

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2008

OR

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

For the transition period from _____ to _____

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-4035997

(I.R.S. Employer
Identification No.)

10889 Wilshire Boulevard

Los Angeles, California

(Address of principal executive offices)

90024

(Zip Code)

(310) 208-8800

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act):

Large Accelerated FilerR Accelerated Filero Non-Accelerated Filero Smaller Reporting Companyo

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

£ Yes R No

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

Class

Outstanding at September 30, 2008

Common stock \$.20 par value

809,877,220 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(Amounts in millions)

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,452	\$ 1,964
Receivables, net	6,878	5,389
Inventories	957	910
Prepaid expenses and other	<u>333</u>	<u>332</u>
Total current assets	9,620	8,595
LONG-TERM RECEIVABLES, net	203	203
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,250	783
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of \$15,398 at September 30, 2008 and \$13,638 at December 31, 2007	30,854	26,278
OTHER ASSETS	662	660
TOTAL ASSETS	<u>\$ 42,589</u>	<u>\$ 36,519</u>

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

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OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

	2008	2007
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt and notes payable	\$ 714	\$ 47
Accounts payable	4,907	4,263
Accrued liabilities	2,005	1,611
Domestic and foreign income taxes	322	227
Liabilities of discontinued operations	116	118
Total current liabilities	8,064	6,266
LONG-TERM DEBT, net of current maturities and unamortized discount	1,057	1,741
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	2,874	2,324
Long-term liabilities of discontinued operations	160	174
Other	3,466	3,156
	6,500	5,654
MINORITY INTEREST	31	35
STOCKHOLDERS' EQUITY		
Common stock, at par value	176	175
Treasury stock	(4,121)	(2,610)
Additional paid-in capital	7,083	7,071
Retained earnings	24,501	18,819
Accumulated other comprehensive loss	(702)	(632)
	26,937	22,823
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 42,589	\$ 36,519

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

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OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(Amounts in millions, except per-share amounts)

	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
REVENUES AND OTHER INCOME				
Net sales	\$ 7,060	\$ 4,841	\$ 20,196	\$ 13,267
Interest, dividends and other income	59	57	192	298
Gains on disposition of assets, net	—	157	25	877
	7,119	5,055	20,413	14,442
COSTS AND OTHER DEDUCTIONS				
Cost of sales	2,844	2,297	7,987	6,553
Selling, general and administrative and other operating expenses	393	405	1,273	1,129
Environmental remediation	(2)	10	28	71
Exploration expense	61	126	193	321
Interest and debt expense, net	24	48	94	297
	3,320	2,886	9,575	8,371
Income before taxes and other items	3,799	2,169	10,838	6,071
Provision for domestic and foreign income and other taxes	1,546	862	4,511	2,450
Minority interest	38	16	104	44
Income from equity investments	(57)	(25)	(168)	(53)
Income from continuing operations	2,272	1,316	6,391	3,630
Discontinued operations, net	(1)	8	23	318
NET INCOME	\$ 2,271	\$ 1,324	\$ 6,414	\$ 3,948
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 2.79	\$ 1.58	\$ 7.79	\$ 4.34
Discontinued operations, net	—	0.01	0.03	0.38
Basic earnings per common share	\$ 2.79	\$ 1.59	\$ 7.82	\$ 4.72

DILUTED EARNINGS PER COMMON SHARE								
Income from continuing operations	\$	2.78	\$	1.57	\$	7.76	\$	4.31
Discontinued operations, net		—		0.01		0.03		0.38
Diluted earnings per common share	\$	<u>2.78</u>	\$	<u>1.58</u>	\$	<u>7.79</u>	\$	<u>4.69</u>
DIVIDENDS PER COMMON SHARE								
	\$	<u>0.32</u>	\$	<u>0.25</u>	\$	<u>0.89</u>	\$	<u>0.69</u>
WEIGHTED AVERAGE BASIC SHARES								
		<u>815.3</u>		<u>833.1</u>		<u>820.1</u>		<u>837.0</u>
WEIGHTED AVERAGE DILUTED SHARES								
		817.7		837.0		823.8		840.9

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

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OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(Amounts in millions)

	2008	2007
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 6,414	\$ 3,948
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations, net	(23)	(318)
Depreciation, depletion and amortization of assets	1,957	1,740
Deferred income tax provision (benefit)	397	(25)
Other non-cash charges to income	484	632
Gain on disposition of assets, net	(25)	(877)
Income from equity investments	(168)	(53)
Dry hole and impairment expense	134	186
Changes in operating assets and liabilities	(822)	(846)
Other operating, net	(245)	(217)
Operating cash flow from continuing operations	8,103	4,170
Operating cash flow from discontinued operations	33	154
Net cash provided by operating activities	<u>8,136</u>	<u>4,324</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(3,223)	(2,510)
Purchase of businesses and assets, net	(3,315)	(991)
Sale of businesses and disposal of property, plant, and equipment, net	22	460
Short term investments - purchases	—	(10)
Short term investments - sales	—	250
Sale of equity investments and available-for-sale investments	51	1,157
Equity investments and other investing, net	(105)	(124)
Investing cash flow from continuing operations	(6,570)	(1,768)
Investing cash flow from discontinued operations	—	(9)
Net cash used by investing activities	<u>(6,570)</u>	<u>(1,777)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	51	97
Payments of long-term debt and notes payable	(71)	(1,145)
Proceeds from issuance of common stock	22	15
Purchases of treasury stock	(1,487)	(910)
Excess tax benefits related to share-based payments	74	44
Cash dividends paid	(677)	(557)
Stock options exercised	10	25
Net cash used by financing activities	<u>(2,078)</u>	<u>(2,431)</u>
(Decrease) Increase in cash and cash equivalents	(512)	116
Cash and cash equivalents—beginning of period	1,964	1,339
Cash and cash equivalents—end of period	<u>\$ 1,452</u>	<u>\$ 1,455</u>

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

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OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

September 30, 2008

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest (subsidiaries). Occidental has made its disclosures in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting, but condensed or omitted

certain information and disclosures normally included in notes to consolidated financial statements in accordance with the Securities and Exchange Commission's rules and regulations. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2007.

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of September 30, 2008, and the consolidated statements of income and cash flows for the three and nine months ended September 30, 2008 and 2007, as applicable. The income and cash flows for the periods ended September 30, 2008 and 2007, are not necessarily indicative of the income or cash flows to be expected for the full year.

2. Asset Acquisitions, Dispositions and Other Transactions

In October 2008, Occidental issued \$1 billion of 7% senior notes receiving \$985 million of net proceeds. Interest on the notes will be payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2009. The notes will mature on November 1, 2013.

In February 2008, Occidental purchased from Plains Exploration & Production Company (Plains) a 50-percent interest in oil and gas properties in the Permian Basin and Colorado. In September 2008, Occidental entered into an agreement with Plains to purchase all of Plains' remaining interests in the Permian Basin and Colorado for the approximate purchase price of \$1.25 billion, which is expected to close in the fourth quarter of 2008.

In July 2008, Occidental purchased a 15-percent interest in the Joslyn Oil Sands Project in northern Alberta, Canada for approximately \$500 million in cash. Occidental expects to spend approximately \$2 billion over a number of years with production expected to commence in 2014.

In June 2008, Occidental signed an agreement with a third party to construct a west Texas gas processing plant and pipeline infrastructure that will provide carbon dioxide (CO₂) for Occidental's enhanced oil recovery projects in the Permian Basin. Occidental will own and operate the new facility and pipeline system and is expected to incur capital expenditures of approximately \$1.1 billion constructing this project over several years.

On June 23, 2008, Occidental signed 30-year agreements with the Libyan National Oil Company (NOC) to upgrade its existing petroleum contracts. Total expected capital investment is estimated to be \$5 billion over the next five years, of which Occidental's portion will be approximately \$1.9 billion. NOC will contribute 50 percent, Occidental will contribute 37.5 percent and its partner will contribute 12.5 percent of the development capital. Under these contracts, Occidental and its partner will pay a signature bonus of \$1 billion, of which Occidental's share, 75 percent, is \$750 million. Occidental and its partner made the first payment of \$600 million, of which Occidental's share was \$450 million, in June 2008. The remaining annual payments of \$200 million, of which Occidental's share is \$150 million, are due in each of the next two years. The new agreements allow NOC and Occidental to design and implement major field redevelopment and exploration programs in the Sirte Basin.

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3. Accounting Changes

In June 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) Emerging Issues Task Force (EITF) Issue No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." This FSP concluded that instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, should be included in the earnings allocations in computing basic earnings per share (EPS) under the two-class method that is described in FASB Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share." FSP EITF Issue No. 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008 with prior period retrospective application. Occidental is currently assessing the effect of this FSP on its financial statements, which is not expected to be material.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an Amendment of FASB Statement 133." SFAS No. 161 provides new disclosure requirements for an entity's derivative and hedging activities. SFAS No. 161 is effective for periods beginning after November 15, 2008. Occidental is currently assessing the effect of SFAS No. 161 on its financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." This statement provides a fair value option that allows companies to measure certain financial instruments, on an instrument by instrument basis, at fair value. SFAS No. 159 is effective for financial statements issued for periods beginning after November 15, 2007. Since Occidental did not elect the fair value option on any qualifying financial assets and liabilities when it adopted SFAS No. 159 on January 1, 2008, or during the first three quarters of 2008, this statement has had no impact on Occidental's financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for periods beginning after November 15, 2007. In February 2008, the FASB issued FSP FAS 157-2, which defers the effective date of SFAS No. 157 for non-financial assets and liabilities that are not recorded at fair value on a recurring basis until periods beginning after November 15, 2008. Occidental adopted the non-deferred portion of SFAS No. 157 on January 1, 2008 on a prospective basis. See Note 11 for further information. In October 2008, the FASB issued FSP FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." FSP FAS 157-3 clarifies the application of SFAS No. 157, in a market that is not active. FSP FAS 157-3 became effective upon issuance, October 10, 2008, and includes prior periods for which financial statements have not been issued. The adoption of FSP FAS 157-3 has not had a material impact on Occidental's financial statements.

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4. Comprehensive Income

The following table presents Occidental's comprehensive income items for the three and nine months ended September 30, 2008 and 2007 (in millions):

	Periods Ended September 30			
	Three months		Nine months	
	2008	2007	2008	2007
Net income	\$ 2,271	\$ 1,324	\$ 6,414	\$ 3,948
Other comprehensive income (loss) items				
Foreign currency translation adjustments	(20)	4	(9)	11
Derivative mark-to-market adjustments	404	(21)	(158)	(81)
Pension and post-retirement adjustments	6	3	(4)	7
Reclassification of realized (gains) losses ^(a)	20	1	87	(197)
Unrealized gains (losses) on securities	(2)	—	14	93
Other comprehensive income (loss), net of tax	408	(13)	(70)	(167)
Comprehensive income	\$ 2,679	\$ 1,311	\$ 6,344	\$ 3,781

(a) Amounts include the reclassification of the after-tax gain on the sale of approximately 2.4 and 21.0 million shares of Lyondell Chemical Company (Lyondell) common stock in the three and nine months ended September 30, 2007. Additionally, these amounts include reclassification of realized losses on derivatives of \$20 million and \$103 million for the three and nine months ended September 30, 2008, respectively, and \$27 million and \$20 million for the three and nine months ended September 30, 2007, respectively.

5. Supplemental Cash Flow Information

During the nine months ended September 30, 2008 and 2007, net cash payments for federal, foreign and state income taxes paid by continuing operations were approximately \$2.1 billion and \$1.7 billion, respectively. These amounts exclude taxes owed by Occidental but paid by government entities on its behalf which totaled \$1,801 million and \$919 million for the nine months ended September 30, 2008 and 2007, respectively. Net cash payments for federal, foreign and state income taxes paid by discontinued operations for the nine months ended September 30, 2008 and 2007, were approximately \$7 million and \$17 million, respectively. During the first nine months of 2008, Occidental received a net payment of \$61 million from Ecuador for disputed tax refunds. Interest paid (net of interest capitalized of \$43 million and \$46 million, respectively) totaled approximately \$38 million and \$250 million for the nine months ended September 30, 2008 and 2007, respectively. The 2007 amount includes \$178 million of interest paid for the partial repurchase of various debt issues in the open market.

6. Inventories

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

Balance at	September 30, 2008	December 31, 2007
Raw materials	\$ 108	\$ 92
Materials and supplies	403	349
Finished goods	548	571
	1,059	1,012
LIFO reserve	(102)	(102)
Total	\$ 957	\$ 910

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7. Asset Retirement Obligations

The asset retirement obligations at September 30, 2008 and 2007, were \$515 million and \$392 million, respectively, of which \$492 million and \$379 million, respectively, are included in deferred credits and other liabilities-other and the remaining balance is included in accrued liabilities. The following summarizes the activity of the asset retirement obligations for the nine months ended September 30, 2008 and 2007 (in millions):

Nine months ended September 30,	2008	2007
Beginning balance	\$ 471	\$ 362
Liabilities incurred in the period	17	11
Liabilities settled in the period	(8)	(12)
Acquisitions and other	13	14
Accretion expense	22	17
Ending balance	\$ 515	\$ 392

8. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality. The laws that require or address environmental remediation may apply retroactively to past waste disposal practices and releases of substances to the environment. In many cases, the laws apply regardless of fault, legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries participate in environmental assessments and cleanups under these laws at currently-owned facilities, previously-owned sites and third-party sites.

At September 30, 2008, the current portion of Occidental's environmental remediation reserves (\$69 million) is included in accrued liabilities and the remaining amount (\$375 million) is included in deferred credits and other liabilities-other. The following table presents the environmental remediation reserves in three categories of sites at September 30, 2008:

	Number of Sites	Reserve Balance (in millions)
CERCLA ^(a) & equivalent sites	103	\$ 198

Active facilities	17	103
Closed or sold facilities	44	143
Total	164	\$ 444

(a) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Occidental believes it is reasonably possible that it will continue to incur additional liabilities beyond those recorded for environmental remediation at these sites. The range of reasonably possible loss for existing environmental remediation matters could be up to \$410 million beyond the amount accrued. In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements.

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The following table shows additional detail regarding reserves for CERCLA or CERCLA-equivalent proceedings in which OPC or certain of its subsidiaries were involved at September 30, 2008:

Description	Number of Sites	Reserve Balance (in millions)
Minimal/No Exposure ^(a)	83	\$ 6
Reserves between \$1-10 million	14	45
Reserves over \$10 million	6	147
Total	103	\$ 198

(a) Includes 32 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, including the Diamond Alkali Superfund Site in Newark, New Jersey. In connection with that site, Occidental Chemical Corporation (OCC) and Tierra Solutions, Inc., Maxus' affiliate, signed a Settlement Agreement and Order on Consent for Removal Action with the U.S. EPA in June 2008. Maxus and Tierra will fund and perform the work required under the Consent Order. Also included are 3 sites where Occidental has denied liability without challenge, 30 sites where Occidental's reserves are less than \$50,000 each, and 18 sites where reserves are between \$50,000 and \$1 million each.

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

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

Since 2004, OCC has been served with ten lawsuits filed in Nicaragua by approximately 2,600 individual plaintiffs. These individuals allege that they have sustained several billion dollars of personal injury damages as a result of their alleged exposure to a pesticide. OCC is aware of, but has not been served in, 24 additional cases in Nicaragua, which Occidental understands make similar allegations. In the opinion of management, the claims against OCC are without merit because, among other things, OCC believes that none of the pesticide it manufactured was ever sold or used in Nicaragua. Under the applicable Nicaraguan statute, defendants are required to pay pre-trial deposits so large as to effectively prohibit defendants from participating fully in their defense. OCC filed a response to the complaints contesting jurisdiction without posting such pre-trial deposit. In 2004, the judge in one of the cases (Osorio Case) ruled the court had jurisdiction over the defendants, including OCC, and that the plaintiffs had waived the requirement of the pre-trial deposit. In order to preserve its jurisdictional defense, OCC elected not to make a substantive appearance in the Osorio Case. In 2005, the judge in the Osorio Case entered judgment against several defendants, including OCC, for damages totaling approximately \$97 million. In December 2006, the court in a second case in Nicaragua (Rios Case) entered a judgment against several defendants, including OCC, for damages totaling approximately \$800 million. While preserving its jurisdictional defenses, OCC has appealed the judgments in the Osorio and Rios Cases. In September 2007, the plaintiffs in the Osorio Case filed an action in state court in Florida seeking to enforce the Nicaraguan judgment. That action was removed to and is presently pending in federal court. OCC has no assets in Nicaragua and, in the opinion of management, any judgment rendered under the statute, including in the Osorio and Rios Cases, would be unenforceable in the United States.

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During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Taxable years prior to 2001 are generally closed for U.S. federal and state corporate income tax purposes. Taxable years 2001 through the current year are in various stages of audit by the U.S. Internal Revenue Service. Foreign government tax authorities are in various stages of auditing Occidental, and income taxes for taxable years from 2002 through 2007 remain subject to examination in certain tax jurisdictions. Disputes may arise during the course of such audits as to facts and matters of law.

Occidental has entered into various guarantees including performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that OPC or its subsidiaries and other affiliates will meet their various obligations (guarantees). At September 30, 2008, the notional amount of the guarantees subject to reporting requirements was approximately \$260 million, which consists of Occidental's guarantees of equity investees' debt, primarily from the Dolphin Project equity investment, and other commitments.

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

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10. Retirement Plans and Postretirement Benefits

The following table sets forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans for the three and nine months ended September 30, 2008 and 2007 (in millions):

Three months ended September 30	2008		2007	
	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Net Periodic Benefit Costs				
Service cost	\$ 2	\$ 3	\$ 1	\$ 3
Interest cost	7	10	6	8
Expected return on plan assets	(9)	—	(12)	—
Recognized actuarial loss	—	4	3	6
Total	\$ —	\$ 17	\$ (2)	\$ 17
Nine months ended September 30				
Net Periodic Benefit Costs				
Service cost	\$ 6	\$ 10	\$ 7	\$ 9
Interest cost	21	29	21	27
Expected return on plan assets	(28)	—	(28)	—
Recognized actuarial loss	1	12	3	12
Total	\$ —	\$ 51	\$ 3	\$ 48

Occidental contributed \$1 million and \$3 million to its defined benefit pension plans for the three and nine months ended September 30, 2008, respectively, and expects to contribute an additional \$1 million in the remainder of 2008. Occidental contributed \$1 million and \$3 million to its defined benefit pension plans for the three and nine months ended September 30, 2007, respectively.

11. Fair Value Measurements

As discussed in Note 3, Occidental adopted the non-deferred portion of SFAS No. 157 on January 1, 2008 on a prospective basis. In accordance with SFAS No. 157, Occidental has categorized its assets and liabilities that are measured at fair value, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy: Level 1 is the use of quoted prices in active markets for identical assets or liabilities; Level 2 is the use of other observable inputs other than quoted prices; and Level 3 is the use of unobservable inputs.

As permitted under SFAS No. 157, Occidental utilizes the mid-point price between bid and ask prices for valuing the majority of its assets and liabilities measured and reported at fair value. Occidental utilizes market data and assumptions in pricing the assets or liabilities, including assumptions about risk and the risks inherent in the inputs to the valuation technique. Occidental primarily applies the market approach for recurring fair value measurements and utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Certain of Occidental's financial instruments are valued using industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

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The following table provides fair value measurement information for such assets and liabilities that are measured on a recurring basis (in millions):

Description	Total Fair Value	Fair Value Measurements at September 30, 2008 Using		
		Level 1	Level 2	Level 3
Assets:				
Derivative financial instruments				
Receivables, net	\$ 179	\$ —	\$ 179	\$ —
Long-term receivables, net	39	—	39	—
Investments in unconsolidated entities - available for sale securities	4	4	—	—
Total assets	\$ 222	\$ 4	\$ 218	\$ —
Liabilities:				
Derivative financial instruments				
Accrued liabilities	\$ 473	\$ 79	\$ 394	\$ —
Deferred credits and other liabilities-other	566	—	566	—
Total liabilities	\$ 1,039	\$ 79	\$ 960	\$ —

12. Industry Segments

Occidental conducts its continuing operations through three operating segments: (1) oil and gas, (2) chemical and (3) midstream, marketing and other activities. The oil and gas segment explores for, develops and produces crude oil, natural gas and natural gas liquids (NGLs). The chemical segment manufactures and markets basic chemicals, vinyls and performance chemicals. The midstream, marketing and other segment gathers, processes, transports, stores and markets crude oil, natural gas, NGLs and CO₂ production, and generates electricity at various facilities.

Occidental changed its alignment of operating segments at the beginning of 2008. In previous years, oil and gas and a portion of the midstream, marketing and other activities were reported as a single oil and gas segment and some of the corporate-directed midstream, marketing and other activities were reported under corporate and other. In the last two years, the Dolphin pipeline began transporting natural gas to the United Arab Emirates and Occidental acquired a common carrier pipeline system in the Permian Basin, various gas processing plants and the remaining ownership interest in a cogeneration facility. The addition of these activities to the existing midstream and marketing infrastructure caused management to realign its operating segments in order to increase its focus on its midstream, marketing and other activities on a stand-alone basis. All segment information for prior periods has been revised to retrospectively reflect the current segment reporting structure. The change to segment reporting has no effect on Occidental's reported consolidated earnings.

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

	Oil and Gas	Chemical	Midstream, Marketing and Other	Corporate and Eliminations	Total
Nine months ended September 30, 2008					
Net sales	\$ 15,441	\$ 4,107	\$ 1,204	\$ (556) ^(a)	\$ 20,196
Pretax operating profit (loss)	\$ 10,312	\$ 542	\$ 350	\$ (302) ^{(b)(c)}	\$ 10,902
Income taxes	—	—	—	(4,511) ^(d)	(4,511)
Discontinued operations	—	—	—	23 ^(e)	23
Net income (loss)	\$ 10,312	\$ 542	\$ 350	\$ (4,790)	\$ 6,414
Nine months ended September 30, 2007					
Net sales	\$ 9,182	\$ 3,530	\$ 975	\$ (420) ^(a)	\$ 13,267
Pretax operating profit (loss)	\$ 5,496 ^(f)	\$ 507	\$ 229	\$ (152) ^{(b)(c)}	\$ 6,080
Income taxes	—	—	—	(2,450) ^(d)	(2,450)
Discontinued operations	—	—	—	318 ^(e)	318
Net income (loss)	\$ 5,496	\$ 507	\$ 229	\$ (2,284)	\$ 3,948

(a) Intersegment sales are generally made at prices approximately equal to those that the selling entity is able to obtain in third-party transactions.

(b) Includes net interest expense, administration expense, environmental remediation and other pre-tax items.

(c) Net interest expense for the first nine months of 2008 included interest expense of \$94 million offset by \$84 million of interest income. Net interest expense for the first nine months of 2007 included interest expense of \$297 million offset by \$111 million of interest income. The first nine months of 2007 also included a \$326 million pre-tax gain from the sale of Lyondell common stock, \$167 million of pre-tax interest charges for the purchase of various debt issues in the open market, and a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve.

(d) Includes all foreign and domestic income taxes from continuing operations.

(e) In the first nine months of 2008, Occidental received a \$61 million payment from Ecuador for disputed tax refunds. In 2007, Occidental completed an exchange with BP p.l.c. (BP) of oil and gas interests in Horn Mountain for BP's 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.

(f) Included an after-tax gain of \$412 million from the sale of Occidental's Russian joint venture interest, an after-tax gain of \$112 million from certain litigation settlements, a \$103 million pre-tax gain from the sale of exploration properties, partially offset by a \$74 million pre-tax charge for exploration impairments, and a \$35 million pre-tax gain from the sale of oil and gas interests.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations

Occidental (which means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest) reported net income for the first nine months of 2008 of \$6.4 billion, on net sales of \$20.2 billion, compared with net income of \$3.9 billion, on net sales of \$13.3 billion for the same period of 2007. Diluted earnings per common share were \$7.79 and \$4.69 for the first nine months of 2008 and 2007, respectively. Occidental reported net income for the third quarter of 2008 of \$2.3 billion, on net sales of \$7.1 billion, compared with net income of \$1.3 billion, on net sales of \$4.8 billion for the same period of 2007. Diluted earnings per common share were \$2.78 for the third quarter of 2008, compared with diluted earnings per share of \$1.58 for the same period of 2007.

Net income for the three and nine months ended September 30, 2008, compared to the same periods of 2007, reflected higher crude oil and natural gas prices, higher oil and gas production and lower exploration expense, which were partially offset by higher depreciation, depletion and amortization (DD&A) rates and operating expenses.

Net income for the three and nine months ended September 30, 2007, included a \$42 million pre-tax gain from the sale of Lyondell Chemical Company (Lyondell) common stock, and a \$103 million pre-tax gain from the sale of exploration properties, partially offset by a \$74 million pre-

tax charge from the impairment of assets. Net income for the first nine months of 2007 also included an additional \$284 million pre-tax gain from the sale of Lyondell common stock, a \$167 million pre-tax interest charge for the partial repurchase of various debt issues in the open market, a \$412 million after-tax gain from the sale of Occidental's Russian joint venture interest and a \$112 million after-tax gain from certain litigation settlements. Discontinued operations for the nine months ended September 30, 2007 included after-tax gains of \$226 million from a series of transactions with BP p.l.c. (BP), as well as the results of operations of these assets before disposal.

Selected Income Statement Items

The increases in net sales of \$2.2 billion and \$6.9 billion for the three and nine months ended September 30, 2008, respectively, compared with the same periods of 2007, reflected higher worldwide crude oil and natural gas prices and higher oil and gas production, particularly from the Dolphin Project, which began production in the third quarter of 2007. The decrease in interest, dividends and other income of \$106 million for the nine months ended September 30, 2008, compared with the same period of 2007, reflected \$112 million of after-tax gains from certain litigation settlements in 2007. For the three months and nine months ended September 30, 2007, gains on disposition of assets included a \$42 million pre-tax gain from the sale of Lyondell common stock and a \$103 million pre-tax gain from the sale of exploration properties. For the nine months ended September 30, 2007, gains on disposition of assets also included a \$412 million after-tax gain from the sale of Occidental's Russian joint venture interest, a \$284 million pre-tax gain from the sale of Lyondell common stock and a \$35 million pre-tax gain from the sale of miscellaneous domestic oil and gas interests.

The increase in cost of sales of \$547 million and \$1.4 billion for the three and nine months ended September 30, 2008, respectively, compared with the same periods of 2007, reflected higher DD&A rates, ad valorem taxes, and workover and field operating costs. The increase in selling, general and administrative and other operating expenses of \$144 million for the nine months ended September 30, 2008, compared with the same period in 2007, reflected higher oil and gas production taxes. Environmental remediation expenses for the nine months ended September 30, 2007 reflected a \$47 million pre-tax charge for plant closure and related environmental remediation reserve. Exploration expense for the three and nine months ended September 30, 2007, reflected a \$74 million pre-tax charge for exploration impairments. Interest and debt expense, net for the nine months ended September 30, 2007, reflected pre-tax interest charges of \$167 million for the purchase of various debt issues in the open market. Discontinued operations for the nine months ended September 30, 2007 included after-tax gains of \$226 million from a series of transactions with BP, as well as the results of operations of these assets before disposal.

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Selected Analysis of Financial Position

The increase in receivables, net of \$1.5 billion at September 30, 2008, compared with December 31, 2007, reflected higher crude oil prices and sales volumes during the third quarter of 2008 compared to the fourth quarter of 2007. The increase in investments in unconsolidated entities of \$467 million at September 30, 2008, compared with December 31, 2007, reflected the 2008 acquisitions of an equity investment in a U.S. oil and gas pipeline entity and the increase in equity income from the Dolphin pipeline investment. The increase in property, plant and equipment, net of \$4.6 billion at September 30, 2008, compared with December 31, 2007, was due to capital expenditures, the purchase of oil and gas interests from Plains Exploration & Production Company and an interest in the Joslyn Oil Sands Project, the signature bonus from the Libya contracts and the acquisitions of other miscellaneous oil and gas interests, partially offset by DD&A.

The increase in current maturities of long-term debt and capital lease liabilities of \$667 million at September 30, 2008, compared with December 31, 2007, was due to the reclassification from long-term debt, net for debt with current maturities at September 30, 2008, including the Dolphin Energy Ltd. loans. The increase in accounts payable of \$644 million at September 30, 2008, compared with December 31, 2007, reflected higher crude oil prices, especially in the marketing and trading operations, during the third quarter of 2008 compared to the fourth quarter of 2007. The increase in accrued liabilities \$394 million at September 30, 2008, compared with December 31, 2007, was mainly due to higher mark-to-market adjustments on derivative instruments, the accrual of the current portion of the signature bonus for the Libya agreements signed in June 2008 and higher ad valorem taxes. The decrease in long-term debt, net of \$684 million at September 30, 2008, compared with December 31, 2007, was due to the reclassification from long-term debt, net to debt with current maturities at September 30, 2008. The increase in deferred credit and other liabilities – other of \$310 million at September 30, 2008, compared with December 31, 2007, reflected the accrual of the noncurrent portion of the signature bonus and other long-term payables for the Libya agreements. The increase in stockholders' equity of \$4.1 billion at September 30, 2008, compared with December 31, 2007, reflected net income for the nine months ended September 30, 2008, partially offset by year-to-date treasury stock repurchases of approximately 19.8 million shares and dividend payments.

Segment Operations

Occidental conducts its continuing operations through three operating segments: (1) oil and gas, (2) chemical and (3) midstream, marketing and other activities. The oil and gas segment explores for, develops and produces crude oil, natural gas and natural gas liquids (NGLs). The chemical segment manufactures and markets basic chemicals, vinyls and performance chemicals. The midstream, marketing and other segment gathers, processes, transports, stores and markets crude oil, natural gas, NGLs and carbon dioxide (CO₂) production, and generates electricity at various facilities.

Occidental changed its alignment of operating segments at the beginning of 2008. In previous years, oil and gas and a portion of the midstream, marketing and other activities were reported as a single oil and gas segment and some of the corporate-directed midstream, marketing and other activities were reported under corporate and other. In the last two years, the Dolphin pipeline began transporting natural gas to the United Arab Emirates and Occidental acquired a common carrier pipeline system in the Permian Basin, various gas processing plants and the remaining ownership interest in a cogeneration facility. The addition of these activities to the existing midstream and marketing infrastructure caused management to realign its operating segments in order to increase its focus on its midstream, marketing and other activities on a stand-alone basis. All segment information for prior periods has been revised to retrospectively reflect the current segment reporting structure. The change to segment reporting has no effect on Occidental's reported consolidated earnings.

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	Periods Ended September 30			
	Three Months Ended		Nine Months Ended	
	2008	2007	2008	2007
Net Sales				

Oil and gas	\$ 5,422	\$ 3,401	\$ 15,441	\$ 9,182
Chemical	1,454	1,241	4,107	3,530
Midstream, marketing and other	381	337	1,204	975
Eliminations	(197)	(138)	(556)	(420)
Net Sales	\$ 7,060	\$ 4,841	\$ 20,196	\$ 13,267
Segment Earnings ^(a)				
Oil and gas	\$ 3,618	\$ 1,955	\$ 10,312	\$ 5,496
Chemical	219	212	542	507
Midstream, marketing and other	66	86	350	229
	3,903	2,253	11,204	6,232
Unallocated Corporate Items				
Interest expense, net ^(a)	(3)	(11)	(10)	(186)
Income taxes	(1,546)	(862)	(4,511)	(2,450)
Other (expense) income ^(a)	(82)	(64)	(292)	34
Income from Continuing Operations	2,272	1,316	6,391	3,630
Discontinued operations, net of tax ^(a)	(1)	8	23	318
Net Income	\$ 2,271	\$ 1,324	\$ 6,414	\$ 3,948

(a) Refer to "Significant Items Affecting Earnings", "Oil and Gas Segment", "Chemical Segment", "Midstream, Marketing and Other Segment" and "Corporate" discussions that follow.

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Significant Items Affecting Earnings

The following table sets forth the effects on Occidental's earnings of significant transactions and events that vary widely and unpredictably in nature, timing and amount for the three and nine months ended September 30, 2008 and 2007 (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2008	2007	2008	2007
Oil & Gas				
Russian joint venture sale*	\$ —	\$ —	\$ —	\$ 412
Legal settlements*	—	—	—	112
Gain on sale of exploration properties	—	103	—	103
Exploration impairments	—	(74)	—	(74)
Gain on sale of oil and gas interests	—	12	—	35
Total Oil and Gas	\$ —	\$ 41	\$ —	\$ 588
Chemical				
No Significant Items Affecting Earnings	\$ —	\$ —	\$ —	\$ —
Total Chemical	\$ —	\$ —	\$ —	\$ —
Midstream, marketing and other				
No Significant Items Affecting Earnings	\$ —	\$ —	\$ —	\$ —
Total Midstream, marketing and other	\$ —	\$ —	\$ —	\$ —
Corporate				
Debt purchase expense	\$ —	\$ —	\$ —	\$ (167)
Gain on sale of Lyondell shares	—	42	—	326
Facility closure	—	—	—	(47)
Tax effect of pre-tax items	—	23	—	(11)
Discontinued operations, net*	(1)	8	23	318
Total Corporate	\$ (1)	\$ 73	\$ 23	\$ 419
Total	\$ (1)	\$ 114	\$ 23	\$ 1,007

* Amounts shown after tax.

