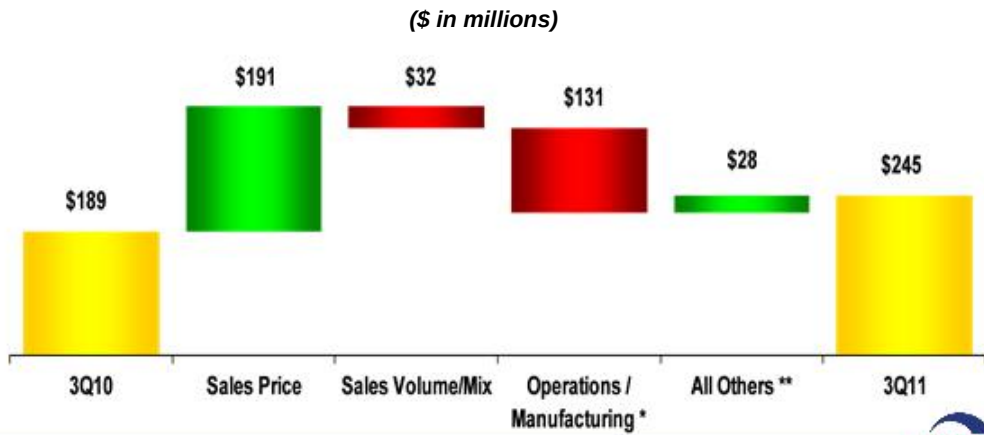
Third Quarter 2011 Earnings - Oil & Gas Segment - Cash Production Costs and Taxes

- Oil and gas cash production costs were \$12.36 per boe for the first nine months of 2011, compared with last year's twelve-month costs of \$10.19 per boe.
 - The cost increase reflects higher workover and maintenance activity driven by our program to increase production at these higher levels of oil prices.
- Taxes other than on income, which are directly related to product prices, were \$2.29 per boe for the first nine months of 2011, compared to \$1.83 per boe for all of 2010.
- Total exploration expense was \$39 mm in 3Q11.



Third Quarter 2011 Earnings - Chemical Segment Variance Analysis - 3Q11 vs. 3Q10

- **Core Results for 3Q11 were \$245 mm vs. \$253 mm in 2Q11 and \$189 mm in 3Q10.**
 - The year-over-year improvement reflects higher margins across most product lines. In addition, during 3Q11, we temporarily idled certain production in our Texas plants and sold power to the grid during the power shortage, resulting in an increase in the quarter's earnings.



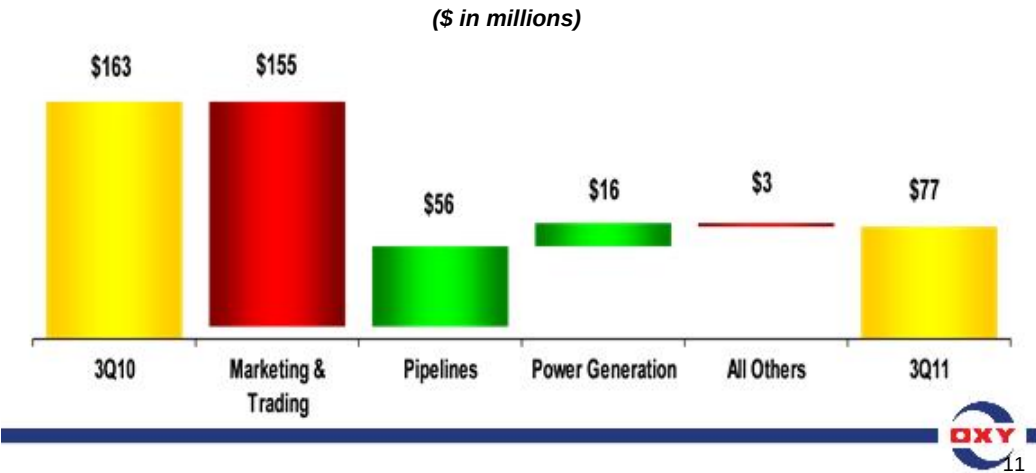
*Higher feedstock costs

**Power sold to the grid during Texas power shortage



Third Quarter 2011 Earnings - Midstream Segment Variance Analysis - 3Q11 vs. 3Q10

- **Core Results for 3Q11 were \$77 mm vs. \$187 mm in 2Q11 and \$163 mm in 3Q10.**
 - The decreases from 2Q11 and 3Q10 earnings were due to losses from our Phibro unit both for the quarter and year-to-date, partially offset by higher pipeline income and increased power sales to the grid during 3Q11.



