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

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) April 24, 2008**

**OCCIDENTAL PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

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

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

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

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

**90024**  
(ZIP code)

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

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

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

## Section 2 – Financial Information

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

On April 24, 2008, Occidental Petroleum Corporation released information regarding its results of operations for the three months ended March 31, 2008. The exhibits to this Form 8-K and the information set forth in this Item 2.02 are being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. The full text of the press release is attached to this report as Exhibit 99.1. The full text of the speech given by Stephen I. Chazen is attached to this report as Exhibit 99.2. Investor Relations Supplemental Schedules are attached to this report as Exhibit 99.3. Earnings Conference Call Slides are attached to this report as Exhibit 99.4.

## Section 8 – Other Events

### Item 8.01. Other Events

On April 24, 2008, Occidental Petroleum Corporation announced net income of \$1.846 billion (\$2.23 per diluted share) for the first quarter of 2008, compared with \$1.212 billion (\$1.43 per diluted share) for the first quarter of 2007.

Core results for the first quarter of 2008 were \$1.819 billion (\$2.20 per diluted share), compared with \$788 million (\$0.93 per diluted share) for the first quarter of 2007.

#### Oil and Gas

Oil and gas segment earnings were \$2.888 billion for the first quarter of 2008, compared with \$1.883 billion for the same period in 2007. Oil and gas core results for the first quarter of 2007 were \$1.362 billion, after excluding a \$412 million gain from the sale of Occidental's Russian joint venture and \$109 million gain from the resolution of certain legal disputes. The \$1.5 billion increase in the first quarter 2008 core results reflected \$1.6 billion of increases from record crude oil and higher natural gas prices, production from the Dolphin project coming on line in the second half of 2007, partially offset by increased DD&A rates and higher operating expenses.

For the first quarter of 2008, daily oil and gas production averaged 607,000 barrels of oil equivalent (BOE), compared with 560,000 BOE per day produced in the first quarter of 2007. The bulk of the production increase was the result of 55,000 BOE per day from the Dolphin project, which began production in the third quarter of 2007, partially offset by lower volumes from our production sharing contracts due to higher prices.

Oxy's realized price for worldwide crude oil was \$86.75 per barrel for the first quarter of 2008, compared with \$51.67 per barrel for the first quarter of 2007. Domestic realized gas prices increased from \$6.38 per MCF in the first quarter of 2007 to \$8.15 per MCF for the first quarter of 2008.

#### Chemicals

Chemical segment earnings for the first quarter of 2008 were \$179 million, compared with \$137 million for the same period in 2007. The first quarter of 2008 results reflect higher margins for caustic soda.

### Midstream, Marketing and Other

Occidental's midstream, marketing and other segment gathers, processes, transports, stores, and markets crude oil, natural gas, natural gas liquids and CO<sub>2</sub>. The transportation and storage systems primarily serve operations from New Mexico across the Permian Basin to Cushing, Oklahoma. Occidental's 24.5-percent equity interest in the Dolphin pipeline project is also included in this segment. Additionally, this segment also generates electricity at facilities in Texas, Louisiana and California.

Midstream segment preliminary earnings were approximately \$123 million for the first quarter of 2008, compared with approximately \$119 million for the first quarter of 2007. Prior period oil and gas segment earnings have been revised to remove these midstream results.

### Forward-Looking Statements

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

**SUMMARY OF SEGMENT NET SALES AND EARNINGS**

(In millions, except per-share amounts)	First Quarter	
	2008	2007
<b>SEGMENT NET SALES</b>		
Oil and Gas	\$ 4,518	\$ 2,720
Chemical	1,267	1,060
Midstream, marketing and other	405	358
Eliminations	(170)	(123)
Net sales	<u>\$ 6,020</u>	<u>\$ 4,015</u>
<b>SEGMENT EARNINGS</b>		
Oil and Gas (a)	\$ 2,888	\$ 1,883
Chemical	179	137
Midstream, marketing and other	123	119
	<u>3,190</u>	<u>2,139</u>
<b>Unallocated Corporate Items</b>		
Interest expense, net (b)	—	(181)
Income taxes	(1,294)	(684)
Other (c)	(77)	(105)
	<u>1,819</u>	<u>1,169</u>
<b>Income from Continuing Operations</b>		
Discontinued operations, net (d)	27	43
<b>NET INCOME</b>	<u>\$ 1,846</u>	<u>\$ 1,212</u>
<b>BASIC EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 2.21	\$ 1.39
Discontinued operations, net	0.03	0.05
	<u>\$ 2.24</u>	<u>\$ 1.44</u>
<b>DILUTED EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 2.20	\$ 1.38
Discontinued operations, net	0.03	0.05
	<u>\$ 2.23</u>	<u>\$ 1.43</u>
<b>AVERAGE BASIC COMMON SHARES OUTSTANDING</b>		
BASIC	823.6	841.0
DILUTED	<u>828.2</u>	<u>846.5</u>

See footnotes on following page.

- (a) **Oil and Gas** - Prior period oil and gas segment results have been revised to remove midstream results. The first quarter of 2007 includes after-tax gains of \$412 million from the sale of Occidental's Russian joint venture and \$109 million resulting from the resolution of certain legal disputes.
- (b) **Interest Expense, net** - The first quarter of 2008 includes \$3 million pre-tax interest charges for the defeasance of various debt issues. The first quarter of 2007 includes \$172 million of pre-tax interest charges for the purchase of various debt issues in the open market.
- (c) **Unallocated Corporate Items - Other** - The first quarter of 2007 includes a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve.
- (d) **Discontinued Operations, net** - In the first quarter of 2008, Occidental received payment from Ecuador for disputed tax refunds. In 2007, Occidental completed an exchange of oil and gas interests in Horn Mountain with BP p.l.c. (BP) for oil and gas interests in the Permian Basin and a gas processing plant in Texas. Occidental also sold its oil and gas interests in Pakistan to BP.

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

(\$ millions)	First Quarter	
	2008	2007
<b>CAPITAL EXPENDITURES</b>	<b>\$ 868</b>	<b>\$ 780</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 653</b>	<b>\$ 574</b>

**SUMMARY OF OPERATING STATISTICS**

	First Quarter	
	2008	2007
<b>NET OIL, GAS AND LIQUIDS</b>		
<b>PRODUCTION PER DAY</b>		
United States		
Crude Oil and Liquids (MBBL)		
California	87	85
Permian	170	165
Hugoton and other	4	4
Total	261	254
Natural Gas (MMCF)		
California	245	232
Hugoton and other	158	150
Permian	177	198
Total	580	580
Latin America		
Crude Oil (MBBL)		
Argentina	37	33
Colombia	42	42
Total	79	75
Natural Gas (MMCF)		
Argentina	22	21
Bolivia	21	14
Total	43	35
Middle East/North Africa		
Crude Oil (MBBL)		
Oman	20	22
Dolphin	22	—
Qatar	46	46
Yemen	25	32
Libya	17	26
Total	130	126
Natural Gas (MMCF)		
Oman	23	26
Dolphin	200	—
Total	223	26
<b>Barrels of Oil Equivalent (MBOE)</b>		
Subtotal consolidated subsidiaries	611	562
Colombia-minority interest	(6)	(5)
Yemen-Occidental net interest	2	3
<b>Total Worldwide Production (MBOE)</b>	<b>607</b>	<b>560</b>

**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)				First Quarter
	2008	Diluted EPS	2007	Diluted EPS
<b>TOTAL REPORTED EARNINGS</b>	<b>\$ 1,846</b>	<b>\$ 2.23</b>	<b>\$ 1,212</b>	<b>\$ 1.43</b>
<b>Oil and Gas</b>				
Segment Earnings	\$ 2,888		\$ 1,883	
Less:				
Russia joint venture	—		412	
Legal settlements**	—		109	
Segment Core Results	<u>2,888</u>		<u>1,362</u>	
<b>Chemicals</b>				
Segment Earnings	179		137	
No significant items affecting earnings	—		—	
Segment Core Results	<u>179</u>		<u>137</u>	
<b>Midstream, marketing and other</b>				
Segment Earnings	123		119	
No significant items affecting Earnings	—		—	
Segment Core Results	<u>123</u>		<u>119</u>	
<b>Total Segment Core Results</b>	<b><u>3,190</u></b>		<b><u>1,618</u></b>	
<b>Corporate</b>				
Corporate Results — Non Segment*	(1,344)		(927)	
Less:				
Debt purchase expense	—		(172)	
Facility closure	—		(47)	
Tax effect of pre-tax adjustments	—		79	
Discontinued operations, net**	<u>27</u>		<u>43</u>	
Corporate Core Results — Non Segment	<u>(1,371)</u>		<u>(830)</u>	
<b>TOTAL CORE RESULTS</b>	<b>\$ 1,819</b>	<b>\$ 2.20</b>	<b>\$ 788</b>	<b>\$ 0.93</b>

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

\*\*Amounts shown after tax.