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Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2008	2007	2008	2007
Oil & Gas earnings ^(a)	\$ 3,618	\$ 1,955	\$ 10,312	\$ 5,496
Chemical earnings	219	212	542	507
Midstream, marketing and other earnings	66	86	350	229
Unallocated corporate items	(85)	(75)	(302)	(152)
Pre-tax income	3,818	2,178	10,902	6,080

Income tax expense

Federal and state	716	363	2,123	1,085
Foreign ^(a)	830	499	2,388	1,365
Total	1,546	862	4,511	2,450
Income from continuing operations	\$ 2,272	\$ 1,316	\$ 6,391	\$ 3,630
Worldwide effective tax rate	40%	40%	41%	40%

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas earnings and income tax expense each include the following amounts by period (in millions): third quarter 2008—\$730 and third quarter 2007—\$331, first nine months 2008—\$1,801 and first nine months of 2007—\$919.

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Oil and Gas Segment

Summary of Operating Statistics	Periods Ended September 30			
	Three Months		Nine Months	
	2008	2007	2008	2007
Net Production per Day:				
Crude Oil and Natural Gas Liquids (MBBL)				
United States	261	265	260	259
Middle East/North Africa	117	109	127	115
Latin America	81	73	75	76
Natural Gas (MMCF)				
United States	570	604	584	597
Middle East	190	103	200	54
Latin America	45	40	40	41
Barrels of Oil Equivalent (MBOE) per day ^{(a) (b)}				
Consolidated subsidiaries	593	572	599	566
Other interests	(5)	(2)	(5)	(3)
Worldwide production	588	570	594	563
Average Sales Price: ^(b)				
Crude Oil (\$/BBL)				
United States	\$ 109.50	\$ 68.83	\$ 104.82	\$ 59.71
Middle East/North Africa	\$ 114.11	\$ 71.30	\$ 106.81	\$ 63.93
Latin America	\$ 77.76	\$ 60.77	\$ 78.23	\$ 53.00
Total consolidated subsidiaries	\$ 104.26	\$ 67.87	\$ 100.41	\$ 59.52
Other interests	\$ 94.17	\$ 74.08	\$ 110.39	\$ 65.30
Worldwide production	\$ 104.15	\$ 67.81	\$ 100.39	\$ 59.47
Natural Gas (\$/MCF)				
United States	\$ 9.35	\$ 5.90	\$ 9.18	\$ 6.45
Latin America	\$ 4.40	\$ 2.68	\$ 4.22	\$ 2.31
Worldwide production	\$ 7.11	\$ 5.05	\$ 6.95	\$ 5.78

(a) Natural gas volumes have been converted to BOE based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as a "Mcf") of gas to one barrel of oil.

(b) Occidental sold its interest in a Russian joint venture in January 2007. In June 2007, Occidental sold its Pakistan operations to BP and swapped its Horn Mountain operations to BP, classifying these operations as discontinued operations on a retrospective application basis. Horn Mountain, Pakistan and Russian joint venture production have been excluded for all periods for comparability.

Oil and gas segment earnings for the three and nine months ended September 30, 2008, were \$3.6 billion and \$10.3 billion, respectively, compared with \$2.0 billion and \$5.5 billion of segment earnings for the same periods of 2007. The increase in oil and gas segment earnings for the three and nine months ended September 30, 2008, compared to the same period of 2007, reflected higher crude oil and natural gas prices, higher oil and gas production and lower exploration expense, partially offset by higher DD&A rates and operating expenses.

Occidental's realized oil price for the third quarter of 2008 was \$104.15 per barrel compared to \$67.81 per barrel for the third quarter of 2007. Domestic realized gas prices increased from \$5.90 per MCF in the third quarter of 2007 to \$9.35 per MCF for the third quarter of 2008. Based on the 2008 third quarter prices, a change of 50 cents per million BTUs in NYMEX gas prices impacts quarterly oil and gas segment earnings by approximately \$24 million, while a \$1.00 per-barrel change in oil prices has a quarterly pre-tax impact of approximately \$39 million.

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The increase in production for the three months ended September 30, 2008, compared to the same period of 2007, was primarily due to an increase of 31,000 BOE per day from the Dolphin Project which began production in the third quarter of 2007, partially offset by 5,000 BOE per day lower volumes attributable to Hurricane Ike and 13,000 BOE per day lower volumes in Libya as a result of the new contract that became effective in the third quarter of 2008. The increase in production for the nine months ended September 30, 2008, compared to the same period of 2007, was primarily due to an increase of 44,000 BOE per day from the Dolphin Project, partially offset by 5,000 BOE per day lower volumes in Libya.

Average production cost for the first nine months of 2008 was \$14.80 per BOE compared to the average annual 2007 production cost of \$12.33 per BOE. Approximately 38 percent of the increase was a result of increased energy costs. The increases reflected higher production taxes and ad valorem taxes, workovers and field operating costs.

On June 23, 2008, Occidental signed 30-year agreements with the Libyan National Oil Company (NOC) to upgrade its existing petroleum contracts. Total expected capital investment is estimated to be \$5 billion over the next five years, of which Occidental's portion will be approximately \$1.9 billion. NOC will contribute 50 percent, Occidental will contribute 37.5 percent and its partner will contribute 12.5 percent of the development capital. Under these contracts, Occidental and its partner will pay a signature bonus of \$1 billion, of which Occidental's share, 75 percent, is \$750 million. Occidental and its partner made the first payment of \$600 million, of which Occidental's share was \$450 million, in June 2008. The remaining annual payments of \$200 million, of which Occidental's share is \$150 million, are due in each of the next two years. The new agreements allow NOC and Occidental to design and implement major field redevelopment and exploration programs in the Sirte Basin.

In February 2008, Occidental purchased from Plains Exploration & Production Company (Plains) a 50-percent interest in oil and gas properties in the Permian Basin and Colorado. In September 2008, Occidental entered into an agreement with Plains to purchase all of Plains' remaining interests in the Permian Basin and Colorado for the approximate purchase price of \$1.25 billion, which is expected to close in the fourth quarter of 2008.

Chemical Segment

Chemical segment earnings for the three and nine months ended September 30, 2008, were \$219 million and \$542 million, respectively, compared with \$212 million and \$507 million for the same periods of 2007. The increase in chemical segment earnings for the three and nine months ended September 30, 2008, compared with the same periods of 2007, was due to higher caustic soda margins, partially offset by lower volumes and margins for chlorine and polyvinyl chloride.

Midstream, Marketing and Other Segment

Midstream, marketing and other segment earnings for the three and nine months ended September 30, 2008, were \$66 million and \$350 million, compared with \$86 million and \$229 million for the same periods of 2007. Midstream, marketing and other segment earnings for the three months ended September 30, 2008, reflected lower margins in crude oil marketing, partially offset by higher income from the Dolphin pipeline investment, which came on line in the second half of 2007, and higher margins in gas processing and power generation. Midstream, marketing and other segment earnings for the nine months ended September 30, 2008, reflected higher income from the Dolphin pipeline and higher NGL margins in the gas processing business, partially offset by lower margins in crude oil marketing.

In June 2008, Occidental signed an agreement with a third party to construct a west Texas gas processing plant and pipeline infrastructure that will provide carbon dioxide (CO₂) for Occidental's enhanced oil recovery projects in the Permian Basin. Occidental will own and operate the new facility and pipeline system and is expected to incur capital expenditures of approximately \$1.1 billion constructing this project over several years.

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Corporate

In July 2008, Occidental purchased a 15-percent interest in the Joslyn Oil Sands Project in northern Alberta, Canada for approximately \$500 million in cash. Occidental expects to spend approximately \$2 billion over a number of years with production expected to commence in 2014.

In the nine month period ended September 30, 2007, Occidental recorded a \$326 million pre-tax gain from the sale of 21.0 million shares of Lyondell stock, \$167 million of pre-tax interest charges for the purchase of various debt issues in the open market and a \$47 million pre-tax charge for a plant closure and related environmental remediation reserve.

Liquidity and Capital Resources

Occidental's net cash provided by operating activities was \$8.1 billion for the first nine months of 2008, compared with \$4.3 billion for the same period of 2007. The increase in operating cash flow in 2008, compared to 2007, reflected the effect of several drivers. The most important drivers were higher oil and natural gas prices and production. In the first nine months of 2008, compared to the same period in 2007, Occidental's realized oil price was higher by 69 percent and Occidental's realized natural gas price increased 42 percent in the U.S., where approximately 71 percent of Occidental's natural gas was produced. Oil and gas production increased approximately 5.5 percent in the first nine months of 2008, compared to the same period in 2007, mainly due to the start-up of the Dolphin Project in the second half of 2007.

Occidental's net cash used by investing activities was \$6.6 billion for the first nine months of 2008, compared with \$1.8 billion for the same period of 2007. The 2008 amount included cash payments for the acquisitions of oil and gas interests from Plains for \$1.5 billion, an interest in the Joslyn Oil Sands Project for approximately \$500 million and an equity interest in a U.S. oil and gas pipeline entity for approximately \$330 million. The 2008 amount also includes the first payment of the signature bonus under the Libya agreements of \$450 million. The 2007 amount included cash proceeds of \$672 million from the sale of Lyondell common stock, \$460 million from the sale of other businesses and properties, \$485 million received from the sale of a joint venture interest in Russia, and \$250 million from the sale of short-term investments. The 2007 amount also included cash paid for the acquisitions of various oil and gas interests, a common carrier pipeline system and a gas processing plant in Texas totaling \$991 million. Capital expenditures for the first nine months of 2008 were \$3.2 billion, including \$2.6 billion for oil and gas. Capital expenditures for the first nine months of 2007 were \$2.5 billion, including \$2.2 billion for oil and gas.

Occidental's net cash used by financing activities was \$2.1 billion in the first nine months of 2008, compared with \$2.4 billion for the same period of 2007. The 2008 amount included \$1.5 billion of cash paid for repurchases of 19.4 million shares of Occidental's common stock at an average price of \$76.52 per share and dividend payments of \$677 million. The weighted average basic shares outstanding for the nine months of 2008 totaled 820.1 million and the weighted average diluted shares outstanding totaled 823.8 million. At September 30, 2008, there were 810.1 million basic shares outstanding and the diluted shares were 813.8 million. Any future share repurchases will continue to be funded solely from available cash from operations. The 2007 amount included \$910 million of cash paid for repurchases of Occidental's common stock, \$1.0 billion of net debt payments which included the purchase of various debt issues in the open market and \$557 million of dividend payments.

Available but unused lines of committed bank credit totaled approximately \$1.5 billion at September 30, 2008, and cash and cash equivalents totaled \$1.45 billion on the September 30, 2008 balance sheet.

At September 30, 2008, under the most restrictive covenants of certain financing agreements, Occidental's capacity for additional unsecured borrowing was approximately \$65.4 billion, and the capacity for the payment of cash dividends and other distributions on, and for acquisitions

of, Occidental's capital stock was approximately \$25.0 billion, assuming that such dividends, distributions and acquisitions were made without incurring additional borrowing. Since year-end 2007, Occidental's long-term senior unsecured debt has been

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upgraded from A- to A by Standard and Poor's Ratings Services, from A3 to A2 by Moody's Investors Service and from A (low) to A by Dominion Bond Rating Service.

In October 2008, Occidental issued \$1 billion of 7% senior notes receiving \$985 million of net proceeds. Interest on the notes will be payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2009. The notes will mature on November 1, 2013.

Occidental currently expects to spend approximately \$4.5 to \$4.7 billion on its 2008 capital spending program. Although its income and cash flows are largely dependent on oil and gas prices and production, Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs, capital expenditure requirements, dividend payments and anticipated acquisitions.

Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality. The laws that require or address environmental remediation may apply retroactively to past waste disposal practices and releases of substances to the environment. In many cases, the laws apply regardless of fault, legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries participate in environmental assessments and cleanups under these laws at currently-owned facilities, previously-owned sites and third-party sites.

At September 30, 2008, the current portion of Occidental's environmental remediation reserves (\$69 million) is included in accrued liabilities and the remaining amount (\$375 million) is included in deferred credits and other liabilities-other. The following table presents the environmental remediation reserves in three categories of sites at September 30, 2008:

	Number of Sites	Reserve Balance (in millions)
CERCLA ^(a) & equivalent sites	103	\$ 198
Active facilities	17	103
Closed or sold facilities	44	143
Total	164	\$ 444

(a) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Occidental believes it is reasonably possible that it will continue to incur additional liabilities beyond those recorded for environmental remediation at these sites. The range of reasonably possible loss for existing environmental remediation matters could be up to \$410 million beyond the amount accrued. In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements.

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The following table shows additional detail regarding reserves for CERCLA or CERCLA-equivalent proceedings in which OPC or certain of its subsidiaries were involved at September 30, 2008:

Description	Number of Sites	Reserve Balance (in millions)
Minimal/No Exposure ^(a)	83	\$ 6
Reserves between \$1-10 million	14	45
Reserves over \$10 million	6	147
Total	103	\$ 198

(a) Includes 32 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, including the Diamond Alkali Superfund Site in Newark, New Jersey. In connection with that site, Occidental Chemical Corporation (OCC) and Tierra Solutions, Inc., Maxus' affiliate, signed a Settlement Agreement and Order on Consent for Removal Action with the U.S. EPA in June 2008. Maxus and Tierra will fund and perform the work required under the Consent Order. Also included are 3 sites where Occidental has denied liability without challenge, 30 sites where Occidental's reserves are less than \$50,000 each, and 18 sites where reserves are between \$50,000 and \$1 million each.

Refer to the "Environmental Liabilities and Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Occidental's Annual Report on Form 10-K for the year ended December 31, 2007 (2007 Form 10-K) for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments, Contingencies and Related Matters

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

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Taxable years prior to 2001 are generally closed for U.S. federal and state corporate income tax purposes. Taxable years 2001 through the current year are in various stages of audit by the U.S. Internal Revenue Service. Foreign government tax authorities are in

various stages of auditing Occidental, and income taxes for taxable years from 2002 through 2007 remain subject to examination in certain tax jurisdictions. Disputes may arise during the course of such audits as to facts and matters of law.

Occidental has entered into various guarantees including performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that OPC or its subsidiaries and affiliates will meet their various obligations (guarantees). At September 30, 2008, the notional amount of the guarantees subject to reporting requirements was approximately \$260 million, which mostly consists of Occidental's guarantees of equity investees' debt, primarily from the Dolphin Project equity investment, and other commitments.

It is impossible at this time to determine the ultimate liabilities that OPC and its subsidiaries may incur resulting from any lawsuits, claims and proceedings, audits, commitments, contingencies and related matters, or the timing of these liabilities. If these matters were to be ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently anticipated, it is possible that such outcome could

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have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

Accounting Changes

In June 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) Emerging Issues Task Force (EITF) Issue No. 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities." This FSP concluded that instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, should be included in the earnings allocations in computing basic earnings per share (EPS) under the two-class method that is described in FASB Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share." FSP EITF Issue No. 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008 with prior period retrospective application. Occidental is currently assessing the effect of this FSP on its financial statements, which is not expected to be material.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an Amendment of FASB Statement 133." SFAS No. 161 provides new disclosure requirements for an entity's derivative and hedging activities. SFAS No. 161 is effective for periods beginning after November 15, 2008. Occidental is currently assessing the effect of SFAS No. 161 on its financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." This statement provides a fair value option that allows companies to measure certain financial instruments, on an instrument by instrument basis, at fair value. SFAS No. 159 is effective for financial statements issued for periods beginning after November 15, 2007. Since Occidental did not elect the fair value option on any qualifying financial assets and liabilities when it adopted SFAS No. 159 on January 1, 2008, or during the first three quarters of 2008, this statement has had no impact on Occidental's financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for periods beginning after November 15, 2007. In February 2008, the FASB issued FSP FAS 157-2, which defers the effective date of SFAS No. 157 for non-financial assets and liabilities that are not recorded at fair value on a recurring basis until periods beginning after November 15, 2008. Occidental adopted the non-deferred portion of SFAS No. 157 on January 1, 2008 on a prospective basis. In October 2008, the FASB issued FSP FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." FSP FAS 157-3 clarifies the application of SFAS No. 157, in a market that is not active. FSP FAS 157-3 became effective upon issuance, October 10, 2008, and includes prior periods for which financial statements have not been issued. The adoption of FSP FAS 157-3 has not had a material impact on Occidental's financial statements.

Safe Harbor Statement Regarding Outlook and Forward-Looking Information

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: exploration risks such as drilling unsuccessful wells; global commodity pricing fluctuations; 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; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing facilities due to accidents, political events or insurgent activity; potential failure to achieve expected production from existing and future oil and gas development projects; the supply and demand considerations for Occidental's products; any general economic recession or slowdown domestically or internationally; changes in law or regulations; changes in tax rates; and not successfully completing, or any material delay of, any development of new fields, expansion, capital

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expenditure, efficiency-improvement project, acquisition or disposition. Words such as "estimate", "project", "predict", "will", "would", "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. Certain risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2007 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and nine months ended September 30, 2008, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) – Derivative Activities and Market Risk" in the 2007 Form 10-K.

Item 4. Controls and Procedures

Occidental's Chairman of the Board of Directors and Chief Executive Officer, and President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in Occidental's periodic reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based upon that evaluation, Occidental's Chairman of the Board of Directors and Chief Executive Officer, and President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of September 30, 2008.

There has been no change in Occidental's internal control over financial reporting during the third quarter of 2008 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

This item incorporates by reference the information regarding lawsuits, claims, commitments, contingencies and related matters in Note 9 to the consolidated condensed financial statements in Part I of this Form 10-Q.

See Occidental's quarterly reports on Form 10-Q for the periods ended March 31, 2008 and June 30, 2008 for information with respect to previously reported matters.

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Item 2. Share Repurchase Activities

Occidental's share repurchase activities as of September 30, 2008, were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs ^(a)
First Quarter 2008	6,253,932	\$ 69.68	6,111,975	
Second Quarter 2008	5,143,716	\$ 88.14	4,684,150	
July 1 – 31, 2008	791,713	\$ 78.86	791,713	
August 1 – 31, 2008	3,692,531	\$ 76.61	3,692,531	
September 1 – 30, 2008	3,907,000	\$ 70.67	3,907,000	
Third Quarter 2008	8,391,244	\$ 74.05	8,391,244	
Total 2008	19,788,892	\$ 76.33	19,187,369	27,155,575

(a) In February 2008 and July 2008, Occidental increased the number of shares authorized for its previously announced share repurchase program from 55 million to 75 million and from 75 million to 95 million, respectively.

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Item 6. Exhibits

- 1.1 Underwriting Agreement, dated October 16, 2008, among Occidental Petroleum Corporation, Banc of America Securities LLC and J.P. Morgan Securities Inc. (filed as Exhibit 1.1 to the Current Report on Form 8-K of Occidental dated October 16, 2008 (date of earliest event reported), File No. 1-9210).
- 4.1 Form of Officers' Certificate, dated October 21, 2008, establishing the terms and form of the 7% Notes due 2013 (filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental dated October 16, 2008 (date of earliest event reported), File No. 1-9210).
- 4.2 Form of 7% Note due 2013 (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated October 16, 2008 (date of earliest event reported), File No. 1-9210).
- 10.1 Amended and Restated Employment Agreement, dated as of October 9, 2008, between Occidental and Dr. Ray R. Irani.
- 10.2 Amended and Restated Employment Agreement, dated as of October 9, 2008, between Occidental and Stephen I. Chazen.
- 10.3 Amended and Restated Employment Agreement, dated October 9, 2008, between Occidental and Donald P. de Brier.
- 10.4 Form of Occidental Petroleum Corporation Modified Deferred Compensation Plan (Effective December 31, 2006, Amended and Restated Effective November 1, 2008).
- 10.5 Form of Occidental Petroleum Corporation Amendment to Senior Executive Supplemental Life Insurance Plan (Effective as of January 1, 1986, Amended and Restated Effective as of January 1, 1996).
- 10.6 Form of Occidental Petroleum Corporation Amendment to Senior Executive Survivor Benefit Plan (Effective as of January 1,

1986, Amended and Restated Effective as of January 1, 1996).

- 10.7 Form of Occidental Petroleum Corporation Supplemental Retirement Plan II (Effective as of January 1, 2005, Amended and Restated as of November 1, 2008).
- 10.8 Form of Occidental Petroleum Corporation 2005 Deferred Stock Program (Restatement Effective as of November 1, 2008).
- 11 Statement regarding the computation of earnings per share for the three and nine months ended September 30, 2008 and 2007.
- 12 Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the nine months ended September 30, 2008 and 2007 and for each of the five years in the period ended December 31, 2007.
- 31.1 Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

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

OCCIDENTAL PETROLEUM CORPORATION

DATE: November 4, 2008

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

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EXHIBIT INDEX

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AMENDED AND RESTATED**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of the 9th day of October, 2008, by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware Corporation ("COMPANY"), and DR. RAY R. IRANI ("EMPLOYEE").

WITNESSETH:

WHEREAS, EMPLOYEE, since June 16, 1983, has served as an officer of COMPANY, most recently as COMPANY'S Chairman and Chief Executive Officer pursuant to an agreement between EMPLOYEE and COMPANY dated February 10, 2005, as amended and restated effective July 19, 2007 (the "Prior Agreement"); and

WHEREAS, COMPANY desires to obtain the benefit of continued services by EMPLOYEE as Chairman and Chief Executive Officer, and EMPLOYEE desires to continue to render services to COMPANY; and

WHEREAS, the Board of Directors of COMPANY (the "Board") has determined that it is in COMPANY'S best interest and that of its stockholders to recognize the substantial contribution that EMPLOYEE has made and is expected to continue to make to COMPANY'S business and to retain his services in the future; and

WHEREAS, COMPANY and EMPLOYEE desire to set forth in this Agreement the terms and conditions of EMPLOYEE'S continued employment with COMPANY, which Agreement represents and constitutes an amendment and restatement of the Prior Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. **Term.** This Agreement shall extend for a period of time (the "Term") which commenced on February 10, 2005 (the "Effective Date") and shall expire on the earlier of the date of COMPANY'S 2015 stockholder meeting or May 30, 2015, unless earlier terminated in

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accordance with the provisions hereof. COMPANY shall employ EMPLOYEE, and EMPLOYEE shall serve COMPANY, in accordance with the provisions hereof, throughout the Term, unless such employment is earlier terminated in accordance with the provisions hereof.

2. **Specific Position; Duties and Responsibilities.** Subject to the provisions of this Agreement, COMPANY shall employ EMPLOYEE as Chairman and Chief Executive Officer, and EMPLOYEE shall serve COMPANY as Chairman and Chief Executive Officer and as a member of the Board. EMPLOYEE'S principal business address shall during such period be at COMPANY'S executive offices in Southern California or with EMPLOYEE'S consent in such other place as such offices are relocated. EMPLOYEE'S duties hereunder shall be the usual and customary duties of the offices in which he shall serve. EMPLOYEE shall have such executive power and authority as shall reasonably be required to enable him to discharge his duties in the offices which he may hold.

3. **Services and Exclusivity of Services.** During the Term, EMPLOYEE, except as otherwise expressly provided in this Section 3, shall devote his full business time and energy to the business affairs and interests of COMPANY and its subsidiaries, and shall use his best efforts and abilities to promote COMPANY'S and its subsidiaries' interests.

EMPLOYEE may serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the business of COMPANY, provided that such service is expressly approved by the Board. EMPLOYEE may make and manage personal business investments of his choice and serve in any capacity with any civic, educational or charitable organization, or any governmental entity or trade association, without seeking or obtaining approval by the Board, provided such activities and services do not materially interfere or conflict with the performance of his duties hereunder.

4. **Salary.** COMPANY shall pay EMPLOYEE an annual salary at the minimum rate of \$1,300,000, which shall be payable in semimonthly installments in conformity with COMPANY'S policy relating to salaried employees. EMPLOYEE'S salary shall be subject to annual increase (and, as part of across the board reductions for other officers of COMPANY, decrease) at the reasonable discretion of the Board and its Executive Compensation and Human Resources Committee ("Compensation Committee"). Salary increases may be paid, at the

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discretion of the Compensation Committee, in cash or common stock of the Company, or a combination thereof.

5. **Bonus.** EMPLOYEE shall be entitled to an annual cash bonus in an amount to be determined at the reasonable discretion of the Board and its Compensation Committee pursuant to the terms of COMPANY'S annual incentive plan for senior executives, as in effect from time to time. Bonus awards shall be paid in accordance with the terms of such plan.

6. **Deferred Compensation.** In the event, and to the extent, that EMPLOYEE has in the past, or may in the future, elect to participate in any Company-sponsored deferred compensation plan (whether or not subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")), it is intended that any election to defer compensation shall not be taken into account in the calculation of those of EMPLOYEE'S rights and benefits under this Agreement that are based upon EMPLOYEE'S salary or bonus or the sum thereof, and, to the extent such deferred amounts are taken into account, Employee shall be appropriately compensated; provided, however, that this provision is not intended to affect the time of payment or the conditions relating to deferral elections of any amounts subject to Section 409A.

7. Employee Benefits. EMPLOYEE shall be entitled during his employment hereunder, to all rights and benefits for which he is otherwise eligible under any group life insurance, medical and dental care (including coverage for EMPLOYEE's spouse and children), disability, retirement, personal savings account, deferred compensation and other plans or benefits which COMPANY or its subsidiaries may provide for employees and other senior executives (collectively, "Employee Benefits").

If EMPLOYEE'S employment is terminated hereunder, pursuant to Section 11(b), 11(c), or 11(d) hereof, and EMPLOYEE is entitled to but is no longer eligible for Employee Benefits because of such termination, EMPLOYEE shall be entitled to and COMPANY shall provide, to the extent provided in this Agreement, benefits substantially equivalent to the Employee Benefits to which EMPLOYEE is entitled and shall do so for the period during which he remains entitled to receive such Employee Benefits as provided in this Agreement. With respect to the continuation of such benefits, EMPLOYEE shall also be paid by COMPANY an amount which, after taxes on such amount, shall reimburse EMPLOYEE for any additional tax liabilities

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incurred by EMPLOYEE by reason of the receipt of such benefits after the termination of, rather than during the Term of, this Agreement, upon the assumption that the amount to which EMPLOYEE shall be so entitled shall be subject to the maximum combined Federal and state tax rate applicable to individuals in respect of such payments. Any such reimbursement by COMPANY shall be paid promptly, but in no event later than the end of the calendar year next following the calendar year in which EMPLOYEE remits the related taxes.

8. Supplemental Benefits.

(a) Retirement. COMPANY shall allow EMPLOYEE to be an eligible participant in COMPANY'S qualified and nonqualified retirement and deferred compensation plans applicable to employees of COMPANY as of the Effective Date.

(b) Life Insurance. During the Term and thereafter until the death of EMPLOYEE, COMPANY shall provide EMPLOYEE with life insurance which, when added to the coverage provided as part of his Employee Benefits, shall provide coverage at a minimum level equal to three (3) times his highest career annual salary at any time during his employment by COMPANY. To the extent that assignability for estate planning purposes is not already provided for in the underlying plans which relate to the foregoing coverages, all life insurance is to be assignable at the option of EMPLOYEE.

(c) Post-Retirement Benefits.

(i) During any period following EMPLOYEE'S retirement or termination from employment with COMPANY until the death of EMPLOYEE, EMPLOYEE shall be entitled to (I) medical benefits of a kind and as favorable as the medical benefits provided by COMPANY from time to time to other retirees who qualify for retiree medical coverage and (II) dental benefits of a kind and as favorable as the dental benefits provided by COMPANY from time to time to regular salaried employees. In the event COMPANY terminates its retiree medical plan or its dental plan for employees generally, EMPLOYEE shall continue to be entitled, until his death, to the same medical or dental benefits, as applicable, to which he was entitled immediately prior to the termination of the applicable plan.

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(ii) During any period following EMPLOYEE's retirement or termination from employment with COMPANY, EMPLOYEE shall be entitled to continue to receive those perquisites provided to EMPLOYEE immediately prior to such termination, including without limitation personal tax, accounting and financial planning services (which shall cease upon the completion of the administration of EMPLOYEE'S estate and no later than the end of the third year following EMPLOYEE'S death), and all other perquisites then provided to EMPLOYEE (each of which shall cease upon EMPLOYEE'S death), at COMPANY'S expense.

(iii) Upon retirement, as set forth in the applicable awards, all of EMPLOYEE's unvested stock options and SARs will become fully vested immediately and exercisable. In addition, all of EMPLOYEE'S unvested restricted stock and restricted stock units will become fully vested immediately and all of EMPLOYEE'S unvested performance stock and other performance-based long-term incentive awards will become vested and payable in accordance with the terms of the applicable awards, at the times provided in such awards, as if EMPLOYEE continued to be employed by COMPANY.

(d) Spousal Benefits. EMPLOYEE's surviving spouse shall also be entitled, for the remainder of her life, to (i) medical benefits of a kind and as favorable as the medical benefits provided by COMPANY from time to time to other spouses of retirees who qualify for such coverage and (ii) dental benefits of a kind and as favorable as the dental benefits provided by COMPANY from time to time to spouses of regular salaried employees. In the event COMPANY terminates its retiree medical plan or its dental plan for employees generally, EMPLOYEE's spouse shall continue to be entitled, for the remainder of her life, to the same medical or dental benefits, as applicable, to which she was entitled immediately prior to the termination of the applicable plan.

(e) Legal Fees. COMPANY shall provide to or for EMPLOYEE all legal fees for services and costs excepting only for matters of a purely personal nature. COMPANY'S obligation pursuant to this Section 8(e) shall survive the Term and continue for EMPLOYEE's life, and, if later, until the complete disposition of all claims relating to EMPLOYEE's activities with respect to COMPANY.

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(f) Section 409A Requirements. Notwithstanding the foregoing, the provision of any payment or benefit under Section 8(c), 8(d) or 8(e) hereof shall comply with the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv) for reimbursement and in-kind benefit plans, to the extent applicable. For this purpose, (i) the amount of expenses eligible for reimbursement, or benefits provided, in one calendar year shall not affect the expenses eligible for reimbursement, or benefits to be provided, in any other calendar year, (ii) the reimbursement of any expense shall be made promptly, but in no event later than the last day of the calendar year next following the calendar year in which the expense was incurred, and (iii) the right to any reimbursement or benefit shall not be subject to liquidation or exchange for any other benefit.

9. Perquisites and Vacation. During his employment hereunder, EMPLOYEE shall continue to be entitled to the minimum perquisites to which he was entitled in accordance with the practice immediately prior to the Effective Date. Notwithstanding the foregoing, the provision of any payment

or benefit under this Section 9 shall comply with the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv) for reimbursement and in-kind benefit plans, to the extent applicable. For this purpose, (i) the amount of expenses eligible for reimbursement, or benefits provided, in one calendar year shall not affect the expenses eligible for reimbursement, or benefits to be provided, in any other calendar year, (ii) the reimbursement of any expense shall be made promptly, but in any event no later than the last day of the calendar year next following the calendar year in which the expense was incurred, and (iii) the right to any reimbursement or benefit shall not be subject to liquidation or exchange for any other benefit.

EMPLOYEE shall continue to be entitled to six (6) weeks paid vacation during each calendar year of employment, prorated for any period which is less than one (1) calendar year. Vacation time shall accrue during each calendar year, and, upon termination of EMPLOYEE's employment for any reason, in addition to any other rights granted to EMPLOYEE by this Agreement, EMPLOYEE shall be entitled to be paid an amount based upon his salary at the rate applicable immediately prior to such termination for any accrued but unused vacation time.

10. Long-Term Incentives.

(a) Restricted Stock. During his employment hereunder, EMPLOYEE shall be entitled to participate in COMPANY'S long-term incentive compensation programs, with any

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award to be related to the performance of COMPANY and determined at the discretion of the Board or its Compensation Committee.

(b) Stock Options. During his employment hereunder, EMPLOYEE shall be considered annually for the grant of stock options and/or SARs under then existing COMPANY stock option plans.

(c) Performance Plans. If, during EMPLOYEE'S employment hereunder, COMPANY adopts any other long-term incentive plans, EMPLOYEE shall be treated under each of those plans in a manner no less favorable than the treatment afforded other key executives of COMPANY.

11. Termination.

(a) Death. This Agreement shall terminate upon EMPLOYEE's death; provided however that (a) the following provisions of this Agreement shall remain applicable: Clause 8(b) Life Insurance; Clause 8(d) Spousal Benefits; and Section 13 Miscellaneous (except Clause (a)); (b) EMPLOYEE'S estate or other designated beneficiary, if any, shall be entitled to the rights and benefits as prescribed by applicable COMPANY plans and as prescribed by Section 8(b) hereof; and (c) the rights and benefits to which EMPLOYEE'S estate or other designated beneficiary shall be entitled upon his death, including a pro-rata portion of the bonus described in Section 5 above for the year of death (which shall be paid at the time provided under the terms of the applicable incentive plan), shall be payable to such person or persons as EMPLOYEE shall have directed in writing or, in the absence of a designation, to his estate.