Third Quarter 2011 Earnings - Taxes

- ***The worldwide effective tax rate was 38% for 3Q11.***
 - Our higher proportionate domestic income brought us closer to the US statutory rates.
- ***Our 3Q11 US and foreign tax rates are included in the “Investor Relations Supplemental Schedules.”***



Third Quarter 2011 Earnings - Nine Months Results & Capital Spending

	<u>YTD2011</u>	<u>YTD2010</u>
• <i>Core Income (\$mm)</i>	<i>\$5,187</i>	<i>\$3,377</i>
• <i>Core EPS (diluted)</i>	<i>\$6.37</i>	<i>\$4.14</i>
• Net Income (\$mm)	\$5,137	\$3,318
• EPS (diluted)	\$6.31	\$4.07

- Cash flow from operations for 9 months YTD11 was \$8.6 billion.

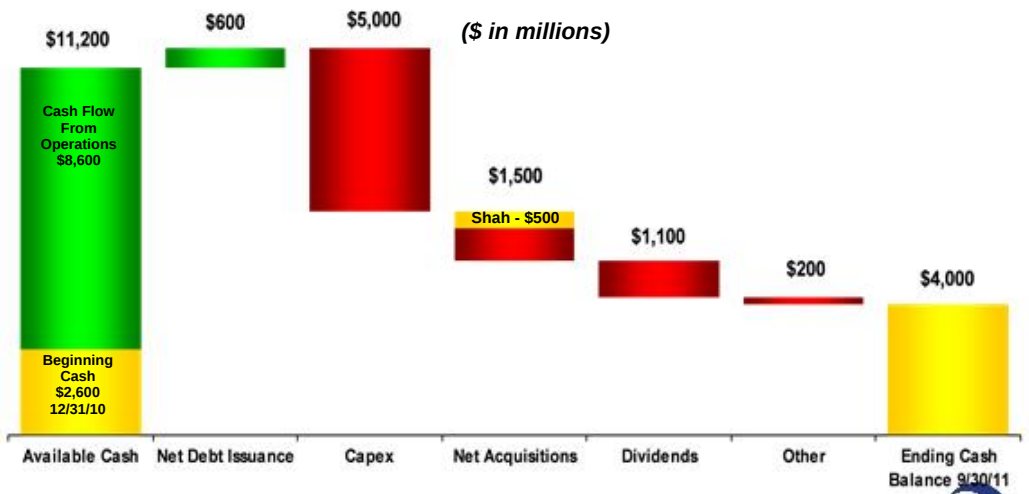
- Capital spending was \$5.0 billion for YTD11 of which \$2.0 billion was spent in 3Q11.

- Year-to-date capital expenditures by segment were 83% in Oil and Gas, 14% in Midstream and the remainder in Chemicals.



Third Quarter 2011 Earnings - 2011 YTD Cash Flow

- Free cash flow from continuing operations after capex and dividends, but before acquisition and debt activity, was about \$2.6 billion.



Note: See attached GAAP reconciliation.



Third Quarter 2011 Earnings - Net Acquisition Expenditures

- *Our net acquisition expenditures in the first nine months were \$1.5 billion, which are net of proceeds from the sale of our Argentina operations.*
- **The acquisitions included the South Texas purchase, properties in California and the Permian, and a payment in connection with the signing of the Al Hosn project in Abu Dhabi, which is the gas development of the Shah field.**
 - This payment was for Oxy's share of development expenditures incurred by the project prior to the date the final agreement was signed.