## Section 9 – Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits

#### (d) Exhibits

- 99.1 Press release dated April 24, 2008.
- 99.2 Full text of speech given by Stephen I. Chazen.
- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION  
(Registrant)

DATE: April 24, 2008

/s/ JIM A. LEONARD

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

## EXHIBIT INDEX

- 99.1 Press release dated April 24, 2008.
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- 99.3 Investor Relations Supplemental Schedules.
- 99.4 Earnings Conference Call Slides.

# Oxy News Release

 **Occidental Petroleum Corporation**  
10889 Wilshire Boulevard  
Los Angeles, California 90024-4201  
310.208.8800  
www.oxy.com

For Immediate Release: April 24, 2008

## Occidental Petroleum Announces Record First Quarter Net Income

LOS ANGELES, Apr. 24, 2008 -- Occidental Petroleum Corporation (NYSE: OXY) announced net income of \$1.846 billion (\$2.23 per diluted share) for the first quarter of 2008, compared with \$1.212 billion (\$1.43 per diluted share) for the first quarter of 2007.

Core results for the first quarter of 2008 were \$1.819 billion (\$2.20 per diluted share), compared with \$788 million (\$0.93 per diluted share) for the first quarter of 2007.

In announcing the results, Dr. Ray R. Irani, Chairman and Chief Executive Officer, said, "Our net income for the first quarter of 2008 set a new company record, driven by an 8.4-percent increase in production over last year's first quarter, as well as improved oil and gas prices. These results continue our momentum from 2007, the most successful year in Oxy's history, and provide a strong start to propel us into the remainder of 2008."

### Oil and Gas

Oil and gas segment earnings were \$2.888 billion for the first quarter of 2008, compared with \$1.883 billion for the same period in 2007. Oil and gas core results for the first quarter of 2007 were \$1.362 billion, after excluding a \$412 million gain from the sale of Occidental's Russian joint venture and \$109 million gain from the resolution of certain legal disputes. The \$1.5 billion increase in the first quarter 2008 core results reflected \$1.6 billion of increases from record crude oil and higher natural gas prices, production from the Dolphin project coming on line in the second half of 2007, partially offset by increased DD&A rates and higher operating expenses.

For the first quarter of 2008, daily oil and gas production averaged 607,000 barrels of oil equivalent (BOE), compared with 560,000 BOE per day produced in the first quarter of 2007. The bulk of the production increase was the result of 55,000 BOE per day from the Dolphin project, which began

production in the third quarter of 2007, partially offset by lower volumes from our production sharing contracts due to higher prices.

Oxy's realized price for worldwide crude oil was \$86.75 per barrel for the first quarter of 2008, compared with \$51.67 per barrel for the first quarter of 2007. Domestic realized gas prices increased from \$6.38 per MCF in the first quarter of 2007 to \$8.15 per MCF for the first quarter of 2008.

#### **Chemicals**

Chemical segment earnings for the first quarter of 2008 were \$179 million, compared with \$137 million for the same period in 2007. The first quarter of 2008 results reflect higher margins for caustic soda.

#### **Midstream, Marketing and Other**

Occidental's midstream, marketing and other segment gathers, processes, transports, stores, and markets crude oil, natural gas, natural gas liquids and CO<sub>2</sub>. The transportation and storage systems primarily serve operations from New Mexico across the Permian Basin to Cushing, Oklahoma. Occidental's 24.5-percent equity interest in the Dolphin pipeline project is also included in this segment. Additionally, this segment also generates electricity at facilities in Texas, Louisiana and California.

Midstream segment preliminary earnings were approximately \$123 million for the first quarter of 2008, compared with approximately \$119 million for the first quarter of 2007. Prior period oil and gas segment earnings have been revised to remove these midstream results.

#### **About Oxy**

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring

communities and upholding high standards of social responsibility in all of the company's worldwide operations.

#### **Forward-Looking Statements**

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

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310-443-6249

Chris Stavros (investors)  
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212-603-8184

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

**SUMMARY OF SEGMENT NET SALES AND EARNINGS**

(In millions, except per-share amounts)	First Quarter	
	2008	2007
<b>SEGMENT NET SALES</b>		
Oil and Gas	\$ 4,518	\$ 2,720
Chemical	1,267	1,060
Midstream, marketing and other	405	358
Eliminations	(170)	(123)
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Chemical	179	137
Midstream, marketing and other	123	119
	<u>3,190</u>	<u>2,139</u>
<b>Unallocated Corporate Items</b>		
Interest expense, net (b)	—	(181)
Income taxes	(1,294)	(684)
Other (c)	(77)	(105)
	<u>1,819</u>	<u>1,169</u>
<b>Income from Continuing Operations</b>		
Discontinued operations, net (d)	27	43
<b>NET INCOME</b>	<u>\$ 1,846</u>	<u>\$ 1,212</u>
<b>BASIC EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 2.21	\$ 1.39
Discontinued operations, net	0.03	0.05
	<u>\$ 2.24</u>	<u>\$ 1.44</u>
<b>DILUTED EARNINGS PER COMMON SHARE</b>		
Income from continuing operations	\$ 2.20	\$ 1.38
Discontinued operations, net	0.03	0.05
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<b>AVERAGE BASIC COMMON SHARES OUTSTANDING</b>		
BASIC	823.6	841.0
DILUTED	<u>828.2</u>	<u>846.5</u>

See footnotes on following page.

- (a) **Oil and Gas** - Prior period oil and gas segment results have been revised to remove midstream results. The first quarter of 2007 includes after-tax gains of \$412 million from the sale of Occidental's Russian joint venture and \$109 million resulting from the resolution of certain legal disputes.
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- (c) **Unallocated Corporate Items - Other** - The first quarter of 2007 includes a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve.
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**SUMMARY OF CAPITAL EXPENDITURES AND DD&A EXPENSE**

(\$ millions)	First Quarter	
	2008	2007
<b>CAPITAL EXPENDITURES</b>	<b>\$ 868</b>	<b>\$ 780</b>
<b>DEPRECIATION, DEPLETION AND AMORTIZATION OF ASSETS</b>	<b>\$ 653</b>	<b>\$ 574</b>



**SUMMARY OF OPERATING STATISTICS**

	First Quarter	
	2008	2007
<b>NET OIL, GAS AND LIQUIDS</b>		
<b>PRODUCTION PER DAY</b>		
United States		
Crude Oil and Liquids (MBBL)		
California	87	85
Permian	170	165
Hugoton and other	4	4
Total	261	254
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California	245	232
Hugoton and other	158	150
Permian	177	198
Total	580	580
Latin America		
Crude Oil (MBBL)		
Argentina	37	33
Colombia	42	42
Total	79	75
Natural Gas (MMCF)		
Argentina	22	21
Bolivia	21	14
Total	43	35
Middle East/North Africa		
Crude Oil (MBBL)		
Oman	20	22
Dolphin	22	—
Qatar	46	46
Yemen	25	32
Libya	17	26
Total	130	126
Natural Gas (MMCF)		
Oman	23	26
Dolphin	200	—
Total	223	26
<b>Barrels of Oil Equivalent (MBOE)</b>		
Subtotal consolidated subsidiaries	611	562
Colombia-minority interest	(6)	(5)
Yemen-Occidental net interest	2	3
<b>Total Worldwide Production (MBOE)</b>	<b>607</b>	<b>560</b>