(b) Disability. In the event that EMPLOYEE shall be unable, because of illness, injury or similar incapacity ("disability"), to perform his duties hereunder for an aggregate of six (6) months within any one eighteen (18) month period, EMPLOYEE'S employment hereunder may be terminated by written notice of termination from COMPANY to EMPLOYEE. In the event of a termination of employment pursuant to this Section 11(b), EMPLOYEE shall be entitled to receive the payment described in Section 11(c) hereof, at the time set forth therein, offset by the present value of the amount of any disability benefits to which EMPLOYEE is reasonably expected to become entitled under any COMPANY sponsored

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disability plan. In the event of a termination of employment pursuant to this Section 11(b), EMPLOYEE shall also be entitled, until his death, to the life insurance benefits enumerated in Section 8(b) hereof, and to the rights, including the rights to medical and dental benefits, enumerated under Section 8(c), subject to the conditions of Section 8(f).

(c) Termination by COMPANY. The Board shall have the right, at its election to be made in writing and delivered to EMPLOYEE not less than sixty (60) days prior to the effective date thereof, to terminate EMPLOYEE'S employment under this Agreement for any reason. In the event of a termination of employment pursuant to this Section 11(c), EMPLOYEE shall be entitled to three (3) times EMPLOYEE'S highest annual salary and bonus paid to EMPLOYEE at any time in respect of a single calendar year commencing with the calendar year January 1, 2000, and such amount shall be payable in an undiscounted lump sum not later than the fifteenth day of the third month following the end of the calendar year in which the termination of employment occurs.

EMPLOYEE shall also be entitled to the following:

(i) Medical, dental and welfare benefits included within the Employee Benefits where permissible under applicable plans, and, as provided in Section 7 hereof, the provision of substantially equivalent benefits where continuation of such benefits is impermissible under the applicable plans, subject to the conditions of Section 8(f);

(ii) The life insurance benefits provided in Section 8(b) hereof;

(iii) Existing perquisites and other rights specified under Clause 8(c), subject to the conditions of Section 8(f); and

(iv) Full and immediate vesting of EMPLOYEE'S restricted stock, stock options, stock appreciation rights and, to the extent provided for in the applicable plans and/or award agreements, additional vesting of any other then provided long-term incentive benefits. For purposes of determining the period in which EMPLOYEE must exercise any outstanding options or stock appreciation rights following his termination of employment, EMPLOYEE shall be treated as if he had retired on the date of such termination.

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In the event of a termination of employment pursuant to this Section 11(c), EMPLOYEE shall have no duty to mitigate COMPANY'S obligations by seeking other employment or by becoming self-employed, and COMPANY shall have no right to offset against its obligations any consideration received by EMPLOYEE from any subsequent employment or subsequent self-employment.

(d) Constructive Termination. EMPLOYEE shall have the right, at his election to be made in writing and delivered to COMPANY within sixty (60) days after such event, to terminate his employment under this Agreement if a material breach of this Agreement by COMPANY occurs which COMPANY fails to cure within thirty (30) days after receipt of notice of such breach. In the event of a termination under this Section 11(d), EMPLOYEE shall be entitled to treat such termination as though it were a termination pursuant to Section 11(c) hereof. Notwithstanding the foregoing, COMPANY shall not be in material breach if EMPLOYEE'S duties and responsibilities are reduced solely by virtue of the fact that COMPANY is (or substantially all of its assets are) sold to, or combined with, another entity, provided that EMPLOYEE shall continue to have substantially the same executive duties with respect to COMPANY'S business as of the Effective Date and EMPLOYEE shall report directly to the board of directors of any entity (or individual) that acquires COMPANY or its assets.

(e) Termination of Employment; Retirement. For purposes of this Agreement, the date of EMPLOYEE'S termination of employment or retirement shall be the date of EMPLOYEE'S "separation from service" within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For this purpose, EMPLOYEE shall have a separation from service if he ceases to be an employee of COMPANY and all affiliates with whom COMPANY would be considered a single employer under Section 414(b) or 414(c) of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, for this purpose, EMPLOYEE shall have a separation from service if it is reasonably anticipated that no further services shall be performed by EMPLOYEE, or that the level of services EMPLOYEE shall perform shall permanently decrease to no more than 20 percent of the average level of services performed by EMPLOYEE over the immediately preceding 36-month period.

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12. Change in Control.

COMPANY shall hold EMPLOYEE harmless against and shall insulate EMPLOYEE from all of the effects of any excise or other tax payable by EMPLOYEE under or as a result of Sections 280G and 4999 of the Internal Revenue Code of 1986 or comparable state law, or any successor thereto, by reason of a change in control. COMPANY'S obligation in this regard shall include a gross-up obligation, to hold EMPLOYEE harmless from and to insulate EMPLOYEE from all of the effects of any income and excise tax liability. Any such gross-up payment by COMPANY shall be paid promptly, but in no event later than the end of the calendar year next following the calendar year in which EMPLOYEE remits the related taxes.

13. Miscellaneous.

(a) Working Facilities. During his employment hereunder, EMPLOYEE shall continue to be furnished with office facilities and services at least substantially equivalent to those which have been provided him immediately prior to the date of execution of this Agreement.

(b) Waiver of Breach. If COMPANY breaches any provision of this Agreement, EMPLOYEE shall not be deemed under any circumstances to have waived any of his rights attributable to such breach unless he has specifically consented to such waiver in writing. Any such waiver by EMPLOYEE of a breach of any provision of this Agreement by COMPANY shall not operate or be construed as a waiver of any subsequent breach by COMPANY.

If EMPLOYEE breaches any provision of this Agreement, COMPANY shall not be deemed under any circumstances to have waived any of its rights attributable to such breach unless it has specifically consented to such waiver in writing. Any such waiver by COMPANY of a breach of any provision of this Agreement by EMPLOYEE shall not operate or be construed as a waiver of any subsequent breach by EMPLOYEE.

(c) Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by registered or certified mail (return receipt requested) to the following addresses: If to COMPANY, at 10889 Wilshire Boulevard,

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Los Angeles, California 90024, Attention: General Counsel, with a copy to the Chairman of the Compensation Committee of the Board at the same address, or to such other address as COMPANY may from time to time in writing designate, and if to EMPLOYEE, at such address as he may from time to time in writing designate (or his business address of record in the absence of such designation). All notices shall be deemed to have been given two (2) business days after they have been deposited in the United States mail.

(d) Amendments. Any provision contained in this Agreement or in any renewal or extension hereof upon the same or different terms and conditions may be amended at any time or from time to time by mutual agreement of EMPLOYEE and COMPANY without the consent of any other person named or described in this Agreement as a beneficiary of any of its provisions.

(e) Assignment. During the Term, COMPANY shall not merge, consolidate or otherwise combine with any other entity unless COMPANY shall be the surviving corporation or the surviving corporation shall have assumed all COMPANY'S obligations under this Agreement. The obligations of COMPANY under this Agreement shall be binding upon the surviving corporation upon the merger, consolidation or combination of COMPANY with such corporation. This Agreement shall inure to the benefit of COMPANY and its successors and assigns and of EMPLOYEE and his heirs and personal representatives.

(f) Entire Agreement. This Agreement, together with the plans, programs, arrangements and agreements referred to herein, as they may be amended from time to time in accordance with their terms, constitutes the entire agreement between COMPANY and EMPLOYEE with respect to the subject matter hereof, amends and supersedes the Prior Agreement and, except as expressly provided herein, specifically does not affect those certain agreements identified on Exhibit A hereto. This Agreement may not be changed orally but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

(g) Severability and Survival of Certain Provisions. The invalidity of any term of this Agreement shall not invalidate or otherwise affect any other term of this Agreement. The following provisions of this Agreement shall survive any expiration of the Term of the

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Agreement: Section 7 Employee Benefits; Section 8 Supplemental Benefits; Section 11 and Section 13 Miscellaneous (except Clause (a)).

(h) Applicable Law.

(i) Subject to Section 13(j), this Agreement shall be governed by and construed under and in accordance with the laws of the State of California applicable to contracts made and to be wholly performed within the State of California, without regard to principles of conflicts of laws; and the laws of that state shall govern all of the rights, remedies, liabilities, powers and duties of the parties under this Agreement and of any arbitrator or arbitrators to whom any matter hereunder may be submitted for resolution by the parties hereto.

(ii) Subject to Section 13(j), any legal action or proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of California, and by execution and delivery of this Agreement, EMPLOYEE and COMPANY irrevocably consent to the jurisdiction of those courts. EMPLOYEE and COMPANY irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which either may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any transaction related hereto. EMPLOYEE and COMPANY acknowledge and agree that any service of legal process by mail in the manner provided for notices under this Agreement constitutes proper legal service of process under applicable law in any action or proceeding under or in respect of this Agreement.

(i) Administration. The Board, or such committee of the Board as it may by resolution specifically designate, shall administer this Agreement on behalf of COMPANY and take any action and exercise any discretion required or permitted to be taken or exercised by COMPANY, pursuant to the provisions hereof.

(j) Arbitration. Any controversy or claim arising out of or relating to this Agreement and EMPLOYEE'S employment by COMPANY, including claims of wrongful discharge, discrimination, harassment and any injury to EMPLOYEE's physical, mental or economic interests shall be settled by binding arbitration in California, in accordance with the Employment Dispute Resolution rules of the JAMS/Endispute. The only disputes between

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EMPLOYEE and COMPANY not covered by this Agreement are claims for unemployment insurance or workers compensation and claims for benefits under any employee benefit plan, which benefit claims shall be resolved pursuant to the claims procedures under the applicable plan. The demand for arbitration must be made within two years after the controversy or claim arises; failure to do so shall constitute an absolute bar to the institution of any such proceeding and shall forever constitute a waiver respecting any such controversy or claim. Any award pursuant to such arbitration shall be included in a written decision which shall state the legal and factual reasons upon which the award was based, including all the elements involved in the calculation of any award of damages. Any such award shall be deemed final and binding and may be entered and enforced in any state or federal court of competent jurisdiction. The arbitrator(s) shall interpret the Agreement in accordance with the laws of California. The arbitrator(s) shall be authorized to award reasonable attorneys' fees and other arbitration-related costs to the prevailing party.

(k) Indemnity and Insurance. In any situation where under applicable law the COMPANY has the power to indemnify EMPLOYEE in respect of any judgments, fines, settlements, loss, cost or expense (including attorneys' fees) of any nature related to or arising out of EMPLOYEE'S activities as an agent, employee, officer or director of COMPANY or in any other capacity on behalf of or at the request of COMPANY, COMPANY agrees that it will indemnify EMPLOYEE to the fullest extent permitted by applicable law, for EMPLOYEE's life, and, if later, until the complete disposition of all claims related to or arising out of such activities, including but not limited to making such findings and determinations and taking any and all such actions as COMPANY may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification. COMPANY further agrees to furnish EMPLOYEE for the remainder of his life with Directors' and Officers' liability insurance insuring EMPLOYEE, against occurrences which occur during the term of this Agreement, such insurance to have policy limits aggregating not less than \$100 million, and otherwise to be in substantially the same form and to contain substantially the same terms, conditions and exceptions as the liability insurance policies provided for officers and directors of COMPANY in force from time to time. The payment of any indemnity pursuant to this and any other applicable provision shall comply with the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv) (or successor provisions), to the extent applicable. For this purpose, (i) the amount of expenses indemnified in one calendar year shall

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not affect the amount of expenses indemnified in any other year, (ii) payment of an indemnity shall be made promptly, but in any event no later than by the last day of the calendar year next following the calendar year in which the expense was incurred and (iii) the right to indemnification shall not be subject to liquidation or exchange for any other benefit.

(l) Section 409A Compliance.

(i) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and the regulations and guidance promulgated thereunder, to the extent applicable, and, accordingly, to the maximum extent permitted, this Agreement shall be administered and interpreted to be in compliance therewith, to the extent applicable.

(ii) In the event the EMPLOYEE is a specified employee (within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by COMPANY) as of the date of retirement or termination, then with regard to any reimbursement or payment or the provision of any benefit under this Agreement (including, without limitation, Sections 7, 8, 11 and 12) that is considered deferred compensation under Section 409A payable on account of a "separation from service" (as distinguished from, for instance, at a specified time or fixed schedule as described under Treas. Reg. § 1.409A-3(a)(4) and -3(i)) and that is not exempt from Section 409A as involuntary

separation pay or a short-term deferral (or otherwise), such reimbursement, payment or benefit shall be paid or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (ii) the date of Executive's death (the "Delay Period") (unless, in the case of any benefit subject to the Delay Period, COMPANY and EMPLOYEE agree that EMPLOYEE shall be charged for receiving such benefit during the Delay Period, at a fair market value price, in which case EMPLOYEE shall subsequently be reimbursed by COMPANY for such charge at the end of the Delay Period). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 13(l) (ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to EMPLOYEE in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

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(iii) Notwithstanding anything herein to the contrary, any amount that is subject to Section 409A and that would have been paid in 2008 under the Prior Agreement and Section 409A shall be paid by December 31, 2008. No amount that is subject to Section 409A shall be paid in 2008 under this Agreement that would not have been paid in 2008 under the Prior Agreement and Section 409A.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Martin Cozyn
Executive Vice President

/s/ Ray R. Irani
Dr. Ray R. Irani

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Dr. Ray Irani

List of Special Agreements (Exhibit A)

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- Indemnification Agreements, dated May 21, 1987 and August 22, 2002, between EMPLOYEE and COMPANY or any affiliates.
 - Split-Dollar Life Insurance Agreement, dated October 31, 1994.

Other Agreements:

- Any and all applicable and current Stock Options, Restricted Stock, and Performance Stock Option Agreements, Plans, and letters.
- Any and all applicable and current Enrollment Agreements under Senior Executive Deferred Compensation Plans.
- Insurance Agreement under Senior Executive Survivor Benefit Plan, dated January 1, 1986.
- Elections pursuant to Occidental Petroleum Corporation Deferred Compensation Plan.

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 9th day of October, 2008 by and between Occidental Petroleum Corporation, a Delaware corporation (hereinafter referred to as "Employer"), and Stephen I. Chazen (hereinafter referred to as "Employee").

WITNESSETH

WHEREAS, Employee, since May 1, 1994, has served as an officer of Employer, most recently pursuant to an agreement between Employee and Employer dated January 13, 2005 (the "Prior Agreement") and is currently Employer's President and Chief Financial Officer, and also head of Corporate Development; and

WHEREAS, the parties now desire to amend the Prior Agreement in certain respects;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, Employer and Employee hereby agree to continue Employee's employment upon the following terms and conditions:

1. **Duties.** Employee shall perform the duties of President and Chief Financial Officer, and also head of Corporate Development or shall serve in such other capacity and with such other duties for Employer as the Chief Executive Officer of Employer may direct. In performing such duties, Employee will comply with Employer's Code of Business Conduct and Corporate Policies, as the same may be amended from time to time.

2. **Term of Employment.** The term of employment shall be for a period of five (5) years, commencing on January 13, 2005, and ending midnight January 12, 2010, unless terminated prior thereto in accordance with the provisions of this Agreement, or unless extended by mutual agreement in accordance with Paragraph 8 hereof.

3. **Compensation.** For the services to be performed hereunder, Employee shall be compensated by Employer at the base pay rate of not less than eight hundred thousand dollars (\$800,000) per annum, payable semi-monthly. The minimum salary hereunder shall be automatically adjusted to the level of any increase in annual compensation as the Employer may determine during the term of this Agreement. Salary increases may be paid, at the discretion of the Compensation Committee, in cash or common stock (or restricted stock units) of Employer, or a combination thereof.

4. **Participation in Benefit and Executive Programs.** Employee shall be eligible to participate in all benefit programs and under the same terms and conditions as are generally applicable to salaried employees and senior executives of Employer during the term of this Agreement. Employee will be entitled to one membership in a private club of his choosing paid for by Employer, provided that the Chief Executive Officer of Employer has approved the selection of the specific club. Employee shall also be eligible to participate in (i) Employer's 2001 Incentive Compensation Plan, (ii) Employer's 2005 Long-Term Incentive Plan and (iii) any other equity-based compensation plan maintained or created by Employer during the term of this Agreement (the "Equity-Based Compensation Plans"), as long as Employer continues such plans

during the term of this Agreement, and to receive awards or grants under such Plans at Employer's sole discretion. Employee also shall be entitled to participate in Employer's annual incentive plan for senior executives, as in effect from time to time. Bonus awards shall be paid in accordance with the terms of such plan. Employee shall be entitled to a total of six (6) weeks of paid vacation in each contract year.

During any period following Employee's retirement or termination from employment with Employer, Employee and his spouse shall be eligible to participate in the Occidental Petroleum Corporation Medical Care Plan.

5. **Exclusivity of Services.** Employee agrees to devote his full-time, exclusive services to Employer hereunder, except for such time as Employer may require in connection with his personal investments.

6. **Termination.**

(a) **Voluntary Resignation.** Employee may voluntarily resign, and such resignation shall not be deemed to be a breach of this Agreement, so long as Employer is provided at least sixty (60) days' notice of any resignation.

(b) **Cause.** Notwithstanding the term of this Agreement, Employer may discharge Employee and terminate this Agreement without severance or other pay upon thirty (30) days' written notice or pay in lieu of such notice for material cause, including without limitation, (i) failure to satisfactorily perform his duties or responsibilities hereunder or negligence in complying with Employer's legal obligations, (ii) refusal to carry out any lawful order of Employer, (iii) breach of any legal duty to Employer, (iv) breach of Paragraph 5 of the Agreement, or (v) conduct constituting moral turpitude or conviction of a crime which may diminish Employee's ability to effectively act on the Employer's behalf or with or on behalf of others. Employer shall give Employee notice of such cause and Employee shall have thirty (30) days to cure such breach.

(c) **Death.** In the event of Employee's death, Employer will provide the estate of Employee, a payment in addition to any other payment due and payable, equivalent to a pro-rata bonus for the year of death, at the time provided under the terms of the applicable incentive plan.

(d) **Incapacity.** If, during the term of this Agreement, Employee is incapacitated from performing the essential functions of his job pursuant to this Agreement by reason of illness, injury, or disability, Employer may terminate this Agreement by at least one week's written notice to Employee, but only in the event that such conditions shall aggregate not less than one-hundred eighty (180) days during any twelve (12) month period. In the event Employee shall (i) continue to be incapacitated subsequent to termination for incapacity pursuant to this Paragraph 6(d), and (ii) be a participant in and shall qualify for benefits under Employer's Long Term Disability Plan ("LTD"), then Employer will continue to compensate Employee, for so long as Employee remains eligible to receive LTD benefits, in an amount equal to the difference between sixty percent (60%) of Employer's annual compensation as set forth in

Paragraph 3 hereof and the maximum annual benefit under the LTD, payable monthly on a pro rated basis.

(e) Without Cause. Employer may at any time terminate the employment of Employee without cause or designate a termination for cause as a termination without cause, and in such event Employer shall, in lieu of continued employment, compensate Employee in an amount equal to two (2) times the sum of Employee's highest annual base salary and annual cash bonus target prior to Employee's termination of employment. Such amount shall be payable in equal monthly installments (less appropriate deductions for applicable taxes and the cost of any medical or dental coverage) over two (2) years, beginning with the first calendar month following the date of Employee's termination (the "Compensation Period").

In the event Employee dies during the Compensation Period, any remaining installment payments due will be paid in a lump sum to Employee's estate. Such amount shall be paid as soon as administratively feasible and in no event later than 90 days following the date of Employee's death.

In the event of Employee's termination without cause, Employee also shall be entitled to the following:

(i) During the Compensation Period, in addition to any right to additional or accelerated vesting under the terms of the applicable awards or Equity-Based Compensation Plan, Employee shall continue to vest in all stock options, stock appreciation rights, restricted stock and restricted stock units (other than performance-based awards described in the following paragraph) previously granted to Employee under the Equity-Based Compensation Plans, as if Employee had continued as a full-time employee of Employer. Employee shall continue to be eligible to exercise all stock options and stock appreciation rights that are or become exercisable during the Compensation Period, provided that no such awards may be exercised after the earlier of (I) the latest date on which the award could have expired pursuant to its terms and (II) ten (10) years after its original grant date.

Any performance-based long-term incentive award or portion of such an award that is not forfeited at the time of Employee's termination of employment shall be paid at the time and in the manner provided for under the terms of such award. In addition, Employee shall be entitled to cash payments with respect to any performance-based long-term incentive awards previously granted to Employee under the Equity-Based Compensation Plans that are forfeited at the time of Employee's termination but would have become vested had Employee remained continuously employed by Employer during the Compensation Period, based on Employer's actual achievement with respect to the applicable performance-based vesting criteria. Such payments with respect to such forfeited awards shall be equal in value to the amounts Employee would have received with respect to such awards, and shall be made at the time such awards would have been settled, had Employee remained employed by Employer during the Compensation Period.

(ii) Employee shall be entitled to the medical benefits provided above in Paragraph 4.

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(iii) During the Compensation Period, Employee shall be entitled to continued coverage (at Employer's cost) under any general liability insurance policy maintained by Employer for the benefit of Employee at the time of Employee's termination of employment on the same terms and conditions as are applicable to senior executives of Employer generally.

(iv) During the Compensation Period, Employee and his spouse shall continue to be eligible to participate in Employer's dental plan, as in effect from time to time, at the active participant rate, but on an after-tax basis.

(v) Within 90 days following the end of each Payout Period (as defined below), Employee shall receive a lump sum payment equal to the aggregate employer-provided benefit Employee would have accrued during such Payout Period under the Occidental Petroleum Corporation Savings Plan (the "Savings Plan"), the Occidental Petroleum Corporation Retirement Plan and the Occidental Petroleum Corporation Supplemental Retirement Plan II (or any successor plan to any of the foregoing) assuming (I) Employee contributed the maximum elective contributions permissible under the Savings Plan and (II) a rate of compensation equal to the cash severance paid to Employee during such Payout Period pursuant to this Paragraph 6(e). In addition, within 90 days following the end of each Payout Period, Employee shall receive a lump sum payment equal to the value (as determined in good faith by Employer) of continued participation during such Payout Period in any employee benefit plans in which Employee is participating at the time of his termination not otherwise described above in this Paragraph 6(e) (but only to the extent such plans continue to be available to salaried employees and senior executives during such Payout Period), which payment shall be in lieu of such continued participation.

For purposes of this Paragraph 6(e)(v), a "Payout Period" shall mean the portion of each calendar year beginning or ending within the Compensation Period that falls within the Compensation Period. Each Payout Period shall end on December 31 of the calendar year, except that if the Compensation Period ends during a calendar year, the final Payout Period shall end on the last day of the Compensation Period.

Except as expressly provided above or under the terms of any plan, program, arrangement or agreement covering Employee, following Employee's termination of employment, Employee shall not be entitled to participate in any employee benefit plans or programs offered by Employer.

(f) Termination of Employment. For purposes of this Agreement, the date of Employee's termination of employment or retirement shall be the date of Employee's "separation from service" within the meaning of Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code") and Treas. Reg. § 1.409A-1(i) (or successor provisions) and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For this purpose, Employee shall have a separation from service if he ceases to be an employee of Employer and all affiliates with whom Employer would be considered a single employer under Section 414(b) or 414(c) of the Code. In addition, for this purpose, Employee shall have a separation from service if it is reasonably anticipated that no further services shall be performed by Employee, or that the level of services Employee shall perform shall permanently decrease to no more than 20 percent of the

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average level of services performed by Employee over the immediately preceding 36-month period.

7. Confidential Information. Employee agrees that he will not divulge to any person, nor use to the detriment of Employer or any of its affiliates or subsidiaries, nor use in any business or process of manufacture competitive with or similar to any business or process of manufacture of Employer or any of its affiliates or subsidiaries, at any time during employment by Employer or thereafter, any trade secrets or confidential information obtained during the course of his employment with Employer, without first obtaining the written permission of Employer.

Employee agrees that, at the time of leaving the employ of Employer, he will deliver to Employer, and not keep or deliver to anyone else, any and all credit cards, notes, notebooks, memoranda, documents and, in general, any and all material relating to Employer's business, including copies thereof, whether in paper or electronic format.

8. Modification. This Agreement and the related indemnification agreement between Employee and Employer, together with the plans, programs, arrangements and agreements in which Employee currently participates or is eligible or becomes eligible to participate, as they may be amended from time to time in accordance with their terms, contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties hereto. This Agreement cannot be modified except by a subsequent writing signed by both parties.

9. Prior Agreement. This Agreement supersedes and replaces any and all previous employment agreements between the parties.

10. Severability. If any provision of this Agreement is illegal and unenforceable in whole or in part, the remainder of this Agreement shall remain enforceable to the extent permitted by law.

11. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event that any ambiguity or questions of intent or interpretation arise, no presumption or binder of proof shall arise favoring or disfavoring the Employer by virtue of authorship of this Agreement and the terms and provisions of this Agreement shall be given their meaning under law.

12. Assignment. This Agreement shall be binding upon Employee, his heirs, executors and assigns and upon Employer, its successors and assigns.

13. Arbitration. In consideration for entering into this Agreement and for the position, compensation, benefits and other promises provided hereunder, the Employee and Employer agree to be bound by the arbitration provisions attached hereto as Attachment 1 and incorporated herein by this reference.

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14. Section 409A Compliance.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and the regulations and guidance promulgated thereunder, to the extent applicable, and, accordingly, to the maximum extent permitted, this Agreement shall be administered and interpreted to be in compliance therewith, to the extent applicable.

(b) In the event Employee is a specified employee (within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by Employer) as of the date of retirement or termination, then with regard to any reimbursement or payment or the provision of any benefit under this Agreement (including, without limitation, Paragraph 6) that is considered deferred compensation under Section 409A payable on account of a "separation from service" (as distinguished from, for instance, at a specified time or fixed schedule as described under Treas. Reg. § 1.409A-3(a)(4) and -3(i)) and that is not exempt from Section 409A as involuntary separation pay or a short-term deferral (or otherwise), such reimbursement, payment or benefit shall be paid or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of Employee, and (ii) as soon as administratively feasible and in no event later than 90 days following the date of Employee's death (the "Delay Period") (unless, in the case of any benefit subject to the Delay Period, Employer and Employee agree that Employee shall be charged for receiving such benefit during the Delay Period, at a fair market value price, in which case Employee shall subsequently be reimbursed by Employer for such charge at the end of the Delay Period). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Paragraph 14(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Employee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits (including, without limitation, Paragraphs 4 and 6(e)), the provision of such payment or benefit shall comply with the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv) (or any successor provision) for reimbursement and in-kind benefit plans, to the extent applicable. For this purpose, (i) the amount of expenses eligible for reimbursement, or benefits provided, in one calendar year shall not affect the expenses eligible for reimbursement, or benefits to be provided, in any other calendar year, (ii) the reimbursement of any expense shall be made promptly, but in any event no later than the last day of the calendar year next following the calendar year in which the expense was incurred, and (iii) the right to any reimbursement or benefit shall not be subject to liquidation or exchange for any other benefit.

(d) Notwithstanding anything herein to the contrary, any amount that is subject to Section 409A and that would have been paid in 2008 under the Prior Agreement and Section 409A shall be paid by December 31, 2008. No amount that is subject to Section 409A shall be paid in 2008 under this Agreement that would not have been paid in 2008 under the Prior Agreement and Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Ray R. Irani
Dr. Ray R. Irani
Chairman of the Board and Chief Executive Officer

EMPLOYEE:

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 9th day of October, 2008 by and between Occidental Petroleum Corporation, a Delaware corporation (hereinafter referred to as "Employer"), and Donald P. de Brier (hereinafter referred to as "Employee").

WITNESSETH

WHEREAS, Employee has been rendering services to Employer, most recently pursuant to a written agreement between Employee and Employer dated May 22, 2008 (the "Prior Agreement"); and

WHEREAS, the parties now desire to amend the Prior Agreement in certain respects;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, Employer and Employee hereby agree to continue Employee's employment upon the following terms and conditions:

1. **Duties.** Employee shall continue to perform the duties of Executive Vice President, General Counsel and Secretary, or shall serve in such other capacity and with such other duties for Employer or any of the subsidiaries of Employer or any corporation affiliated with Employer (any such subsidiary or affiliated corporation hereafter to be deemed Employer under this Agreement) as Employer may direct. In performing such duties, Employee will comply with Employer's Code of Business Conduct and Corporate Policies, as the same may be amended from time to time.

2. **Term of Employment.** The term of employment hereunder shall be for a period of five (5) years, commencing on June 1, 2008, and ending midnight May 31, 2013, unless terminated prior thereto in accordance with the provisions of this Agreement, or unless extended by mutual agreement in accordance with Paragraph 9 hereof.

3. **Compensation.** For the services to be performed hereunder, Employee shall be compensated by Employer at the base pay rate of not less than five hundred fifty-one thousand dollars (\$551,000) per annum, payable semi-monthly. The minimum salary hereunder shall be automatically adjusted to the level of any increase in annual compensation as the Employer may determine during the term of this Agreement.

4. **Participation in Benefit Programs.** Employee shall be eligible to participate in all benefit programs and under the same terms and conditions as are generally applicable to salaried employees and senior executives of Employer during the term of his employment and as otherwise provided in this Agreement. These benefits include life insurance while employed which pays three (3) times base pay in the event of death. Employee will be entitled to one country club membership paid for by Employer provided that the Chief Executive Officer of Employer has prior approval on the selection of the specific club. Employee shall also be eligible to participate in (i) Employer's 2001 Incentive Compensation Plan, (ii) Employer's 2005 Long-Term Incentive Plan and (iii) any other equity-based compensation plan created by Employer during the term of this Agreement (the "Equity-Based Compensation Plans"), as long

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as Employer continues the plans during the term of this Agreement, and to receive awards or grants under the plans at Employer's sole discretion. Employee also shall be entitled to participate in Employer's annual incentive plan for senior executives, as in effect from time to time. Bonus awards shall be paid in accordance with the terms of such plan.

5. **Exclusivity of Services.** Employee shall not render paid or unpaid services on a self-employed basis or to any other employer.

6. **Vacation.** Employee shall be entitled to a total of six (6) weeks vacation per calendar year. Employee agrees to follow Employer's relevant policies and procedures for scheduling and taking such vacations.

7. **Termination.**

a. **Cause.** Notwithstanding the term of this Agreement, Employer may discharge Employee and terminate this Agreement without severance or other pay for cause, including without limitation, (i) failure to satisfactorily perform his duties or responsibilities hereunder or negligence in complying with Employer's legal obligation, (ii) refusal to carry out any lawful order of Employer, (iii) breach of any legal duty to Employer, (iv) breach of Paragraph 5 of the Agreement, or (v) conduct constituting moral turpitude or conviction of a crime which may diminish Employee's ability to effectively act on the Employer's behalf or with or on behalf of others, or (vi) death. In the case of events (i) through (v) above, Employer shall give Employee notice of such cause and Employee shall have thirty (30) days to cure such breach.

b. **Incapacity.** If, during the term of this Agreement, Employee is incapacitated from performing the essential functions of his job pursuant to this Agreement by reason of illness, injury, or disability, Employer may terminate this Agreement by at least one week's written notice to Employee, but only in the event that such conditions shall aggregate not less than one-hundred eighty (180) days during any twelve (12) month period. In the event Employee shall (i) continue to be incapacitated subsequent to termination for incapacity pursuant to this Paragraph 7(b), and (ii) be a participant in and shall qualify for benefits under Employer's Long Term Disability Plan ("LTD"), then Employer will continue to compensate Employee, for so long as Employee remains eligible to receive LTD benefits, in an amount equal to the difference between sixty percent (60%) of Employer's annual compensation as set forth in Paragraph 3 hereof and the maximum annual benefit under the LTD, payable monthly on a pro rated basis.

c. **Without Cause.** Employer may at any time terminate the employment of Employee without cause or designate a termination for cause as a termination without cause, and in such event Employer shall, in lieu of continued employment, compensate Employee in an amount equal to two (2) times the sum of Employee's highest annual base salary and annual cash bonus target prior to Employee's termination of employment. Such amount shall be payable in equal monthly installments (less appropriate deductions for applicable taxes and the cost of any medical or dental coverage) over two (2) years, beginning with the first calendar month following the date of Employee's termination (the "Compensation Period").

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In the event Employee dies during the Compensation Period, any remaining installment payments due will be paid in a lump sum to Employee's estate. Such amount shall be paid as soon as administratively feasible and in no event later than 90 days following the date of Employee's death.

In the event of Employee's termination without cause, Employee also shall be entitled to the following:

(i) During the Compensation Period, in addition to any right to additional or accelerated vesting under the terms of the applicable awards or Equity-Based Compensation Plan, Employee shall continue to vest in all stock options, stock appreciation rights, restricted stock and restricted stock units (other than performance-based awards described in the following paragraph) previously granted to Employee under the Equity-Based Compensation Plans, as if Employee had continued as a full-time employee of Employer. Employee shall continue to be eligible to exercise all stock options and stock appreciation rights that are or become exercisable during the Compensation Period, provided that no such awards may be exercised after the earlier of (I) the latest date on which the award could have expired pursuant to its terms and (II) ten (10) years after its original grant date.

Any performance-based long-term incentive award or portion of such an award that is not forfeited at the time of Employee's termination of employment shall be paid at the time and in the manner provided for under the terms of such award. In addition, Employee shall be entitled to cash payments with respect to any performance-based long-term incentive awards previously granted to Employee under the Equity-Based Compensation Plans that are forfeited at the time of Employee's termination but would have become vested had Employee remained continuously employed by Employer during the Compensation Period, based on Employer's actual achievement with respect to the applicable performance-based vesting criteria. Such payments with respect to such forfeited awards shall be equal in value to the amounts Employee would have received with respect to such awards, and shall be made at the time such awards would have been settled, had Employee remained employed by Employer during the Compensation Period.