Third Quarter 2011 Earnings - Shares Outstanding, Debt and ROE

Shares Outstanding (mm)	<u>YTD11</u>	<u>9/30/11</u>
Weighted Average Basic	812.6	
Weighted Average Diluted	813.3	
Basic Shares Outstanding		811.2
Diluted Shares Outstanding		812.1
	<u>9/30/11</u>	<u>12/31/10</u>
Debt/Capital	14%	14%

- *During 3Q11, Oxy issued senior notes of \$1.3 billion due in 2017 and \$900 million due in 2022 at a weighted average interest rate of 2.3%, which brought the Company's average effective borrowing rate down to 3.2%.*
- *Our annualized ROE for YTD11 was 20%.*



Third Quarter 2011 Earnings - Oxy's Strategy

- *Oxy's overriding goal is to maximize Total Shareholder Return.*
- **We believe this can be achieved through a combination of:**
 - 1. Growing our oil and gas production by 5% to 8% per year on average over the long term;*
 - 2. Allocating and deploying capital with a focus on achieving well above cost-of-capital returns; and*
 - 3. Consistent dividend growth.*



Third Quarter 2011 Earnings - Oxy's Strategy - Oil and gas production

- *The impact of our capital program and increase in drilling activity have started to have a visible impact on our domestic oil and gas production volumes.*
- Compared to 2Q11, our domestic production increased by about 6 mboe/d per month, compared to our guidance of 3 to 4 mboe/d.
 - *This increase resulted in domestic production of 436 mboe/d for 3Q11, compared to the 430 to 432 mboe/d guidance we gave you.*
 - *3Q11 domestic production is the highest US total production volume in Oxy's history, reflecting the highest ever volumes for liquids.*
- *On a year-over-year basis, our domestic production volumes increased by 15%.*



Third Quarter 2011 Earnings - Oxy's Strategy - Oil and gas production

- *Compared to the prior year, total company 3Q11 production of 739 mboe/d was affected by a 7% decline in our international production.*
 - This reduction was the result of disruptions in the Middle East/North Africa region, and the impact of higher oil prices on our PSCs.
- In our operations we experience disruptions affecting our production.
- *Without these events our production would have been 10 to 15 mboe/d higher, which is more representative of our assets' current theoretical productive capacity.*
- We believe our capital program will yield higher production growth and reliability over time.



Third Quarter 2011 Earnings - Oxy's Strategy - Returns

- *ROE - Oxy's annualized return on equity for the first nine months of 2011 was 20%.*
- *ROCE - Oxy's annualized return on capital employed for the first nine months of 2011 was 18%.*
- *We continue to manage our capital program and acquisition strategy to yield well above cost-of-capital returns.*



Third Quarter 2011 Earnings - Oxy's Strategy - Dividend growth

- Our ability to pay dividends is indicated by our free cash flow generation.
- *Free cash flow after interest, taxes and capital spending, but before dividends, acquisitions and debt activity for the first nine months of the year was \$3.7 billion.*
- Oxy's annual dividend rate is currently \$1.84 per share or about \$1.1 billion for the nine months of 2011.
- *Oxy has increased its dividends 10 times over the last 9 years, resulting in a compound annual dividend growth rate of 15.6%.*
- In keeping with our philosophy to raise the dividend on a consistent basis, the Board of Directors is expected to consider a dividend increase at the February meeting.



Third Quarter 2011 Earnings - 4Q11 Outlook - US oil and gas production

- We expect 4Q11 oil and gas production to be as follows:
 - *Domestic volumes are expected to increase by about 3 to 4 mboe/d per month from the current quarterly average level of 436 mboe/d.*
 - *This should result in average 4Q11 production of about 442 to 444 mboe/d.*
 - *This would constitute a year-over-year domestic production growth rate exceeding 10% and about a 6% per year production growth rate going forward.*



Third Quarter 2011 Earnings - 4Q11 Outlook Domestic Asset Review - California

- *For the year, we expect to drill and complete 154 shale wells outside Elk Hills, compared to the 107 wells we had indicated at the beginning of the year.*
 - Including Elk Hills, we expect to drill 195 shale wells for the year.
 - *We expect to drill and complete a total of 42 shale wells during 4Q11.*
- Our experience has been that the 30-day initial production rate for these wells is between 300 and 400 BOE per day.
- *With respect to the shale wells outside Elk Hills, about 80% of the BOE production is a combination of black oil and high-value condensate.*
- The cost of drilling and completing the wells has been running about \$3.5 million per well, and we expect this to decline over time.