**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)				First Quarter
	2008	Diluted EPS	2007	Diluted EPS
<b>TOTAL REPORTED EARNINGS</b>	<b>\$ 1,846</b>	<b>\$ 2.23</b>	<b>\$ 1,212</b>	<b>\$ 1.43</b>
<b>Oil and Gas</b>				
Segment Earnings	\$ 2,888		\$ 1,883	
Less:				
Russia joint venture	—		412	
Legal settlements**	—		109	
Segment Core Results	<u>2,888</u>		<u>1,362</u>	
<b>Chemicals</b>				
Segment Earnings	179		137	
No significant items affecting earnings	—		—	
Segment Core Results	<u>179</u>		<u>137</u>	
<b>Midstream, marketing and other</b>				
Segment Earnings	123		119	
No significant items affecting Earnings	—		—	
Segment Core Results	<u>123</u>		<u>119</u>	
<b>Total Segment Core Results</b>	<b><u>3,190</u></b>		<b><u>1,618</u></b>	
<b>Corporate</b>				
Corporate Results — Non Segment*	(1,344)		(927)	
Less:				
Debt purchase expense	—		(172)	
Facility closure	—		(47)	
Tax effect of pre-tax adjustments	—		79	
Discontinued operations, net**	<u>27</u>		<u>43</u>	
Corporate Core Results — Non Segment	<u>(1,371)</u>		<u>(830)</u>	
<b>TOTAL CORE RESULTS</b>	<b><u>\$ 1,819</u></b>	<b><u>\$ 2.20</u></b>	<b><u>\$ 788</u></b>	<b><u>\$ 0.93</u></b>

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

\*\*Amounts shown after tax.

**Occidental Petroleum Corporation****STEPHEN CHAZEN  
President and Chief Financial Officer****– Conference Call –  
First Quarter 2008 Earnings Announcement*****April 24, 2008***  
Los Angeles, California

Thank you Chris.

Net income for the quarter was a record \$1.846 billion, or \$2.23 per diluted share, compared to \$1.212 billion, or \$1.43 per diluted share in the first quarter of 2007. Core results in the first quarter of 2008 were \$1.819 billion, or \$2.20 per diluted share, compared to \$788 million, or \$0.93 per diluted share for the same period of 2007.

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

Oil and gas first quarter 2008 segment earnings were \$2.888 billion, compared to \$1.883 billion for the first quarter of 2007. Oil and gas core results for the first quarter of 2007 were \$1.362 billion, after excluding a \$412 million gain from the sale of our Russian joint venture and a \$109 million gain from the resolution of certain legal disputes. The following accounted for the increase in oil and gas earnings between these quarters:

- Higher worldwide oil and gas price realizations resulted in an increase of \$1.6 billion of earnings over the comparable period in 2007. Occidental's average realized crude oil price in the 2008 first quarter was \$86.75 per barrel, an increase of \$35.08 over the comparable period in 2007. Oxy's domestic average realized gas

price for the quarter was \$8.15 per mcf, compared with \$6.38 per mcf for the first quarter 2007.

- Worldwide oil and gas production for the first quarter of 2008 averaged 607,000 barrels of oil equivalent per day, an increase of 8.4 percent, compared with 560,000 BOE production in the first quarter of last year. The bulk of the production improvement was the result of 55,000 BOE per day from the Dolphin project which began production in the third quarter of 2007, partially offset by lower volumes from our production sharing contracts due to higher prices.
- Our guidance for the first quarter production was in the range of 600,000 to 615,000 BOE per day, based on \$90 WTI and our results were in the middle of the range.
- Dolphin contributed \$102 million to after-tax income during the first quarter which was ahead of our guidance. The sales volumes were 55,000 BOE per day slightly ahead of our guidance of 53,000 BOE per day. Dolphin reached full operations in February and is currently producing approximately 2 billion cubic feet of natural gas per day and 200,000 barrels of liquids per day.
- Exploration expense was \$74 million in the quarter, which was in line with our guidance of \$70 to \$90 million.

The first quarter 2008 production costs per barrel are approximately 39 cents less than the fourth quarter of 2007. Oil and gas production costs for the first three months of 2008 were \$12.94 a barrel compared to last year's costs of \$12.36 a barrel. These numbers were adjusted to remove the midstream costs. The increases reflected higher production and ad valorem taxes and higher field operating costs.

Chemical segment earnings for the first quarter of 2008 were \$179 million, which was higher than our guidance of \$100 to \$125 million. Chemicals earned \$137 million in last year's first quarter. The improvement in earnings was due to higher prices and margins in caustic soda along with higher PVC and VCM volumes exported to non-U.S. dollar denominated economies.

We have reclassified our midstream assets out of the oil and gas segment. Our midstream assets are comprised of the following businesses:

- Marketing – Oxy's marketing group (OEMI) markets our equity production and manages third party transactions. The primary driver of these earnings are marketing and trading margins in oil and gas, transportation and storage programs.
- Gas processing plants – Our domestic wet gas production and third party production is processed through 13 Permian and 2 other gas plants to extract NGLs and deliver dry gas to the pipelines. The primary drivers for margins and cash flows are the difference between inlet costs of natural gas and market prices for NGLs and inlet volumes processed.
- Pipelines – In the Permian basin, we own an oil-gathering, common carrier pipeline company with approximately 2,750 miles of pipeline and storage system with 5 million barrels of active storage. The main margin and cash flow drivers are volumes shipped. We also own a 24.5 percent equity interest in the Dolphin Pipeline project which carries gas to market in the UAE.
- Power generation – Oxy owns two cogeneration plants, one in Texas and one in Louisiana, and an equity investment in a gas –

fired power plant at our Elk Hills site. The three plants have a combined electricity capacity to produce 1,768 megawatts per hour.

- CO<sub>2</sub> source fields and facilities – In the Permian Basin, we process and transport CO<sub>2</sub> for use in the company's enhanced oil recovery program, and the earnings represent the small volume sold to third parties.

The net book value of midstream properties was approximately \$1.8 billion at December 31, 2007. As we disclosed earlier, we earned \$123 million during the first quarter of 2008 from these assets. Midstream capital spending and property acquisition costs were approximately \$430 million in 2007 and are expected to be about the same in 2008. These funds will be spent enhancing our CO<sub>2</sub> production and expanding our pipeline capacity.

The worldwide effective tax rate was 42 percent for the first quarter of 2008, as compared to our guidance of 43 percent.

Capital spending was \$868 million for the quarter. We currently expect total capital spending for 2008 to be about \$4 billion. The increase from the prior estimate is a result of capital for the Rockies, California and Midstream assets.

Cash flow from operations for the three months was approximately \$2.7 billion. We used \$870 million of the company's cash flow to fund capital expenditures, \$1.6 billion for acquisitions and \$210 million to pay dividends. We spent \$435 million to repurchase 6.3 million common shares at an average price of \$69.68 per share. These and other net cash outflows decreased our \$2.0 billion cash balance at the end of last year by \$500 million to \$1.5 billion at March 31. The first quarter U.S. income tax payments reflect true-ups of 2007 amounts due. The second quarter

payments will increase since two quarterly estimated tax payments will be due. Debt was \$1.8 billion at the end of March, which was unchanged from December 31, 2007.

The weighted average basic shares outstanding for the three months were 823.6 million and the weighted average diluted shares outstanding were 828.2 million. At March 31, there were 821.5 million basic shares outstanding and the diluted share amount was approximately 826.1 million.

Oxy's 2008 annualized return on equity was 32 percent, with annualized return on capital employed of 29 percent.