(ii) Employee and his spouse shall be eligible to participate in Employer's medical plan, as in effect from time to time, on the same terms and conditions as are applicable to other retirees who qualify for retiree medical coverage. In the event Employer terminates its retiree medical plan for employees generally before the end of the Compensation Period, Employee and Employee's spouse shall be entitled, until the end of the Compensation Period, to the same medical benefits provided by Employer from time to time to its active employees generally.

(iii) During the Compensation Period, Employee shall be entitled to continued coverage (at Employer's cost) under any general liability insurance policy maintained by Employer for the benefit of Employee at the time of Employee's termination of employment on the same terms and conditions as are applicable to senior executives of Employer generally.

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(iv) During the Compensation Period, Employee and his spouse shall continue to be eligible to participate in Employer's dental plan, as in effect from time to time, at the active participant rate, but on an after-tax basis.

(v) Within 90 days following the end of each Payout Period (as defined below), Employee shall receive a lump sum payment equal to the aggregate employer-provided benefit Employee would have accrued during such Payout Period under the Occidental Petroleum Corporation Savings Plan (the "Savings Plan"), the Occidental Petroleum Corporation Retirement Plan and the Occidental Petroleum Corporation Supplemental Retirement Plan II (or any successor plan to any of the foregoing) assuming (I) Employee contributed the maximum elective contributions permissible under the Savings Plan and (II) a rate of compensation equal to the cash severance paid to Employee during such Payout Period pursuant to this Paragraph 7(c). In addition, within 90 days following the end of each Payout Period, Employee shall receive a lump sum payment equal to the value (as determined in good faith by Employer) of continued participation during such Payout Period in any employee benefit plans in which Employee is participating at the time of his termination not otherwise described above in this Paragraph 7(c) (but only to the extent such plans continue to be available to salaried employees and senior executives during such Payout Period), which payment shall be in lieu of such continued participation.

For purposes of this Paragraph 7(c)(v), a "Payout Period" shall mean the portion of each calendar year beginning or ending within the Compensation Period that falls within the Compensation Period. Each Payout Period shall end on December 31 of the calendar year, except that if the Compensation Period ends during a calendar year, the final Payout Period shall end on the last day of the Compensation Period.

Except as expressly provided above or under the terms of any plan, program, arrangement or agreement covering Employee, following Employee's termination of employment, Employee shall not be entitled to participate in any employee benefit plans or programs offered by Employer.

During the Compensation Period, Employee shall not accept employment with, or act as a consultant for, or perform services for any person, firm or corporation directly or indirectly engaged in any business competitive with Employer without the prior written consent of Employer.

d. Termination of Employment. For purposes of this Agreement, the date of Employee's termination of employment or retirement shall be the date of Employee's "separation from service" within the meaning of Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code") and Treas. Reg. § 1.409A-1(i) (or successor provisions) and, for purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." For this purpose, Employee shall have a separation from service if he ceases to be an employee of Employer and all affiliates with whom Employer would be considered a single employer under Section 414(b) or 414(c) of the Code. In addition, for this purpose, Employee shall have a separation from service if it is reasonably anticipated that no further services shall be performed by Employee, or that the level of services Employee shall perform shall permanently decrease to no more than 20 percent of the

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average level of services performed by Employee over the immediately preceding 36-month period.

8. Confidential Information. Employee agrees that he will not divulge to any person, nor use to the detriment of Employer or any of its affiliates or subsidiaries, nor use in any business or process of manufacture competitive with or similar to any business or process of manufacture of Employer or any of its affiliates or subsidiaries, at any time during employment by Employer or thereafter, any trade secrets or confidential information obtained during the course of his employment with Employer, without first obtaining the written permission of Employer.

Employee agrees that, at the time of leaving the employ of Employer, he will deliver to Employer, and not keep or deliver to anyone else, any and all credit cards, notes, notebooks, memoranda, documents and, in general, any and all material relating to Employer's business, including copies

therefor, whether in paper or electronic format.

9. Modification. This Agreement, together with the plans, programs, arrangements and agreements in which Employee currently participates or is eligible or becomes eligible to participate, as they may be amended from time to time in accordance with their terms, contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties hereto. This Agreement cannot be modified except by a subsequent writing signed by both parties.

10. Prior Agreement. This Agreement supersedes and replaces any and all previous agreements between the parties.

11. Severability. If any provision of this Agreement is illegal and unenforceable in whole or in part, the remainder of this Agreement shall remain enforceable to the extent permitted by law.

12. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event that any ambiguity or questions of intent or interpretation arise, no presumption or binder of proof shall arise favoring or disfavoring the Employer by virtue of authorship of this Agreement and the terms and provisions of this Agreement shall be given their meaning under law.

13. Assignment. This Agreement shall be binding upon Employee, his heirs, executors and assigns and upon Employer, its successors and assigns.

14. Arbitration. In consideration for entering into this Agreement and for the position, compensation, benefits and other promises provided hereunder, the Employee and Employer agree to be bound by the arbitration provisions attached hereto as Attachment 1 and incorporated herein by this reference.

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15. Section 409A Compliance.

a. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and the regulations and guidance promulgated thereunder, to the extent applicable, and, accordingly, to the maximum extent permitted, this Agreement shall be administered and interpreted to be in compliance therewith, to the extent applicable.

b. In the event Employee is a specified employee (within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by Employer) as of the date of retirement or termination, then with regard to any reimbursement or payment or the provision of any benefit under this Agreement (including, without limitation, Paragraph 7) that is considered deferred compensation under Section 409A payable on account of a "separation from service" (as distinguished from, for instance, at a specified time or fixed schedule as described under Treas. Reg. § 1.409A-3(a)(4) and - 3(i)) and that is not exempt from Section 409A as involuntary separation pay or a short-term deferral (or otherwise), such reimbursement, payment or benefit shall be paid or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of Employee, and (ii) as soon as administratively feasible and in no event later than 90 days following the date of Employee's death (the "Delay Period") (unless, in the case of any benefit subject to the Delay Period, Employer and Employee agree that Employee shall be charged for receiving such benefit during the Delay Period, at a fair market value price, in which case Employee shall subsequently be reimbursed by Employer for such charge at the end of the Delay Period). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Paragraph 15(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Employee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

c. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits (including, without limitation, Paragraphs 4 and 7(c)), the provision of such payment or benefit shall comply with the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv) (or any successor provision) for reimbursement and in-kind benefit plans, to the extent applicable. For this purpose, (i) the amount of expenses eligible for reimbursement, or benefits provided, in one calendar year shall not affect the expenses eligible for reimbursement, or benefits to be provided, in any other calendar year, (ii) the reimbursement of any expense shall be made promptly, but in any event no later than the last day of the calendar year next following the calendar year in which the expense was incurred, and (iii) the right to any reimbursement or benefit shall not be subject to liquidation or exchange for any other benefit.

d. Notwithstanding anything herein to the contrary, any amount that is subject to Section 409A and that would have been paid in 2008 under the Prior Agreement and Section 409A shall be paid by December 31, 2008. No amount that is subject to Section 409A shall be paid in 2008 under this Agreement that would not have been paid in 2008 under the Prior Agreement and Section 409A.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Martin Cozyn

By: /s/ Donald P. de Brier
Donald P. de Brier

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OCCIDENTAL PETROLEUM CORPORATION
MODIFIED DEFERRED COMPENSATION PLAN

(Effective December 31, 2006

Amended and Restated Effective November 1, 2008)

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**OCCIDENTAL PETROLEUM CORPORATION
MODIFIED DEFERRED COMPENSATION PLAN**

(Effective December 31, 2006

Amended and Restated Effective November 1, 2008)

**ARTICLE I
PURPOSE**

Effective December 31, 2006, the Occidental Petroleum Corporation Deferred Compensation Plan 2 (the “DCP2”) was merged with and into the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the “2005 DCP”), which was amended and restated as the Occidental Petroleum Corporation Modified Deferred Compensation Plan (the “Plan”). Effective December 31, 2006, for each Participant making a Special Transition Rule Election under Section 5.12, the Deferral Account (if any) of such Participant under the DCP2 was merged with the Deferral Account (if any) of such Participant under the 2005 DCP, the Savings Plan Restoration Account (if any) of such Participant under the DCP2 was merged with the Savings Plan Restoration Account (if any) of such Participant under the 2005 DCP, the SEDCP Deferral Account (if any) of such Participant under the DCP2 was transferred to the 2005 DCP, and all such accounts are governed by the terms of this Plan. For Participants not making such an election, any Deferral Account, Savings Plan Restoration Account, or SEDCP Deferral Account of such Participant under the DCP2 or 2005 DCP is subject to the terms of this Plan but maintained separate from each other. Effective November 1, 2008, the Plan is amended and restated as set forth herein.

The purpose of the Plan is to provide a tax-deferred opportunity for key management and highly compensated employees of Occidental Petroleum Corporation and its Affiliates (as defined below) to accumulate additional retirement income through deferrals of compensation.

This Plan is intended to satisfy the requirements of Section 409A of the Internal Revenue Code, and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Plan is deferred.

ARTICLE II
DEFINITIONS

Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below:

Affiliate. “Affiliate” means (i) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase “more than 50%” substituted for the phrase “at least 80%” each place it appears in Code Section 1563(a)) of which Occidental Petroleum Corporation is a component member, or (ii) any entity (whether or not incorporated) that is under common control with Occidental Petroleum Corporation (as defined in Code

Section 414(c) and the Treasury Regulations thereunder, and with the phrase “more than 50%” substituted for the phrase “at least 80%” each place it appears in the Treasury Regulations under Code Section 414(c)).

Alternate Payee. “Alternate Payee” means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

Amortization Method. “Amortization Method” means an annual installment method of paying a Participant’s benefits under which the Company will pay the Participant an initial payment in an amount equal to (i) plus (ii) divided by (iii), where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding such payment, (ii) is the amount of interest that would accrue during the entire payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such initial payment if the Declared Rate then in effect remained unchanged and (iii) is the number of years over which annual installments are to be paid. For each Plan Year after the initial benefit payment is made, the annual benefit payment will be determined under the same equation where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding the benefit payment, (ii) is the amount of interest that would accrue during the remaining payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such annual payment if the Declared Rate then in effect remained unchanged and (iii) is the number of annual payments remaining.

Base Salary. “Base Salary” means the base salary earned by a Participant during pay periods beginning in a Plan Year, excluding Bonus, all severance allowances, forms of incentive compensation, Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company’s Savings Plan allowed under Code Section 401(k).

Beneficiary. “Beneficiary” means the person or persons designated as such in accordance with Article VI.

Beneficiary Benefit. “Beneficiary Benefit” means the payment to a Participant’s Beneficiary of the value of the Participant’s Deferral Accounts pursuant to Section 5.2 on account of the Participant’s death.

Board. “Board” means the Board of Directors of Occidental Petroleum Corporation.

Bonus. “Bonus” means the bonus earned by a Participant under a regular annual incentive compensation plan (excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus) during a Plan Year prior to reduction for any deferral under this Plan or any other plan of the Company.

Change in Control. “Change in Control” means (i) for purposes of Sections 8.1 and 8.2(a), any event described in (a), (b), (c) or (d) below, and (ii) for purposes of Section 5.6, any

event that constitutes a “change in control event” for purposes of Code Section 409A and Treas. Reg. § 1.409A-3(i)(5) (or any successor provisions) and that is described in subsection (a), (b), (c) or (d) below:

(a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Change in Control under subsection (b) below;

(b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a “Business Combination”), unless (i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the “Successor Entity”) immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation’s voting securities immediately before the Business Combination; (ii) no “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time (the “Exchange Act”)), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an “Excluded Person”), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation’s then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation's stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

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Code. "Code" means the Internal Revenue Code of 1986, as amended.

Committee. "Committee" means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. "Company" means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. "Company Management" means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Compensation. "Compensation" means Base Salary, Bonus and/or, prior to 2008, Performance Award Cash Deferrals.

DCP Deferral Account. "DCP Deferral Account" means the account maintained on the books of account of the Company for each Participant pursuant to Article IV to account for amounts deferred under the 1988 DCP prior to January 1, 1999, and the amounts subsequently deferred under the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP Deferral Amount. "DCP Deferral Amount" means an amount of a Participant's Base Salary and/or Bonus that is deferred under the Plan, including amounts deferred under the 1988 DCP, the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP2. "DCP2" means the Occidental Petroleum Corporation Deferred Compensation Plan 2, effective as of October 12, 2006.

Declared Rate. "Declared Rate" with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year ending on or before December 31, 2008, shall be equal to the greater of (i) (A) plus (B) where (A) is the Moody's Long-Term Corporate Bond Index Monthly Average Corporates as published by Moody's Investor Services, Inc. (or successor thereto) for the month of July in the year prior to the Plan Year in question, and (B) is 3% ("Moody's Plus Three"), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of July in the year prior to the Plan Year in question. Such Declared Rate will be announced on or before January 1 of the applicable Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-year Treasury Constant Maturities plus 2%. Notwithstanding the foregoing, the Declared Rate for DCP Deferral Amounts that were earned and deferred prior to 1994 under the 1988 DCP (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than 8% for any Plan Year. Accordingly, the Declared Rate for any Plan Year may be different for DCP Deferral Amounts that were earned and deferred under the 1988 DCP prior to January 1, 1994 than for DCP Deferral Amounts earned after such date.

Deferral Account(s). "Deferral Account(s)" means a Participant's DCP Deferral Account and/or SEDCP Deferral Account (if any) and/or Savings Plan Restoration Account (if any) maintained on the books of account of the Company for each Participant pursuant to Article IV.

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Deferral Election Form. "Deferral Election Form" means a paper or electronic election form provided by the Committee on which an Eligible Employee may elect to defer Base Salary and/or Bonus and may elect to receive an Early Payment Benefit in accordance with Article IV.

Distribution Election Form. "Distribution Election Form" means a paper or electronic election form provided by the Committee on which a Participant may elect the form of payment of his Retirement Benefits and/or the form of payment of Beneficiary Benefits to his Beneficiary in accordance with Article V.

Divorce Order. "Divorce Order" means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his former spouse pursuant to state domestic relations law (including, without limitation and if applicable, community property law), as described in Treas. Reg. § 1.409A-3(j)(4)(ii).

Early Payment Benefit. "Early Payment Benefit" means the payment to a Participant of part or all of the Participant's DCP Deferral Account in an Early Payment Year beginning prior to the Participant's Retirement or other Separation from Service pursuant to Section 5.4.

Early Payment Year. "Early Payment Year" means any year beginning prior to a Participant's Retirement or other Separation from Service that a Participant elects pursuant to Section 4.1(b) to have an Early Payment Benefit paid or commenced to be paid.

Early Payment Year Subaccount. "Early Payment Year Subaccount" means any subaccount of a Participant's DCP Deferral Account established to separately account for deferred Base Salary and/or Bonus (and interest credited thereto) that is subject to an Early Payment Benefit election.

Eligible Employee. "Eligible Employee" means each key management employee or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. "Emergency Benefit" means the payment to a Participant of part or all of his Deferral Accounts in the event that the Participant has an Unforeseeable Emergency pursuant to Section 5.5.

ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

Fractional Method. “Fractional Method” means an installment method of paying a Participant’s Retirement Benefit under which the Company will determine the amount of each annual installment by dividing the value of the Participant’s Deferral Accounts as of the end of the month preceding the payment date by the number of annual installments remaining to be paid.

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1988 DCP. “1988 DCP” means the Occidental Petroleum Corporation 1988 Deferred Compensation Plan.

Participant. “Participant” means (i) each individual who, as of December 30, 2006, was a participant in the 2005 DCP or DCP2 and has not received a complete distribution of the benefits accrued under those plans, (ii) an Eligible Employee who has filed a completed and fully executed Deferral Election Form with the Committee and is participating in the Plan in accordance with the provisions of Article IV, and (iii) any person who has a Deferral Account by reason of his prior status as an Eligible Employee. Under no circumstances shall “Participant” mean any Alternate Payee.

Performance Award Cash Deferral. “Performance Award Cash Deferral” means that portion of a Qualifying Performance Stock Award that is deferred under this Plan prior to 2008 as provided in Section 4.1(c) of this Plan.

Plan Year. “Plan Year” means the calendar year beginning on January 1 and ending on December 31.

Prior Plan. “Prior Plan” means the Occidental Petroleum Corporation Deferred Compensation Plan as amended and restated as of January 1, 2003, under which deferrals ceased as of December 31, 2004.

Qualified Divorce Order. “Qualified Divorce Order” means a Divorce Order that (a) creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan; (b) clearly specifies (i) the name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order, (ii) the amount or percentage of the Participant’s benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such order applies, and (iv) that it applies to this Plan; and (c) does not (i) require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, (ii) require this Plan to provide increased benefits, or (iii) require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order.

Qualifying Performance Stock Award. “Qualifying Performance Stock Award” has the meaning given to such term under the 2005 DSP.

Retirement. “Retirement” means the Participant’s Separation from Service for reasons other than death after the Participant attains age 55. Notwithstanding the foregoing, with respect to Participants who executed a consulting agreement with the Company prior to October 3, 2004, “Retirement” means the termination date of the Participant’s consulting agreement.

Retirement Benefit. “Retirement Benefit” means the payment to a Participant of the value of the Participant’s Deferral Accounts pursuant to Section 5.1 following Retirement.

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Retirement Plan. “Retirement Plan” means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

SEDCP. “SEDCP” means the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan under which certain Company executives deferred compensation.

SEDCP Deferral Account. “SEDCP Deferral Account” means the account maintained on the books of account of the Company for certain Participants pursuant to Article IV to account for amounts deferred under the SEDCP.

Savings Plan. “Savings Plan” means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Restoration Account. “Savings Plan Restoration Account” means the account maintained on the books of account of the Company to reflect Savings Plan Restoration Contributions made by the Company pursuant to Section 4.6.

Savings Plan Restoration Contribution. “Savings Plan Restoration Contribution” means the amount credited to a Participant’s Savings Plan Restoration Account pursuant to Section 4.6.

Separation from Service. “Separation from Service” means a Participant’s “separation from service” as defined under Code Section 409A and Treas. Reg. § 1.409A-1(h) (or successor provisions). A Participant shall have a Separation from Service if the Participant ceases to be an employee of both:

- (i) The Company that employs the Participant; and
- (ii) All Affiliates with whom such Company would be considered a single employer under Code Section 414(b) or 414(c).

For this purpose, a Participant who ceases to be an employee of an entity described in (i) or (ii) above shall not be considered to have a Separation from Service if such cessation of employment is followed immediately by his commencement of employment with another entity described in (1) or (2) above.

A Participant shall have a Separation from Service if it is reasonably anticipated that no further services shall be performed by the Participant, or that the level of services the Participant shall perform shall permanently decrease to no more than 20 percent of the average level of services performed by the Participant over the immediately preceding 36-month period (or the Participant’s full period of service, if the Participant has been performing services for less than 36 months).

Specified Employee. "Specified Employee" means an Employee who is a "specified employee" within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by Occidental Petroleum Corporation.

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Termination Benefit. "Termination Benefit" means the payment to a Participant of the value of the Participant's Deferral Accounts pursuant to Section 5.1 on account of the Participant's Separation from Service other than due to Retirement or death.

2005 DCP. "2005 DCP" means the Occidental Petroleum Corporation 2005 Deferred Compensation Plan, restated as of January 1, 2005 and as subsequently amended.

2005 DSP. "2005 DSP" means the Occidental Petroleum Corporation 2005 Deferred Stock Program, as amended from time to time.

Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Years of Service. "Years of Service" means the number of full years credited to a Participant under the Retirement Plan for vesting purposes.

ARTICLE III ADMINISTRATION OF THE PLAN

A Committee shall be appointed by the Board to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive and binding. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. The Committee may appoint any agent and delegate to such agent such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe. The Plan is intended to comply with the requirements of Code Section 409A and shall be interpreted and administered accordingly.

Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act on any matter which relates solely to such member's interest in the Plan as a Participant.

ARTICLE IV PARTICIPATION

4.1 Election to Participate.

(a) Deferral Elections. An Eligible Employee may elect to participate in the Plan and elect to defer annual Base Salary and/or Bonus under the Plan by filing with the Committee a completed and fully executed Deferral Election Form prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Base Salary and Bonus are to be earned, or at such other time as the Committee may permit in accordance

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with the regulations promulgated under Code Section 409A. Deferral Election Forms must be filed in accordance with the instructions set forth in the Deferral Election Forms.

An employee who first becomes an Eligible Employee during a Plan Year may make an initial deferral election under this Plan within 30 days after the date the employee becomes an Eligible Employee provided that such Eligible Employee has not previously become eligible to participate in any other account balance plan that is required to be aggregated with this Plan as described in Treas. Reg. § 1.409A-1(c)(2) (or any successor provision). Any such election shall apply to Base Salary earned for services performed after the 30-day election window described in the previous sentence and to that portion of the Bonus earned during such Plan Year equal to the total amount of the Bonus multiplied by the ratio of the number of days remaining in the Plan Year after the 30-day election window described in the previous sentence ends over the total number of days in the Plan Year.

A Deferral Election Form filed for a Plan Year shall be effective for Base Salary and/or Bonus to be earned during that Plan Year only. For each subsequent Plan Year, an Eligible Employee who wishes to defer Base Salary and/or Bonus must file a new complete and fully executed Deferral Election Form in accordance with the instructions set forth in the Deferral Election Form but in any event prior to January 1 of such Plan Year.

Each Deferral Election Form will designate the DCP Deferral Amounts as a fixed dollar amount or fixed percentage (in increments of 1%) of Base Salary and/or (i) a fixed dollar amount or a fixed percentage of Bonus or (ii) 100% of any Bonus exceeding a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year, except as otherwise determined by the Committee to take into account special circumstances; provided that in no event will the Committee's action alter the total amount of Deferrals for the Plan Year. In its sole discretion, the Committee may also permit amounts that an Eligible Employee has previously elected to defer under other plans or agreements with the Company to be transferred to this Plan and credited to his Deferral Accounts that are maintained hereunder, provided that no change shall be made in the time or form of payment of such transferred amounts except as may be permitted by Code Section 409A.

(A) Minimum Deferral. For each Plan Year, the minimum amount of Base Salary that a Participant may elect to defer is \$5,000, if expressed as a dollar amount, or 5% of Base Salary, if expressed as a percentage, and the minimum amount of Bonus that a Participant may elect to defer is any of the following: (I) \$5,000, (II) 5% of Bonus, or (III) 100% of that portion of any Bonus that exceeds a dollar amount specified by the Participant on his Deferral Election Form.

(B) Maximum Deferral. For each Plan Year, the maximum amount of Base Salary that a Participant may elect to defer is 75% of Base Salary, and the maximum amount of Bonus that a Participant may elect to defer is 90% of Bonus. Notwithstanding the foregoing,

effective with respect to amounts earned on or after January 1, 2007, for each Plan Year, the maximum total amount of Compensation that a Participant may elect to defer is \$75,000. For the 2007 Plan Year, the \$75,000 limit shall apply only to deferrals of Base Salary that would otherwise have been paid in 2007. For the 2008 Plan Year, the \$75,000 limit shall apply to the deferrals of Base Salary that

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would have otherwise been paid in 2008 plus deferrals of Bonus, earned in 2007, and otherwise paid in 2008. For the 2008 Plan Year, the \$75,000 limit shall also apply to deferrals of Base Salary that would have otherwise been paid in 2008 plus deferrals of Bonus, earned in 2008, and otherwise paid in 2009. For the 2009 and all future Plan Years, the \$75,000 limit shall apply to amounts of Base Salary and Bonus earned in any one Plan Year. For example, in Plan Year 2009, the \$75,000 limit shall first apply to deferrals of Base Salary that would have otherwise been paid in 2009 and then to deferrals of Bonus that are earned in 2009 and would otherwise be payable in 2010.

(C) Deferral Account Balance. Notwithstanding anything herein to the contrary, if as of December 31 of any Plan Year, a Participant's total Deferral Account balance is \$1,000,000 or more, then the Participant may not defer any compensation earned in the following Plan Year and any election to do so shall be considered void. If as of December 31 of any Plan Year, a Participant's total Deferral Account balance is less than \$1,000,000, then the Participant may defer compensation earned in the following Plan Year in accordance with this Article IV.

(b) Early Payment Benefit Election. With respect to Base Salary and/or Bonus earned after December 31, 2007, on the Deferral Election Form filed pursuant to Section 4.1(a), an Eligible Employee may irrevocably elect to receive all or a portion of the Base Salary and/or Bonus deferred pursuant to that election in a lump sum payment or in annual installments over two (2) to five (5) years commencing prior to Separation from Service in an Early Payment Year. If a Participant fails to designate the form of distribution for an Early Payment Benefit, the distribution shall be in the form of a lump sum. The Early Payment Year elected must be a year that begins at least two (2) years after the end of each Plan Year to which the election applies. An Early Payment Benefit election filed for the Plan Year beginning January 1, 2008, or for any subsequent Plan Year, shall be effective for the deferred Base Salary and/or Bonus earned during that Plan Year. A Participant may make an election for an Early Payment Benefit with respect to deferred Base Salary and/or Bonus earned in any future Plan Year by filing a new Deferral Election Form with the Committee prior to January 1 of such Plan Year. A Participant may not, however, change the form of benefit or time of commencement of an Early Payment Benefit with respect to Base Salary and/or Bonus deferred pursuant to a Deferral Election Form after that Deferral Election is filed pursuant to Section 4.1(a).

A Participant may not at any time have Early Payment Benefits scheduled for more than two Early Payment Years. However, after an Early Payment Year has occurred and all payments with respect to the corresponding Early Payment Year election have been completed, a Participant may elect a new Early Payment Year for future deferrals of Base Salary and/or Bonuses.

(c) Deferral of Performance Award Cash Payments. Notwithstanding anything contained herein to the contrary, the cash portion (if any) subject to a deferral election under a Qualifying Performance Stock Award that was granted before December 31, 2006 but becomes vested on or after December 31, 2006 shall be credited to the Eligible Employee's DCP Deferral Account as a Performance Award Cash Deferral unless the Participant elected, pursuant to transition rules under Code Section 409A, to receive distribution of the cash portion of the Qualifying Performance Stock Award in 2008. Any cash portion of a Qualifying Performance

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Stock Award that becomes vested on or after December 31, 2006 and payable in 2008 pursuant to an election as described herein, shall be credited to a special subaccount of the Participant's DCP Deferral Account and distributed in a lump sum during the first seventy-five (75) days of 2008. No additional amounts shall be credited to a Participant's DCP Deferral Account pursuant to this provision after December 31, 2007.

4.2 DCP Deferral Accounts. The Committee shall establish and maintain a separate DCP Deferral Account for each Participant. A DCP Deferral Amount shall be credited by the Company to the Participant's DCP Deferral Account, subject to the Committee's authority in Section 4.1(a), as of the date that the Participant's Base Salary and/or Bonus would otherwise have been paid. The amount of a Participant's Performance Award Cash Deferral shall be credited to a Participant's DCP Deferral Account as of the date it becomes certified for payment. Such DCP Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment. The Committee shall establish an Early Payment Year Subaccount within a Participant's DCP Deferral Account for each Early Payment Year elected by that Participant. Any such Early Payment Year Subaccount shall be debited by the amount of any Early Payment Benefit paid by the Company to the Participant in such Early Payment Year pursuant to Section 5.4 as of the date of payment.

4.3 SEDCP Deferral Accounts. The Committee shall maintain a separate SEDCP Deferral Account for each Participant who was a participant in the SEDCP on December 31, 1998. The balance of such Participant's accounts under the SEDCP as of December 31, 1998 remained credited to each such Participant's SEDCP Deferral Account under the Occidental Petroleum Corporation Deferred Compensation Plan, a predecessor to this Plan, as of January 1, 1999. SEDCP Deferral Accounts shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment.

4.4 Interest. Each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the Declared Rate, compounded monthly. Except as provided in Section 5.2(a), with respect to SEDCP Deferral Accounts for Participants who die prior to becoming eligible for Retirement, interest will be credited to each Deferral Account on a monthly basis on the last day of each month as long as any amount remains credited to such Deferral Account. Amounts of deferred Compensation that are credited to a DCP Deferral Account and amounts of Savings Plan Restoration Contributions that are credited to a Savings Plan Restoration Account prior to the end of a calendar month shall accrue interest from the date of crediting, computed from date of crediting to the end of the month.

4.5 Valuation of Deferral Accounts. The value of a Deferral Account as of any date shall equal the amounts previously credited to such Deferral Account less any payments debited to such Deferral Account plus the interest deemed to be earned on such Deferral Account in accordance with Section 4.4 through the end of the preceding month. When payments are made from a DCP Deferral Account for any reason other than an Early Payment Benefit elected after January 1, 1994, such payments shall be deemed to be made on a proportionate or pro-rata basis from DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred under the 1988 DCP prior to January 1, 1994, and DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred after that date.

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4.6 Savings Plan Restoration Contribution.

(a) General Rule. For each Plan Year, the Company shall credit to the Savings Plan Restoration Account of any Participant, an amount equal to the amount by which the contribution that would otherwise have been made by the Company on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year and/or the Participant's Annual Bonus (as defined in the Savings Plan) paid in such Plan Year because of deferrals under this Plan. The Savings Plan Restoration Contribution shall be credited to the Savings Plan Restoration Account of each Participant for each Plan Year at the same time as the Company contribution for such Plan Year is made to the Savings Plan. No further Savings Plan Restoration Contributions shall be credited to Participants' Savings Plan Restoration Accounts pursuant to this provision on or after December 31, 2008.

(b) Vesting. A Participant's interest in any credit to his Savings Plan Restoration Account and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. Notwithstanding anything contained herein to the contrary, if, upon a Participant's Separation from Service, the Participant has not or does not become 100% vested in his Savings Plan Restoration Account, the unvested portion of his Savings Plan Restoration Account shall be forfeited prior to the determination of the amount of any benefits under Sections 5.1, 5.5, or 5.6.

(c) Transfer of Non-Vested Savings Plan Restoration Account from Prior Plan. Effective as of January 1, 2005, that portion of a Participant's Savings Plan Restoration Account under the Prior Plan that was not vested as of December 31, 2004, was transferred to and credited to such Participant's Savings Plan Restoration Account under the 2005 DCP and is governed by the terms of this Plan, including any Distribution Election Form filed under the 2005 DCP on or before December 31, 2005. If the Participant was not participating in the 2005 DCP in 2005, the Participant could nevertheless make an election in accordance with Section 5.1(b) and 5.2 of the 2005 DCP if such election was made by December 31, 2005. If the Participant did not file a Distribution Election Form on or before December 31, 2005, with respect to such amount, together with interest the Participant was deemed to have made an election to receive distribution in accordance with Section 5.1(a).

4.7 Statement of Deferral Accounts. The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable, setting forth the Participant's Deferral Account(s).

4.8 2004 Bonuses

(a) Deferral under the 2005 DCP. Any Bonus that was payable in 2005 to an employee of the Company for services performed during 2004 (a "2004 Bonus") and that such individual elected to defer in accordance with the terms of the Prior Plan was deferred under the 2005 DCP instead of the Prior Plan. Any such 2004 Bonus was credited to the individual's DCP Deferral Account as set forth in Section 4.2 and is subject to the terms and conditions of this Plan, including, without limitation, any distribution election made under Article V; provided, however, that if such individual did not file a Distribution Election Form under the 2005 DCP as

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provided in Section 5.1(b) at the time such 2004 Bonus was credited to his DCP Deferral Account, he could file a Distribution Election Form at any time prior to February 11, 2005, which then became applicable with respect to his 2004 Bonus and any other Compensation deferred and credited to the Participant's DCP Deferral Account under this Plan.

(b) Opportunity to Revoke Deferral Election. Notwithstanding anything contained herein to the contrary, any participant in the Prior Plan who elected to defer his 2004 Bonus could revoke his deferral election as provided in this Section 4.8(b). Such election had to be in writing on a form provided by the Committee and had to be filed with the Committee on or before January 21, 2005. Any participant in the Prior Plan who revoked his 2004 Bonus deferral election as provided herein received his 2004 Bonus in cash at or about the same time that 2004 Bonuses were paid to other employees of the Company.

4.9 Pre-Merger Payment Elections. Any payment elections made or deemed to be made by a Participant under the DCP2 or the 2005 DCP and in effect immediately prior to the merger of the two plans on December 31, 2006 shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall continue in effect unless and until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different payout elections.

ARTICLE V BENEFITS

5.1 Separation from Service for a Reason other than Death.

(a) Form and Time of Benefit. Except as otherwise provided in this Sections 5.1 and 5.4, upon a Participant's Separation from Service for a reason other than death (including Retirement), the Company shall pay to the Participant in a single lump sum within the first 90 days of the calendar year following the year of the Participant's Separation from Service an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment (after reduction for any forfeitures as set forth in Section 4.6). Any Retirement Benefit paid in annual installments pursuant to Section 5.1(b) shall be paid within the first 90 days of each calendar year, beginning with the year following the Participant's Retirement and shall be determined based on the value of the Participant's Deferral Accounts as of the last day of the month preceding payment. Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan upon or by virtue of such Participant's Separation from Service for a reason other than death, the lump sum payment or the first annual installment payment, as the case may be, shall be paid in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above. Any additional installment payments shall be paid within the first 90 days of each subsequent calendar year.