Third Quarter 2011 Earnings - 4Q11 Outlook Domestic Asset Review - California

- *Our conventional drilling program is progressing somewhat better than planned.*
- There has been no significant change in the status of permitting issues in the state since our last call.
- *We expect the current permitting levels to allow our program to go forward at these levels and enable us to continue to grow our production volumes in the state.*
- We expect the rig count to remain the same at 29.



Third Quarter 2011 Earnings - 4Q11 Outlook Domestic Asset Review - Permian & Williston

- ***In the Permian operations:***
 - Our CO₂ flood production is progressing according to plan.
 - We expect our rig count to be about 24 in 4Q11.
 - *Our non-CO₂ operations have stepped up their development program but will not show significant production growth until next year.*
- ***In Williston:***
 - We are pursuing a development program with about 13 rigs expected to be running in 4Q11.
 - *Our production is growing as a result of the development program and we expect the growth to continue.*
- ***Natural gas prices in the US continue to be weak. As a result, we are considering cutting back our pure gas drilling in the Midcontinent and possibly elsewhere.***



Third Quarter 2011 Earnings - 4Q11 Outlook International Oil and Gas

- *Internationally, we believe that once the current uncertainties are behind us, including the resolution of the situation in Libya and the achievement of a sustained development program in Iraq, we will achieve production growth similar to our domestic operations.*
- *We expect our 4Q11 international production to be about the same as 3Q11 production, 4% higher than 2Q11, which represented the low point of volumes during the year following the situation in Libya.*
- *Colombia volumes should be modestly higher than 3Q11, assuming no further pipeline attacks.*



Third Quarter 2011 Earnings - 4Q11 Outlook International Oil and Gas

- *The Middle East region production is expected to be as follows for 4Q11:*
- *At this point, we expect no significant production from Libya.*
- *Our joint venture partnerships are currently in the process of resuming production, but production ramp-up will be hampered in the near term by lack of vehicles and personnel to address operational problems from the prolonged shut-in.*
- *In Iraq, we expect production to be similar to the past quarter. Going forward, we still are unable to reliably predict spending levels, which determine production.*
- *In the remainder of the Middle East, we expect production to be comparable to 3Q11 volumes.*



Third Quarter 2011 Earnings - 4Q11 Outlook - Oil and Gas

- *At quarter-end prices, we expect total production to increase to around 745 mboe/d as a result of the 3 to 4 mboe/d per month coming from domestic production.*
- We expect sales volumes to be around 740 mboe/d due to the timing of liftings.
- *A \$5.00 change in global oil prices would impact our PSC daily volumes by about 3 mboe/d.*
- *We expect our total year capital expenditures to be about \$7.0 billion.*
- We expect exploration expense to be about \$100 mm for seismic and drilling for our exploration programs in 4Q11.



Third Quarter 2011 Earnings - 4Q11 Outlook - Chemicals & Taxes

- *The chemical segment earnings in 4Q11, historically the weakest quarter, are expected to be about \$100 mm.*
 - This reduction from the third quarter is due to seasonal slowdowns in many markets such as construction, customers' efforts to minimize inventories and a slowdown in exports.
- We expect our combined worldwide tax rate in 4Q11 to remain at about 38%.



Third Quarter 2011 Earnings - Summary

- *Our 3Q11 core income of \$2.18 per share was about 12% higher than the analysts' consensus estimate.*
- *Our 3Q11 oil and gas earnings of \$2.6 billion were essentially unchanged from 2Q11, despite a \$6 p/b decline in our average oil realizations.*
- *Our annualized return on equity was 20% for the first nine months of 2011.*
- *Our total oil and gas production of 739 mboe/d during 3Q11 grew more than 3% compared to 2Q11.*
- *Domestic oil and gas production volumes grew to 436 mboe/d in 3Q11 a 3% increase from 2Q11, and above our earlier guidance of 430 to 432 mboe/d.*
- *Domestic volumes are expected to further increase by about 3 to 4 mboe/d per month in 4Q11.*





Forward-Looking Statements

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially 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; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any general economic recession or slowdown domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. 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. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2010 Form 10-K.