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

- We expect oil and gas production to be in the range of 610,000 to 620,000 BOE per day during the second quarter, at \$100 oil prices. We expect second quarter production increases in Argentina, Colombia, Rocky Mountains, Permian and Oman, partially offset by decreases due to high cost recovery levels in the first quarter.

With regard to **prices** - -

- A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$39 million. This \$39 million sensitivity includes the impact of Dolphin. Also included is the production sharing contract price impact of approximately 500 barrels per day.
- A swing of 50-cents per million BTUs in domestic gas prices has a \$25 million impact on quarterly earnings before income taxes.

Additionally –

- We expect exploration expense to be about \$80 to \$100 million for seismic and drilling for our exploration programs.



- It is difficult to predict chemical results in the current environment. However, we reasonably expect chemical segment earnings to be in the range of \$120 to \$140 million, compared to \$179 million in the first quarter. Higher feedstock costs are the primary driver of the reduced forecast. This outlook is also less than the second quarter 2007 earnings of \$158 million, due to weakness in domestic construction which impacts industry demand.
- We expect our combined worldwide tax rate in the second quarter, to remain about 42 percent. Our first quarter U. S. and foreign tax rates are included in the “Investor Relations Supplemental Schedule”.
- Copies of the press release announcing our first quarter earnings and the Investor Relations Supplemental Schedules are available on our website [www.oxy.com](http://www.oxy.com) or through the SEC’s EDGAR system.

Now we’re ready to take your questions.

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

the date of this presentation. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise. U.S. investors are urged to consider carefully the disclosure in our Form 10-K, available through the following toll-free telephone number, 1-888-OXYPETE (1-888-699-7383) or on the Internet at <http://www.oxy.com> . You also can obtain a copy from the SEC by calling 1-800-SEC-0330.

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

	2007	Three Months 2008	Annualized 2008
<b>Reconciliation to Generally Accepted Accounting Principles (GAAP)</b>			
GAAP measure - earnings applicable to common shareholders	5,400	1,846	
Interest expense	199	—	
Tax effect of interest expense	(70)	—	
Earnings before tax-effected interest expense	<u>5,529</u>	<u>1,846</u>	
GAAP stockholders' equity	22,823	23,944	
<b>DEBT</b>			
GAAP debt			
Debt, including current maturities	1,788	1,775	
Non-GAAP debt			
Capital lease obligation	25	25	
Subsidiary preferred stock	—	—	
Total debt	<u>1,813</u>	<u>1,800</u>	
Total capital employed	24,636	25,744	
<b>Return on Capital Employed (%)</b>	23.6	7.3	<b>29.3</b>



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

	<u>1Q 2008</u>	<u>1Q 2007</u>
Reported Net Income	\$1,846	\$1,212
EPS - Diluted	\$2.23	\$1.43
Core Results	\$1,819	\$788
EPS - Diluted	\$2.20	\$0.93
Total Worldwide Production (mboe/day)	607	560
Total Worldwide Crude Oil Realizations (\$/BBL)	\$86.75	\$51.67
Domestic Natural Gas Realizations (\$/MCF)	\$8.15	\$6.38
Wtd. Average Basic Shares O/S (mm)	823.6	841.0
Wtd. Average Diluted Shares O/S (mm)	828.2	846.5
Shares Outstanding (mm)	820.7	833.8
Cash Flow from Operations	\$2,700	\$1,600



**OCCIDENTAL PETROLEUM**  
**2008 First Quarter**  
**Net Income (Loss)**  
**(\$ millions)**

	<b>Reported Income</b>	<b>Significant Items Affecting Income</b>	<b>Core Results</b>
Oil & Gas	\$ 2,888		\$ 2,888
Chemical	179		179
Midstream, marketing and other	123		123
Corporate			
Interest expense, net	—		—
Other	(77)		(77)
Taxes	(1,294)		(1,294)
<b>Income from continuing operations</b>	<b>1,819</b>	—	<b>1,819</b>
Discontinued operations, net of tax	27	(27) Discontinued operations, net	—
<b>Net Income</b>	<b>\$ 1,846</b>	<b>\$ (27)</b>	<b>\$ 1,819</b>
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.21		
Discontinued operations, net	0.03		
<b>Net Income</b>	<b>\$ 2.24</b>		<b>\$ 2.21</b>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 2.20		
Discontinued operations, net	0.03		
<b>Net Income</b>	<b>\$ 2.23</b>		<b>\$ 2.20</b>



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

	<b>Reported Income</b>	<b>Significant Items Affecting Income</b>	<b>Core Results</b>
Oil & Gas	\$ 1,883	\$ (412) Sale of Russian operations \$ (109) Legal settlements	\$ 1,362
Chemical	137		137
Midstream, marketing and other	119		119
Corporate			
Interest expense, net	(181)	172 Debt purchases	(9)
Other	(105)	47 Facility closure	(58)
Taxes	(684)	(79) Tax effect of adjustments	(763)
<b>Income from continuing operations</b>	<b>1,169</b>	<b>(381)</b>	<b>788</b>
Discontinued operations, net of tax	43	(43) Discontinued operations, net	—
<b>Net Income</b>	<b>\$ 1,212</b>	<b>\$ (424)</b>	<b>\$ 788</b>
<b>Basic Earnings Per Common Share</b>			
Income from continuing operations	\$ 1.39		
Discontinued operations, net of tax	0.05		
<b>Net Income</b>	<b>\$ 1.44</b>		<b>\$ 0.94</b>
<b>Diluted Earnings Per Common Share</b>			
Income from continuing operations	\$ 1.38		
Discontinued operations, net of tax	0.05		
<b>Net Income</b>	<b>\$ 1.43</b>		<b>\$ 0.93</b>



**OCCIDENTAL PETROLEUM**  
**Items Affecting Comparability of Core Results Between Periods**

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

**Pre-tax  
Income / (Expense)**

**Corporate**  
Environmental remediation

	<u>First Quarter</u>	
	<u>2008</u>	<u>2007</u>
	(4)	(8)



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

	<b>QUARTERLY</b>		
	<b>2008 QTR 1</b>	<b>2007 QTR 4</b>	<b>2007 QTR 1</b>
<b>REPORTED INCOME</b>			
Oil & Gas (a)	2,888	2,463	1,883
Chemicals	179	94	137
Midstream, marketing and other	123	136	119
Corporate & other	(77)	(188)	(286)
Pre-tax income	<u>3,113</u>	<u>2,505</u>	<u>1,853</u>
Income tax expense			
Federal and state	606	473	266
Foreign (a)	688	584	418
Total	<u>1,294</u>	<u>1,057</u>	<u>684</u>
Income from continuing operations	<u><u>1,819</u></u>	<u><u>1,448</u></u>	<u><u>1,169</u></u>
<b>Worldwide effective tax rate</b>	<b>42%</b>	<b>42%</b>	<b>37%</b>
	<b>2008 QTR 1</b>	<b>2007 QTR 4</b>	<b>2007 QTR 1</b>
<b>CORE RESULTS</b>			
Oil & Gas (a)	2,888	2,463	1,362
Chemicals	179	94	137
Midstream, marketing and other	123	136	119
Corporate & other	(77)	(163)	(67)
Pre-tax income	<u>3,113</u>	<u>2,530</u>	<u>1,551</u>
Income tax expense			
Federal and state	606	482	345
Foreign (a)	688	584	418
Total	<u>1,294</u>	<u>1,066</u>	<u>763</u>
Core results	<u><u>1,819</u></u>	<u><u>1,464</u></u>	<u><u>788</u></u>
<b>Worldwide effective tax rate</b>	<b>42%</b>	<b>42%</b>	<b>49%</b>

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

<b>2008 QTR 1</b>	<b>2007 QTR 4</b>	<b>2007 QTR 1</b>
<u>488</u>	<u>406</u>	<u>288</u>