(b) Retirement. (i) On a Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that a Participant is required to file in accordance with the requirements set forth in Section 4.1 hereof, a Participant (A) may elect to have the Retirement Benefit, which may consist solely of the Participant's Savings Plan

Restoration Account, but which will not include any amounts attributable to an Early Payment Year Subaccount if Separation from Service occurs after beginning of the relevant Early Payment Year, paid to him in a lump sum or annual payments for any other number of years between two (2) and 20 years, and (B) may elect to have the amount of each annual installment determined under either the Amortization Method or the Fractional Method. If a Participant fails to elect either the Amortization Method or the Fractional Method, such Participant shall be deemed to have elected the Fractional Method.

(ii) Notwithstanding anything herein to the contrary, an election to receive distribution in a series of annual installments shall be treated as a single payment for purposes of Code Section 409A.

(iii) Subject to Section 5.1(b)(iv), a Participant may change his election as to the form of Retirement distribution under this Plan subject to the following conditions: (A) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (B) the election must defer the lump sum payment or the initial amount of an installment payment for a period of at least five (5) years from the date that the lump sum payment or initial amount of the installment payment, as the case may be, was otherwise payable; and (C) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made.

(iv) A Participant may only make two changes pursuant to Section 5.1(b)(iii). Each such change must satisfy all of the requirements of Section 5.1(b)(iii). No further changes may be made following a Participant's Separation from Service.

(c) Separation Prior to Retirement. If a Participant's Separation from Service is for any reason other than Retirement or death, then the Participant shall receive a Termination Benefit in a lump sum as provided in Section 5.1(a).

(d) Effect of Pre-Retirement Separation from Service on Spousal Survivor Benefits. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant whose Separation from Service occurs prior to Retirement and receives a Termination Benefit under this Section 5.1.

5.2 Beneficiary Benefits.

(a) If Participant's Separation from Service is due to death, the Company will pay to the Participant's Beneficiary in a single lump sum a Beneficiary Benefit that is an amount equal to the value of the Participant's Deferral Accounts (other than his or her SEDCP Deferral Account (if any) and amounts in his or her Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)). If such Participant also has an SEDCP Deferral Account, the Company will also pay to the Participant's Beneficiary annual payments over the greater of (i) 10 years or (ii) until the Participant would have attained age 65 equal to 25% of the amount deferred under the SEDCP (excluding any interest on such deferrals), which payments shall be in full satisfaction of the benefits payable

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with respect to the Participant's SEDCP Deferral Account. Notwithstanding the foregoing, the Participant's Beneficiary shall instead be paid the amount credited to the Participant's SEDCP Deferral Account as of the end of the month in which his death occurred plus interest at a rate of 8% per annum, compounded annually, from the end of such month and credited annually on each anniversary of the end of such month payable in equal installments (using the Amortization method) over the period described in the preceding sentence, if the Committee determines that the present value of such benefit is greater than the present value of the benefit described in the preceding sentence. In comparing the present value of these two alternative benefits, the Committee shall use in each case a discount factor of 8%.

(b) Notwithstanding the foregoing, if a Participant's Separation from Service is due to death after attaining age 55, payment to his Beneficiary (other than payment of his or her SEDCP Deferral Account (if any) and amounts in his or her Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)) shall be made in the same form as payment of the Participant's Retirement Benefit would have been made to the Participant if he were living.

(c) Notwithstanding the foregoing, a Participant may elect, on a Beneficiary Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that the Participant is required to file in accordance with the requirements set forth in Section 4.1 hereof, that, if his Separation from Service is due to death prior to attaining age 55, payment to his Beneficiary (other than payment of his or her SEDCP Deferral Account (if any) and amounts in his or her Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)) shall be made in any form and calculated in any other manner described in Section 5.1(b) (which may be different than the form of payment elected by the Participant for his Retirement Benefit). A Participant may change his election as to the form of payment to his Beneficiary subject to the following conditions: (1) the election shall not be effective until twelve (12) months after the election is filed with the Committee and (2) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made. Each such change must satisfy all of the requirements of this Section 5.2(c).

(d) If a Participant dies after Separation from Service but before commencement or completion of his benefits under the Plan, payment to his Beneficiary shall be made in the same amount, at the same time and in the same form as payment would have been made to the Participant if he were living under this Plan. If installment payments to the Participant have already commenced, then the remaining installments (if any) shall be paid to his Beneficiary in the same amounts and at the same times as such remaining installments would have been paid to the Participant if he were living.

(e) The payment or payments to a Beneficiary of a deceased Participant under Section 5.2(a), (b) or (c) (including payments with respect to the SEDCP Deferral Account) shall be made or commence during the first 90 days of the calendar year following the year in which the Participant's death occurred, with any subsequent installments paid within the first 90 days of each subsequent calendar year, and the amount of such payment shall be equal to, or determined

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based on, the value of the Participant's Deferral Accounts as of the end of the month preceding payment.

(f) In the event that the Beneficiary of a deceased Participant dies prior to the completion of payments under this Plan to that Beneficiary, then the remaining payments shall be paid to that Beneficiary's estate in the same amounts and at the same times as such payments would have been paid to the Beneficiary if he were living.

(g) Any election as to the form and manner of payment to a Beneficiary in effect under the terms of the DCP2 or the 2005 DCP immediately prior to the merger of the two plans on December 31, 2006, shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall continue in effect unless or until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different beneficiary payout elections.

5.3 Spousal Survivor Benefits with Respect to SEDCP Deferral Accounts. If a Participant who has an SEDCP Deferral Account dies after becoming eligible for Retirement or after commencement of payment of his Retirement Benefit and a spouse to whom he had been married to for at least one (1) year prior to his death survives beyond completion of payment of the Participant's SEDCP Deferral Account balance, the Company shall pay such spouse a lump sum payment in an amount equal to 10% of the Participant's SEDCP Deferral Account balance valued as of the earlier of the date of the Participant's Retirement or death. Such lump sum spousal survivor benefit shall be paid 120 days following the later of the completion of payment of the Participant's SEDCP Deferral Account balance or the Participant's death. No benefit shall be payable under this Section 5.3 if the Participant's spouse does not survive beyond completion of payment of the Participant's SEDCP Deferral Account balance. Notwithstanding the foregoing, no spousal survivor benefit shall be payable to the spouse of any Participant who received benefits pursuant to Section 5.1(c) (Termination Benefit) or Section 5.6 (Immediate Payment on Change in Control).

5.4 Early Payment. Payment of the amounts credited to any Early Payment Year Subaccount of a Participant shall be paid or commence to be paid within the first 90 days of the year elected as the Early Payment Year in accordance with the Participant's election under Section 4.1(b), with any subsequent annual payments paid in the first 90 days of each applicable year. The amount of each annual installment will be determined under the Fractional Method unless the Participant otherwise irrevocably elects the Amortization Method at the time of making the Early Payment Benefit election.

Notwithstanding the foregoing, if a Participant has a Separation from Service for any reason prior to the Early Payment Year elected by the Participant, the election made by the Participant to receive the Early Payment Benefit shall terminate and the amount credited to the Participant's Early Payment Year Subaccount shall be paid, together with the other amounts credited to the Participant's Deferral Account, as set forth in Section 5.1 or 5.2, as the case may be. If the Participant has a Separation from Service for any reason after the start of the Early Payment Year but before the commencement or completion of the Early Payment Benefit, the benefit or remaining benefit attributable to the relevant Early Payment Year Subaccount shall be

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paid to the Participant (or his Beneficiary) in accordance with the Participant's Early Payment Benefit election without regard to the Participant's Separation from Service (i.e., once the Early Payment Year is reached, the Participant's subsequent Separation from Service for any reason shall not affect the payment of the relevant Early Payment Year Subaccount).

5.5 Emergency Benefit. In the event that the Committee, upon written petition of the Participant, determines in its sole discretion that the Participant has suffered an Unforeseeable Emergency, the Company shall pay to the Participant, as soon as practicable following such determination, an Emergency Benefit that does not exceed the amount reasonably necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship and the additional compensation available to the Participant upon the termination of the Participant's current deferral elections under the Plan, as described in the following paragraph of this Section 5.5. No amount may be paid to the Participant under this Section 5.5 from any unvested portion of the Participant's Savings Plan Restoration Account.

Whenever a Participant receives a distribution under this Section 5.5, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the distribution. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the distribution. Such new election shall comply with the provisions of Section 4.1(a).

5.6 Effect of Change in Control. In the event of a Change in Control, the Board may, in its sole discretion, within the 30 days preceding such Change in Control, irrevocably take action to terminate and liquidate the Plan, provided that the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix)(B) (or any successor provision) are satisfied.

5.7 Small Benefit. Notwithstanding any election by a Participant to receive payment of any account maintained for the Participant under the Plan in an installment payment form, if the value of such account is less than \$50,000 at the time payment in such form is scheduled to commence under Section 5.1 or 5.2 (after reduction for any forfeiture pursuant to Section 4.6), the account shall be paid to the Participant in a single lump sum on the scheduled commencement date. This provision shall not apply to (i) any Early Payment Year Subaccount that is being paid pursuant to an Early Payment Benefit election or (ii) the Beneficiary benefit with respect to a Participant's SEDCP Deferral Account described in Section 5.2(a).

5.8 Tax Withholding and Reporting.

(a) To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.

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(b) The Company shall have the right at its option to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts or (ii) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts. In addition, as permitted by Treas. Reg. § 1.409A-3(j)(4)(vi) (or any successor provision), payments may be made under the Plan to pay any Federal Insurance Contributions Act (FICA)

tax imposed under Code Sections 3101 and 3121(v)(2) on the Participant's Deferral Accounts, and to pay any income tax imposed under Code Section 3401 (i.e., wage withholding) or the corresponding withholding provisions of applicable state or local law as a result of payment of the FICA amount, as well as to pay the additional income tax attributable to the pyramiding wages and taxes. The total payment may not exceed the aggregate FICA tax amount and the income tax withholding related to such FICA tax amount.

5.9 Reemployment.

(a) If, after a Participant's Separation from Service, such Participant is reemployed by the Company prior to the payment of his benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the lump sum amount or the future installments, as the case may be, shall be made as scheduled without regard to the Participant's reemployment.

(b) A reemployed Participant may elect to again participate in this Plan and to defer additional Base Salary and/or Bonus as provided in Section 4.1, in which case a new Deferral Account shall be established for such Participant to which allocations relating to the period following the Participant's re-employment shall be credited. The Participant also shall be permitted to file a new Distribution Election Form, simultaneously with and in the same manner as the first Deferral Election Form that the Participant files upon his reemployment, governing the payment of his new Retirement Benefit in accordance with Section 5.1(b) and payment to his Beneficiary in accordance with Section 5.2(c) (provided that payment of any amounts previously forfeited pursuant to Section 4.6 and restored upon the Participant's reemployment shall be made in the form applicable at the time of his prior termination in accordance with the rules set forth herein).

5.10 Qualified Divorce Orders. Subject to the policies and procedures established by the Committee under Section 9.3(b) hereof and the provisions of this Plan, benefits may be paid from the balance of a Participant's Deferral Account(s) in accordance with a Qualified Divorce Order.

5.11 Special 2006 Transition Rule Elections.

(a) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Code Section 409A and the regulations and guidance thereunder, each Participant who has not separated from service as of October 12, 2006 may make a new payment election (a "Special Transition Rule Election") with respect to (i) the balance of his Deferral Accounts as of December 31, 2006 together with interest credited thereto prior to distribution (his "December 31

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Balance") and/or (ii) any deferred 2006 bonus (i.e., that portion of any bonus earned in 2006 and payable in 2007 that the Participant elected to defer under this Plan) plus interest credited thereto prior to distribution (his "2006 Deferred Bonus"). As part of such election, the Participant may elect to receive his Retirement Benefit in any form described in Section 5.1 and calculated under either the Amortization Method or the Fractional Method. In addition, the Participant may elect up to two Early Payment Years with installment payments (if any) calculated under the Amortization Method or the Fractional Method. Notwithstanding the provisions of Section 4.1(b) or Section 5.4 to the contrary, a Participant may elect any Early Payment Year other than 2006 regardless of the year in which the Compensation was deferred, except that (i) the earliest Early Payment Year that a Participant may elect with respect to his 2006 Deferred Bonus is 2008, and (ii) if a Participant elects 2007 as an Early Payment Year with respect to his December 31 Balance, payment will be made in July of 2007. A Participant may elect that all, any portion or no portion of his December 31 Balance and/or all, any portion or no portion of his 2006 Deferred Bonus be paid in an Early Payment Year, but (i) the Participant may not select more than two Early Payment Years under this Special Transition Rule Election and may not elect any additional Early Payment Years under Section 4.1(b) if such election would result in more than two scheduled Early Payment Years and (ii) the Participant may not make different elections with respect to the form or manner of calculation of his Retirement Benefit with respect to his December 31 Balance and his 2006 Deferred Bonus.

(b) Notwithstanding anything herein to the contrary, if a Participant has separated from service due to Retirement as of October 12, 2006, he may make a new payment election with respect to his December 31 Balance. As part of such election, the Participant may elect (1) to receive a lump sum distribution of his entire Deferral Account balance in July of 2007 or (2) to change the number of Retirement Benefit installment payments as permitted under Section 5.1, provided that the Participant may not extend the number of installments to more than twenty annual installments (including installment payments that have already been made).

(c) If a Participant elects 2007 as an Early Payment Year for his December 31 Balance, he may not elect to defer any Compensation earned in 2007 under this Plan.

(d) In addition, as part of the special election under this Section 5.12, a Participant may change the form and manner of calculation of the payment of benefits to his Beneficiary in the event that the Participant dies while employed by the Company after becoming eligible for Retirement.

(e) A Participant must elect the same form and manner of calculating his Retirement Benefit under (a) or (b) of this Section 5.12 and the same form and manner of calculating his Beneficiary Benefit under (d) of this Section 5.12 as he elects for such benefits under the 2005 DCP and the DCP2.

(f) Any election under this Section 5.12 must be made by November 3, 2006, or such later date as permitted by the Committee, but in no event later than December 31, 2006.

(g) A Participant's election under this Section 5.12 shall supersede any previous election made or deemed to be made under this Plan, the 2005 DCP, or the DCP2. If a Participant does not timely make an election under this Section 5.12, the elections he otherwise

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made or makes or was deemed to make shall apply and may be changed only in accordance with the other terms of this Plan and any Compensation deferred on or after January 1, 2007, shall be subject to the Participant's election under the 2005 DCP (or, the DCP2 if the Participant was a participant in the DCP2 but not the 2005 DCP) or as subsequently amended in accordance with the other terms of this Plan. However, any distribution election that had not become effective by October 12, 2006, shall be null and void.

5.12 Section 409A Compliance. Notwithstanding anything herein to the contrary, any amount that would have been paid in 2008 under the provisions of the Plan as in effect prior to November 1, 2008 shall be paid by December 31, 2008. No amount shall be paid in 2008 under the provisions of

this November 1, 2008 restatement that would not have been paid in 2008 under the prior provisions of the Plan.

5.13 Plan Provisions Control.

(a) Payment Commencement Prior to November 1, 2008. Notwithstanding anything herein to the contrary, if installment payments to a Participant or Beneficiary have commenced prior to November 1, 2008 in accordance with the prior provisions of the Plan, the Participant's remaining account shall be paid over the remaining number of installments in accordance with the rules set forth herein (i.e., within the first 90 days of 2009 and each subsequent calendar year, except as otherwise provided herein).

(b) Distribution Elections Made Prior to November 1, 2008. Notwithstanding anything herein to the contrary, if a Participant has made a distribution election, including a beneficiary distribution election, prior to November 1, 2008, and such election remains in effect on and after that date, including without limitation under Section 4.9 or Section 5.2(g), distributions to such Participant (or his Beneficiary) shall commence and be made in accordance with the rules set forth herein, with such distribution election used only to determine the applicable form of payment (i.e., whether distribution shall be made in a lump sum or installments and, if installments, the number of such installments and the method used for calculating such installments).

ARTICLE VI BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a paper form prescribed by the Committee. Any Beneficiary designation made by a Participant under the DCP2 and/or the 2005 DCP shall continue to apply under this Plan until the Participant files a new Beneficiary designation form with the Committee. Notwithstanding the preceding sentence, if a Participant had selected different Beneficiaries under the DCP2 and the 2005 DCP, the following rules shall apply:

(A) If the Participant does not make a new election under Section 5.12, the Beneficiary designation under the DCP2 shall apply to the subaccount for the DCP2 under this

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Plan and the Beneficiary designation under the 2005 DCP shall apply to the subaccount for the 2005 DCP under this Plan unless or until the Participant files a new Beneficiary designation form with the Committee.

(B) If the Participant does make a new election under Section 5.12, the Participant will be treated as having no Beneficiary designation on file until the Participant files a new Beneficiary designation with the Committee.

The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

ARTICLE VII CLAIMS PROCEDURE

7.1 Applications for Benefits. All applications for benefits under the Plan shall be submitted to Occidental Petroleum Corporation, Attention: Deferred Compensation Plan Committee, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Committee and must be signed by the Participant, or in the case of a Beneficiary Benefit, by the Beneficiary or legal representative of the deceased Participant.

7.2 Claims Procedure.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action

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under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents,

records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

7.3 Section 409A Compliance. Any claim for benefits under this Article must be made by the claimant no later than the time prescribed by Treas. Reg. § 1.409A-3(g) (or any successor provision). If a claimant's claim or appeal is approved, any resulting payment of benefits will be made no later than the time prescribed for payment of benefits by Treas. Reg. § 1.409A-3(g) (or any successor provision).

7.4 Limitations on Actions. No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

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ARTICLE VIII AMENDMENT AND TERMINATION OF PLAN

8.1 Amendment. The Board may amend the Plan in whole or in part at any time for any reason, including but not limited to, tax, accounting or other changes, which may result in termination of the Plan for future deferrals. The Executive Compensation and Human Resources Committee of the Board may amend the Plan to (a) ensure that this Plan complies with the requirements of Code Section 409A for deferral of taxation on compensation deferred hereunder until the time of distribution and (b) add provisions for changes to deferral elections and elections as to time and manner of distributions and other changes that comply with the requirements of Code Section 409A for the deferral of taxation on deferred compensation until the time of distribution. The Committee appointed pursuant to Article III, in its discretion, may amend the Plan if the Committee determines that such amendment does not significantly increase or decrease Plan benefits or costs. Notwithstanding the foregoing, except for any amendment required to preserve the deferral of taxation of amounts deferred under this Plan, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefit under Section 5.3; or (c) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than the lesser of: (i) Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted), or (ii) the highest yield on any unsecured debt or preferred stock of the Company that was outstanding on the last day of the month immediately preceding the date such amendment is adopted. Any amendment that would either (a) reduce the Declared Rate for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date such amendment is adopted, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date such amendment is adopted) or (b) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2, shall not be effective prior to the date that is two years after the date such amendment is adopted, unless the amendment is required by a change in the tax or other applicable laws or accounting rules, or the amendment is required in order to preclude any amounts deferred under this Plan from being included in the income of Participants prior to a date of distribution as specified under this Plan. Notwithstanding the foregoing, following a Change in Control, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) change the definition of the Declared Rate set forth in Article II for the Plan Years beginning on January 1 of 2006, 2007, or 2008 to a rate or to a formula that, as of the last day of the month preceding the date of the Change in Control, produces a rate that is less than Moodys Plus Three (as defined in Article II and calculated as of the last day of the month preceding the date of the Change in Control); (c) eliminate the spousal survivor benefits under Section 5.3; or (d) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2.

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8.2 Termination.

(a) Company's Right to Terminate. The Board may terminate the Plan at any time, if in the Board's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder, or other reasons, provided that any termination of the Plan shall not be effective prior to the date that is two years after the date the Board adopts a resolution to terminate the Plan, unless (i) the termination of the Plan is required by a change in the tax or other applicable laws or accounting rules, or (ii) the Participants have become subject to tax on the amounts deferred under the Plan. Notwithstanding the foregoing, following a Change in Control, the Plan may not be terminated prior to the date that is three years after the date the Change in Control occurs, or, if earlier, the date on which amounts deferred under the Plan have become taxable to Participants. In the event the Board adopts a resolution terminating the Plan, the Board or the Committee shall determine the date as of which deferral elections shall cease to have effect in accordance with the requirements of Code Section 409A.

(b) Payments Upon Termination. Distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Plan, except that payments may, in the discretion of the Board, be accelerated if:

(A) The Plan is terminated and liquidated pursuant to Section 5.6 of the Plan;

(B) Accelerated payment is otherwise permitted by Treas. Reg. § 1.409A-3(j)(4)(ix) (or any successor provision) or other guidance issued by the Secretary of the Treasury, or

(C) The Plan is terminated because Participants have become subject to tax on their deferrals due to the Plan's failure to satisfy the requirements of Code Section 409A. Payment to a Participant may not exceed the amount required to be included in income as a result of such failure.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor. The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund. The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and

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shall be paid by, the Company. No assets shall be transferred to a trust if such transfer would result in the taxation of benefits prior to distribution under Code Section 409A(b).

9.3 Nonassignability.

(a) Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, or interest therein which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

(b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Committee constitutes a Qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant. A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of a Participant's Deferral Account(s) has been paid or set aside for payment to an Alternate Payee pursuant to a Qualified Divorce Order. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts, and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions. The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

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9.8 Validity. In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law. The Plan shall be governed by and construed in accordance with Code Section 409A, and any regulations promulgated thereunder, and in accordance with the laws of the State of California to the extent such laws are not preempted by ERISA.

IN WITNESS WHEREOF, Occidental Petroleum Corporation has executed this document this ___ day of _____, 2008.

OCCIDENTAL PETROLEUM CORPORATION

By _____

OCCIDENTAL PETROLEUM CORPORATION

AMENDMENT
TO
SENIOR EXECUTIVE
SUPPLEMENTAL LIFE INSURANCE PLAN

(Effective as of January 1, 1986,
Amended and Restated Effective as of January 1, 1996)

WHEREAS, Occidental Petroleum Corporation (the "Corporation") adopted the Senior Executive Supplemental Life Insurance Plan (the "Plan") effective as of January 1, 1986; and

WHEREAS, the Plan was amended and restated effective as of January 1, 1996; and

WHEREAS, it is desirable to further amend the Plan, with respect to participants employed by the Corporation or an affiliate at any time on or after January 1, 2005, in light of the potential application of Section 409A of the Internal Revenue Code of 1986, as amended, to their benefits under the Plan; and

WHEREAS, pursuant to Section K of the Plan, each such participant must consent in writing before the following amendments can apply to his or her benefits under the Plan; and

WHEREAS, for purposes of the Plan, all such participants either have already retired pursuant to an "Approved Retirement," or are eligible for "Approved Retirement," as such term is defined in Section M,3 of the Plan, and have made premium payments under the Plan for at least five years;

NOW, THEREFORE, effective October 31, 2008, the Plan is amended as follows with respect to participants who are employed by the Corporation or an affiliate at any time on or after January 1, 2005 and who consent in writing to such amendments:

1. Section C,2 is amended by adding the following paragraph to the end thereof:

"Notwithstanding anything herein to the contrary, an Executive may terminate participation in the Plan and have the Company purchase the policy or policies on his life for the amount set forth above, provided the Executive notifies the Administrator in writing of such election by October 31, 2008, in which case the Company shall purchase the Executive's ownership interest in the policy or policies on the Executive's life for the amount set forth above, in the first calendar quarter of 2009. Effective October 31, 2008, the Executive's right to terminate participation in the Plan as provided in this Section C,2, shall, to the extent not exercised in accordance with the foregoing, terminate."

2. Section C,4 is amended by adding the following paragraph to the end thereof:

"Notwithstanding anything herein to the contrary, effective October 31, 2008, no additional Executives shall be selected by Company Management to participate in the Plan and no Executives already participating in the Plan (whether or not retired pursuant to an Approved Retirement) shall be removed from participation."

3. The first paragraph of Section H,2 is amended to read as follows:

"The Executive shall be entitled to purchase any or all of the insurance policies on his life which are held by the Company under this Plan pursuant to Section H,1 upon the occurrence of any of the events set forth below. The Executive must provide written notice of his election to purchase such policies not later than 40 days following the occurrence of such event and the Company shall have 10 days following its receipt of such notice to correct such event. If the Company fails to correct such event within this 10-day period, it shall transfer ownership of such policies to the Executive not later than 24 days after the end of such period."

OCCIDENTAL PETROLEUM CORPORATION

BY: _____

OCCIDENTAL PETROLEUM CORPORATION

AMENDMENT
TO
SENIOR EXECUTIVE SURVIVOR BENEFIT PLAN

(Effective as of January 1, 1986,
Amended and Restated Effective as of January 1, 1996)

WHEREAS, Occidental Petroleum Corporation (the "Corporation") adopted the Senior Executive Survivor Benefit Plan (the "Plan") effective as of January 1, 1986; and

WHEREAS, the Plan was amended and restated effective as of January 1, 1996; and

WHEREAS, it is desirable to further amend the Plan, with respect to participants employed by the Corporation or an affiliate at any time on or after January 1, 2005, in light of the potential application of Section 409A of the Internal Revenue Code of 1986, as amended, to their benefits under the Plan; and

WHEREAS, pursuant to Section K of the Plan, each such participant must consent in writing before the following amendments can apply to his or her benefits under the Plan; and

WHEREAS, for purposes of the Plan, all such participants either have already retired pursuant to an "Approved Retirement," or are eligible for "Approved Retirement," as such term is defined in Section M,4 of the Plan, and have made premium payments under the Plan for at least five years;

NOW, THEREFORE, effective October 31, 2008, the Plan is amended as follows with respect to participants who are employed by the Corporation or an affiliate at any time on or after January 1, 2005 and who consent in writing to such amendments:

1. Section C,2 is amended by adding the following paragraph to the end thereof:

"Notwithstanding anything herein to the contrary, an Executive may terminate participation in the Plan and have the Company purchase the policy or policies on his life for the amount set forth above, provided the Executive notifies the Administrator in writing of such election by October 31, 2008, in which case the Company shall purchase the Executive's ownership interest in the policy or policies on the Executive's life for the amount set forth above, in the first calendar quarter of 2009. Effective October 31, 2008, the Executive's right to terminate participation in the Plan as provided in this Section C,2, shall, to the extent not exercised in accordance with the foregoing, terminate."

2. Section C,4 is amended by adding the following paragraph to the end thereof:

"Notwithstanding anything herein to the contrary, effective October 31, 2008, no additional Executives shall be selected by Company Management to

participate in the Plan and no Executives already participating in the Plan (whether or not retired pursuant to an Approved Retirement) shall be removed from participation."

3. The first paragraph of Section H,2 is amended to read as follows:

"The Executive shall be entitled to purchase any or all of the insurance policies on his life which are held by the Company under this Plan pursuant to Section H,1 upon the occurrence of any of the events set forth below. The Executive must provide written notice of his election to purchase such policies not later than 40 days following the occurrence of such event and the Company shall have 10 days following its receipt of such notice to correct such event. If the Company fails to correct such event within this 10-day period, it shall transfer ownership of such policies to the Executive not later than 24 days after the end of such period."

OCCIDENTAL PETROLEUM CORPORATION

BY: _____

Occidental Petroleum Corporation Supplemental Retirement Plan II

Effective as of January 1, 2005

Amended and Restated as of November 1, 2008

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Article 1. Introduction

1.1 Adoption of the Plan

The Occidental Petroleum Corporation Supplemental Retirement Plan II (the "Plan") was originally adopted by Occidental Petroleum Corporation (the "Company") effective as of January 1, 2005. Effective November 1, 2008, the Occidental Petroleum Corporation Supplemental Retirement Plan (the "Supplemental Retirement Plan") is merged with and into this Plan, which is hereby amended and restated as set forth herein. Effective November 1, 2008, the account of each participant under the Supplemental Retirement Plan is transferred to this Plan and governed by the terms of this Plan.

1.2 Purpose of the Plan

It is the purpose of this Plan to provide eligible employees with benefits that will compensate them for maximums imposed by law upon contributions to qualified plans. The portion of the Plan reflecting credits to compensate for the maximum limits imposed by Code section 415 is intended to constitute an "excess plan" as defined in ERISA section 3(36). The remaining portion of the Plan is intended to constitute a plan which is unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees and is intended to meet the exemptions provided in ERISA sections 201(2), 301(a)(3), and 401(a)(1), as well as the requirements of Department of Labor Regulation section 2520.104-23. The Plan shall be administered and interpreted so as to meet the requirements of these exemptions and the regulation.

1.3 Status of the Plan

- (a) **Nonqualified Plan.** The Plan is not qualified within the meaning of Code section 401(a). The Plan is intended to provide an unfunded and unsecured promise to pay money in the future and thus not to involve, pursuant to Treas. Reg. § 1.83-3(e), the transfer of "property" for purposes of Code section 83. Likewise, allocations under this Plan to the account maintained for a Participant, and earnings credited thereon, are not intended to confer an economic benefit upon the Participant nor is the right to the receipt of future benefits under the Plan intended to result in any Participant, Beneficiary or Alternate Payee being in constructive receipt of any amount so as to result in any benefit due under the Plan being includible in the gross income of any Participant, Beneficiary or Alternate Payee in advance of the date on which payment of any benefit due under the Plan is actually made.
- (b) **Compliance with Code Section 409A.** This Plan generally is intended to comply with the requirements of Code section 409A and related regulatory guidance, so that the taxation of Participants and Beneficiaries on any compensation deferred under this Plan is deferred. Notwithstanding the foregoing, any amounts that are credited and paid annually from a Participant's account following the Participant's attainment of a specified age, as described in Sections 5.1(b)(1) and 5.8(b)(1), are intended to qualify as short-term deferrals under Treas. Reg. § 1.409A-1(b)(4) (or any successor provision) and accordingly to be exempt from such requirements.

- (c) **No Guarantees of Intended Tax Treatment.** The Plan shall be administered and interpreted so as to satisfy the requirements for the intended tax treatment under the Code described in this section. However, the treatment of benefits earned under and benefits received from this Plan, for purposes of the Code and other applicable tax laws (such as state income and employment tax laws), shall be determined under the Code and other applicable tax laws and no guarantee or commitment is made to any Participant, Beneficiary or Alternate Payee with respect to the treatment of accruals under or benefits payable from the Plan for purposes of the Code and other applicable tax laws.

1.4 Application of the Plan

This restatement of the Plan is applicable to Participants employed by an Employer on or after November 1, 2008. In addition, this restatement applies to Participants who have terminated employment before November 1, 2008 but have undistributed benefits under the Plan on that date. All distributions made under the Plan on or after November 1, 2008 (including distributions of Supplemental Retirement Plan accounts transferred to this Plan on November 1, 2008) shall be made in accordance with the provisions of this restatement, as amended from time to time. For this purpose, distributions to Participants who have terminated employment before November 1, 2008 generally shall be governed by Section 5.9 and any other provisions referenced therein.

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Article 2. Definitions

2.1 Definitions

Whenever the following words and phrases are used in the Plan with the first letter capitalized, they shall have the meanings specified below, unless the context clearly indicates otherwise:

- (a) **“Administrative Committee”** means the committee with authority to administer the Plan as provided under section 6.1.
- (b) **“Affiliate”** means:
- (1) Any corporation or other business organization while it is controlled by or under common control with the Company within the meaning of Code sections 414 and 1563;
 - (2) Any member of an affiliated service group within the meaning of Code section 414(m) of which the Company or any Affiliate is a member;
 - (3) Any entity which, pursuant to Code section 414(o) and related Treasury regulations, must be aggregated with the Company or any Affiliate for plan qualification purposes; or
 - (4) Any corporation, trade or business which is more than 50 percent owned, directly or indirectly, by the Company and which is designated by the Board or, if authorized by the Board, the Administrative Committee as an Affiliate.
- (c) **“Alternate Payee”** means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to the Participant.
- (d) **“Annual Bonus Paid”** means up to the first \$100,000 of bonus paid to a Participant, who is not a “named executive officer”, as that term is defined in Regulations S-K under the Securities Exchange Act of 1934 (17 CFR §229.402(a)(3)), during the Plan Year under a regular annual incentive compensation plan, such as the Company’s Variable Compensation Program or Incentive Compensation Program (but excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus).
- (e) **“Base Pay of Record”** means the base salary and wages earned while a Participant from an Employer for services rendered, including pretax deferrals under the Savings Plan, and amounts contributed pursuant to the Occidental Petroleum Flexible Spending Accounts Plan, as amended from time to time.
- (1) Base Pay of Record does not include:

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- (A) Bonuses, incentives, overtime, shift differential, and overseas differentials;
- (B) Reimbursement for expenses or allowances, including automobile allowances and moving allowances;
- (C) Any amount contributed by the Employer (other than pretax deferrals under the Savings Plan and any amounts contributed pursuant to the Occidental Petroleum Flexible Spending Accounts Plan, as amended from time to time) to any qualified plan or plan of deferred compensation; and
- (D) Any amount paid by an Employer for other fringe benefits, such as health and hospitalization, and group life insurance benefits, or perquisites.