**OCCIDENTAL PETROLEUM**  
**2008 First Quarter Net Income (Loss)**  
**Reported Income Comparison**

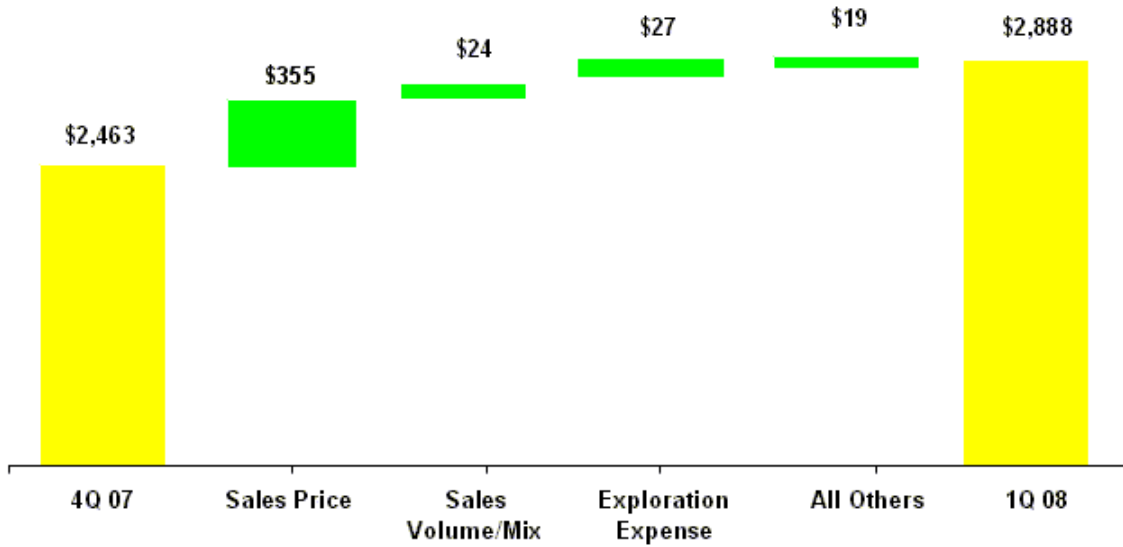
	First Quarter 2008	Fourth Quarter 2007	B / (W)
Oil & Gas	\$ 2,888	\$ 2,463	\$ 425
Chemical	179	94	85
Midstream, marketing and other	123	136	(13)
Corporate			
Interest expense, net	—	(13)	13
Other	(77)	(175)	98
Taxes	(1,294)	(1,057)	(237)
Income from continuing operations	1,819	1,448	371
Discontinued operations, net	27	4	23
Net Income	<u>\$ 1,846</u>	<u>\$ 1,452</u>	<u>\$ 394</u>
<b>Earnings Per Common Share</b>			
Basic	\$ 2.24	\$ 1.75	\$ 0.49
Diluted	\$ 2.23	\$ 1.74	\$ 0.49
<b>Worldwide Effective Tax Rate</b>	<u>42%</u>	<u>42%</u>	<u>0%</u>

**OCCIDENTAL PETROLEUM**  
**2008 First Quarter Net Income (Loss)**  
**Core Results Comparison**

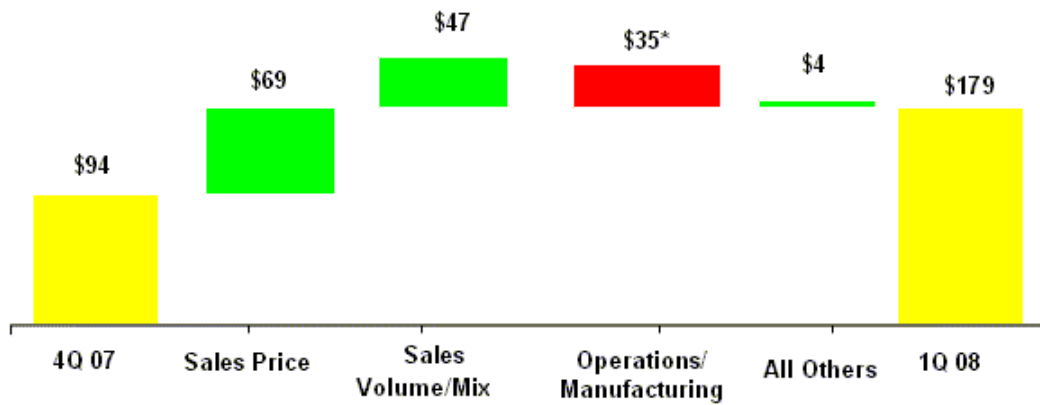
	First Quarter 2008	Fourth Quarter 2007	B / (W)
Oil & Gas	\$ 2,888	\$ 2,463	\$ 425
Chemical	179	94	85
Midstream, marketing and other	123	136	(13)
Corporate			
Interest expense, net	—	(13)	13
Other	(77)	(150)	73
Taxes	(1,294)	(1,066)	(228)
Core Results	<u>\$ 1,819</u>	<u>\$ 1,464</u>	<u>\$ 355</u>
<b>Core Results Per Common Share</b>			
Basic	\$ 2.21	\$ 1.77	\$ 0.44
Diluted	\$ 2.20	\$ 1.76	\$ 0.44
<b>Worldwide Effective Tax Rate</b>	<u>42%</u>	<u>42%</u>	<u>0%</u>



**OCCIDENTAL PETROLEUM**  
**Oil & Gas**  
 Variance Analysis 1Q08 vs. 4Q07  
 (\$ millions)



**OCCIDENTAL PETROLEUM**  
**Chemical**  
 Variance Analysis 1Q08 vs. 4Q07  
 (\$ millions)



\*Primarily higher energy costs



**OCCIDENTAL PETROLEUM**  
**2008 First Quarter Net Income (Loss)**  
**Reported Income Comparison**

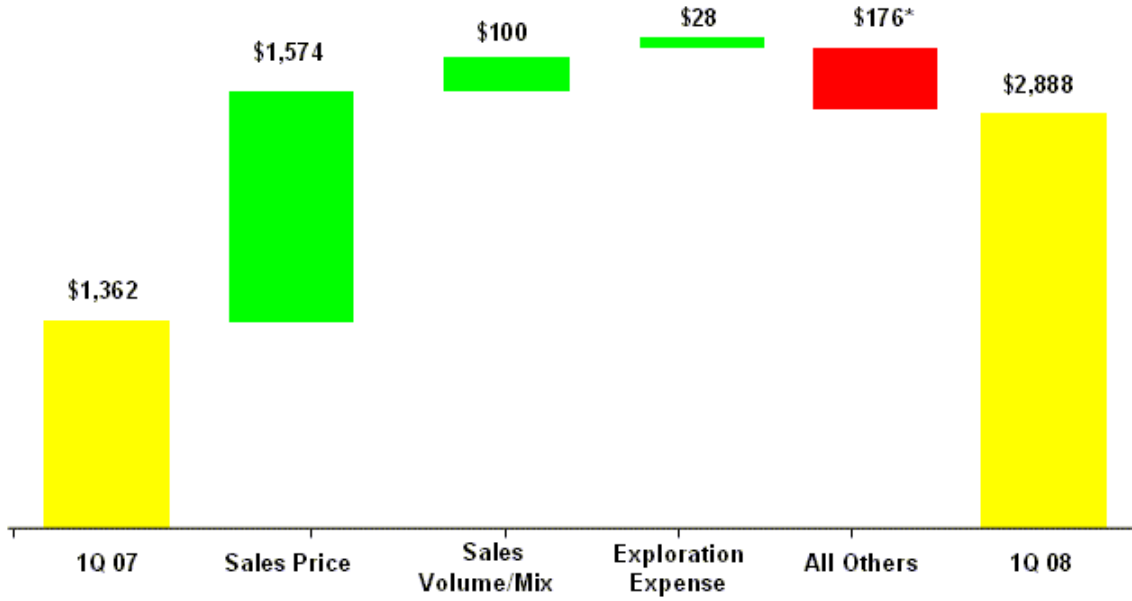
	First Quarter 2008	First Quarter 2007	B / (W)
Oil & Gas	\$ 2,888	\$ 1,883	\$ 1,005
Chemical	179	137	42
Midstream, marketing and other	123	119	4
Corporate			
Interest expense, net	—	(181)	181
Other	(77)	(105)	28
Taxes	(1,294)	(684)	(610)
Income from continuing operations	1,819	1,169	650
Discontinued operations, net	27	43	(16)
Net Income	<u>\$ 1,846</u>	<u>\$ 1,212</u>	<u>\$ 634</u>
Earnings Per Common Share			
Basic	\$ 2.24	\$ 1.44	\$ 0.80
Diluted	\$ 2.23	\$ 1.43	\$ 0.80
Worldwide Effective Tax Rate	<u>42%</u>	<u>37%</u>	<u>-5%</u>

**OCCIDENTAL PETROLEUM**  
**2008 First Quarter Net Income (Loss)**  
**Core Results Comparison**

	First Quarter 2008	First Quarter 2007	B / (W)
Oil & Gas	\$ 2,888	\$ 1,362	\$ 1,526
Chemical	179	137	42
Midstream, marketing and other	123	119	4
Corporate			
Interest expense, net	—	(9)	9
Other	(77)	(58)	(19)
Taxes	(1,294)	(763)	(531)
Core Results	<u>\$ 1,819</u>	<u>\$ 788</u>	<u>\$ 1,031</u>
Core Results Per Common Share			
Basic	\$ 2.21	\$ 0.94	\$ 1.27
Diluted	\$ 2.20	\$ 0.93	\$ 1.27
Worldwide Effective Tax Rate	<u>42%</u>	<u>49%</u>	<u>7%</u>

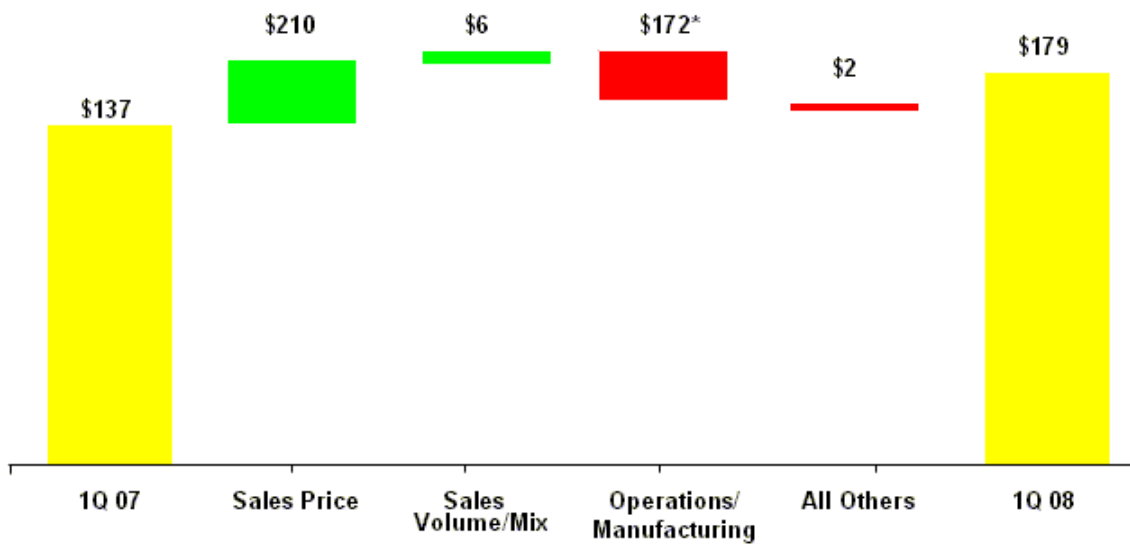


**OCCIDENTAL PETROLEUM**  
**Oil & Gas**  
 Variance Analysis 1Q08 vs. 1Q07  
 (\$ millions)



\* DD&A rate increase (31) and higher operating expenses

**OCCIDENTAL PETROLEUM**  
**Chemical**  
 Variance Analysis 1Q08 vs. 1Q07  
 (\$ millions)



\* Higher energy and feedstock costs



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

	<b>First Quarter</b>		
	<b>2008</b>	<b>2007</b>	
<b>NET PRODUCTION PER DAY:</b>			
<b>United States</b>			
<b>Crude Oil and Liquids (MBL)</b>			
	California	87	85
	Permian	170	165
	Hugoton and other	4	4
	<b>Total</b>	<b>261</b>	<b>254</b>
<b>Natural Gas (MMCF)</b>			
	California	245	232
	Hugoton and other	158	150
	Permian	177	198
	<b>Total</b>	<b>580</b>	<b>580</b>
<b>Latin America</b>			
<b>Crude Oil (MBL)</b>			
	Argentina	37	33
	Colombia	42	42
	<b>Total</b>	<b>79</b>	<b>75</b>
<b>Natural Gas (MMCF)</b>			
	Argentina	22	21
	Bolivia	21	14
	<b>Total</b>	<b>43</b>	<b>35</b>
<b>Middle East / North Africa</b>			
<b>Crude Oil (MBL)</b>			
	Oman	20	22
	Dolphin	22	—
	Qatar	46	46
	Yemen	25	32
	Libya	17	26
	<b>Total</b>	<b>130</b>	<b>126</b>
<b>Natural Gas (MMCF)</b>			
	Oman	23	26
	Dolphin	200	—
	<b>Total</b>	<b>223</b>	<b>26</b>
<b>Barrels of Oil Equivalent (MBOE)</b>			
<b>Subtotal consolidated subsidiaries</b>			
		<b>611</b>	<b>562</b>
<b>Other interests</b>			
<b>Colombia - minority interest</b>			
		<b>(6)</b>	<b>(5)</b>
<b>Yemen - Occidental net interest</b>			
		<b>2</b>	<b>3</b>
<b>Total worldwide production - MBOE</b>			
		<b>607</b>	<b>560</b>



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

	<b>First Quarter</b>	
	<b>2008</b>	<b>2007</b>
<b>OIL &amp; GAS:</b>		
<b>PRICES</b>		
<b>United States</b>		
Crude Oil (\$/BBL)	90.21	51.94
Natural gas (\$/MCF)	8.15	6.38
<b>Latin America</b>		
Crude Oil (\$/BBL)	67.26	45.71
Natural Gas (\$/MCF)	3.80	1.94
<b>Middle East / North Africa</b>		
Crude Oil (\$/BBL)	93.37	55.31
<b>Total Worldwide</b>		
Crude Oil (\$/BBL)	86.75	51.67
Natural Gas (\$/MCF)	6.05	5.92
<b>Exploration Expense</b>		
Domestic	\$ 7	\$ 18
Latin America	15	23
Middle East / North Africa	40	53
Other Eastern Hemisphere	12	8
<b>TOTAL REPORTED</b>	<b>\$ 74</b>	<b>\$ 102</b>



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

**Capital Expenditures (\$MM)**

	<b>First Quarter</b>	
	<b>2008</b>	<b>2007</b>
Oil & Gas		
California	\$ 164	\$ 128
Permian	100	133
Other - U.S.	48	42
Latin America	180	114
Middle East / North Africa	266	294
Other Eastern Hemisphere	—	1
Chemicals	50	27
Midstream, marketing and other	56	38
Corporate	4	3
<b>TOTAL</b>	<b>\$ 868</b>	<b>\$ 780</b>

**Depreciation, Depletion & Amortization of Assets (\$MM)**

	<b>First Quarter</b>	
	<b>2008</b>	<b>2007</b>
Oil & Gas		
Domestic	\$ 255	\$ 239
Latin America	105	90
Middle East / North Africa	190	152
Chemicals	82	73
Midstream, marketing and other	17	16
Corporate	4	4
<b>TOTAL</b>	<b>\$ 653</b>	<b>\$ 574</b>



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

	<b>31-Mar-08</b>	<b>31-Dec-07</b>
<b>CAPITALIZATION</b>		
Long-Term Debt (including current maturities)	\$ 1,775	\$ 1,776
Notes Payable	30	12
Others	25	25
<b>Total Debt</b>	<b>\$ 1,830</b>	<b>\$ 1,813</b>
<b>EQUITY</b>		
	<b>\$ 23,944</b>	<b>\$ 22,823</b>
Total Debt To Total Capitalization	7%	7%





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# First Quarter 2008 Earnings Conference Call

April 24, 2008

# Oxy



## First Quarter 2008 Earnings – Highlights



- Net Income - \$1.846 B vs. \$1.212 B in 1Q-07
  - Reported EPS \$2.23 (diluted) vs. \$1.43 in 1Q-07
    - +56% year-over-year
- Core Results - \$1.819 B vs. \$788 mm in 1Q-07
  - Core EPS \$2.20 (diluted) vs. \$0.93 in 1Q-07
    - +137% year-over-year
- Record first quarter net income driven by:
  - 8.4% year-over-year increase in oil and gas production;
  - Improved oil and gas prices.