- (2) Base Pay of Record is determined in accordance with the following rules:

- (A) For Participants compensated by salary, Base Pay of Record means the actual base salary of record for the Participant (subject to the exclusions listed above).
- (B) For Participants compensated based on mileage driven (primarily truck drivers), Base Pay of Record means the number of miles driven multiplied by the applicable mileage pay rate (subject to the exclusions listed above), plus the Participant’s scheduled number of hours worked in the pay period multiplied by the Participant’s base hourly rate (subject to the exclusions listed above).

- (C) For Participants compensated at an hourly rate, Base Pay of Record means the base hourly rate (subject to the exclusions listed above) multiplied by the number of regularly scheduled hours worked in a pay period. If the Active Participant's regularly scheduled work week is more than 40 hours, Base Pay of Record shall include an additional amount equal to the base hourly rate (subject to the exclusions listed above) times one half the number of regularly scheduled hours worked in excess of 40 in the work week.
- (D) For Participants compensated on an eight, ten, twelve, or some other assigned hour Shift Basis and whose annual compensation is pre-determined under the Company's payroll recordkeeping system, Base Pay of Record for each pay period shall be the Participant's pre-determined annual compensation (subject to the exclusions listed above) divided by the number of pay periods applicable to the Participant during the Plan Year. For the purpose of this subsection,

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the term "Shift Basis" means any arrangement whereby Participants work the assigned hour daily shifts which may result in alternating work weeks of more and less than 40 hours per week.

- (E) Base Pay of Record includes vacation pay received in periodic payments and annual vacation payments made to Employees paid by commission, but does not include single sum vacation payments to active or terminating Employees.
- (F) Base Pay of Record includes base salary or wages received during paid leaves of absence and periodic notice pay, but, effective July 1, 2006, Base Pay of Record does not include single sum notice pay payments or any severance pay payments.
- (G) Base Pay of Record does not include long-term disability payments or payments made to any Participant pursuant to the Occidental Chemical Corporation Weekly Sickness and Accident Plan unless:
 - (i) Such payments are made to the Participant through the payroll accounting department of the Company or an Affiliate, and
 - (ii) The Participant is ineligible for participation in the Retirement Plan.

- (f) **"Base Pay Paid"** means the Employee Base Pay of Record, reduced for any deferral of base salary under the Deferred Compensation Plan.
- (g) **"Beneficiary"** means the person or persons designated by the Participant to receive payment under this Plan in the event of the Participant's death prior to the complete distribution to the Participant of the benefits due under the Plan. A beneficiary designation shall become effective only when filed in writing with the Administrative Committee during the Participant's lifetime on a paper form prescribed by the Administrative Committee. The filing of any new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, the Participant's Beneficiary shall be the person or persons entitled to receive the Participant's benefits under the Retirement Plan in the event of the Participant's death, provided, that if a Participant has previously designated a Beneficiary under Appendix A of the Occidental Petroleum Corporation Supplemental Retirement Plan who survives the Participant, the Participant's Beneficiary shall be the person or persons so designated under Appendix A of the Occidental Petroleum Corporation Supplemental Retirement Plan.

- (h) **"Board"** means the Board of Directors of the Company.
- (i) **"Code"** means the Internal Revenue Code of 1986, as amended.

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- (j) **"Company"** means Occidental Petroleum Corporation and any successor thereto.
- (k) **"DCP Eligible Bonus"** means the amount of bonus a Participant receives and is entitled to defer under the Deferred Compensation Plan without regard to the annual deferral limit of \$75,000 or the Deferred Compensation Plan balance limit of \$1 million, as described in the Deferred Compensation Plan.
- (l) **"Deferred Compensation Plan"** means the Occidental Petroleum Corporation Modified Deferred Compensation Plan, as amended from time to time. Prior to October 12, 2006, **"Deferred Compensation Plan"** meant the Occidental Petroleum Corporation 2005 Deferred Compensation Plan, as amended from time to time.
- (m) **"Divorce Order"** means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his former spouse pursuant to a state domestic relations law (including, without limitation and if applicable, community property law), as described in Treas. Reg. § 1.409A-3(j)(4)(ii) (or any successor provision).
- (n) **"Employee"** means any person who is an Eligible Employee, as defined in the Retirement Plan.

Notwithstanding the foregoing, no individual shall be considered an Employee if such individual is not classified as a common-law employee in the employment records of the Employer, without regard to whether the individual is subsequently determined to have been a common-law employee of the Employer. The persons excluded by this paragraph from being Employees are to be interpreted broadly to include and to have at all times included individuals engaged by the Employer to perform services for such entity in a relationship that the entity characterizes as other than an employment relationship, such as where the Employer engages the individual to perform services as an independent contractor or leases the individual's services from a third party. The exclusion of the individual from being an Employee shall apply even if a determination is subsequently made by the Internal Revenue Service, another governmental agency, a court or other tribunal, after the individual is engaged to perform such services, that the individual is an employee of the Employer for purposes of pertinent Code sections or for any other purpose.

- (o) **"Employer"** means the Company and any Affiliate which is designated by the Board or the Administrative Committee and which adopts the Plan.

The Board or, if authorized by the Board, the Administrative Committee may designate any Affiliate as an Employer under this Plan. The Affiliate shall become an Employer and a party to this Plan upon acceptance of such designation effective as of the date specified by the Board or Administrative Committee.

By accepting such designation or continuing as a party to the Plan, each Employer acknowledges that:

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- (A) It is bound by such terms and conditions relating to the Plan as the Company or the Administrative Committee may reasonably require;
- (B) The Company and the Administrative Committee have the authority to review the Affiliate's compliance procedures and to require changes in such procedures to protect the Plan;
- (C) It has authorized the Company and the Administrative Committee to act on its behalf with respect to Employer matters pertaining to the Plan;
- (D) It shall cooperate fully with Plan officials and their agents by providing such information and taking such other actions as they deem appropriate for the efficient administration of the Plan; and
- (E) Its status as an Employer under the Plan is expressly conditioned on its being and continuing to be an Affiliate of the Company.

Subject to the concurrence of the Board or Administrative Committee, any Affiliate may withdraw from the Plan, and end its status as an Employer hereunder, by communicating to the Administrative Committee its desire to withdraw. Upon withdrawal, which shall be effective as of the date agreed to by the Board or Administrative Committee, as the case may be, and the Affiliate, the Plan shall be considered frozen as to Employees of such Affiliate.

(p) **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

(q) **"LTD Participant"** means an Employee:

- (1) Who became disabled under the terms of the Long-Term Disability Plan prior to October 1, 1995; and
- (2) Who, during the Plan Year, is receiving benefits under the Long-Term Disability Plan and who was a highly-compensated employee (as defined in Code section 414(q)) in the year of his commencement of benefits under the Long-Term Disability Plan; and
- (3) Who has not commenced payment of his benefit under this Plan on November 1, 2008.

(r) **"Long-Term Disability Plan"** means the Occidental Petroleum Corporation Long-Term Disability Plan or, as appropriate to the LTD Participant or context, the Oxy Vinyls, LP Long-Term Disability Plan.

(s) **"Participant"** means (i) a person meeting the requirements to participate in the Plan set forth in Article 3 and (ii) any other person who has an account under the Plan because he previously met such requirements.

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(t) **"Plan Year"** means the calendar year.

(u) **"Qualified Divorce Order"** means a Divorce Order that:

- (1) Creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan;
- (2) Clearly specifies:
 - (A) The name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order;
 - (B) The amount or percentage of the Participant's benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined;
 - (C) The number of payments or period to which such order applies; and
 - (D) That it applies to this Plan; and
- (3) Does not:
 - (A) Require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;
 - (B) Require this Plan to provide increased benefits;
 - (C) Require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order; or

- (D) Require the payment of benefits under this Plan at a time or in a manner that would cause the Plan to fail to satisfy the requirements of Code section 409A (or other applicable section) and any regulations promulgated thereunder or otherwise jeopardize the deferred taxation of any amounts under this Plan.

(v) **“Retirement Plan”** means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

(w) **“Savings Plan”** means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

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(x) **“Separation from Service”** means a Participant’s “separation from service” as defined under Code section 409A and Treas. Reg. § 1.409A-1(h) (or successor provisions). For this purpose, a Participant shall have a Separation from Service if the Participant ceases to be an employee of both:

- (1) The Participant’s Employer;
- (2) All Affiliates with whom the Participant’s Employer would be considered a single employer under Code section 414(b) or 414(c).

For purposes of the preceding provisions, a Participant who ceases to be an employee of an entity described in (1) or (2) above shall not be considered to have a Separation from Service if such cessation of employment is followed immediately by his commencement of employment with another entity described in (1) or (2) above.

A Participant shall have a Separation from Service if it is reasonably anticipated that no further services shall be performed by the Participant, or that the level of services the Participant shall perform shall permanently decrease to no more than 20 percent of the average level of services performed by the Participant over the immediately preceding 36-month period (or the Participant’s full period of service, if the Participant has been performing services for less than 36 months).

(y) **“Specified Employee”** means an Employee who is a “specified employee” within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by the Company.

(z) **“Supplemental Retirement Plan”** means the Occidental Petroleum Corporation Supplemental Retirement Plan in effect on December 31, 2004 and as amended from time to time, prior to its merger into this Plan effective November 1, 2008.

(aa) **“Threshold Amount”** means the amount determined by the Company and communicated to Employees in advance of the Plan Year as the level of annualized Base Pay of Record at which the sum of the following amounts would exceed the dollar limit in effect for the Plan Year under Code section 415(c)(1)(A):

- (1) The Contribution Percentage Limit for the Plan Year, determined under Appendix E of the Savings Plan (or any successor provision), for a highly compensated employee as defined under Code section 414(q), or, for the period between January 1, 2005 and December 31, 2006, the Plan Limit for the Plan Year, determined under Appendix II of the Savings Plan (or any successor provision), times the annualized Base Pay of Record;
- (2) 6 percent of the sum of the annualized Base Pay Paid plus an assumed 50% of Annual Bonus Paid; and

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- (3) The annual employer contributions for the Plan Year that would be made to the Retirement Plan based on the Employee’s annualized Base Pay of Record assuming that the Employee has attained age 35 as of the last day of the Plan Year.

(bb) **“Wage Base”** means the dollar amount of wages, within the meaning set forth in Code section 3121(a), upon which the Employer must pay Social Security Old Age, Survivors and Disability taxes for a Plan Year.

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Article 3. Participation

3.1 Effective Date of Participation

An Employee who is a Participant in the Plan on October 31, 2008 shall continue as a Participant on November 1, 2008. Any other Employee shall become a Participant on the first day of the month next following the end of the 30-day period beginning on the first to occur of the following:

- (a) The first day on which the Employee’s annualized Base Pay of Record exceeds the Threshold Amount.
- (b) The first day on which the Employee’s annualized Base Pay of Record exceeds the amount specified in Code section 401(a)(17), as adjusted and in effect for the Plan Year.
- (c) The Employee (1) is eligible to participate in both the Retirement Plan and the Deferred Compensation Plan, and (2) is eligible to receive a bonus granted under any management incentive compensation plan of an Employer.
- (d) The Employee (1) is eligible to participate in the Savings Plan and (2) makes a deferral election under the Deferred Compensation Plan for the Plan Year.

For purposes of subsections (c) and (d) above, in the case of any Employee other than a newly hired Employee, the Employee's eligibility for the Deferred Compensation Plan and whether or not the Employee has made a deferral election under the Deferred Compensation Plan shall be determined during the open enrollment period for that plan prior to each Plan Year.

Notwithstanding anything contained herein, any Employee who is entitled to receive supplemental retirement benefits upon his retirement pursuant to a written contract of employment between the Employee and the Company or an Affiliate shall be ineligible to be a Participant effective for future allocations as of the first day of the Plan Year following the effective date of such contractual provision.

Notwithstanding the foregoing, an Employee who participates or is eligible to participate in the THUMS Long Beach Company Savings and Investment Plan or the THUMS Long Beach Company Pension Plan in 2008 and who meets the requirements of subsection (a), (b), (c) or (d) above shall become a Participant on January 1, 2009.

3.2 Reemployment; Resumption of Participation

If a Participant terminates employment and is subsequently reemployed as an Employee by an Employer, the Participant shall resume active participation in the Plan on the first date that the Participant again meets one or more of the requirements set forth in Section 3.1. A Participant who ceases to actively participate in the Plan because he no longer meets any of the requirements

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set forth in Section 3.1 shall resume active participation in the Plan on the first date that the Participant again meets one or more such requirements.

3.3 Allocations to New Participants

Allocations under Article 4 of the Plan shall be based solely on compensation paid for services performed after the date the Employee becomes a Participant in accordance with Section 3.1.

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Article 4. Benefits

4.1 Allocations Relating to the Retirement Plan

(a) **Eligibility.** The following Employees who become Participants shall be provided the allocation for the Plan Year specified in subsection (b):

- (1) An Employee:
 - (A) Who is eligible to participate in the Savings Plan and the Retirement Plan for the Plan Year, and
 - (B) Whose annualized Base Pay of Record exceeds the Threshold Amount applicable to the Employee for the Plan Year.

If the Employee's annualized Base Pay of Record increases during the Plan Year such that it exceeds the Threshold Amount, then the Employee shall be eligible for the allocation specified in subsection (b) as of the first payroll period for which the Employee's annualized Base Pay of Record exceeds the Threshold Amount (or, if later, as of the date the Employee's participation in the Plan commences pursuant to Section 3.1). If the Employee's annualized Base Pay of Record decreases during the Plan Year such that it no longer exceeds the Threshold Amount, then the Employee shall cease to be eligible for the allocation specified in subsection (b) as of the first payroll period for which the Employee's annualized Base Pay of Record falls below the Threshold Amount.

- (2) An individual who is an LTD Participant for the Plan Year.

(b) **Allocation Amount.**

- (1) **Contingent Credit.** A credit shall be made as of the last day of each month to a contingent account maintained for each Participant described in subsection (a). The amount of the credit for the month shall be:

- (A) For a Participant who shall not attain age 35 as of the last day of the Plan Year, the sum of:
 - (i) 4 percent of Base Pay of Record for the calendar month below the Wage Base; plus
 - (ii) 8 percent of Base Pay of Record for the calendar month above the Wage Base.

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- (B) For a Participant who shall attain age 35 as of the last day of the Plan Year, the sum of:
 - (i) 7 percent of Base Pay of Record for the calendar month below the Wage Base; plus
 - (ii) 12 percent of Base Pay of Record for the calendar month above the Wage Base.

For purposes of calculating contingent allocations under this section, an Employee shall have Base Pay of Record above the Wage Base for a calendar month only to the extent that the Employee's Base Pay of Record for the Plan Year, determined as of the last day of such pay period, is in excess of the Wage Base.

- (2) **Reduction Amount.** The amounts contingently credited to the account maintained for the Participant during the Plan Year under paragraph (1) shall be reduced as of the last day of the Plan Year, but not below zero, by the amount determined under this paragraph. The reduction amount is intended to be equal to the Employee's allocation under the Retirement Plan for the Plan Year assuming that the Employee maximized deferrals under the Savings Plan. After the reduction described in this paragraph, the remaining amount shall be permanently credited to the account maintained for the Participant.
- (A) No reduction shall apply to the account maintained for any Participant, including an LTD Participant, who is not an Employee on the last day of the Plan Year.
- (B) The reduction amount for other Participants shall be equal to the dollar limit in effect for the Plan Year under Code section 415(c)(1)(A) minus sum of the following:
- (i) Effective beginning on or after January 1, 2007,
- (I) the Contribution Percentage Limit for the Plan Year, determined under Appendix E of the Savings Plan (or any successor provision) times the Participant's Base Pay Paid and 6 percent of the Annual Bonus Paid for the Plan Year, and
- (II) 6 percent times the sum of the Participant's Base Pay Paid and Annual Bonus Paid for the Plan Year;
- (ii) For the period between January 1, 2005 and December 31, 2006:

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- (I) The Plan Limit for the Plan Year, determined under Appendix II of the Savings Plan (or any successor provision), times the Participant's Base Pay Paid, and
- (II) 6 percent times the Participant's Base Pay Paid for the Plan Year.

For purposes of determining the reduction under this subparagraph, no portion of the sum of the Participant's Base Pay Paid and Annual Bonus for the Plan Year in excess of the amount specified in Code section 401(a)(17) in effect for the Plan Year shall be taken into account. The reduction amount shall not be less than zero.

- (3) **Earnings Allocation.** The Employer shall also permanently credit earnings on the monthly allocations under paragraph (1) for the Plan Year as if such allocations shared in earnings at the rate and in the manner described in section 4.4. The earning allocation under this paragraph shall not be subject to reduction under paragraph (2).

4.2 Allocations Relating to the Savings Plan

- (a) **Eligibility.** An Employee who is eligible to participate in the Savings Plan for the Plan Year and whose Base Pay Paid plus Annual Bonus Paid for the Plan Year exceeds the amount specified in Code section 401(a)(17) as adjusted and in effect for the Plan Year shall be provided the allocation for the Plan Year specified in subsection (b).
- (b) **Allocation Amount.** The amount to be allocated as of the last day of the Plan Year under this Plan with respect to a Participant described in subsection (a) above for the Plan Year shall equal the sum of:
- (1) 6 percent of the Employee's Base Pay Paid plus Annual Bonus Paid in excess of the amount specified in Code section 401(a)(17) as adjusted and in effect for the Plan Year; and
- (2) 5 percent of the amount allocated under paragraph (1) which shall be allocated to the account maintained for the Participant in lieu of interest on such amount for the Plan Year.

4.3 Allocations Relating to the Deferred Compensation Plan

(a) Retirement Plan

- (1) **Eligibility.** An Employee who is a participant in the Retirement Plan and eligible to participate in the Deferred Compensation Plan for the Plan Year shall be provided the allocation for the Plan Year specified in paragraph (2).

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- (2) **Allocation Amount.** The amount to be allocated in a Plan Year with respect to a Participant described in paragraph (1) shall equal the participant's applicable percentage multiplied by the amount of the Participant's DCP Eligible Bonus. This allocation shall be made irrespective of whether such Participant elects to defer all or any part of his DCP Eligible Bonus under the Deferred Compensation Plan. Notwithstanding the preceding sentence, no allocation shall be made to the account of a Participant who is not an Employee on the date such bonus is awarded.

For purposes of this subsection, the term "applicable percentage" shall mean 12 percent in the case of a Participant who shall attain age 35 prior to the end of the Plan Year in which the allocation is made and 8 percent in the case of a Participant who shall not attain age 35 prior to the end of the Plan Year in which the allocation is made. The allocation described in this section shall be made to the account of each Participant effective as of the date on which the Participant is awarded his DCP Eligible Bonus.

(b) Savings Plan

- (1) A Participant who is eligible to participate in the Savings Plan and makes a deferral election under the Deferred Compensation Plan for the Plan Year shall be provided the allocation for the Plan Year specified in paragraph (2).
- (2) The amount to be allocated for a Plan Year with respect to a Participant described in paragraph (1) shall equal the amount by which the contribution that would otherwise have been made by the Company or other Employer on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Pay of Record for such Plan Year and/or the Participant's Annual Bonus Paid in such Plan Year because of deferrals under the Deferred Compensation Plan, assuming that the Participant's contribution percentage under the Savings Plan for the Plan Year is 6 percent. The allocation described in this Section 4.3(b)(2) shall be made to the account of a Participant at the same time as the employer contribution for such Plan Year is made to the Savings Plan. No allocations shall be made to Participants' accounts under this Section 4.3(b)(2) prior to January 1, 2009.

4.4 Maintenance of Accounts

- (a) Each Employer shall establish and maintain, in the name of each Participant employed by that Employer, an individual account which shall consist of all amounts credited to the Participant. As of the end of each month, the Administrative Committee shall increase the balance, if any, of the Participant's individual account as of the last day of the preceding month, by multiplying such amount by a number equal to one plus .167% plus the monthly yield on 5-Year Treasury Constant Maturities for the monthly processing period. Notwithstanding the foregoing, any allocation made to a Participant's account pursuant to Section 4.3(b)(2) shall be

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credited with interest, at a rate equivalent to that set forth in the preceding sentence, from the date such allocation is made to the Participant's account.

- (b) The individual account of each Participant shall represent a liability, payable when due under this Plan, out of the general assets of the Company, or from the assets of any trust, custodial account or escrow arrangement which the Company may establish for the purpose of assuring availability of funds sufficient to pay benefits under this Plan, provided that no assets shall be transferred to a trust or other account if such transfer would result in the taxation of benefits prior to distribution under Code section 409A(b). The money and any other assets in any such trust or account shall at all times remain the property of the Company, and neither this Plan nor any Participant shall have any beneficial ownership interest in the assets thereof. No property or assets of the Company shall be pledged, encumbered, or otherwise subjected to a lien or security interest for payment of benefits hereunder. Accounting for this Plan shall be based on generally accepted accounting principles.

4.5 Vesting and Forfeiture

Notwithstanding any other Plan provision, all benefits under this Plan shall be contingent and forfeitable and no Participant shall have a vested interest in any benefit unless, while he is still employed by an Employer, he becomes fully vested in his benefit under the Retirement Plan (or would have become vested if he were a participant in the Retirement Plan). A person who terminates employment with an Employer for any reason prior to becoming vested hereunder shall not receive a benefit, provided that, upon rehire by an Employer, any amounts forfeited by a Participant at the time of his termination of employment shall be restored, without interest, to his account and, as set forth in Section 5.8, shall be subject to the same terms and conditions relating to distribution as were applicable at the time of his prior termination of employment.

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Article 5. Payments

5.1 Timing and Form of Payments

- (a) **Payment Events.** A Participant's vested account under this Plan shall be paid on the earliest to occur of the following payment events:
 - (1) The Participant's attainment of a specified age elected by the Participant that is age 60 or above;
 - (2) The Participant's Separation from Service; or
 - (3) The Participant's death.
- (b) **Timing and Form.**
 - (1) **Attainment of Specified Age.** If payment is made on account of a Participant's attainment of a specified age (60 or above), payment shall be made to the Participant in a single lump sum within the first 90 days of the calendar year following the calendar year in which the Participant reaches the specified age. In addition, within the first 70 days of each subsequent calendar year, the Participant shall be paid any additional amounts credited to the Participant's account since the prior payment date.
 - (2) **Separation from Service.**
 - (A) If payment is made on account of the Participant's Separation from Service, payment shall be made or commence within the first 90 days of the calendar year following the calendar year in which the Participant's Separation from Service occurs. Notwithstanding the foregoing, in the case of a Participant who is a Specified Employee, payment shall be made or commence in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above.
 - (B) Payment shall be made in a single lump sum or in annual installments over 5, 10, 15, or 20 years, as elected by the Participant. If the Participant elects to have payment made in annual installments, the installments shall be paid within the first 90 days of each calendar year during the installment period (except that the first installment may be delayed in the case of a Specified Employee as provided above). During the installment period, the Participant's account shall continue to be adjusted as provided in

Section 4.4(a) until the installments have been completed. The amount of each annual installment shall equal the amount credited to the Participant's account as of the last day of the month preceding the date of payment multiplied by a fraction, the

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numerator of which is one (1), and the denominator of which is the number of installments (including the current installment) which remain to be paid.

(C) If a Participant who is receiving installment payments on account of his Separation from Service has also made a specified age election and attains the specified age before the completion of all installments, the remaining installments shall be paid to him at the scheduled time or times without regard to his attainment of such age.

(3) **Death.** If payment is made on account of the Participant's death, payment shall be made to the Participant's Beneficiary in a single lump sum 120 days following the date of the Participant's death.

(c) **Valuation of Benefits.** The amount of any payment to a Participant under this Article shall be determined based on the value of the Participant's vested account as of the last day of the month preceding the date of payment.

5.2 Payment Elections and Changes

(a) **Payment Elections.**

(1) An Employee who becomes a Participant on or after November 1, 2008 shall make the elections provided for in Section 5.1 (i.e., an election to have payment made at a specified age (60 or above) prior to Separation from Service and/or an election as to form of payment upon Separation from Service) within 30 days after date the Employee first meets one or more of the requirements for participation set forth in Section 3.1. Notwithstanding the foregoing, an Employee who participates or is eligible to participate in the THUMS Long Beach Company Savings and Investment Plan or the THUMS Long Beach Company Pension Plan at any time in 2008 and becomes a Participant on January 1, 2009 shall make such elections by December 31, 2008.

(2) An Employee who became a Participant before November 1, 2008 shall be permitted to make a transition election as set forth in Section 5.9. If the Employee does not make a transition election with respect to form of payment upon Separation from Service and had previously made an election to have payment upon Separation from Service made in a lump sum or in annual installments over 5, 10, 15 or 20 years, payment on account of the Participant's Separation from Service shall be made in accordance with the rules set forth in Section 5.1(b)(2) in the form previously elected by the Participant. For this purpose, if the Participant had different payment elections in effect for his account under this Plan and his account under the Supplemental Retirement Plan prior to November 1, 2008, or had an election in effect under one plan but not the other, the accounts shall continue to be

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maintained separately and these provisions shall be applied separately to each account.

(3) If a Participant does not elect to have payment made at a specified age, payment shall be made on the earlier of the Participant's Separation from Service or death in accordance with Section 5.1(b)(2) or (3), as applicable. If a Participant does not elect an installment payment option for payment on account of a Separation from Service, any payment on account of the Participant's Separation from Service shall be made in a single lump sum at the time provided in Section 5.1(b)(2).

(b) **Changes in Time or Form of Payment.** A Participant may elect to change the time or form of payment of his account in accordance with the rules set forth below. For purposes of these rules, an election to receive distribution in a series of annual installments shall be treated as a single payment.

(1) **Permitted Changes.**

(A) A Participant who has elected payment at a specified age may elect another specified age that is age 65 or above, subject to the limitations of paragraph (2).

(B) A Participant may elect to change the form of payment upon Separation from Service.

(2) **Requirements.** Any election by a Participant under this subsection shall meet the following requirements:

(A) The election shall not be effective until at least 12 months after the election is filed with the Administrative Committee;

(B) The election must defer payment (or payment of the initial installment, if applicable) for a period of at least five years from the date that payment (or payment of the initial installment, if applicable) would otherwise have been made; and

(C) The election must be made at least 12 months prior to the beginning of the calendar year in which payment (or payment of the initial installment, if applicable) is otherwise scheduled to be made.

(3) A Participant may make only two changes pursuant to this Section 5.2(b). Each such change must satisfy all of the requirements of Section 5.2(b)(2). No further changes may be made following a Participant's Separation from Service.

(c) **Procedures.** All payment elections under this Plan shall be made in accordance with the provisions of this Plan and the rules and procedures established by the Administrative Committee for the time and manner of making elections.

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5.3 Special Rules for LTD Participants.

(a) **Payment Events.** An LTD Participant's vested account shall be paid on the earliest to occur of the following payment events:

- (1) The Participant's attainment of age 65 or any earlier age elected by the Participant that is at least age 60; or
- (2) The Participant's death.

(b) **Timing and Form.**

- (1) **Attainment of Specified Age (60-64).** If payment is made on account of a Participant's attainment of a specified age elected by the Participant (between 60 and 64), payment shall be made to the Participant in a single lump sum within the first 90 days of the calendar year following the calendar year in which the Participant reaches the specified age. In addition, within the first 70 days of each subsequent calendar year, the Participant shall be paid any additional amounts credited to the Participant's account since the prior payment date.
- (2) **Attainment of Age 65.** If payment is made on account of the Participant's attainment of age 65, payment shall be made or commence within the first 90 days of the calendar year following the calendar year in which the Participant reaches age 65. Payment shall be made in a single lump sum or in annual installments over 5, 10, 15, or 20 years, as elected by the LTD Participant. If the Participant elects to have payment made in annual installments, the installments shall be calculated and paid as set forth in Section 5.1(b)(2)(B).
- (3) **Death.** Payment on account of the LTD Participant's death shall be made as provided in Section 5.1(b)(3).

(c) **Elections.**

- (1) An LTD Participant shall be permitted to make a transition election as set forth in Section 5.9. If an LTD Participant does not make a transition election and had previously made an election under the prior provisions of the Plan to have payment made in a lump sum or in annual installments over 5, 10, 15 or 20 years, payment on account of the LTD Participant's attainment of age 65 shall be made in the form previously elected by the Participant. If the LTD Participant had different payment elections in effect for his account under this Plan and his account under the Supplemental Retirement Plan prior to November 1, 2008, or had an election in effect under one plan but not the other, the accounts shall continue to be maintained separately and these provisions shall be applied separately to each account.

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- (2) If an LTD Participant does not elect to have payment made at a specified age between 60 and 64, payment shall be made on the earlier of the LTD Participant's attainment of age 65 or death in accordance with Section 5.3(b)(2) or (3), as applicable. If an LTD Participant does not elect an installment payment option for payment on account of attainment of age 65, any payment on account of the Participant's attainment of age 65 shall be made in a single lump sum at the time provided in Section 5.3(b)(2).

5.4 Death

If a Participant dies before the complete distribution of his account, the account or remaining account shall be paid to the Participant's Beneficiary in a single lump sum 120 days following the date of the Participant's death.

5.5 Small Benefits

Notwithstanding any election by a Participant to receive payment of any account maintained for the Participant under the Plan in an installment payment form, if the value of such account is less than \$50,000 at the time payment in such form is scheduled to commence, the account shall be paid to the Participant in a single lump sum on the scheduled commencement date.

5.6 Qualified Divorce Orders

Subject to the policies and procedures established by the Administrative Committee under Section 9.3(b), payment may be made from the balance of a Participant's vested account to the extent necessary to fulfill a Qualified Divorce Order.

5.7 Tax Withholding

- (a) To the extent required by law in effect at the time payments are made, the Participant's Employer shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.
- (b) The Participant's Employer shall have the right at its option (1) to require a Participant to pay or provide for payment of the amount of any taxes that the Employer may be required to withhold with respect to amounts credited to the Participant's account or (2) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Employer may be required to withhold with respect to amounts credited to the Participant's account. In addition, as permitted by Treas. Reg. § 1.409A-3(j)(4)(vi) (or any successor provision), payments may be made under the Plan to pay any Federal Insurance Contributions Act (FICA) tax imposed under Code sections 3101 and 3121(v) (2) on the Participant's account, and to pay any income tax imposed under Code section 3401 (*i.e.*, wage withholding) or the corresponding withholding provisions of applicable state or local law as a result of payment of the FICA amount, as well as to pay the additional income tax attributable to the pyramiding wages and taxes. The total payment may not exceed the aggregate FICA tax amount and the income tax withholding related to such FICA tax amount.

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5.8 Reemployment

- (a) **Continued distribution of account.** If a Participant who is receiving payment on account of his Separation from Service is reemployed by an Employer or Affiliate prior to the complete distribution of his account, the account or remaining account shall be paid to the Participant at the scheduled time or times without regard to the Participant's reemployment.
- (b) **New account.** If a terminated Participant is reemployed by an Employer and resumes active participation in the Plan pursuant to Section 3.2, a new account shall be established for such Participant to which allocations relating to the period following the Participant's reemployment (and any unvested amounts forfeited from the Participant's account at the time of his first termination) shall be credited. Such new account, to the extent vested, shall be paid in accordance with the provisions of this Plan and the Participant's most recent payment election, if any, prior to his first termination. For this purpose, the following rules shall apply:
- (1) If the Participant had previously elected (including pursuant to Section 5.9(b)(1)) to have payment made at a specified age (60 or above) prior to Separation from Service or death and has reached such specified age at the time of his reemployment, the Participant shall be paid, within the first 70 days of each calendar year following the calendar year containing his reemployment date, the amount credited to his account as of the last day of the month preceding the date of payment.
 - (2) Any election made as a terminated Participant pursuant to Section 5.9(b)(2) or (3) shall not be taken into account for purposes of this provision. Instead, if the Participant had, prior to such transition election, made an election under this Plan to have payment upon termination made in a lump sum or in annual installments over 5, 10, 15 or 20 years, payment on account of the Participant's subsequent Separation from Service shall be made in accordance with the rules set forth in Section 5.1(b)(2) in the form previously elected by the Participant.
 - (3) If the Participant has no prior election taken into account under the foregoing provisions, payment shall be made in a single lump sum in accordance with the rules set forth in Section 5.1(b)(2) upon the Participant's subsequent Separation from Service.

5.9 Special Transition Rule Elections

- (a) **2005 Transition Elections.** Any Employee who was a Participant during the 2005 Plan Year was permitted to make an election with respect to the time and form of payment of the account maintained for the Participant upon the earlier of the

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Participant's Separation from Service or the 60th day after the adoption of the Plan by the Board, but in no event later than December 31, 2005.

- (b) **2008 Transition Elections.** Participants shall be permitted to make the additional transition elections described below in 2008. The period for making such elections (the "transition election period") shall be determined by the Administrative Committee, provided that all such elections must be made by and shall become irrevocable as of December 31, 2008. All payments to Participants pursuant to this Section 5.9 shall be subject to the rules set forth in Sections 5.4 through 5.7 and Section 5.10.
- (1) **Active Participants.**
 - (A) Each Participant who has not separated from service before the end of the transition election period may make any payment election available under Section 5.1 (i.e., an election to have payment made at a specified age (60 or above) prior to Separation from Service and/or an election as to form of payment upon Separation from Service). Payment pursuant to any such election shall be made as provided in Section 5.1.
 - (B) To the extent a Participant does not make the available elections pursuant to this provision, payment of the Participant's account shall be made as set forth in Sections 5.2(a)(2) and (3).
 - (C) Notwithstanding the foregoing, in the case of any Participant previously covered by Appendix A of the Supplemental Retirement Plan who made the election described in Appendix A to have payment made or commence upon attainment of a specified age between 55 and 70-1/2, if the Participant does not make a transition election under this Section 5.9(b)(1) to have payment made at a new specified age, then payment to the Participant shall be made or commence within the first 90 days of the calendar year following the later of (A) the Participant's Separation from Service and (B) the Participant's attainment of the specified age previously elected by the Participant, provided that, if the Participant is a Specified Employee and payment is made on account of the Participant's Separation from Service, payment shall be made or commence in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above. Payment shall be made in the form (i.e., lump sum or installments over 5, 10, 15 or 20 years) elected by the Participant under this Section 5.9(b)(1) or, if the Participant does not make a transition election, the form previously elected by the Participant under Appendix A of the Supplemental Retirement Plan, or, if none, in a lump sum.

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- (2) **Terminated Participants.**
 - (A) Each Participant who has a Separation from Service before the end of the transition election period may elect to have his account or remaining account paid in a single lump sum in March 2009, provided, that a Participant who is a Specified Employee shall receive such distribution in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above.
 - (B) If a Participant does not make an election pursuant to this provision:
 - (I) If installment payments to the Participant have already commenced, the Participant's remaining account shall be paid over the remaining number of installments in accordance with the rules set forth in Section 5.1(b)(2)(B).

(II) If payment to the Participant has not commenced, payment shall be made in accordance with the rules set forth in Section 5.1(b)(2). If the Participant has previously made a payment election as to form of payment upon Separation from Service (i.e., a lump sum or installments over 5, 10, 15 or 20 years), payment shall be made in the form previously elected.

(3) **Exhibit A and B Participants.**

- (A) Any Participant identified in Exhibit A as “Active” may make the payment elections available to other active Participants as described above.
- (B) Any Participant identified in Exhibit A or B as “Retired with account balance” may make the election available to other terminated Participants as described above.
- (C) If a Participant listed in Exhibit A or B does not make an election pursuant to this provision:
- (I) If installment payments to the Participant have already commenced, the Participant’s remaining account shall be paid over the remaining number of installments in accordance with the rules set forth in Section 5.1(b)(2)(B).
- (II) If payment to the Participant has not commenced, payment of the Participant’s Account shall be made or commence within the first 90 days of the year indicated on Exhibit A or B, as applicable. Payment shall be made in the form previously

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elected by the Participant (i.e., in a lump sum or installments over 5, 10, 15 or 20 years) or, if the Participant has not previously made a payment election, in a single lump sum.

(4) **LTD Participants.**

- (A) Each LTD Participant may make any payment election available under Section 5.3 (i.e., an election to have payment made at a specified age (between 60 and 64) prior to Separation from Service and/or an election as to form of payment upon attainment of age 65). Payment pursuant to any such election shall be made as provided in Section 5.3.
- (B) To the extent an LTD Participant does not make the available elections pursuant to this provision, payment of the Participant’s account shall be made as set forth in Section 5.3.

- (5) **Maintenance of Separate Accounts.** If a Participant does not make a transition election under the foregoing provisions (so that prior elections continue to apply) and had different payment elections in effect under for his account under this Plan and his account under the Supplemental Retirement Plan prior to November 1, 2008, or had an election in effect under one plan but not the other, the accounts shall continue to be maintained separately and the above provisions shall be applied separately to each account.

5.10 Compliance with Code Section 409A

Notwithstanding anything herein to the contrary, any amount that would have been paid in 2008 under the prior provisions of the Plan shall be paid by December 31, 2008. No amount shall be paid in 2008 under the provisions of this restatement that would not have been paid in 2008 under the prior provisions of the Plan.

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Article 6. Administration

6.1 The Administrative Committee

The Plan shall be administered by an Administrative Committee. The Administrative Committee shall be composed of three or more members, who shall be appointed by the Board and shall hold office at the discretion of the Board. Such members may, but need not, be Employees of the Company.

Any member of the Administrative Committee may resign by delivering his written resignation to the Board and to the Administrative Committee Secretary. Such resignation shall be effective no earlier than the date of the written notice.

6.2 Compensation and Expenses

The members of the Administrative Committee who are Employees shall serve without compensation for services as a member. All expenses of the Administrative Committee shall be paid directly by the Company. Such expenses may include any expenses incident to the functioning of the Administrative Committee, including, but not limited to, fees of the Plan’s accountants, outside counsel and other specialists and other costs of administering the Plan.

6.3 Manner of Action

A majority of the members of the Administrative Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions adopted and other actions taken by the Administrative Committee at any meeting shall be by the vote of a majority of those present at any such meeting. The Administrative Committee may take action without a meeting if a majority of the members at the time in office give written consent.

6.4 Chairman, Secretary, and Employment of Specialists

The members of the Administrative Committee shall elect one of their number as Chairman and shall elect a Secretary who may, but need not, be a member. They may authorize one or more of their number or any agent to execute or deliver any instrument or instruments on their behalf, and may employ such counsel, auditors, and other specialists and such other services as they may require in carrying out the provisions of the Plan.

6.5 Subcommittees

The Administrative Committee may appoint one or more subcommittees and delegate such of its power and duties as it deems desirable to any such subcommittee, in which case every reference herein made to the Administrative Committee shall be deemed to mean or include the subcommittees as to matters within their jurisdiction. The members of any such subcommittee shall consist of such officers or other employees of the Company and such other persons as the Administrative Committee may appoint.

6.6 Other Agents

The Administrative Committee may also appoint one or more persons or agents to aid it in carrying out its duties as a fiduciary, and delegate such of its powers and duties as it deems desirable to such person or agents.

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6.7 Records

All resolutions, proceedings, acts, and determinations of each Committee shall be recorded by the Secretary thereof or under his supervision, and all such records, together with such documents and instruments as may be necessary for the administration of the Plan, shall be preserved in the custody of the Secretary.

6.8 Rules

Subject to the limitations contained in the Plan, the Administrative Committee shall be empowered from time to time in its discretion to adopt by-laws and establish rules for the conduct of its affairs and the exercise of the duties imposed upon it under the Plan.

6.9 Powers and Duties

The Administrative Committee shall have responsibility for the general administration of the Plan and for carrying out its provisions. The Administrative Committee shall have such powers and duties as may be necessary to discharge its functions hereunder, including, but not limited to, the following:

- (a) To construe and interpret the Plan, to supply all omissions from, correct deficiencies in and resolve ambiguities in the language of the Plan;
- (b) To decide all questions of eligibility, to determine the right of any person to an allocation and the amount thereof, and to determine the manner and time of payment of any benefits hereunder, all in accordance with the Plan;
- (c) To obtain from the Employees such information as shall be necessary for the proper administration of the Plan and, when appropriate, to furnish such information promptly to other persons entitled thereto;
- (d) To prepare and distribute, in such manner as the Company determines to be appropriate, information explaining the Plan; and
- (e) To establish and maintain such accounts in the name of each Participant as are necessary.

In administering the Plan, the Administrative Committee shall exercise its powers in a manner designed to ensure that the Plan complies with the requirements of Code section 409A, to the extent applicable.

6.10 Decisions Conclusive

The Administrative Committee shall exercise its powers hereunder in a uniform and nondiscriminatory manner. Any and all disputes with respect to the Plan which may arise involving Participants or their Beneficiaries shall be referred to the Administrative Committee and its decision shall be final, conclusive, and binding. Furthermore, if any question arises as to the meaning, interpretation, or application of any provision hereof, the decision of the Administrative Committee with respect thereto shall be final.

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6.11 Fiduciaries

The fiduciaries named in this Article shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under this Plan. The Company shall have the sole authority to amend or terminate, in whole or in part, this Plan. The Administrative Committee shall be a fiduciary under the Plan and shall have the sole responsibility for the administration of this Plan. The officers and Employees of the Company shall have the responsibility of implementing the Plan and carrying out its provisions as the Administrative Committee shall direct. A fiduciary may rely upon any direction, information, or action of another fiduciary as being proper under this Plan, and is not required under this Plan to inquire into the propriety of any such direction, information, or action. It is intended under this Plan that each fiduciary shall be responsible for the proper exercise of his own powers, duties, responsibilities, and obligations under this Plan and shall not be responsible for any act or failure to act of another fiduciary. No fiduciary guarantees in any manner the payment of benefits from this Plan. Any party may serve in more than one fiduciary capacity with respect to the Plan.

6.12 Notice of Address

Each person entitled to benefits from the Plan must file with the Administrative Committee or its agent, in writing, his mailing address and each change of his mailing address. Any communication, statement, or notice addressed to such a person at his latest reported mailing address will be binding upon him for all purposes of the Plan, and neither the Administrative Committee nor the Company shall be obliged to search for or ascertain his whereabouts.

6.13 Data

All persons entitled to benefits from the Plan must furnish to the Administrative Committee such documents, evidence, or information, including information concerning marital status, as the Administrative Committee considers necessary or desirable for the purpose of administering the Plan. It shall be an express condition of the Plan that each such person must furnish such information and sign such documents as the Administrative Committee may require before any benefits become payable from the Plan, provided that payment shall in all cases be made by the time required by Code section 409A. The Administrative Committee shall be entitled to distribute to a non-spouse Beneficiary in reliance upon the signed statement of the Participant that he is unmarried without any further liability to a spouse if such statement is false.

6.14 Adjustments

Subject to the requirements of Code section 409A, the Administrative Committee may adjust benefits under the Plan or make such other adjustments with respect to a Participant or Beneficiary as are required to correct administrative errors or provide uniform treatment in a manner consistent with the intent and

purposes of the Plan.

6.15 Member's Own Participation

No member of the Administrative Committee may act, vote or otherwise influence a decision specifically relating to his own participation under the Plan.

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6.16 Indemnification

- (a) To the extent permitted by the Company's bylaws and applicable law, the Company shall indemnify and hold harmless each of the following persons ("**Indemnified Persons**") under the terms and conditions of this section:
- (1) The Administrative Committee and each of its members, which, for purposes of this section, includes any Employee to whom the Administrative Committee has delegated fiduciary or other duties.
 - (2) The Board and each member of the Board and any Employer who has responsibility (whether by delegation from another person, an allocation of responsibilities under the terms of this Plan document, or otherwise) for a fiduciary duty, a nonfiduciary settlor function (such as deciding whether to approve a plan amendment), or a nonfiduciary administrative task relating to the Plan.
- (b) The Company shall indemnify and hold harmless each Indemnified Person against any and all claims, losses, damages, and expenses, including reasonable attorney's fees and court costs, incurred by that person on account of his or her good faith actions or failures to act with respect to his or her responsibilities relating to the Plan. The Company's indemnification shall include payment of any amounts due under a settlement of any lawsuit or investigation, but only if the Company agrees to the settlement.
- (1) An Indemnified Person shall be indemnified under this section only if he or she notifies an Appropriate Person at the Company of any claim asserted against or any investigation of the Indemnified Person that relates to the Indemnified Person's responsibilities with respect to the Plan.
 - (A) A person is an "**Appropriate Person**" to receive notice of the claim or investigation if a reasonable person would believe that the person notified would initiate action to protect the interests of the Company in response to the Indemnified Person's notice.
 - (B) The notice may be provided orally or in writing. The notice must be provided to the Appropriate Person promptly after the Indemnified Person becomes aware of the claim or investigation. No indemnification shall be provided under this section to the extent that the Company is materially prejudiced by the unreasonable delay of the Indemnified Person in notifying an Appropriate Person of the claim or investigation.
 - (2) An Indemnified Person shall be indemnified under this section with respect to attorney's fees, court costs or other litigation expenses or any settlement of

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such litigation only if the Indemnified Person agrees to permit the Company to select counsel and to conduct the defense of the lawsuit.

- (3) No Indemnified Person shall be indemnified under this section with respect to any action or failure to act that is judicially determined to constitute or be attributable to the willful misconduct of the Indemnified Person.
- (4) Payments of any indemnity under this section shall be made only from insurance or other assets of the Company. The provisions of this section shall not preclude such further indemnities as may be available under insurance purchased by the Company or as may be provided by the Company under any by-law, agreement or otherwise, provided that no expense shall be indemnified under this section that is otherwise indemnified by the Company or by an insurance contract purchased by the Company.
- (5) Payment of any indemnity under this section that is not exempt from Code section 409A shall comply with Code section 409A's requirements for reimbursement plans, as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv) (or any successor provision). For this purpose, (i) the indemnity under this section shall continue for the Indemnified Person's lifetime, and, if later, until the complete disposition of all covered claims, (ii) the amount of expenses indemnified during one taxable year of an Indemnified Person shall not affect the amount of expenses indemnified in any other taxable year; (iii) payment of an indemnity shall be made by the last day of the Indemnified Person's taxable year following the taxable year in which the expense was incurred and (iv) the Indemnified Person's right to indemnification shall not be subject to liquidation or exchange for any other benefit. If, after payment of any amount to the Indemnified Person pursuant to this provision, it is determined, pursuant to paragraph (3) above or otherwise, that the Indemnified Person is not entitled to indemnification, the Indemnified Person shall promptly repay such amount to the Company.

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Article 7. Amendment and Termination

7.1 Amendment and Termination

The Company expects the Plan to be permanent, but since future conditions affecting the Company or any Employer cannot be anticipated or foreseen, the Company must necessarily and does hereby reserve the right to amend, modify, or terminate the Plan at any time by action of the Board, except that no amendment shall reduce the dollar amount permanently credited to a Participant's account and any such termination or amendment shall apply uniformly to all Participants. The Administrative Committee, in its discretion, may amend the Plan if it finds that such amendment does not significantly increase or decrease benefits or costs. Notwithstanding the foregoing, the Board or the Administrative Committee may amend the Plan to:

- (a) Ensure that this Plan complies with the requirements of Code section 409A for deferral of taxation on compensation deferred hereunder until the time of distribution; and
- (b) Add provisions for changes to elections as to time and manner of distributions and other changes that comply with the requirements of Code section 409A for the deferral of taxation on deferred compensation until the time of distribution.

7.2 Payments Upon Termination

If the Plan is terminated, distributions to Participants and Beneficiaries shall be made on the dates on which such distributions would be made under the Plan without regard to such termination, except that payments may, in the discretion of the Board, be accelerated if:

- (a) Accelerated payment is permitted under Treas. Reg. § 1.409A-3(j)(4)(ix) (or any successor provision); or
- (b) The Plan is terminated because Participants have become subject to tax on their deferrals due to the Plan's failure to satisfy the requirements of Code section 409A. Payment to a Participant may not exceed the amount required to be included in income as a result of such failure.

7.3 Reorganization of Employer

In the event of a merger or consolidation of an Employer, or the transfer of substantially all of the assets of an Employer to another corporation, such continuing, resulting or transferee corporation shall have the right to continue and carry on the Plan and to assume all liabilities of the Employer hereunder without obtaining the consent of any Participant or Beneficiary. If such successor shall assume the liabilities of the Employer hereunder, then the Employer shall be relieved of all such liability, and no Participant or Beneficiary shall have the right to assert any claim against the Employer for benefits under or in connection with the Plan.

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Article 8. Claims and Appeals Procedures

8.1 Application for Benefits

All applications for benefits under the Plan shall be submitted to: Occidental Petroleum Corporation, Attention: Administrative Committee, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Administrative Committee and must be signed by the Participant, Beneficiary, spouse, Alternate Payee, or other person claiming benefits under this Plan (each of which may be "Claimant").

8.2 Claims Procedure for Benefits

- (a) If a Claimant believes he is entitled to a benefit, or a benefit different from the one received, then the Claimant may file a claim for the benefit by writing a letter to the Administrative Committee or its authorized delegate. Any such claim must be made no later than the time prescribed by Treas. Reg. § 1.409A-3(g) (or any successor provision).
- (b) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits, the Administrative Committee or its delegate shall notify the Claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Administrative Committee or its delegate shall provide the Claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Administrative Committee or its delegate expects to render a determination on the claim.
- (c) In the case of an adverse benefit determination, the Administrative Committee or its delegate shall provide to the Claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant:
 - (1) The specific reason or reasons for the adverse benefit determination;
 - (2) Reference to the specific Plan provisions on which the adverse benefit determination is based;
 - (3) A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why the material or information is necessary; and
 - (4) A description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with section 8.3.

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- (d) Within 60 days after receipt by the Claimant of notification of the adverse benefit determination, the Claimant or his duly authorized representative, upon written application to the Administrative Committee, may request that the Administrative Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the Claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The Claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Administrative Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.
- (e) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Administrative Committee or its delegate shall notify the Claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Administrative Committee or its delegate shall provide the Claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Administrative Committee or its

delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Administrative Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the Claimant:

- (1) The specific reason or reasons for the adverse final benefit determination;
 - (2) Reference to the specific Plan provisions on which the adverse final benefit determination is based;
 - (3) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and
 - (4) A statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with section 8.3.
- (f) If a Claimant's claim or appeal is approved, any resulting payment of benefits will be made no later than the time prescribed for payment of benefits by Treas. Reg. § 1.409A-3(g) (or any successor provision).

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8.3 Limitations on Actions

All decisions made under the procedure set out in this Article shall be final and there shall be no further right of appeal. No person may initiate a lawsuit before fully exhausting the claims procedures set out in this Article, including appeal. To provide for an expeditious resolution of any dispute concerning a claim for benefits that has been denied and to ensure that all evidence pertinent to such claim is available, no lawsuit may be brought contesting a denial of benefits more than the later of:

- (a) 180 days after receiving the written response of the Administrative Committee to an appeal; or
- (b) 365 days after an applicant's original application for benefits.

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Article 9. General Provisions

9.1 Unsecured General Creditor

The rights of a Participant, Beneficiary, Alternate Payee or their heirs, successors, and assigns, as relates to any Company or Employer promises hereunder, shall not be secured by any specific assets of the Company or any Employer, nor shall any assets of the Company or any Employer be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund

The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Administrative Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company. No assets shall be transferred to a trust if such transfer would result in the taxation of benefits prior to distribution under Code section 409A(b).

9.3 Nonassignability

- (a) Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amount, if any, payable hereunder, or any part thereof, or interest therein which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.
- (b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Administrative Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Administrative Committee constitutes a qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant

A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of the account maintained for the Participant has been paid or set aside for payment

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to an Alternate Payee pursuant to a Qualified Divorce Order. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which: (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts; and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed

Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with the Company or any Employer. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company and Employer shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural

All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions

The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Validity

In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice

Any notice or filing required or permitted to be given to the Administrative Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law

The Plan shall be governed by and construed in accordance with Code section 409A (or any successor provision), and any regulations promulgated thereunder, to the extent applicable, and in accordance with the laws of the State of California to the extent such laws are not preempted by ERISA.

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IN WITNESS WHEREOF, Occidental Petroleum Corporation has caused its duly authorized officer to execute this document this ____ day of _____, 2008.

OCCIDENTAL PETROLEUM CORPORATION

By

Martin A. Cozyn
Executive Vice-President, Human Resources

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EXHIBIT A

Participants with pre-October 4, 2004 Retainer Agreements

<u>Participant</u>	<u>Status on November 1, 2008</u>	<u>Payment Commencement Year</u> (for Participants with account balances)
Axelson, Jr., C.J.	Retired; no account balance	N/A
Doucet, M.J.	Retired with account balance	2009
Freund, M.C.	Retired; no account balance	N/A
Hull Jr., C.W.	Retired with account balance	2008
Hurst III, J.L.	Retired with account balance	2007
Leach, A.R.	Active	2010
Lorraine, R.A.	Retired with account balance	2008
Oenbring, P.R.	Retired; no account balance	N/A
Vincent, P.G.	Active	2009
Watkins, A.A.	Deceased; no account balance	N/A

EXHIBIT B**Participants with post-October 3, 2004 Retainer Agreements**

<u>Participant</u>	<u>Status on</u> <u>November 1, 2008</u>	<u>Payment Commencement</u> <u>Year</u> (for Participants with account balances)
Allen, J.M.	Retired with account balance	2008
Bullock, B.J.	Retired; no account balance	N/A
LaBelle, D.E.	Retired with account balance	2009
Loving, R.P.	Retired; no account balance	N/A
Schmitt, R.H.	Retired; no account balance	N/A
Tayburn, J.W.	Retired; no account balance	N/A

OCCIDENTAL PETROLEUM CORPORATION

2005 DEFERRED STOCK PROGRAM

(Restatement Effective as of November 1, 2008)

**OCCIDENTAL PETROLEUM CORPORATION
2005 DEFERRED STOCK PROGRAM**

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**OCCIDENTAL PETROLEUM CORPORATION
2005 DEFERRED STOCK PROGRAM**

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**OCCIDENTAL PETROLEUM CORPORATION
2005 DEFERRED STOCK PROGRAM
(Restatement Effective as of November 1, 2008)**

This document sets forth the terms of the Occidental Petroleum Corporation 2005 Deferred Stock Program (the "Program"), restated effective as of November 1, 2008.

This Program is intended to be an unfunded program maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as described in Section 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended.

This Program is intended to satisfy the requirements of Section 409A of the Internal Revenue Code, and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Program is deferred.

**ARTICLE I
PURPOSES AND AUTHORIZED SHARES**

1.1 Purposes. The purposes of the Program are to promote the ownership and retention of shares of common stock of Occidental Petroleum Corporation by its executives and to allow executives to accumulate additional retirement income through deferrals of receipt of common stock of Occidental

1.2 Shares Available. The number of Shares that may be issued under each Equity Plan as part of this Program is limited to the aggregate number of Shares subject to Qualifying Stock Awards granted under such Equity Plan that are deferred in the form of Deferred Shares under this Program. Deferred Shares credited to Participants' Deferred Share Accounts under this Program may accrue Dividend Equivalents that may be credited in the form of additional Deferred Shares and paid to Participants under this Program in the form of Shares. If the number of Shares payable under this Program would exceed the limit described in the preceding sentence because of the accumulation of Deferred Shares in respect of Dividend Equivalents, such excess Shares shall be issued and charged against the Share limits under the applicable Equity Plan. If insufficient Shares remain under the applicable Equity Plan for the accumulation of Dividend Equivalents, Dividend Equivalents shall be paid in cash.

1.3 Relationship to Plans. This Program constitutes a deferred compensation plan providing alternative settlements under and as contemplated by the Equity Plans in respect of Qualifying Stock Awards granted thereunder. This Program also contemplates the grant of Deferred Shares under and as contemplated by the Equity Plans. This Program and all rights under it are provided and shall be subject to and construed consistently with the other terms of the applicable Equity Plans.

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ARTICLE II DEFINITIONS

Whenever the following words and phrases are used in this Program with the first letter capitalized, they shall have the meanings specified below:

Affiliate. "Affiliate" means (a) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in Code Section 1563(a)) of which Occidental Petroleum Corporation is a component member, or (b) any entity (whether or not incorporated) that is under common control with Occidental Petroleum Corporation (as defined in Code Section 414(c) and the Treasury Regulations thereunder, and with the phrase "more than 50%" substituted for the phrase "at least 80%" each place it appears in the Treasury Regulations under Code Section 414(c)).

Beneficiary. "Beneficiary" means the person or persons designated as such in accordance with Section 8.2.

Board. "Board" means the Board of Directors of Occidental Petroleum Corporation.

Change in Control. "Change in Control" means any event that constitutes a "change in control event" for purposes of Section 409A of the Code and Treas. Reg. § 1.409A-3(i)(2)(5) (or any successor provisions), and that is described in subsection (a), (b), (c) or (d) below:

(a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Change in Control under subsection (b) below;

(b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation's business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a "Business Combination"), unless (i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the "Successor Entity") immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation's voting securities immediately before the Business Combination; (ii) no "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act")), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an "Excluded

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Person"), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation's then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation's stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Committee. “Committee” means the administrative committee appointed to administer the Program pursuant to Article V.

Common Stock. “Common Stock” means Occidental Petroleum Corporation’s common stock, par value \$.20 per share, subject to adjustment pursuant to Section 4.5 of this Program.

Company. “Company” means Occidental Petroleum Corporation and any Affiliates.

Current Dividend Equivalent. “Current Dividend Equivalent” means a Dividend Equivalent paid to the Participant in the form of cash at the same time as dividends are paid on Shares to Occidental Petroleum Corporation’s shareholders.

Deferral Election. “Deferral Election” means an election by an Eligible Person pursuant to Section 3.1 of this Program to delay the delivery of Shares upon the certification for

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payment of a Qualifying Performance Stock Award with Elective Deferral or the vesting of a Qualifying Restricted Share Unit Award with Elective Deferral, as the case may be.

Deferred Dividend Equivalent. “Deferred Dividend Equivalent” means a Dividend Equivalent credited to a Participant’s Deferred Share Account in the form of additional Deferred Shares (rounded to four decimal places) and paid to the Participant in the form of Shares at the same time that the other Deferred Shares credited to the Participant’s Deferred Share Account are distributed in the form of Shares to the Participant.

Deferred Share. “Deferred Share” means a non-voting unit of measurement which is deemed solely for bookkeeping purposes to be equivalent to one outstanding Share (subject to Section 4.5) solely for purposes of this Program.

Deferred Share Account. “Deferred Share Account” means the bookkeeping account maintained by the Company on behalf of each Participant that is credited with Deferred Shares in accordance with Section 4.1(a) and Dividend Equivalents thereon in accordance with Section 4.2.

Distribution Election Form. “Distribution Election Form” means a paper or electronic election form provided by the Committee on which a Participant may elect an alternative form of distribution, which election will be effective only if the Participant’s Separation from Service occurs on or after becoming eligible for Retirement, as provided in Section 4.4(c), and the Participant’s election satisfies the other requirements set forth in Section 4.4(c).

Dividend Equivalent. “Dividend Equivalent” means the amount of cash dividends or other cash distributions paid by Occidental Petroleum Corporation on that number of Shares equal to the number of Deferred Shares credited to a Participant’s Deferred Share Account as of the applicable record date for the dividend or other distribution, which amount shall be either credited as a Deferred Dividend Equivalent to the Deferred Share Account of the Participant or paid to the Participant as a Current Dividend Equivalent in accordance with the terms of Section 4.2.

Effective Date. “Effective Date” means January 1, 2005.

Elective Deferral Award. “Elective Deferral Award” means either a Qualifying Performance Stock Award with Elective Deferral or a Qualifying Restricted Share Unit Award with Elective Deferral.

Eligible Person. “Eligible Person” means any employee of the Company who holds a Qualifying Stock Award granted under an Equity Plan.

Equity Plan. “Equity Plan” means the 2001 Plan, the 2005 Plan, and any successor equity plans.

Exchange Act. “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

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Fair Market Value. “Fair Market Value” has the meaning given to such term in the Equity Plan.

Mandatory Deferral Award. “Mandatory Deferral Award” means either a Qualifying Performance Stock Award with Mandatory Deferral or a Qualifying Restricted Share Unit Award with Mandatory Deferral.

Participant. “Participant” means any person who has Deferred Shares credited to a Deferred Share Account under this Program.

Performance Stock Award. “Performance Stock Award” means a “Performance-Based Award” under and as defined in the applicable Equity Plan in the form of stock units or phantom stock that is payable wholly or partially in Shares.

Program. “Program” means this Occidental Petroleum Corporation 2005 Deferred Stock Program, as it may be amended from time to time.

Qualifying Performance Stock Award. “Qualifying Performance Stock Award” means either a Qualifying Performance Stock Award with Elective Deferral or a Qualifying Performance Stock Award with Mandatory Deferral.

Qualifying Performance Stock Award with Elective Deferral. “Qualifying Performance Stock Award with Elective Deferral” means any Performance Stock Award other than a Qualifying Performance Stock Award with Mandatory Deferral that either (i) is outstanding on the Effective Date, (ii) by its terms permits the holder to elect to delay the delivery of Shares subject thereto beyond the vesting date, or (iii) is otherwise designated by the Committee as eligible for deferral of the delivery of the Shares beyond the vesting date under this Program.

Qualifying Performance Stock Award with Mandatory Deferral. “Qualifying Performance Stock Award with Mandatory Deferral” means any Performance Stock Award that, by its terms, delays the delivery of Shares subject thereto beyond the vesting date.

Qualifying Restricted Share Unit Award. “Qualifying Restricted Share Unit Award” means either a Qualifying Restricted Share Unit Award with Elective Deferral or a Qualifying Restricted Share Unit Award with Mandatory Deferral.

Qualifying Restricted Share Unit Award with Elective Deferral. “Qualifying Restricted Share Unit Award with Elective Deferral” means a Restricted Share Unit Award other than a Qualifying Restricted Share Unit Award with Mandatory Deferral that either (i) by its terms permits the holder to elect to delay the delivery of Shares subject thereto beyond the vesting date or (ii) is otherwise designated by the Committee as eligible for deferral of the delivery of the Shares beyond the vesting date under this Program.

Qualifying Restricted Share Unit Award with Mandatory Deferral. “Qualifying Restricted Share Unit Award with Mandatory Deferral” means a Restricted Share Unit Award that, by its terms, delays the delivery of Shares subject thereto beyond the vesting date.

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Qualifying Stock Award. “Qualifying Stock Award” means a Qualifying Performance Stock Award or a Qualifying Restricted Share Unit Award.

Restricted Share Unit Award. “Restricted Share Unit Award” means a grant of restricted units, with each such unit representing the right to receive one Share under an Equity Plan.

Retirement. “Retirement” means a Participant’s Separation from Service for reasons other than death after the Participant attains age 55.

Retirement Plan. “Retirement Plan” means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

Retires. “Retires” means separates from service on or after qualifying for Retirement.

Rule 16b-3. “Rule 16b-3” means Rule 16b-3 promulgated under the Exchange Act.

Section 16 Officer. “Section 16 Officer” means an officer of Occidental Petroleum Corporation as defined in Rule 16a-1(f) promulgated under the Exchange Act.

Separation from Service. “Separation from Service” means a Participant’s “separation from service” as defined under Section 409A of the Code and Treas. Reg. § 1.409A-1(h) (or successor provisions). A Participant shall have a Separation from Service if the Participant ceases to be an employee of both:

- (a) The Company that employs the Participant; and
- (b) All Affiliates with whom such Company would be considered a single employer under Section 414(b) or 414(c) of the Code.

For purposes of the preceding provisions, a Participant who ceases to be an employee of an entity described in (a) or (b) above shall not be considered to have a Separation from Service if such cessation of employment is followed immediately by his commencement of employment with another entity described in (a) or (b) above.

A Participant shall have a Separation from Service if it is reasonably anticipated that no further services shall be performed by the Participant, or that the level of services the Participant shall perform shall permanently decrease to no more than 20 percent of the average level of services performed by the Participant over the immediately preceding 36-month period (or the Participant’s full period of service, if the Participant has been performing services for less than 36 months).

Share. “Share” means a share of Common Stock.

Specified Employee. “Specified Employee” means a Participant who is a “specified employee” within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or

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successor provisions) and as determined pursuant to any rules adopted for such purposes by Occidental Petroleum Corporation.

2001 Plan. “2001 Plan” means the Occidental Petroleum Corporation 2001 Incentive Compensation Plan, as amended from time to time.

2005 Plan. “2005 Plan” means the Occidental Petroleum Corporation 2005 Long Term Incentive Plan, as amended from time to time.

Years of Service. “Years of Service” means the number of full years credited to the Participant under the Retirement Plan for vesting purposes.

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ARTICLE III DEFERRAL OF STOCK AWARDS

3.1 Elective Deferral Awards.

(a) Participation. Prior to January 1, 2007, an Eligible Person may make an advance Deferral Election in respect of an Elective Deferral Award in order to receive a credit of Deferred Shares under this Program. Unless otherwise specified by the terms of a Qualifying Performance

Stock Award, any Deferral Election as to such Qualifying Performance Stock Award may apply to (1) all payments resulting from the Qualifying Performance Stock Award whether made in share units or cash (including dividend equivalents that accumulate during the performance period), (2) only payments of share units resulting from the Qualifying Performance Stock Award, or (3) only payments of cash (including dividend equivalents that accumulate during the performance period) resulting from the Qualifying Performance Stock Award. Any deferrals of cash resulting from the Qualifying Performance Stock Award will be deferred under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan. A Deferral Election for any other Elective Deferral Award must apply to all share units subject to the Elective Deferral Award.

(b) Manner and Timing of Deferral Election. A Deferral Election may be made only by an Eligible Person by completing a Deferral Election form (paper or electronic) provided by the Committee and delivering that Deferral Election form to the Committee. In the case of a Qualifying Performance Stock Award with the Elective Deferral that qualifies as "performance based compensation" as defined for purposes of Section 409A of the Code and Treas. Reg. § 1.409A-1(e) (or successor provisions), such election must be delivered to the Committee at least 12 months before any share units that are subject to the Elective Deferral Award become certified as payable. In the case of any other Elective Deferral Award, such election must be delivered to the Committee no later than 30 days after the date of grant of such Elective Deferral Award and at least 12 months before any share units that are subject to the Elective Deferral Award become vested. Any Deferral Election form received by the Committee at a time other than as described herein will be considered void and shall have no force or effect. Notwithstanding the foregoing, if applicable law requires that a Deferral Election be made at an earlier date in order to defer taxation with respect to such share units, the Committee shall require Deferral Elections to be filed by such earlier date, and any Deferral Election received by the Committee after such date shall be considered void and shall have no force or effect.