# First Quarter 2008 Earnings – Summary



(\$ in millions, except EPS data)

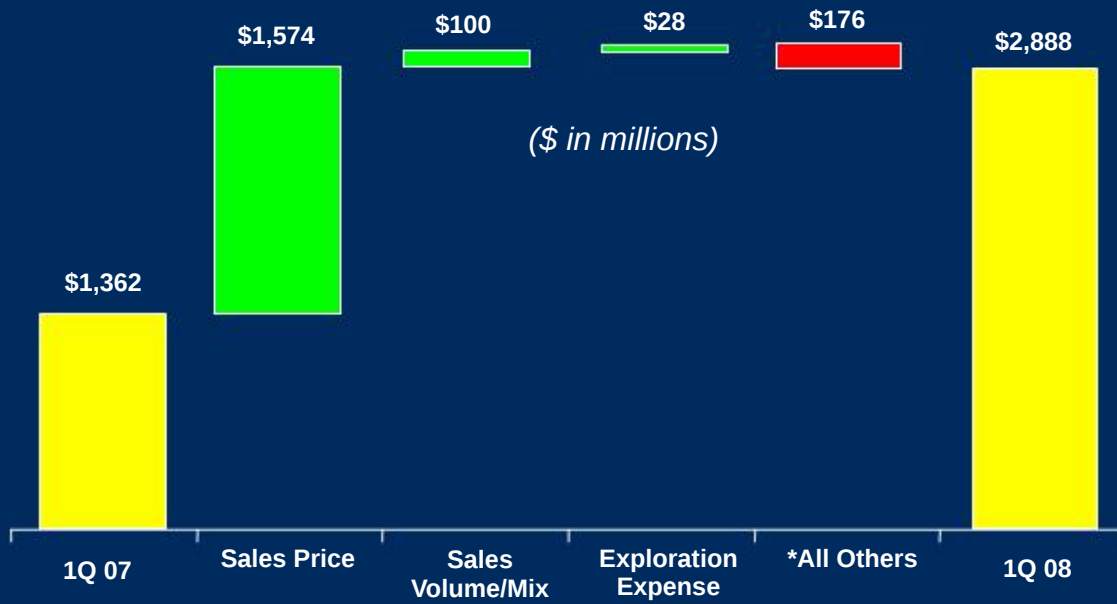
	<u>1Q2008</u>	<u>1Q2007</u>
• Net Income	\$1,846	\$1,212
• Reported EPS (diluted)	\$2.23	\$1.43
• Core Results	\$1,819	\$788
• Core EPS (diluted)	\$2.20	\$0.93
• +137% year-over-year		
• Oil and Gas production (mboe/day)	607	560
• +8.4% year-over-year		
• Capital Spending	\$868	\$780
• Cash Flow from Operations	\$2,700	\$1,600
• ROE	32%	26%
• ROCE*	29%	24%

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

# First Quarter 2008 Earnings - Oil & Gas Segment Variance Analysis - 1Q08 vs. 1Q07



- Core Results for 1Q08 of \$2.888 Billion
  - + 112% year-over-year



\*All Others include: DD&A increase (\$31 mm), and higher operating expenses

## First Quarter 2008 Earnings – Oil & Gas Segment



	<u>1Q08</u>	<u>1Q07</u>
Reported Segment Earnings (\$ mm)	\$2,888	\$1,883
WTI Oil Price (\$/bbl)	\$97.90	\$58.16
NYMEX Gas Price (\$/mcf)	\$7.94	\$7.17
Oxy's Realized Prices		
Worldwide Oil (\$/bbl)	\$86.75	\$51.67
US Natural Gas (\$/mcf)	\$8.15	\$6.38

# First Quarter 2008 Earnings – Oil & Gas Segment



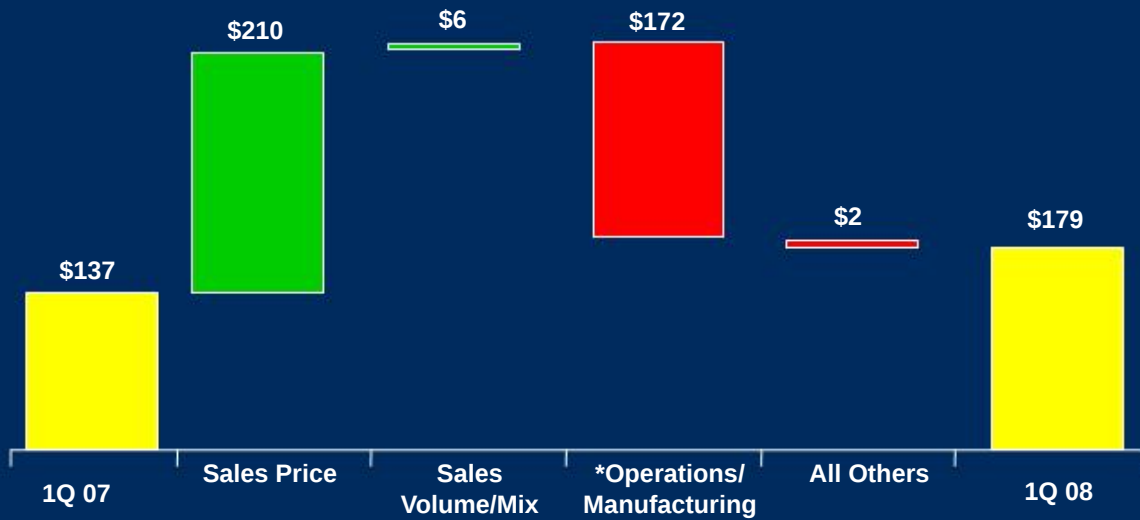
	<u>1Q08</u>	<u>1Q07</u>
• Oil and Gas Production (mboe/day)	607	560
• + 8.4% year-over-year		
• Improvement was largely due to the Dolphin Project, partially offset by lower PSC volumes due to higher prices.		
• Actual production was in the middle of our earlier guidance of 600 to 615 mboe/day, and based on \$90 WTI.		
• Dolphin contribution:		
• \$102 mm of after-tax income;		
• Sales volumes of 55 mboe/day vs. guidance of 53 mboe/day.		
• Reached full operations in February and is currently producing approximately 2 bcf/d of natural gas and 200,000 b/d of condensate and NGLs.		
• Exploration expense of \$74 mm was in line with guidance of \$70 - \$90 mm.		
• Oil and Gas production costs were \$12.94 per boe in 1Q08 vs. \$12.36 per boe for full-year 2007, and approximately \$0.39 per boe less than 4Q07.		
• Numbers adjusted to remove the midstream costs.		
• Increase due to higher production and ad valorem taxes and field operating costs.		

# First Quarter 2008 Earnings – Chemical Segment Variance Analysis - 1Q08 vs. 1Q07



- Core Results for 1Q08 of \$179 Million
  - +31% year-over-year, and higher than guidance of \$100 to \$125 mm;
  - Improvement due to higher prices and margins in caustic soda, and higher PVC and VCM volumes exported to non-US\$ denominated economies.