(c) Election Irrevocable. A Deferral Election made in accordance with this Section 3.1 for a credit of Deferred Shares under this Program shall be irrevocable once it is received by the Committee.

3.2 Mandatory Deferral Awards. Share units that become vested under a Mandatory Deferral Award granted on or after the Effective Date shall automatically be subject to the terms of this Program and be credited as Deferred Shares as provided in Section 4.1(a).

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3.3 Cessation of Deferrals.

(a) Elective Deferral Awards. Notwithstanding anything contained herein to the contrary, no new elections to defer Shares may be made under Section 3.1 after December 31, 2006.

(b) Outstanding Awards. Notwithstanding anything contained herein to the contrary, share units under a Mandatory Deferral Award that was granted before December 31, 2006 but become vested after December 31, 2006 shall be credited under Section 4.1(a) of this Program unless the Participant elected, pursuant to transition rules under Section 409A of the Code, to receive distribution of Shares under such Mandatory Deferral Award in 2008 or, if later, upon vesting. Additionally, share units subject to a Deferral Election under an Elective Deferral Award that was granted before December 31, 2006 but become vested on or after December 31, 2006 shall be credited under Section 4.1(a) of this Program unless the Participant elected, pursuant to transition rules under Section 409A of the Code, to receive distribution of Shares under such Elective Deferral Award in 2008 or, if later, upon vesting. Any share units under a Mandatory Deferral Award or Elective Deferral Award that become vested on or after December 31, 2006 and are payable in 2008 pursuant to an election as described herein, and any Dividend Equivalents subject thereto, shall be credited to a special subaccount of the Participant's Deferred Share Account and distributed as described in Section 4.4(a) during the first seventy-five (75) days of 2008. Any share units under a Mandatory Deferral Award or an Elective Deferral Award that become vested after December 31, 2006 and are payable upon vesting pursuant to an election as described herein shall not be deferred under this Program.

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ARTICLE IV DEFERRED SHARE ACCOUNTS

4.1 Crediting of Deferred Shares.

(a) Vesting of Qualifying Stock Awards. As of the date that all or any portion of (i) an Elective Deferral Award that is subject to a Deferral Election under Section 3.1 or (ii) a Mandatory Deferral Award becomes vested or is certified for payment, as the case may be, no Shares shall be issued to the Eligible Person. Instead, as of the date that all or any portion of such award becomes vested or is certified for payment, as the case may be, the Eligible Person's Deferred Share Account shall be credited with the number of Deferred Shares that is equal to the number of share units that would otherwise be paid in Shares (as opposed to cash) on that date. If any portion of a Qualifying Performance Stock Award is payable in cash and delivery of the Shares is deferred under this Program by the terms of the award, such cash portion shall be automatically deferred and credited to the Participants' deferral account under the Occidental Petroleum Corporation 2005 Deferred Compensation Plan. As a result of the cessation, as of December 31, 2006, of (i) Deferral Elections pursuant to Section 3.3(a) and (ii) the granting of Mandatory Deferral Awards by the Company, no additional Deferred Shares shall be credited to Participants' Deferred Share Accounts pursuant to this provision after December 31, 2007.

(b) Limitations on Rights Associated with Deferred Shares. A Participant's Deferred Share Account shall be a memorandum account on the books of Occidental Petroleum Corporation. The Deferred Shares credited to a Participant's Deferred Share Account shall be used solely as a device for the determination of the number of Shares to be eventually issued to such Participant in accordance with this Program. The Deferred Shares shall not be treated as property or as a trust fund of any kind. No Participant shall be entitled to any voting or other shareholder rights with respect to Deferred Shares granted or credited under this Program. The number of Deferred Shares credited (and the Shares to which the Participant is entitled under this Program) shall be subject to adjustment in accordance with Section 4.5 of this Program.

4.2 Dividend Equivalents.

(a) Election of Current or Deferred Dividend Equivalents. An individual who becomes an Eligible Person under this Program shall make a one-time irrevocable election as to whether Dividend Equivalents under this Program will be paid in the form of Current Dividend Equivalents or Deferred Dividend Equivalents no later than the earlier of (i) the date that the Eligible Person first makes a Deferral Election under Section 3.1 of this Program or (ii) the date that a Mandatory Deferral Award is first granted to such Eligible Person. Any such election shall be on a form (paper or electronic) provided by and delivered to the Committee. If an Eligible Person fails to make such an election at the time required hereunder, he shall be deemed to have

lected the Current Dividend Equivalents. Any such election shall apply with respect to all Dividend Equivalents attributable to all Deferred Shares credited to such Participant under this Program. A Participant may not change his Dividend Equivalent election.

(b) Deferred Dividend Equivalents Credits to Deferred Share Accounts. As of any applicable dividend or distribution payment date, the Deferred Share Account of each Participant who has elected Deferred Dividend Equivalents shall be credited with additional

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Deferred Shares in an amount equal to the amount of the Dividend Equivalents divided by the Fair Market Value of a Share as of the applicable dividend or distribution payment date.

(c) Payment of Current Dividend Equivalents. The amount of earnings that are Current Dividend Equivalents, if any, shall be credited and paid, at least annually, in accordance with the following: At the time that Occidental Petroleum Corporation distributes dividend payments to its shareholders, the Company shall pay to each Participant who has elected Current Dividend Equivalents a cash payment in an amount equal to the amount of the Dividend Equivalents attributable to the Deferred Shares credited to his Deferred Share Account.

4.3 Vesting. All Deferred Shares (including Deferred Shares credited as Dividend Equivalents) credited to a Participant's Deferred Share Account shall be at all times fully vested and nonforfeitable.

4.4 Distribution of Benefits.

(a) Form of Distribution. Deferred Shares credited to a Participant's Deferred Share Account shall be distributed in an equivalent whole number of Shares. Fractional share interests shall be settled in cash. The Committee, in its sole discretion, may pay Deferred Shares credited as Dividend Equivalents in cash in lieu of Shares. If the limit on the number of Shares available under this Program in respect of Dividend Equivalents is reached, amounts attributable to subsequent Dividend Equivalents, deemed invested in Shares, shall be paid in cash.

(b) Timing of Distribution of Benefits. Benefits in respect of the Deferred Shares credited to a Participant's Deferred Share Account shall be distributed to the Participant (or his Beneficiary in the case of death) within the first 90 days of the year following the year of the Participant's Separation from Service for any reason (including, without limitation, Retirement, death, resignation or termination by the Company). If a Participant's benefits are paid in annual installments under Section 4.4(c), each annual installment shall be paid within the first 90 days of each calendar year. Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Program upon or by virtue of such Participant's Separation from Service for a reason other than death, the lump sum payment or the first annual installment payment, as the case may be, shall be paid in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above. Any additional installment payments shall be paid within the first 90 days of each subsequent calendar year.

(c) Manner of Distribution.

(i) General Rules. Distribution will generally be in the form of a lump sum payment. However, if a Participant separates from service on or after becoming eligible for Retirement, his Deferred Shares may instead be paid in annual installments over two (2) to 20 years. The number of Shares to be distributed in each annual distribution shall be equal to the number of Shares then credited to the Participant's Deferred Share Account divided by the number of remaining annual installments. Such number shall be adjusted

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downward to the nearest whole number of Shares so that no fractional Shares interests are distributed until the last annual installment distribution. Notwithstanding anything herein to the contrary, a distribution of Deferred Shares in the form of a series of annual installments shall be treated as a single payment for purposes of Section 409A of the Code.

(ii) Retirement Distribution Election. An individual who becomes an Eligible Person under this Program shall make an election as to his form of distribution no later than the earlier of (A) the date that the Eligible Person first makes a Deferral Election under Section 3.1 of this Program or (B) the date that a Mandatory Deferral Award is first granted to such Eligible Person. An election made under this subsection (ii) shall be made on a Distribution Election Form provided by and delivered to the Committee, and such election shall apply to all Deferred Shares credited under this Program. A Participant who fails to make an election in accordance with this subsection (ii) regarding the form of distribution upon or following Retirement will be deemed to have elected a lump sum.

(iii) Changes to Retirement Distribution Election. A Participant may change his election as to the form of Retirement distribution under this Program subject to the following conditions: (A) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (B) the election must defer the lump sum payment or the initial amount of an installment payment for a period of at least five (5) years from the date that the lump sum payment or initial amount of the installment payment, as the case may be, was otherwise payable; and (C) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change in the form of distribution were ever made. Any change of election as to the form of retirement distribution under any other deferral plan or program of the Company made by an Eligible Person after such Eligible Person's first Deferral Election under this Program shall have no effect on such Eligible Person's form of Retirement distribution under this Program. Notwithstanding the foregoing, a Participant may only change his election as to the time and form of Retirement distribution under this Program twice. Each such change must satisfy all of the requirements of this Section 4.4(c)(iii). No further changes may be made following a Participant's Separation from Service.

(iv) Override of Retirement Distribution Election. Notwithstanding the foregoing, if the value of the Participant's Deferred Share Account is less than \$50,000 at the time payment commences, the

Committee shall distribute the Participant's benefits in a single lump sum on the scheduled commencement date.

(d) Survivor Benefits. If the Participant dies at any time before or after Separation from Service while there are Deferred Shares credited to his Deferred Share Account, the Committee shall distribute the benefits in respect of such remaining Deferred Shares to the Participant's Beneficiary in a lump sum during the first 90 days of the calendar year following the year in which the Participant's death occurred, provided that, to the extent that any such remaining Deferred Shares were scheduled to be paid prior to that time, the Deferred Shares shall be paid at such earlier time as may be required by Section 409A.

(e) Effect of Change in Control. In the event of a Change in Control, the following rules shall apply:

- (i) All Participants shall continue to have a fully vested, nonforfeitable interest in their Deferred Share Account balances.
- (ii) The Board may, in its sole discretion, terminate and liquidate this Program pursuant to irrevocable action taken within 30 days preceding or the 12 months following the Change in Control, provided that the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix)(B) (or any successor provision) are satisfied.

(f) Section 162(m) Limitation. Notwithstanding the foregoing, if the Committee reasonably anticipates that any benefits payable to a Participant for a taxable year of the Company would not be deductible by the Company by reason of the limitation under Section 162(m) of the Code, then payment may be delayed to the extent permitted by Treas. Reg. § 1.409A-2(b)(7)(i) (or any successor provision).

(g) Special 2006 Transition Elections. Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, each Participant may make a new distribution election (a 'Special Transition Election') with respect to Deferred Shares credited to his general Deferred Share Account. Under this Special Transition Election, a Participant may make any of the following elections:

- (i) A Participant may elect to receive, in July 2007, a lump sum distribution of the Deferred Shares credited to his account as of December 31, 2006 plus additional Deferred Shares subsequently credited to that balance as Dividend Equivalents (if any) (his "Pre-2007 Deferred Shares") in the form described in Section 4.4(a) of this Program, and to receive a distribution upon Retirement of any Deferred Shares credited to his general Deferred Share Account after December 31, 2006 (other than Dividend Equivalents credited to his December 31, 2006 balance and Deferred Shares credited pursuant to Section 3.3(b)) (his "Future Deferred Shares") in

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accordance with his original Retirement distribution election under this Program.

- (ii) A Participant may elect to receive a lump sum distribution of his Pre-2007 Deferred Shares in the form described in Section 4.4(a) of this Program in July of 2007 and to change his election as to the form of distribution upon Retirement of any Future Deferred Shares.
- (iii) A Participant may elect to change his election as to the form of distribution of all Deferred Shares credited to his Deferred Share Account upon Retirement so that both his Pre-2007 Deferred Shares and his Future Deferred Shares are distributed in accordance with this changed election upon Retirement.
- (iv) A Participant may elect not to make any change to his election as to the form of distribution of Deferred Shares credited to his Deferred Share Account upon Retirement so that both his Pre-2007 Deferred Shares and his Future Deferred Shares are distributed in accordance with his original election under this Program upon Retirement.

To the extent that a Participant chooses not to change his original distribution election, payment of his Deferred Share Account shall be made in accordance with the foregoing provisions of this Section 4.4, with any payment upon Retirement made in the originally elected form.

Any Special Transition Election under this Section 4.4(g) must be made by November 3, 2006 or such later date as permitted by the Committee, but in no event later than December 31, 2006. No Special Transition Election under this Section 4.4(g) shall have any effect on any Deferred Shares credited to a special subaccount of a Participant's Deferred Share Account as described in Section 3.3(b) of this Program.

(h) Special 2008 Transition Elections.

- (i) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Section 409A of the Code and the regulations and guidance thereunder, each Participant as of November 1, 2008 may make the additional transition election described below with respect to Deferred Shares credited to his Deferred Share Account. The period for making such elections (the "transition election period") shall be determined by the Committee, provided that all such elections must be made by and shall become irrevocable as of December 31, 2008.

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- (ii) Each Participant may elect to receive, in March 2009, a lump sum distribution of all Deferred Shares credited to his Deferred Share Account, provided, that a Participant who is a Specified Employee and who has a Separation from Service before the end of the transition election period shall receive such distribution in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above.

If a Participant does not make this election, his benefit shall be distributed in accordance with the foregoing provisions of this Section 4.4, with any payment upon Retirement made in the previously elected form.

4.5 Adjustments in Case of Changes in Common Stock.

(a) If the outstanding Shares are increased, decreased, or exchanged for a different number or kind of securities, or if additional shares or new or different shares or other securities are distributed with respect to such Shares or other securities, through merger, consolidation, sale of all or substantially all of the assets of Occidental Petroleum Corporation, reorganization, recapitalization, stock dividend, stock split, reverse stock split or similar change in capitalization or any other distribution with respect to such Shares or other securities, proportionate and equitable adjustments consistent with the effect of such event on stockholders generally (but without duplication of benefits if Dividend Equivalents are credited) shall be made in the number and type of Shares or other securities, property and/or rights contemplated hereunder and of rights in respect of Deferred Shares and Deferred Share Accounts credited under this Program so as to preserve the benefits intended. The adjustment provisions of each Equity Plan governing the effect of extraordinary dividends, recapitalization, mergers, spin-offs, etc. shall also apply to the related Deferred Shares granted under such Equity Plan in accordance with this Program.

(b) If the event results in any rights of shareholders to receive cash (other than cash dividends and cash distributions), a corresponding amount of cash shall be credited to each Participant's Deferred Share Account, deemed invested as determined by the Committee and distributed with the rest of each Participant's Deferred Share Account in accordance with Section 4.4.

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4.6 Company's Right to Withhold. The Company may satisfy any state or federal tax withholding obligation arising upon a distribution of Shares and any cash with respect to a Participant's Deferred Share Account by reducing the number of Shares or cash otherwise deliverable to the Participant. The appropriate number of Shares required to satisfy such tax withholding obligation in the case of Deferred Shares will be based on the Fair Market Value of a Share on the date of distribution. If the Company, for any reason, elects not to (or cannot) satisfy the withholding obligation in accordance with the preceding sentence, the Participant shall pay or provide for payment in cash of the amount of any taxes which the Company may be required to withhold with respect to the benefits hereunder, before any such benefits are paid.

4.7 Reemployment. If a Participant's separates from service and such Participant is re-employed by the Company prior to the payment of his benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the lump sum amount or the future installments, as the case may be, shall be made as scheduled without regard to the Participant's reemployment.

4.8 Section 409A Compliance. Notwithstanding anything herein to the contrary, any amount that would have been paid in 2008 under the provisions of the Program as in effect prior to November 1, 2008 shall be paid by December 31, 2008. No amount shall be paid in 2008 under the provisions of this November 1, 2008 restatement that would not have been paid in 2008 under the prior provisions of the Program.

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**ARTICLE V
ADMINISTRATION**

5.1 The Administrator. The Committee hereunder shall consist of (i) the members of the Executive Compensation and Human Resources Committee of the Board who are Non-Employee Directors within the meaning of Rule 16b-3 and "outside directors" for purposes of Section 162(m) of the Code, or (ii) such other committee of the Board, each participating member of which is a Non-Employee Director (as defined in Rule 16b-3) and each member of which is an "outside director" for purposes of Section 162(m) of the Code, as may hereafter be appointed by the Board to serve as administrator of this Program. Any member of the Committee may resign by delivering a written resignation to the Board. Members of the Committee shall not receive any additional compensation for administration of this Program.

5.2 Committee Action. Action of the Committee with respect to the administration of this Program shall be taken pursuant to a majority vote or by unanimous written consent of its members.

5.3 Rights And Duties.

(a) Subject to the limitations of this Program, the Committee shall be charged with the general administration of this Program and the responsibility for carrying out its provisions, and shall have powers necessary to accomplish those purposes, including, but not by way of limitation, the following:

- (i) To construe and interpret this Program;
- (ii) To resolve any questions concerning the amount of benefits payable to a Participant;
- (iii) To make all other determinations required by this Program, including adjustments under Section 4.5;
- (iv) To maintain all the necessary records for the administration of this Program and provide statements of Deferred Share Accounts to Participants on an annual or more frequent basis;
- (v) To make and publish forms, rules and procedures for the administration of this Program; and
- (vi) To administer the claims procedures set forth in Article VI for presentation of claims by Participants and Beneficiaries for benefits under this Program, including consideration of such claims, review of claim denials and issuance of a decision on review.

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(b) The Committee shall have full discretion to construe and interpret the terms and provisions of this Program (but not to increase amounts payable hereunder) and to resolve any disputed question or controversy, which interpretation or construction or resolution, including decisions with respect to adjustments under Section 4.5, shall be final and binding on all parties, including but not limited to the Company and any Eligible Person, Participant or Beneficiary, except as otherwise required by law. The Committee shall administer such terms and provisions in a nondiscriminatory manner and in full accordance with any and all laws applicable to this Program. In performing its duties, the Committee shall be entitled to rely on information, opinions, reports or statements prepared or presented by (i) officers or employees of the Company whom the Committee believes to be reliable and competent as to such matters and (ii) counsel (who may be employees of the Company), independent accountants and other persons as to matters which the Committee believes to be within such persons' professional or expert competence. The Committee shall be fully protected with respect to any action taken or omitted by it in good faith pursuant to the advice of such persons. The Committee may appoint a program administrator or any other agent, and delegate to them such powers and duties in connection with the administration of this Program as the Committee may from time to time prescribe.

5.4 Indemnity and Liability. All expenses of the Committee shall be paid by the Company, and the Company shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties. To the extent permitted by law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and each member thereof, and delegates of the Committee who are employees of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Program, other than liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

Payment of any indemnity under this section that is not exempt from Section 409A of the Code shall comply with Section 409A's requirements for reimbursement plans, as set forth in Treasury Regulation § 1.409A-3(i)(1)(iv) (or any successor provision). For this purpose, (a) the indemnity under this section shall continue for the indemnified person's lifetime, and, if later, until the complete disposition of all covered claims, (b) the amount of expenses indemnified during one taxable year of an indemnified person shall not affect the amount of expenses indemnified in any other taxable year; (c) payment of an indemnity shall be made by the last day of the indemnified person's taxable year following the taxable year in which the expense was incurred and (d) the indemnified person's right to indemnification shall not be subject to liquidation or exchange for any other benefit. If, after payment of any amount to the indemnified person pursuant to this provision, it is determined that the indemnified person is not entitled to indemnification, the indemnified person shall promptly repay such amount to the Company.

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ARTICLE VI CLAIMS PROCEDURE

6.1 Applications for Benefits. All applications for benefits under the Program shall be submitted to Occidental Petroleum Corporation, Attention: Corporate Secretary, 10889 Wilshire Blvd., Los Angeles, CA 90024. Applications for benefits must be in writing on the forms prescribed by the Committee and must be signed by the Participant, or in the case of a death benefit, by the Beneficiary or legal representative of the deceased Participant.

6.2 Claims Procedures.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination, (ii) reference to the specific Program provisions on which the adverse benefit determination is based, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary, and (iv) a description of the Program's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 6.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the

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initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit determination, (ii) reference to the specific Program provisions on which the adverse final benefit determination is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other

information relevant to the claimant's claim for benefits, and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 6.4.

6.3 Section 409A Compliance. Any claim for benefits under this Article must be made by the claimant no later than the time prescribed by Treasury Regulation § 1.409A-3(g) (or any successor provision). If a claimant's claim or appeal is approved, any resulting payment of benefits will be made no later than the time prescribed for payment of benefits by Treasury Regulation § 1.409A-3(g) (or any successor provision).

6.4 Limitations on Actions. No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

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ARTICLE VII AMENDMENT AND TERMINATION OF PROGRAM

7.1 Amendment. The Board may amend this Program in whole or in part at any time or may at any time suspend or terminate this Program. The Executive Compensation and Human Resources Committee of the Board may amend this Program to (a) ensure that this Program complies with the provisions of Section 409A of the Code for the deferral of taxation on amounts deferred hereunder until the time of distribution and (b) add provisions for changes to Deferral Elections and elections as to time and manner of distributions and other changes that comply with the requirements of Section 409A of the Code for the deferral of taxation on deferred compensation until the time of distribution. Notwithstanding the foregoing, no amendment shall reduce the number of Deferred Shares and Dividend Equivalents credited to any Participant's Deferred Share Account or cancel any Participant's right to receive Dividend Equivalents (and any cash that may become payable pursuant to Section 4.5(b)) without the consent of the affected Participant. Any amendments authorized hereby shall be stated in an instrument in writing and all Eligible Persons shall be bound thereby upon receipt of written notice thereof. Adjustments pursuant to Section 4.5 hereof shall not be deemed amendments to this Program, the Deferred Share Accounts or the rights of Participants.

7.2 Term. It is the current expectation of the Company that this Program shall be continued indefinitely, but continuance of this Program is not assumed as a contractual obligation of the Company. In the event that the Board decides to discontinue or terminate this Program, it shall notify the Committee and Participants in this Program of its action in writing, and this Program shall be terminated at the time therein set forth. All Participants shall be bound thereby. Distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Program except that payments may, in the sole discretion of the Board, be accelerated if one of the following requirements is satisfied:

(a) The Program is terminated and liquidated pursuant to Section 4.4(e) of the Program,

(b) Accelerated payment is otherwise permitted by Treasury Regulation § 1.409A-3(j)(4)(ix) (or any successor provision) or other guidance issued by the Secretary of the Treasury, or

(c) The Program is terminated because the Participants have become subject to tax on the amounts deferred under the Program because of a failure of the Program to satisfy the requirements of Section 409A of the Code. Payment to a Participant may not exceed the amount required to be included in income as a result of such failure.

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ARTICLE VIII MISCELLANEOUS

8.1 Limitation on Participant's Rights. Participation in this Program shall not give any person the right to continued employment or service or any rights or interests other than as herein provided. No Participant shall have any right to any payment or benefit hereunder except to the extent provided in this Program. This Program creates no fiduciary duty to Participants and shall create only a contractual obligation on the part of the Company as to such amounts; this Program shall not be construed as creating a trust. This Program, in and of itself, has no assets. Participants shall have rights no greater than the right to receive the Common Stock (and any cash as expressly provided herein) or the value thereof as a general unsecured creditor in respect of their Deferred Share Accounts.

8.2 Beneficiary Designation. Upon forms provided by and subject to conditions imposed by the Company, each Participant may designate in writing the Beneficiary or Beneficiaries whom such Participant desires to receive any Shares or amounts payable under this Program after his death. A Participant may from time to time change his designated Beneficiary or Beneficiaries without the consent of such Beneficiary or Beneficiaries by filing a new designation with the Committee. However, if a married Participant wishes to designate a person other than his spouse as Beneficiary, such designation shall be consented to in writing by the spouse, which consent shall acknowledge the effect of the designation. The Participant may change any election designating a Beneficiary or Beneficiaries without any requirement of further spousal consent if the spouse's consent so provides. Notwithstanding the foregoing, spousal consent shall be unnecessary if it is established (to the satisfaction of the Committee or a Committee representative) that there is no spouse or that the required consent cannot be obtained because the spouse cannot be located. The Company and the Committee may rely on the Participant's designation of a Beneficiary or Beneficiaries last filed in accordance with the terms of this Program. Notwithstanding the foregoing, if a Participant has completed a beneficiary designation form for deferred Shares under any other plan or program of the Company, such prior designation shall be the Beneficiary designation under this Program and apply to all benefits of the Participant hereunder unless changed in accordance with this Section 8.2.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

8.3 Payments to Minors or Persons Under Incapacity. Every person receiving or claiming benefits under this Program shall be conclusively presumed to be mentally competent and of age until the date on which the Committee receives a written notice, in a form and manner acceptable to the

Committee, that such person is incompetent or a minor, for whom a guardian or other person legally vested with the care of his person or estate has been appointed; provided, however, that if the Committee finds that any person to whom a benefit is payable under this

Program is unable to care for his affairs because of incompetency, or because he is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, a brother or sister, or to any person or institution considered by the Committee to have incurred expense for such person otherwise entitled to payment. To the extent permitted by law, any such payment so made shall be a complete discharge of liability therefor under this Program.

If a guardian of the estate of any person receiving or claiming benefits under this Program is appointed by a court of competent jurisdiction, benefit payments may be made to such guardian provided that proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Committee. In the event a person claiming or receiving benefits under this Program is a minor, payment may be made to the custodian of an account for such person under the Uniform Gifts to Minors Act. To the extent permitted by law, any such payment so made shall be a complete discharge of any liability therefor under this Program.

8.4 Receipt and Release. Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of this Program shall, to the extent thereof, be in full satisfaction of all claims against the Board, the Committee, and the Company. The Committee may require such Participant or Beneficiary to execute a receipt and release to such effect.

8.5 Deferred Shares and Other Benefits Not Assignable; Obligations Binding Upon Successors. Deferred Shares and other benefits of a Participant under this Program shall not be assignable or transferable and any purported transfer, assignment, pledge or other encumbrance or attachment of any payments or benefits under this Program, or any interest therein, other than by operation of law or pursuant to Section 8.2, shall not be permitted or recognized. Obligations of the Company under this Program shall be binding upon successors of the Company.

8.6 Employment Taxes. The Company may satisfy any state or federal employment tax withholding obligation arising from a deferral of a Qualifying Stock Award under this Program by deducting such amount from any amount of compensation payable to the Participant. Alternatively, the Company may require the Participant to deliver to it the amount of any such withholding obligation as a condition to the deferral of the Qualifying Stock Award. The Company may instead satisfy any such withholding obligation by reducing the number of Deferred Shares that would otherwise be credited to the Participant's Deferred Share Account as a result of the deferral, provided that the Company and the Participant make appropriate arrangements to satisfy all additional income and employment tax withholding obligations that arise as a result of using this Deferred Share credit reduction method to satisfy the original employment tax withholding obligation. Any reduction pursuant to this provision shall be made in compliance with the requirements of Section 409A of the Code and the regulations promulgated thereunder.

8.7 Governing Law; Severability. The validity of this Program or any of its provisions shall be construed, administered and governed in all respects under and by the laws of the State of Delaware to the extent such laws are not preempted by the Employee Retirement Income Security Act of 1974, as amended. If any provisions of this instrument shall be held by a

court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

8.8 Compliance with Laws. This Program, the Company's issuance of Deferred Shares, and the offer, issuance and delivery of Shares and/or the payment in Shares through the deferral of compensation under this Program are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities law) and to such approvals by any listing, agency or any regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under this Program shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements.

8.9 Program Construction. It is the intent of the Company that transactions pursuant to this Program, with respect to Eligible Persons or Participants who are subject to Section 16 of the Exchange Act, satisfy and be interpreted in a manner that satisfies the applicable requirements of Rule 16b-3 so that to the extent elections are timely made, the crediting of Deferred Shares and the distribution of Shares with respect to Deferred Shares under this Program will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the Exchange Act and will not be subjected to avoidable liability thereunder.

8.10 Compliance with Tax Laws to Preserve Tax Deferral. This Program shall be construed, administered, and governed in a manner that is consistent with, and that satisfies the requirements of, Section 409A of the Code and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Program is deferred until distribution as expressly provided under this Program.

8.11 Headings Not Part of Program. Headings and subheadings in this Program are inserted for reference only and are not to be considered in the construction of the provisions hereof.

IN WITNESS WHEREOF, Occidental Petroleum Corporation has caused its duly authorized officer to execute this document this ___ day of _____, 2008.

**OCCIDENTAL PETROLEUM
CORPORATION**

By _____
Martin A. Cozyn
Executive Vice-President, Human Resources

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(Amounts in millions, except per-share amounts)

	Three Months		Periods Ended September 30	
	2008	2007	2008	2007
BASIC EARNINGS PER SHARE				
Earnings applicable to common stock	\$ 2,271	\$ 1,324	\$ 6,414	\$ 3,948
Basic shares				
Weighted average common shares outstanding	880.6	875.9	879.3	873.1
Treasury stock	(65.9)	(45.2)	(60.1)	(39.5)
Vested, unissued shares	0.6	2.4	0.9	3.4
Basic shares	<u>815.3</u>	<u>833.1</u>	<u>820.1</u>	<u>837.0</u>
Basic earnings per share				
Income from continuing operations	\$ 2.79	\$ 1.58	\$ 7.79	\$ 4.34
Discontinued operations, net	<u>—</u>	<u>0.01</u>	<u>0.03</u>	<u>0.38</u>
Basic earnings per common share	<u>\$ 2.79</u>	<u>\$ 1.59</u>	<u>\$ 7.82</u>	<u>\$ 4.72</u>
DILUTED EARNINGS PER SHARE				
Earnings applicable to common stock	\$ 2,271	\$ 1,324	\$ 6,414	\$ 3,948
Diluted shares				
Basic shares	815.3	833.1	820.1	837.0
Dilutive effect of stock options and unvested restricted shares	2.4	3.9	3.7	3.9
Diluted shares	<u>817.7</u>	<u>837.0</u>	<u>823.8</u>	<u>840.9</u>
Diluted earnings per share				
Income from continuing operations	\$ 2.78	\$ 1.57	\$ 7.76	\$ 4.31
Discontinued operations, net	<u>—</u>	<u>0.01</u>	<u>0.03</u>	<u>0.38</u>
Diluted earnings per common share	<u>\$ 2.78</u>	<u>\$ 1.58</u>	<u>\$ 7.79</u>	<u>\$ 4.69</u>

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

	Nine Months Ended September 30			Year Ended December 31			
	2008	2007	2007	2006	2005	2004	2003
Income from continuing operations	\$ 6,391	\$ 3,630	\$ 5,078	\$ 4,202	\$ 4,838	\$ 2,197	\$ 1,410
Add:							
Minority interest ^(a)	104	44	75	111	74	76	62
Adjusted income from equity investments ^(b)	(103)	(14)	(28)	(52)	(53)	(5)	72
	<u>6,392</u>	<u>3,660</u>	<u>5,125</u>	<u>4,261</u>	<u>4,859</u>	<u>2,268</u>	<u>1,544</u>
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	1,982	1,098	1,577	1,545	632	891	593
Interest and debt expense ^(c)	97	297	344	297	305	270	337
Portion of lease rentals representative of the interest factor	31	25	60	52	47	40	8
	<u>2,110</u>	<u>1,420</u>	<u>1,981</u>	<u>1,894</u>	<u>984</u>	<u>1,201</u>	<u>938</u>
Earnings before fixed charges	<u>\$ 8,502</u>	<u>\$ 5,080</u>	<u>\$ 7,106</u>	<u>\$ 6,155</u>	<u>\$ 5,843</u>	<u>\$ 3,469</u>	<u>\$ 2,482</u>
Fixed charges							
Interest and debt expense including capitalized interest ^(c)	\$ 140	\$ 343	\$ 403	\$ 352	\$ 331	\$ 285	\$ 343
Portion of lease rentals representative of the interest factor	31	25	60	52	47	40	8
Total fixed charges	<u>\$ 171</u>	<u>\$ 368</u>	<u>\$ 463</u>	<u>\$ 404</u>	<u>\$ 378</u>	<u>\$ 325</u>	<u>\$ 351</u>
Ratio of earnings to fixed charges	<u>49.72</u>	<u>13.80</u>	<u>15.35</u>	<u>15.24</u>	<u>15.46</u>	<u>10.67</u>	<u>7.07</u>

(a) Represents minority interests in net income of majority-owned subsidiaries and partnerships having fixed charges.

(b) Represents income from equity investments adjusted to reflect only dividends received.

(c) Includes proportionate share of interest and debt expense of equity investments. The nine months ended September 30, 2007 amount includes a pre-tax interest charge of \$167 million for the purchase of various debt issues in the open market.

RULE 13a – 14(a) / 15d – 14 (a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ray R. Irani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2008

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

RULE 13a – 14(a) / 15d – 14 (a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen I. Chazen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2008

/s/ Stephen I. Chazen
Stephen I. Chazen
President and Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended September 30, 2008, as filed with the Securities and Exchange Commission on November 4, 2008 (the "Report"), Ray R. Irani, as Chief Executive Officer of the Company, and Stephen I. Chazen, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ray R. Irani

Name: Ray R. Irani
Title: Chairman of the Board of Directors and Chief Executive Officer
Date: November 4, 2008

/s/ Stephen I. Chazen

Name: Stephen I. Chazen
Title: President and Chief Financial Officer
Date: November 4, 2008

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

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