(\$ in millions)



\*Higher energy and feedstock costs



## First Quarter 2008 Earnings – Midstream, Marketing and Other



Midstream assets reclassified out of the Oil and Gas segment  
The assets are comprised of the following businesses:

- **Marketing** – Oxy's marketing group markets our equity production and manages third party transactions. The primary drivers of these earnings are marketing and trading margins in oil and gas, transportation and storage programs.
- **Gas processing plants** – Oxy's domestic wet gas production and third party production is processed through 13 Permian and 2 other gas plants to extract NGLs and deliver dry gas to the pipelines. The primary driver for margins and cash flows is the difference between inlet costs of natural gas and market prices for NGLs and inlet volumes processed.
- **Pipelines** – In the Permian basin, Oxy owns an oil-gathering, common carrier pipeline company with approximately 2,750 miles of pipeline, and a storage system with 5 mm barrels of active storage. The main margin and cash flow drivers are volumes shipped. Oxy also owns a 24.5% equity interest in the Dolphin Pipeline, which carries gas to markets in the UAE.
- **Power generation** – Oxy owns 2 cogen plants, one in TX and one in LA, and an equity investment in a gas-fired power plant at Elk Hills. The three plants have combined electricity capacity to produce 1,768 megawatts per hour.
- **CO<sub>2</sub> source fields and facilities** – CO<sub>2</sub> is processed and transported from the Permian Basin for use in Oxy's EOR program, and the earnings represent the small volume sold to 3<sup>rd</sup> parties.

# First Quarter 2008 Earnings – Midstream, Marketing and Other



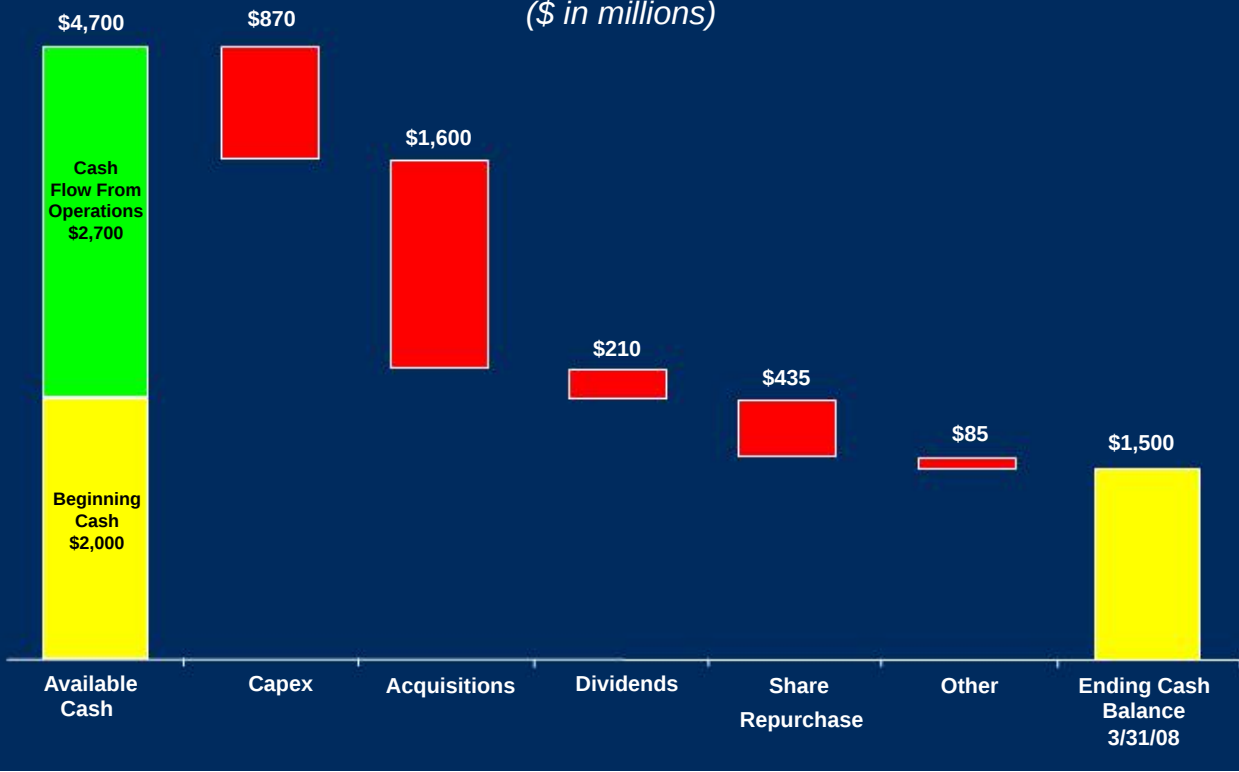
*(\$ in millions)*

Midstream Data (\$ mm)	<u>1Q08</u>	<u>1Q07</u>
Core Results	\$123	\$119
		<u>2007</u>
Net Book Value (at year end)		\$1,800
Capex & Acquisition costs		\$430
	<ul style="list-style-type: none"><li>• Similar amount expected in 2008</li><li>• Funds will be spent enhancing our CO<sub>2</sub> production and expanding our pipeline capacity.</li></ul>	

# First Quarter 2008 Earnings – Cash Flow



(\$ in millions)



## First Quarter 2008 Earnings - Share Repurchase



- Spent \$435 million to repurchase 6.3 million shares in 1Q08 at an average price of \$69.68 per share.
- 20.2 million shares remained under the current 75 million share repurchase authorization.

Shares Outstanding (mm)	<u>1Q08</u>	<u>3/31/08</u>
Weighted Average Basic	823.6	
Weighted Average Diluted	828.2	
Basic Shares Outstanding		821.5
Diluted Shares Outstanding		826.1



- We expect 2Q08 oil and gas production in the range of 610 to 620 mboe/day, at \$100 oil prices.
  - Production increases expected in Argentina, Colombia, Rocky Mountains, Permian and Oman;
  - Partially offset by decreases due to high cost recovery levels in 1Q08.
- We currently expect total capital spending for 2008 to be about \$4 billion.
  - The increase from the prior estimate is a result of capital for the Rockies, California and Midstream Assets.



- Commodity Price Sensitivity — Earnings
  - A \$1.00 per barrel change in oil prices impacts oil and gas quarterly earnings before income taxes by about \$39 mm;
    - Includes the impact of Dolphin;
    - Includes production sharing contract price impact of approximately 500 barrels per day.
  - A change of \$0.50 per million BTUs in domestic gas prices has a \$25 mm impact on quarterly earnings before income taxes.
- We expect 2Q08 exploration expense to be about \$80 to \$100 mm for our seismic and drilling programs.



- We expect 2Q08 Chemical earnings to be in the range of \$120 to \$140 mm, compared to \$179 mm in 1Q08.
  - Higher feedstock costs are the primary driver of the reduced forecast.
  - Outlook is also below 2Q07 earnings of \$158 mm due to weakness in domestic construction which impacts industry demand.
- Cash tax payments in 2Q08 will increase since two quarterly estimated tax payments will be due. US income tax payments in 1Q08 reflect true-ups of 2007 amounts due.
- We expect our combined worldwide tax rate in 2Q08 to remain at about 42%.



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



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

	2007	Three Months 2008	Annualized 2008
<b>Reconciliation to Generally Accepted Accounting Principles (GAAP)</b>			
GAAP measure - earnings applicable to common shareholders	5,400	1,846	
Interest expense	199	—	
Tax effect of interest expense	(70)	—	
Earnings before tax-effected interest expense	<u>5,529</u>	<u>1,846</u>	
GAAP stockholders' equity	22,823	23,944	
<b>DEBT</b>			
GAAP debt			
Debt, including current maturities	1,788	1,775	
Non-GAAP debt			
Capital lease obligation	25	25	
Subsidiary preferred stock	—	—	
Total debt	<u>1,813</u>	<u>1,800</u>	
Total capital employed	24,636	25,744	
<b>Return on Capital Employed (%)</b>	23.6	7.3	<b>29.3</b>